



COMMONWEALTH OF AUSTRALIA

HOUSE OF REPRESENTATIVES

Votes and Proceedings

Hansard

WEDNESDAY, 28 MARCH 2007

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SITTING DAYS—2007

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

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FIRST SESSION—EIGHTH PERIOD**

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Deputy Leader—The Hon. Peter Howard Costello MP

Chief Government Whip—Mr Kerry Joseph Bartlett MP

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The Nationals

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Chief Whip—Mrs Kay Elizabeth Hull MP

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Leader—Mr Kevin Michael Rudd MP

Deputy Leader—Ms Julia Eileen Gillard MP

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

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Windsor, Antony Harold Curties	New England, NSW	Ind
Wood, Jason Peter	La Trobe, Vic	LP

PARTY ABBREVIATIONS

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

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(The above ministers constitute the cabinet)

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Shadow Parliamentary Secretary to the Leader of the Opposition (Social and Community Affairs)	Senator Ursula Mary Stephens

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Wednesday, 28 March 2007

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

**LIQUID FUEL EMERGENCY AMENDMENT
BILL 2007**

First Reading

Bill and explanatory memorandum presented by **Mr Baldwin**

Bill read a first time.

Second Reading

Mr BALDWIN (Paterson—Parliamentary Secretary to the Minister for Industry, Tourism and Resources) (9.02 am)—I move:

That this bill be now read a second time.

In 2004 the Australian government commissioned a review of the Liquid Fuel Emergency Act 1984.

The review was conducted by ACIL Tasman and proposed a number of changes to improve the economic and administrative efficiency of preparations for and management of a national liquid fuel emergency.

Many of the recommendations were accepted by the Ministerial Council on Energy and by the government in its response in December 2005. This Liquid Fuel Emergency Amendment Bill 2007 will give effect to those recommendations.

Australian suppliers of petroleum products are adept at managing supply chains to efficiently and reliably provide liquid fuels to the Australian market. Disruptions at any point in the supply chain can affect the capacity of suppliers to provide fuel to the end user, but anything more than a minor inconvenience has been rare. In most cases, the end fuel user has been oblivious to any problem. In situations where there has been pressure on supply, the normal operation of the market has effectively managed the shortfall.

In the rare circumstance where intervention could be necessary, each state and territory government has its own liquid fuel emergency legislation and response plan. Where the crisis is beyond the capacity of either the fuel industry or the relevant state or territory government to manage on their own, a national liquid fuel emergency may be declared. However, no such emergency has been declared since the Liquid Fuel Emergency Act came into force nearly 23 years ago.

Nevertheless, the existence of the act recognises that such an emergency is possible and this amendment bill improves its arrangements. There are many potential triggers and it is not possible to predict which could require the use of the act's powers. While I do not wish to limit the ability of present and future governments to deal with a national liquid fuel emergency caused by an unforeseen event, such emergency could conceivably be brought about by a terrorist attack against one or

more oil refineries, an accident caused by human error, long-term industrial action at our ports or even a major disruption in places like Singapore or the Middle East.

While the government accepts its responsibility to prepare contingency plans for a potential national liquid fuel emergency, the act does not, and was never intended to, manage or reduce fuel supply risks for fuel users. If such an emergency does occur, the government cannot guarantee that all fuel users will have access to the fuel that they desire. Although the act provides the government with extensive powers to control the distribution and sale of fuel, a finite amount of fuel available means it is the government's responsibility to ensure that it goes to those fuel users that need it the most, without causing any further disruption to the community than is necessary.

All businesses with operations that rely on an uninterrupted supply of liquid fuel should understand that there is a remote possibility that their fuel supply could potentially be disrupted and consider how they would cope if such disruption occurred.

Mr Speaker, I now turn to some of the major elements of this bill.

The bill changes the definition of 'essential' user to relate more specifically to the health, safety and welfare of the community and removes the concept of 'high priority' user from the act. These changes narrow the types of fuel users with preferential access to fuels in the event of a national liquid fuel emergency and therefore encourage appropriate investment in risk management. The government retains the power to identify additional 'essential' users under the act and to tailor the list of essential users to the specific circumstances of a disruption.

The bill amends the compensation provisions of the act to establish a more equitable regime. Compensation will be payable under:

- section 45, where compensation for an acquisition of property must be on just terms; and
- section 46, where a fuel industry corporation or person can be compensated if forced to comply with a government direction prior to the emergency. A claimant must demonstrate that they have suffered a loss as a result of the direction and that they have been unable to recover that loss from the market.

No compensation will be payable for any losses suffered as a result of compliance with a direction during a national liquid fuel emergency.

Other changes to these provisions extend the exemption from a law suit for a breach of contract and for officials exercising a power or performing a function under the act reasonably and in good faith.

The bill will enable certain legislative instruments under the act to take effect prior to their registration, or to prevent the parliament from disallowing or sunset-

ting certain legislative instruments. These changes will enable the government to respond as quickly as possible to changing circumstances in a national liquid fuel emergency. In most cases, these exemptions will not be necessary. However, fuel supply disruptions are inherently unpredictable, and there must be a high degree of flexibility in the government's ability to respond.

The bill introduces an exemption from prosecution for conduct during a national liquid fuel emergency that would breach part IV of the Trade Practices Act 1974, which deals with anticompetitive conduct, if that conduct is required by a direction under the act. The government is relying on the cooperation of fuel corporations to help it respond to a national liquid fuel emergency, and the inclusion of this clause will provide greater certainty of a corporation's potential liability.

This change is not intended to signal open season on anticompetitive practices. It is the intention that a direction will specify acceptable conduct or arrangements if there is a risk of anticompetitive effect. In any event, the minister will retain the power to revoke a direction if it is not achieving its intended purpose.

The bill extends the capacity of the minister to delegate his or her powers and functions under the act, enabling a more devolved emergency response that can better adapt to changing circumstances.

It also amends the enforcement provisions of the act to require a search warrant to be issued by a magistrate rather than a justice of the peace, as well as outlining the requirements for consent and clarifying some of the powers of authorised persons appointed under the act.

The Australian Capital Territory will now be a legal entity within the terms of the act, and the penalty provisions updated to reflect current drafting practices and criminal law policy.

The Liquid Fuel Emergency Amendment Bill is intended to facilitate two outcomes:

- to encourage the more effective management of fuel supply risks by those persons or organisations that have the capacity to do so; and
- to ensure that administrative arrangements remain efficient, effective and sufficiently flexible, reflecting the many different circumstances that could trigger the exercise of the government's powers under the act.

The changes to the Liquid Fuel Emergency Act that will be given effect by this bill will strike an appropriate balance between these two objectives.

I commend the bill to the House.

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

GOVERNANCE REVIEW IMPLEMENTATION (SCIENCE RESEARCH AGENCIES) BILL 2007

First Reading

Bill and explanatory memorandum presented by **Ms Julie Bishop**.

Bill read a first time.

Second Reading

Ms JULIE BISHOP (Curtin—Minister for Education, Science and Training and Minister Assisting the Prime Minister for Women's Issues) (9.10 am)—I move:

That this bill be now read a second time.

The Governance Review Implementation (Science Research Agencies) Bill 2007 amends the Australian Institute of Marine Science Act 1987, the AIMS Act, the Australian Nuclear Science and Technology Organisation Act 1987, the ANSTO Act, and the Science and Industry Research Act 1949, the SIR Act, to implement changes to the governance arrangements of the Australian Institute of Marine Science—known as AIMS; the Australian Nuclear Science and Technology Organisation—known as ANSTO; and the Commonwealth Scientific and Industrial Research Organisation—known as CSIRO.

These changes form part of the government's response to the recommendations of the review of the corporate governance of statutory authorities and office holders conducted by Mr John Uhrig.

The assessment of all three science research agencies against the recommendations of the Uhrig review found that their functions are best suited to the board template. However, a number of minor changes are required to legislation for each agency to enhance their governance arrangements and make them fully consistent with that board template.

The current arrangements in relation to the appointment of future CEOs for AIMS and CSIRO are being amended to reflect the Uhrig review recommendation that the CEO should be appointed by the board, rather than the Governor-General. This arrangement is already in place in ANSTO.

A number of consequential amendments are also being made to ensure that other relevant provisions, including provisions relating to termination of the appointment of the future CEOs, are consistent with this arrangement.

In recognition of the responsibilities and workload of the chair of the CSIRO board, a position of deputy chair has been created. Again, this is consistent with the arrangements that already apply to ANSTO.

Consistent with the Uhrig review recommendations regarding the powers of a governing body, the legislative requirement for ministerial approval of contracts above a prescribed value will be removed from the acts

for all three agencies. This will be replaced by a requirement, set out in the minister's statement of expectations that the minister is notified in advance of the agencies entering into significant contracts.

The ANSTO Act will also be amended to reflect Uhrig review recommendations with regard to best practice for boards by specifying that the board will consist of six to nine members, including the executive director. This increase in the size of the board will enable a wider range of expertise to be brought to bear on corporate governance of ANSTO and is commensurate with the extent and technical complexity of its operations.

For consistency with commercial practice, the title of the chief executive of ANSTO will be changed to 'Chief Executive Officer' rather than the current 'Executive Director'.

In relation to CSIRO, the legislation is being amended to provide that the chief executive seek the board's approval for the payment of bonuses or IP rewards to CSIRO staff, rather than the minister's approval.

Section 9A of the Science and Industry Research Act is also being amended to remove the need for ministerial approval of the acceptance of gifts.

The legislative enhancements to the science agencies' governance arrangements will be complemented by the issuance of statements of expectations by the Minister for Education, Science and Training to the AIMS Council and the ANSTO and CSIRO boards outlining the government's current objectives relevant to these agencies, as well as any broad expectations that the minister has for them. The AIMS Council and the ANSTO and CSIRO boards will each reply to the statement of expectations with a statement of intent, outlining how they propose to meet the expectations of the minister. The statements of expectations and the statements of intent will be made public.

The statement of expectations will augment the 2007-08 to 2010-11 quadrennium funding agreements (which replace the former triennium funding agreements), which also serve to document key understandings about the agencies operations over this period. The agreements will be entered into by the agencies, the Minister for Finance and Administration and the Minister for Education, Science and Training.

Finally, I would like to draw the attention of the House to the fact that the deputy secretary of my department has resigned from the ANSTO board and the secretary of my department has resigned from the CSIRO board to remove any potential for conflict of interest for serving public servants between their responsibilities to the minister and to the boards.

The amendments to the sciences agencies' acts are part of a suite of changes that are being implemented

by the government to improve the governance arrangements for various statutory agencies within the Education, Science and Training portfolio.

I commend the bill to the House.

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

GREAT BARRIER REEF MARINE PARK AMENDMENT BILL 2007

First Reading

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

Bill read a first time.

Second Reading

Mr TURNBULL (Wentworth—Minister for the Environment and Water Resources) (9.16 am)—I move:

That this bill be now read a second time.

The purpose of the Great Barrier Reef Marine Park Amendment Bill 2007 is to amend the Great Barrier Reef Marine Park Act 1975 to implement priority recommendations of the 2006 review of the act.

The Great Barrier Reef is an Australian icon. In 1975 the Australian government enacted the Great Barrier Reef Marine Park Act 1975 to establish a marine park in the Great Barrier Reef region and to set up an authority to manage the park. At the time the government stated that 'the protection of our unique barrier reef is of paramount importance to Australia and to the world'. The act had bipartisan support in the parliament and was groundbreaking legislation. In providing for 'reasonable use' to coexist with conservation, it established the concept of a multiple-use park, and has since been an exemplar for marine management and conservation.

The Australian government has remained committed to the long-term protection of the Great Barrier Reef. Since 1975 much has been achieved and the Great Barrier Reef is in relatively good shape compared to other coral systems around the world. In 1981 the conservation values of the Great Barrier Reef were internationally recognised with its inscription on the World Heritage list. Between 1979 and 2001, 33 sections of the marine park were formally proclaimed. Throughout this period the Australian and Queensland governments have worked together collaboratively to protect the environmental, social and economic values of the Great Barrier Reef.

The marine park now extends over 344,400 square kilometres. Following the introduction in July 2004 of the Great Barrier Reef Marine Park zoning plan in 2003, the marine park is now covered by a single zoning plan that has significantly increased the area and level of protection. This zoning plan has been recognised, both nationally and internationally, as an impor-

tant milestone in the ecosystem based approach to conserving marine biodiversity.

The act has now been in place for over 30 years and the 2003 zoning plan formed a transition point in the management and protection of the marine park. In 2004, the Australian government undertook to review the act to improve the performance of the Great Barrier Reef Marine Park Authority, its office holders and its accountability frameworks.

The review commenced in August 2005. It encompassed the outcomes of the 2003 Uhrig review of corporate governance of statutory authorities, changes in the Commonwealth's financial management frameworks that were introduced in 1997 and the need for better integration with the government's key environmental legislation, the Environment Protection and Biodiversity Conservation Act 1999. Some 227 public submissions were made to the review, and during its course there were 36 meetings with a wide range of stakeholders. The report from the review was publicly released in October 2006. The Australian government endorsed the review's findings and recommendations and the review outcomes were widely welcomed by stakeholders.

The implementation of the review recommendations will deliver modern legislation for the Great Barrier Reef Marine Park capable of responding to the long-term protection needs of the future. This bill delivers the first tranche of changes that will strengthen governance arrangements and improve transparency and accountability, particularly in relation to the zoning plan process. The Great Barrier Reef Marine Park Authority will have an improved ability to engage effectively and transparently with stakeholders. Later there will also be changes to better integrate the act's environmental assessment and compliance and enforcement measures with the Environment Protection and Biodiversity Conservation Act 1999. Equally important are the review recommendations that enhance the relationship with Queensland through an updated intergovernmental agreement with a clear charter for the ministerial council, but these do not require legislative change.

The amendments to the Great Barrier Reef Marine Park Act 1975 contained within this bill can be categorised as amendments aimed at improving transparency and accountability and strengthening the governance of the Great Barrier Reef Marine Park Authority.

The amendments will ensure that the current zoning plan for the Great Barrier Reef Marine Park cannot be amended for at least seven years from the date it came into force. This will provide stability for business, communities and biological systems. A process to allow for the correction of typographical errors in a zoning plan is provided.

A regular and reliable means of assessing the protection of the Great Barrier Reef will be provided through

a formal outlook report that is tabled in parliament every five years. This report will cover the management of the marine park, the overall condition of the ecosystem and the longer term outlook for the Great Barrier Reef. It will be peer reviewed by an appropriately qualified panel of experts appointed by the minister.

The minister will be responsible for any future decision to amend the zoning plan, and any such decision will be based on the outlook report and advice from the authority.

Engagement with stakeholders on the development of a new zoning plan will be improved and the process made more transparent, with comprehensive information being made publicly available throughout the process. This will include the rationale for amending the zoning plan, the principles on which the development of the zoning plan will be based, socioeconomic information, and a report on the final zoning plan and its outcomes.

In addition, each of the two public consultation periods will be increased from one month to three months.

The authority will remain a statutory authority and body corporate. The authority will become subject to the Financial Management and Accountability Act 1997 recognising that its funding is predominantly sourced from public moneys rather than commercial activities.

The role of the Great Barrier Reef Consultative Committee has been superseded by consultation mechanisms of the authority. This committee will be replaced by a non-statutory advisory board to the minister to provide a means of engaging with representational bodies and key experts.

Under the act, the authority comprises a minimum of two and a maximum of four members. This will be increased to a maximum of five members who will be selected for their relevant expertise. This will allow for a broader range of appointments to the authority.

In commissioning the review of the Great Barrier Reef Marine Park Act, and endorsing the comprehensive outcomes of that review, the Australian government has recognised the evolving needs and challenges for safeguarding the Great Barrier Reef into the future.

Meeting these challenges requires up-to-date, relevant legislation and an approach that provides for continued protection for marine life and biodiversity, as well as for ongoing sustainable economic and recreational activity, and engagement with all stakeholders.

The Australian government is committed to the long-term protection and wise use of the Great Barrier Reef. This bill will bring about changes that set a clear direction for the future management of one of Australia's

lia's most precious environmental assets. I commend the bill to the House.

Dr EMERSON (Rankin) (9.23 am)—As a former member of the Great Barrier Reef Marine Park Authority, I have great pleasure in moving:

That the debate be adjourned.

Question agreed to.

**VETERANS' AFFAIRS LEGISLATION
AMENDMENT (2007 MEASURES No. 1) BILL
2007**

First Reading

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

Bill read a first time.

Second Reading

Mr BILLSON (Dunkley—Minister for Veterans' Affairs and Minister Assisting the Minister for Defence) (9.24 am)—I move:

That this bill be now read a second time.

I am pleased to present legislation that will enhance and streamline Veterans' Affairs administrative practices and further align the Veterans' Entitlements Act 1986 with the Social Security Act 1991. The legislation also makes some minor changes to certain income support regimes and contains a number of minor and technical amendments to remove potential ambiguities and anomalies.

The bill includes consequential amendments to the Income Tax Assessment Act 1936 to include the income support supplement among the payments which can be exempt from providing a tax file number.

Amendments to the Income Tax Assessment Act 1997 are included to clarify and give effect to the taxable status of Defence Force income support allowance payments.

Technical amendments to the Military Rehabilitation and Compensation Act 2004 will correct some anomalies in the act. The amendments relate to injuries or diseases that are sustained or aggravated as a result of treatment for a service injury or disease. Previously some injuries or diseases sustained as a result of treatment for a service related injury or disease were not considered to be a service injury or disease if they were an expected consequence of the treatment. Under the changes, such conditions will be considered a service injury or disease.

A further amendment to the MRCA will clarify issues concerning the onus of proof for liability claims. The MRCA will be amended to show that there is no onus of proof for acceptance of liability claims. This is in line with the policy intention and was an oversight in the original legislation.

Amendments to the VEA income and assets test will be enhanced by allowing the disposal of assets provisions to be disregarded in circumstances where the asset is subsequently returned or adequate consideration is subsequently received. This will address some potentially unfair outcomes, including the possibility of double-counting of assets in some situations.

Amendments will also be made to include supplementary payments, such as telephone allowance, advance pharmaceutical allowance and education entry payments, in the definition of 'compensation-affected pension'. This will allow for the recovery of such payments from the compensation payment where the reduction in the income support pension is retrospective. Previously, the supplementary payments have had to be recovered directly from the recipient under the general overpayment provisions of the VEA. This amendment will simplify the recovery of overpayments under the compensation recovery provisions and will align VEA arrangements with those in place under the Social Security Act.

In addition, the bill amends the definition of 'compensation-affected pension' to reflect that income support supplement will cease to be a compensation-affected pension from qualifying age, rather than pension age. Qualifying age for DVA pensions is five years earlier than the pension age under the Social Security Act. This amendment reflects the policy intention and will ensure that all income support supplement recipients are treated equally, regardless of whether or not the person is a veteran.

Currently, the VEA does not include detailed requirements for the Repatriation Commission on providing written advice to claimants for certain determinations. The amendments in this bill rectify that situation and include amendments that explicitly identify the determinations for which the Repatriation Commission must provide a claimant with written notification.

The bill also seeks to clarify arrangements for the payment of pensions and the provision of treatment for a person in jail. Under the current arrangements, if a person is in prison on a pension payday, the entire pension instalment may be forfeited. The amendments in this bill will align the VEA with the Social Security Act under which pension is not payable only in respect to the days the person is in jail, not necessarily the full pension period. Further amendments will clarify that treatment under the VEA is not provided to persons in prison as this is the responsibility of the relevant state. The definition of jail is also being expanded and will include being lawfully detained in a prison or elsewhere pending trial or sentencing, and will take account of those in psychiatric confinement after having been charged with an offence.

The amendments will also rectify a misalignment between certain criteria of the income/assets reduction

limits rates which has occurred as a result of rounding. The rates affected are income/assets reduction limit with regard to treatment eligibility and dependent children. These will be addressed by varying the calculation methods.

Amendments are also being made to the Defence Force income support allowance, which include changes to recovery of overpayment provisions, and providing for an increase to the bereavement payment provisions of the Social Security Act to take account of the DFISA amount payable to a carer payment recipient in certain circumstances. Further amendments rectify an oversight in the legislation which has meant that the DFISA pension bonus would not be paid after the eligible person died if their claim had not been determined at the time of death.

The bill includes amendment to the rent assistance provisions which will clarify criteria for accessing rent assistance and extends rent assistance eligibility to special rate disability pension recipients.

Finally, the bill also includes numerous technical amendments to the Veterans' Entitlements Act. These include clarifying that family assistance payments are exempt from the veterans' entitlements income test. This will align the VEA with the Social Security Act and is in keeping with the intention of the family assistance payments. The bill also includes an amendment to extend the time period for lodging claims for travel reimbursement from three months to 12 months. This will assist ageing veterans who have difficulty lodging claims within the current time frame.

This bill continues the government's ongoing commitment to supporting Australia's current and former service personnel and ensuring their future wellbeing. I commend the bill to the House and to the veterans community.

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

BROADCASTING LEGISLATION AMENDMENT (DIGITAL RADIO) BILL 2007

First Reading

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

Bill read a first time.

Second Reading

Mr BILLSON (Dunkley—Minister for Veterans' Affairs and Minister Assisting the Minister for Defence) (9.31 am)—I move:

That this bill be now read a second time.

The transition to digital is the arguably the most important strategic issue facing Australian radio since the introduction of FM services in the 1970s and early eighties.

Radio broadcasting has an established and unique position in the Australian media landscape. It is the

most ubiquitous of all media, being found in virtually every home, car and workplace in the country.

Digitisation is transforming all media and communications sectors, enabling the delivery of a common range of audiovisual, entertainment and information services to an increasingly more engaged, demanding and fragmented audience. This is no more evident than in radio, where evolving digital technologies—such as MP3 players, iPods and other hand-held digital audio devices—are changing listening patterns and reshaping the way audio content is created, distributed and consumed.

In this context, it is notable that radio is the last significant broadcasting platform to remain analog only.

The Broadcasting Legislation Amendment (Digital Radio) Bill 2007 provides radio with the opportunity to build upon its existing strengths and define its position in the emerging digital landscape. By encouraging the delivery of a range of new and innovative digital services, this legislation will advance the potential consumer benefits of digital radio and enhance the high-quality radio services already enjoyed by millions of Australians every day.

I now turn to the substance of the bill.

The bill amends the Broadcasting Services Act 1992, Radiocommunications Act 1992 and Trade Practices Act 1974 to enable the licensing, planning and regulation of digital radio services. It also provides sufficient powers for the Australian Communications and Media Authority (ACMA) and the Australian Competition and Consumer Commission (ACCC) to undertake such activities.

These amendments implement the government's policy framework for the introduction of digital radio services that was announced in October 2005. The key premise of the framework is that digital radio will supplement existing analog radio services for a considerable period, and may never be a complete replacement. This is the clear message to emerge from the experience with digital radio overseas and from the research and consultations undertaken to support the development of this policy framework.

While most countries to have introduced digital radio anticipate that it will eventually replace analog services, none have done so with a firm expectation of an analog switch-off. Analog radio shutdown is a long-term prospect at best, with the dual operation of analog and digital likely to continue for a significant period. In recognition of this, the bill provides for a progressive transition to digital radio, without seeking to mandate an unrealistic and costly conversion from analog.

The first digital radio broadcasts are expected to occur in the state capital city markets by 1 January 2009. To this end, the bill amends existing licence categories

for commercial and community radio broadcasting to authorise the provision of digital radio services.

The participation of commercial, national and community broadcasters in the first phase of digital radio implementation recognises that the strength of Australian radio over recent decades has been based, in no small part, on the individual contributions made by each of these sectors. Diversity of services will be as important to the success of digital radio as it has been in analog, and the involvement of each of these sectors will ensure that the new platform can capitalise on the established skills and brand names of existing broadcasters.

These first digital radio services will be deployed using the European digital audio broadcasting or DAB standard, which is the most widely deployed terrestrial digital radio system internationally and, importantly for a small market like Australia, for which a wide range of reasonably priced, consumer receivers are available.

While the government favours an industry based approach to developing technical standards, the bill provides the ACMA with the power to determine such standards in relation to digital radio where necessary. ACMA will also be provided with the power to require industry to develop and register codes of practice relating to a range of digital radio issues and determine standards where these codes do not operate effectively. These measures will help ensure that consumers are appropriately protected as this new technology is introduced.

While digital radio services will initially be introduced in the state capital cities, listeners outside the state capitals have not been overlooked. The government remains committed to ensuring equitable access to new services in broadcasting for people living in rural and remote Australia, and commercial broadcasters in regional markets will be provided with the opportunity to commence DAB services should they wish to do so.

The bill also provides for a statutory review of issues surrounding the development of technologies that may be better suited to rollout in regional areas. This review, due to occur by 2011, will provide a timely consideration of the opportunities for regional digital radio in the context of the development of the platform in metropolitan areas as well as internationally.

To provide a measure of stability and certainty for the commercial broadcasters as they rollout digital radio transmission infrastructure and commence broadcasts, the bill introduces a six-year moratorium on the issue of new licence area planned commercial digital radio licences from the commencement of services in the respective markets. This moratorium gives effect to the government's 2004 election commitments and is consistent with the period of legislative protection provided for digital television.

However, the moratorium will be contingent upon each of the incumbent commercial radio broadcasting licensees commencing at least one digital radio service in the relevant market and continuing to provide such a service for the duration of the moratorium. Failure by any licensee to meet this requirement will result in the licensee forfeiting their right to provide digital radio services and will require the regulator to issue a new digital commercial radio licence for the licence area in question. This obligation will ensure that the commercial industry is provided with appropriate incentives to make the most of the opportunity to digitise provided in this bill.

The bill also provides for a statutory review of the regulatory regime for digital radio, to occur before the end of the moratorium.

In relation to the community radio sector, the bill will authorise the provision of digital radio by those community stations whose licence area is the same as the licence area for the commercial radio services in the market. These services are known as wide-coverage community radio broadcasters. The bill provides for these broadcasters to form a representative company to take up the opportunity to operate in digital on a collective and equitable basis.

The introduction of the DAB standard involves a new approach to the transmission of radio services. The DAB digital radio system utilises a multiplex to aggregate a number of radio services for transmission on the one frequency channel. While generally more spectrum efficient, this approach marks a departure from analog radio where one service corresponds to one frequency channel.

To accommodate these new transmission arrangements, the bill establishes a new multiplex transmitter licence category. In the case of commercial and community broadcasters, the first multiplex transmitter licences will be issued via an equitable, election based process, providing current broadcasters with the opportunity to form a company to jointly hold the licence for their services for an administrative charge only.

This is consistent with arrangements for analog radio and digital television where broadcasters manage the transmission of their services and control the associated spectrum. Any further allocation of multiplex transmitter licences for digital commercial and community radio broadcasting services in an area will be via a price based system.

Separately, the bill creates a specific category of multiplex transmitter licence to accommodate the digital radio services of the national broadcasters—the Australian Broadcasting Corporation (ABC) and the Special Broadcasting Service (SBS)—and provides for the reservation of frequency channel capacity for this purpose. This recognises the key role that the ABC and SBS may be able to play in driving consumer take up

of digital radio, and will ensure the ABC and SBS have access to spectrum to provide a comparable range of digital services throughout Australia as the technology is progressively introduced.

The digital radio services provided using multiplex transmitter licences will be subject to existing content regulation arrangements administered by ACMA applying to analog radio services, including codes of practice, standards and licence conditions. With these safeguards in place, the bill provides broadcasters with the scope and stimulus to develop innovative new digital radio programming likely to be essential for the take up of the new platform.

Commercial and community radio broadcasting licensees, together with the national broadcasters, will be permitted to provide multiple digital radio services, rather than a single stream of radio content. This harnesses the potential of the DAB standard to expand the range of radio services in a spectrum efficient manner, enabling broadcasters to provide a wide range of programming responsive to audience needs.

The delivery of unique-to-digital content has been seen to be critical in driving consumer interest in digital radio in many overseas markets. As such, there will also be no requirement for these broadcasters to simulcast their existing analog services in digital, although some broadcasters may choose to do so. However, the bill will require that any additional multiplex capacity acquired by commercial radio broadcasters, beyond the initial ninth of a multiplex to which they are entitled, must be used to provide essentially new services.

Additionally, the bill establishes a new category of restricted datacasting licence to enable the use of the digital radio platform to offer new, non-traditional radio services, including text, data, images and related content. This provides an appropriate pathway for new entrants to digital radio during the moratorium period, and enables innovative, new digital services to emerge in response to consumer needs.

The introduction of the DAB multiplex raises a number of unique competition and access issues that are not present in analog. With limited available spectrum for digital radio, multiplex transmitter licensees have the potential to act as gatekeepers in accessing digital radio transmission facilities in any market, with the power to set terms and conditions of access which may be unreasonable or discriminatory.

To address this concern, the bill introduces an access regime that is designed to ensure efficient, open and generally non-discriminatory access to digital radio multiplexes. The regime will require multiplex transmitter licensees providing commercial or wide-coverage community radio broadcasting services to develop and obtain approval from the ACCC for undertakings setting out the terms and conditions of access

to multiplex capacity. These undertakings will be enforceable by an order made by the Federal Court.

Multiplex transmitter licensees will also be required to abide by a set of obligations relating to the use and distribution of multiplex capacity. Each incumbent digital commercial radio licensee will have an opportunity to access one-ninth of the multiplex capacity on transmitter licences issued to provide the digital radio services of incumbent broadcasters (known as foundation multiplex licences). These access rights are referred to as standard access entitlements.

Community broadcasters will also have an opportunity to access multiplex capacity through standard access entitlements. The bill enables the community broadcasting representative companies to nominate licensees to hold up to two-ninths of the multiplex capacity on any foundation licence. These standard access entitlements provide incumbent broadcasters with surety of access to multiplex capacity for their digital radio services, irrespective of whether or not they choose to control the relevant foundation multiplex licence.

In addition, the bill establishes obligations for the distribution of multiplex capacity not constituting part of standard access entitlements in a fair and open manner. It also sets out a requirement for multiplex licensees to uphold the technical and operating quality of services on a non-discriminatory basis. These obligations will be enforceable by an order or injunction made by the Federal Court.

Taken as a whole, the measures contained in this bill provide a sound basis for the introduction of digital radio broadcasting in Australia. The bill cements radio's important position in the Australian media landscape, providing industry with the opportunity to invest in innovative new digital content and provide listeners with a rich and more diverse radio offering. I commend the bill to the House.

The DEPUTY SPEAKER (Mr Jenkins)—I thank the minister. After that heroic effort, I thought he might conclude by giving us a reference to where we could access an iPod of his speech.

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

RADIO LICENCE FEES AMENDMENT BILL 2007

First Reading

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

Bill read a first time.

Second Reading

Mr BILLSON (Dunkley—Minister for Veterans' Affairs and Minister Assisting the Minister for Defence) (9.46 am)—I move:

That this bill be now read a second time.

The Radio Licence Fees Amendment Bill 2007 complements the Broadcasting Legislation Amendment (Digital Radio) Bill 2007, which implements the government's policy framework for the introduction of digital radio services in Australia.

The digital radio bill will allow incumbent commercial radio broadcasting licensees to provide their existing analog services, together with one or more digital radio services, using their existing licences. Any new digital commercial radio licensees in the future will also be able to provide multiple digital services.

Taken together with the digital radio bill, the Radio Licence Fees Amendment Bill would amend the Radio Licence Fees Act 1964 to ensure that all revenue earned from analog and digital radio broadcasting services is counted for the purposes of calculating the radio broadcasting licence fee.

This is consistent with the licence fee arrangements for analog and digital broadcasting services and data-casting services provided by commercial television broadcasters. I commend the bill to the House.

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

HIGHER EDUCATION LEGISLATION AMENDMENT (2007 MEASURES No. 1) BILL 2007

Second Reading

Debate resumed from 27 March, on motion by **Ms Julie Bishop**:

That this bill be now read a second time.

upon which **Mr Stephen Smith** moved by way of amendment:

That all words after "That" be omitted with a view to substituting the following words:

"whilst not declining to give the bill a second reading, the House notes that while assessing the quality and effectiveness of university research is a necessary and desirable public policy objective;

- (1) any initiative in this area must be robust, rigorous and support an open and transparent process of peer review;
- (2) as proposed by the Government, the RQF is likely to constitute a disincentive to undertake long-term, basic research;
- (3) the university sector has assessed that the RQF would reduce research links with industry and lessen collegiate efforts among researchers and academics from different universities;
- (4) essential aspects and details of the scheme are yet to be worked out, so that implementation for 2008 is in serious doubt;
- (5) the cost and other resources involved in the assessment and reporting processes mean that the Government's proposed Research Quality Framework risks preventing breakthrough research from occurring by being overly bureaucratic for too little year on year return; and

- (6) the Research Quality Framework measures and processes as set out in the Bill should not be proceeded with, and should be replaced by a model that is fair, equitable, tailored to different disciplines and international best practice".

Mr BARTLETT (Macquarie) (9.48 am)—I rise to continue the comments I commenced last night on the Higher Education Legislation Amendment (2007 Measures No. 1) Bill 2007. This bill amends the Higher Education Support Act 2003 to do a number of things. Firstly, it provides funding of \$41 million to support the implementation of the research quality framework. The research quality framework's aim is to ensure that taxpayers' money is being invested in a way such as to maximise the benefits for the higher education sector and for the community more broadly. The government is committed to the twin goals of excellence and relevance in research, and this initiative will help to ensure the achievement of these goals.

The second amendment alters the Higher Education Support Act 2003 to reflect changes to the National Protocols for Higher Education Processes, agreed to in 2000 by the Ministerial Council on Education, Employment, Training and Youth Affairs. These revised protocols will apply to all new and existing higher education institutions. They will provide pathways for more institutions to become self-accrediting where they have a strong record in higher education delivery and quality assurance. The revisions will also allow the emergence of specialist universities. The important point is that the effect of these amendments will be a more diverse higher education sector, with greater flexibility, enabling it to better adapt to change and more effectively meet the needs of students, of business, of employers and of our broader community.

The Australian government is committed to increasing opportunities in and continuously improving the quality of our higher education sector, consistent with and part of our clearly demonstrated commitment to the highest possible education standards in this country. This year the Australian government is committing \$8.2 billion in university funding, an increase of 7.7 per cent in real terms since this government has been in office and, importantly, part of an increase of 26.2 per cent in real terms in funding for the tertiary education sector as a whole. This year we will see 407,000 taxpayer-funded places for universities for higher education, an increase of 17.6 per cent since 1995. Recently the Australian Vice-Chancellors Committee said that, in their view, there are sufficient places now in our university sector, with 4,200 new commencements this year, many in medicine, nursing and engineering.

I am very pleased that this year the University of Western Sydney has taken its first enrolment of students in the new medical school, a medical school that was pushed by me and my colleagues from Western Sydney, the member for Macarthur and the member for

Lindsay, some three or four years ago. I am delighted that the government, prior to the 2004 election, committed funding for the medical school for UWS and that that medical school has become a reality. This year, the first intake of students, including from my electorate, are now studying medicine at the University of Western Sydney. While I am on that topic, let me say that, with the same degree of determination, I am fighting for the establishment of a dental school for Charles Sturt University for the central west, and I am determined to see that come to fruition. I will be delighted in two or three years time to be able to see the first enrolment of dental students in Charles Sturt University.

On the broader issue of funding for our universities, I do need to take issue with the mantra that we hear so often from the other side: the mythological claim that this government has somehow cut funding from education and cut funding from universities. That could not be further from the truth, and the facts show that very clearly. The facts show very clearly that this government has substantially increased funding for education right across the spectrum. As I said in the one or two minutes I had to speak last night, we have increased funding for total education from 5.5 per cent of GDP to 5.8 per cent of GDP. That might not sound like a lot, but with the strongly growing economy that we have had for most of the last 10 years—we have a much greater GDP now than we had 10 years ago—we are spending an increased percentage of that greatly increased GDP on education. So the either ignorant and ill-informed or deliberately deceitful comments from the other side need to be rejected out of hand.

We have increased funding for education right across the spectrum. We have increased funding for higher education for universities, as I said, by 7.7 per cent in real terms. We have increased funding for the tertiary education sector, covering the whole area of vocational and technical education, by 26.2 per cent in real terms. And we have increased funding for the school sector by 160 per cent, including direct increases in funding for public schools by 118 per cent in 10 years. So the cry that we get from the other side and the nonsense that we get from the teachers unions and so on that we have somehow cut funding needs to be seen for what it is. It is nothing but dishonest political propaganda. The evidence is there that this government has strongly increased funding and continues to strongly increase funding for the whole spectrum of education. Compared with some other countries in the OECD, while we have increased the percentage of GDP going to education, we find countries—like Canada, Ireland, Finland and Germany—whose funding has actually fallen. So this government is putting its money where its mouth is in terms of education policy.

I want to bring to the House's attention one other aspect of funding for universities that I have mentioned on previous occasions but which we need to be continually reminded of. That is the iniquitous policies of the state governments with regard to their payroll tax regime and what that does to our universities. I call on the state governments to remove their harsh treatment of universities, to remove the payroll tax that they impose on our universities—a net deficit across the country of \$148 million. We have this ridiculous situation in which the state governments pat themselves on the back for giving \$230 million to our universities but with the other hand taking away \$378 million in payroll tax dragged out of our universities. So they give with one hand and take more with the other, and this has to stop. There are no prizes for guessing which state is the worst offender.

Mr Hartsuyker—New South Wales!

Mr BARTLETT—Yes, New South Wales again. New South Wales gives a paltry \$27 million to the state's universities but takes out \$124 million in payroll tax, a net deficit of \$97 million a year. This is a ridiculous and unfair situation and, of the two universities that are of most concern to me, to the University of Western Sydney the New South Wales government gave a paltry \$109,000 in grants—these are the year 2005 figures—but took out \$11.3 million in payroll tax. So the University of Western Sydney, thanks to the New South Wales government, is suffering a deficit of \$11.2 million a year because of their payroll tax regime. Charles Sturt University, the other one now in my electorate as a result of the redistribution, suffers an impost in net terms of \$7.4 million because of the payroll tax imposed by the state government.

I call on the state government to do something about this. If they were serious about education, they would remove their tax regime that is imposed on our state's universities. And I call on the federal opposition to do something about this. We hear from the opposition these specious claims that they will be able to work more closely with state Labor premiers around the country, that they will have a new approach to federalism, that they will end the blame game and so on. The first challenge in education for the Leader of the Opposition is to convince the state Labor premiers to remove the payroll tax that they impose on universities and give our universities a fair go. Sadly, from the opposition we see too often a readiness to criticise the government and a reluctance to address the issues that really matter. So I call on the state governments, starting with the New South Wales government, to remove that policy of payroll tax from our universities.

I conclude by making the point that this government, the Howard government, is committed to improving the operation of our higher education sector. We have shown that commitment with an increased

level of funding. This bill is another step in the right direction in trying to improve the quality of what happens, and I support this bill.

Mr HARTSUYKER (Cowper) (9.58 am)—I certainly welcome the comments by the member for Macquarie, a very fine member for his local area and a very keen supporter of universities. I also welcome the measures contained in the Higher Education Legislation Amendment (2007 Measures No. 1) Bill 2007 to make the academic sector more diverse and more responsive to the needs of the nation. We live in a changing world, a world that is changing more rapidly than ever before. International travel is becoming quicker and easier. International communication is becoming almost instantaneous and very cheap. It is important that we innovate. We have to innovate to stay still in this changing world, and we have to innovate efficiently and effectively to get ahead. If Australia is going to get ahead, we have to be at the forefront of innovation in this very competitive world.

In the broader sense, Work Choices is very much part of that innovation. In an age of global markets, a relatively isolated nation such as Australia—with some 20 million people—cannot afford to have six separate industrial relations systems. To compete in the global market we have to be absolutely efficient. To compete in the global market we have to be trying harder every year. The coalition has been successful in this global market, along with all the businesses and individuals who work hard in this country. We have created two million jobs since 1996. We have got unemployment to the lowest rate in 30 years. Real wages have gone up by 19 per cent in the term of this government. It has not happened by accident. The economy does not run itself, as the members opposite would try to make us think. It requires careful and responsible management. You cannot just sit back and enjoy the reforms that have been put in place, as the members opposite think you can. You have to reform and reform again. Work Choices is very much part of that process. It is part of that evolution.

The members opposite want to hand back power to the unions. They want to do the dreaded roll-back. They want to roll back our industrial relations system. They want to take our economic development backwards. We see innovation in our universities and innovation in business, both large and small. But in industrial relations, one of the most powerful drivers of growth in this country, what are we going to do? According to Labor, we are going to take it backwards. Apparently, the rest of the country can charge forward, but with regard to the industrial relations agenda we can throw the economy into reverse, we can throw the system into reverse, and we can become less efficient. Somehow, through some magic pudding ALP formula, the economy is going to continue to grow, wages are

going to continue to grow and the world is going to be rosy. It just does not happen that way.

It is clear to all except members of the ALP that if you reverse the reforms of Work Choices you are going to make our labour system less efficient. If you make our labour system less efficient at a time when the economy is running at high speed and has to be carefully managed, you are going to put upward pressure on inflation. If you put upward pressure on inflation, you are going to put upward pressure on interest rates.

There is no magic solution to this. The ALP cannot hand control back to the unions and just expect the economy to run on its own. The ALP cannot hand control back to the unions and expect inflation to remain low and job creation to continue. If they continue with this proposal they will be effectively trying to force interest rates up from opposition. We know how good they are at forcing interest rates up in government, but in this case they are going to force interest rates up from opposition. The days are gone when unions could have a stranglehold on work sites. We need a cooperative approach between workers and employers. We need to work together to continue to drive growth in this country.

This bill recognises the importance of education in driving this country forward, just as industrial relations reform has an important role in driving this country forward. This bill will help to ensure that our education system becomes more responsive to the needs of the nation and more responsive to the needs of users of research, creating high-quality research. This bill will work to continue this nation's success story, this nation's pursuit of a more skilled economy, a more educated workforce and a more effective economy.

Look at Labor's history in relation to skills. In my electorate it was very difficult to get an apprenticeship when this government came to power in 1996. There were very few apprentices. Since Labor's time the number of apprentices has tripled. We have seen a focus not only on higher education but also on the importance of trade training. This government has established Australian technical colleges. They are an innovative and new way to meet our trade skill needs. They are an innovative and new way to recognise the talents of our young people who may not be great academics but are very skilled craftsmen. It offers them an opportunity to excel in the school environment. It offers them an opportunity to excel amongst their peers and encourages them to stay on in the school system rather than become disenchanting and leave at year 10. It offers the opportunity for a far more skilled and far more highly developed workforce, which is what this country needs.

The measures introduced in the Skills for the Future package will help to turn out far more skilled people right across the age cohort, in a range of fields. Skills

for the Future acknowledges the need for engineers. Skills for the Future acknowledges the need to offer people mature age apprenticeship training, removing barriers for some of our older workers who might have missed the opportunity for an apprenticeship when they were young. It gives them the opportunity now to go into a trade training environment, learn some new skills and build on the skill base that they have already acquired in the workforce. I think that is a tremendous initiative: upskilling mature age apprentices.

I know that many employers in my electorate have welcomed this idea. They say, 'We welcome the opportunity to work with some of our younger apprentices, but we would also welcome the opportunity to have more people in training in the workplace who have the values of mature age workers.' So it is a great measure. It also provides the opportunity to upskill existing tradesmen, to give them the skills to operate businesses, to provide the goods and services that the economy needs. It encourages them to have the sorts of skills that will enable them to run an efficient and effective business. Whilst tradesmen are often very skilled in the trade in which they specialise, they do not necessarily have the trade skills to run a business. I think that is important.

The Skills for the Future package also offers a very important opportunity for some people, at a later stage in life, to take that first step on the road to education by improving some of their basic skills, such as literacy. It aims to get them back into education and back into the process of beginning to improve their skill base. Who knows where that will take a lot of people? I have spoken to a range of people in my electorate who lacked the skills in younger life and have taken that step to come back into very basic education training. They have said to me that it is a very rewarding experience. Skills for the Future greatly expands the sorts of programs that are currently in place. It greatly increases the amount of opportunity for older people to take that first tentative step back into formal education. It is about encouraging people to upskill.

This bill encourages our university sector to become more responsive to the nation's needs. It encourages them to offer the sorts of courses that are going to be in demand. It will allow them to undertake the sort of research that will be in demand in very specialised fields. It acknowledges the necessity to have very specialised institutions, and there are a range of areas which would benefit greatly from further intense study such as climate change, which has become an area of great focus at a national and international level. There is a huge demand for specialists in these fields. The opportunity to establish educational institutions that specialise in fields that are in great demand and in very narrow specialties as opposed to being more generalist—fields such as climate change, alternative energy,

efficient transport systems, energy efficient cars, reducing carbon emissions, carbon sequestration and the like—is something that we should welcome.

With regard to the research quality framework, it is very important that we have an output with regard to research which is of the highest quality. The research quality framework focuses on that, ensuring that we get the sorts of quality research outcomes that are going to drive this nation further and faster. I think it is also important that this research be disseminated.

Recently, I was chair of the education inquiry into teacher training. One of the things that was proposed in that inquiry was to look at a feasibility study, as recommended by Teaching Australia, into having a clearing house for the dissemination of education research. It is one thing to have high-quality research—it is very important to have high-quality research—but it is also important to get that research out to users so that people can see the available research, benefit from it and respond to it perhaps in their work practices. The research quality framework is very important in ensuring that we are conducting the highest quality research to drive this country forward.

I want to reflect briefly on the importance of regional universities. I am very fortunate that in my electorate we have a campus of the Southern Cross University located in Coffs Harbour. The importance of a regional university cannot be underestimated—not only doing research in a regional area but offering education possibilities in a regional area. So we have got the opportunity for young people in Coffs Harbour to go to school, do their university training and, by virtue of a widening of the employment base and the types of jobs that are being generated by the university, to find full-time employment in that city. We have got a regional city where there is a career path from kindergarten and primary school through to tertiary education—something that 30 or 40 years ago just did not happen in regional centres. It is a great move by the government to be locating universities in regional centres and providing opportunities for our students in regional areas to study at home without having to travel long distances to major campuses in metropolitan areas.

These types of establishments also provide a huge source of employment. They provide a range of jobs not only in the academic fields but in all the support roles of such an institution. They provide a critical mass for our regional centres and a very solid long-term employment base, and I know that the presence of Southern Cross University in Coffs Harbour is very much welcomed by the people.

This government supports regional universities through additional funding by providing a loading. It recognises that, despite the benefits of a university in a regional area, there are costs in providing relatively small campuses in isolated locations. The government

funds those through loadings on the fees, funding given to regional universities and through the VSU funds. Southern Cross University Coffs campus recently received a million dollars to build a sporting facility, which is very much welcomed by the students and people of Coffs Harbour.

In conclusion, I want to acknowledge the presence of Private Ko with me in the gallery today. He is a member of the Australian Defence Force. He is on the Australian Parliamentary Defence Program. He is a very astute young member of our military forces, and we welcome the opportunity to share our experiences in this House with members of the Defence Force. I welcome Private Ko with us here in parliament for the week and I wish him well. I commend the bill to the house.

Mr FARMER (Macarthur—Parliamentary Secretary to the Minister for Education, Science and Training) (10.12 am)—In summing up, I thank all members who have taken the time out this morning—and indeed last night—to speak on the Higher Education Legislation Amendment (2007 Measures No. 1) Bill 2007, especially the member for Cowper and the member for Macquarie. The member for Macquarie spoke at length about UWS and the wonderful work they were doing there through their medical school and about a number of other universities that are within the new boundaries of his electorate. I say to those people involved in that area, in particular at that university, that the member works tirelessly for your community.

The bill before the House is a clear expression of the Australian government’s strong support for quality research and a world-class higher education sector. The bill will provide \$41 million to assist our universities to implement the research quality framework. The research quality framework will ensure that taxpayers’ funds are being invested in research of the highest order which delivers real benefits to the higher education sector and the broader community. The bill also contains measures which will enhance the quality and diversity of Australia’s higher education system.

This bill amends the Higher Education Support Act 2003 to reflect the changes to the National Protocols for Higher Education Process. These changes are the outcome of extensive consultations involving state and territory governments and the higher education sector. The revised protocols will also make possible the emergence of specialist universities, aligning well with the government’s vision for a more diverse higher education sector. Greater diversity will benefit students, staff and employers by promoting greater choice and competition to the wider sector.

This bill makes a number of technical amendments which will clarify the existing Higher Education Loan Program and Commonwealth student support arrangements and will ensure that the legislation reflects origi-

nal policy intent. The Higher Education Loan Program is recognised internationally as one of the fairest higher education systems in the world. Today, virtually every eligible person who wants to undertake university studies is able to do so in a government subsidised place. Since 1989, almost two million people have been able to access higher education opportunities through government funded income contingent loans. For every \$1 a student contributes to their education, the Australian government contributes \$3. A record number of students are studying at Australian universities. More than 213,000 Australians received an offer of a university place this year alone.

Offers to school leavers, which have grown in every state and territory, have increased by 5.6 per cent nationally. This year, 91.4 per cent of all school leavers who applied for a university place have received one. This shows that students are taking advantage of the choices now open to them, thanks to the Australian government’s investment in higher education, a dividend of a very strong economic management policy which the government has implemented.

In response to the member for Perth, I confirm that schedule 5 of the bill, regarding eligibility for Commonwealth assistance, affects only New Zealand citizens and certain permanent visa holders. Australian citizens are not affected.

I wish to foreshadow two government amendments to this bill, which I will be moving during the consideration in detail stage. These amendments have been circulated to members. They are minor amendments which will correct drafting errors in the bill as introduced in this House on 28 February 2007. The bill before the House reflects the government’s commitment of ensuring that our research and higher education sectors continue to play a key role in Australia’s ongoing prosperity. I urge all members to support this bill.

Question put:

That the words proposed to be omitted (**Mr Stephen Smith’s** amendment) stand part of the question.

The House divided. [10.21 am]

(The Deputy Speaker—**Mr Jenkins**)

Ayes.....	77
Noes.....	<u>51</u>
Majority.....	<u>26</u>

AYES

Anderson, J.D.	Andrews, K.J.
Bailey, F.E.	Baird, B.G.
Baker, M.	Baldwin, R.C.
Barresi, P.A.	Bartlett, K.J.
Billson, B.F.	Bishop, B.K.
Bishop, J.I.	Broadbent, R.
Cadman, A.G.	Causley, I.R.
Ciobo, S.M.	Cobb, J.K.
Downer, A.J.G.	Draper, P.

Dutton, P.C.	Elson, K.S.
Entsch, W.G.	Farmer, P.F.
Fawcett, D.	Ferguson, M.D.
Forrest, J.A.	Gambaro, T.
Gash, J.	Georgiou, P.
Haase, B.W.	Hardgrave, G.D.
Hartsuyker, L.	Henry, S.
Hockey, J.B.	Hull, K.E. *
Hunt, G.A.	Jensen, D.
Johnson, M.A.	Jull, D.F.
Katter, R.C.	Keenan, M.
Kelly, D.M.	Kelly, J.M.
Laming, A.	Ley, S.P.
Lindsay, P.J.	Macfarlane, I.E.
Markus, L.	May, M.A.
McArthur, S. *	McGauran, P.J.
Mirabella, S.	Nairn, G.R.
Nelson, B.J.	Neville, P.C.
Pearce, C.J.	Prosser, G.D.
Randall, D.J.	Richardson, K.
Robb, A.	Schultz, A.
Scott, B.C.	Secker, P.D.
Slipper, P.N.	Smith, A.D.H.
Somlyay, A.M.	Southcott, A.J.
Stone, S.N.	Thompson, C.P.
Ticehurst, K.V.	Tollner, D.W.
Truss, W.E.	Tuckey, C.W.
Turnbull, M.	Vale, D.S.
Vasta, R.	Wakelin, B.H.
Washer, M.J.	

NOES

Adams, D.G.H.	Albanese, A.N.
Bird, S.	Bowen, C.
Burke, A.S.	Byrne, A.M.
Corcoran, A.K.	Crean, S.F.
Danby, M. *	Edwards, G.J.
Elliot, J.	Ellis, A.L.
Ellis, K.	Emerson, C.A.
Ferguson, L.D.T.	Ferguson, M.J.
Georganas, S.	George, J.
Gibbons, S.W.	Gillard, J.E.
Grierson, S.J.	Griffin, A.P.
Hall, J.G. *	Hatton, M.J.
Hayes, C.P.	Hoare, K.J.
Irwin, J.	Kerr, D.J.C.
King, C.F.	Lawrence, C.M.
Livermore, K.F.	Macklin, J.L.
McClelland, R.B.	McMullan, R.F.
Melham, D.	Murphy, J.P.
O'Connor, B.P.	O'Connor, G.M.
Owens, J.	Plibersek, T.
Price, L.R.S.	Quick, H.V.
Ripoll, B.F.	Roxon, N.L.
Sawford, R.W.	Sercombe, R.C.G.
Smith, S.F.	Snowdon, W.E.
Tanner, L.	Vamvakinou, M.
Wilkie, K.	

* denotes teller

Question agreed to.

Original question agreed to.

Bill read a second time.

Message from the Governor-General recommending appropriation announced.

Consideration in Detail

Bill—by leave—taken as a whole.

Mr FARMER (Macarthur—Parliamentary Secretary to the Minister for Education, Science and Training) (10.27 am)—by leave—I present the supplementary memorandum to the bill and I move:

(1) Schedule 1, page 3 (after line 8), after item 1, insert:

1A Section 3-25

Repeal the section, substitute:

3-25 Provision of higher education in the external Territories (Chapter 6)

Chapter 6 primarily provides for approval of universities, self-accrediting entities and non self-accrediting entities to operate in external Territories, and for accreditation of courses of study in those Territories.

(2) Schedule 1, item 12, page 4 (lines 23 and 24), omit the item, substitute:

12 Paragraph 19-20(b)

Omit “an authorised accreditation authority listed on the Australian Qualifications Framework Register”, substitute “a government accreditation authority”.

There were two minor technical drafting errors in schedule 1, which needed to be rectified by way of the government amendment. Section 3-25 is an information provision describing the purpose of chapter 6 on higher education in the external territories. The new item 1A will ensure that this section refers to the full range of different higher education entitlements and types of approvals which will occur under chapter 6 once the bill is passed.

Section 19-20 deals with the requirements on providers to comply with the national protocols. The amendment item 12 will correct paragraph 19-20(b) so that it refers to requirements imposed on the providers by a ‘government accreditation authority’ rather than an ‘authorised accreditation authority’. The former is the new term adopted for consistency with the new national protocols, with a definition added by item 52. The latter is the old term, which is already replaced in paragraph 19-20(a) by item 11. The omission from paragraph 19-20(b) was an oversight in the drafting. The amendment will ensure that the term is used consistently.

Mr STEPHEN SMITH (Perth) (10.30 am)—I thank the parliamentary secretary for clarifying in the House on behalf of the minister the point in respect of overseas students and limiting that to New Zealand and some permanent visa holders. This was the advice given to my office by the minister’s office and I am pleased, as I requested it in my second reading contribution, for that to be placed on the record. Secondly, as I also indicated in my second reading contribution, the amendments before the House seem to be of a techni-

cal nature and rectify errors and omissions. As such, they are supported.

Question agreed to.

Bill, as amended, agreed to.

Third Reading

Mr FARMER (Macarthur—Parliamentary Secretary to the Minister for Education, Science and Training) (10.32 am)—by leave—I move:

That this bill be now read a third time.

Question agreed to.

Bill read a third time.

PRIMARY INDUSTRIES AND ENERGY RESEARCH AND DEVELOPMENT AMENDMENT BILL 2007

Second Reading

Debate resumed from 1 March, on motion by Ms Ley:

That this bill be now read a second time.

Mr CREAN (Hotham) (10.33 am)—The Primary Industries and Energy Research and Development Amendment Bill 2007 is a bill for the better governance of the research and development corporations within the primary industries sector. Labor are happy to support the bill in that direction of improved governance procedures. However, it does open up the debate and provides an opportunity for this House to address the failure of this government in respect of the nation's research and development effort as a whole. This is particularly pertinent with the release of the Productivity Commission's report, on Tuesday this week, into the government's research and development effort, which we say demonstrates that the government's innovation system is in tatters.

Innovation is a key driver of a nation's economic growth. Innovation, skills development and investment in infrastructure are the drivers that determine whether we can sustain higher levels of economic growth rather than just relying on the resources boom. The policy approach of this government has been to rely on the resources boom. It does not believe in government playing an activist role to drive better opportunities and to secure our future. If a nation invests in innovation and skills, it becomes smarter, innovative and creative. We enhance not only our growth prospects but also the opportunities of individuals. It provides them with more rewarding career paths because we are prepared to invest not just in physical infrastructure but in human capital as well. It is therefore a necessary investment to be made not just for our economy but for our people. It builds pride and respect, it draws the admiration of other countries and it creates much more interesting job opportunities.

Through creativity, knowledge and value-adding, we enhance the nation's comparative advantage. Instead of

just relying on commodities as the basis for our wealth, we value-add. We do not retreat from reliance on them; rather, it is about doing something more with them. You cannot do that unless you are prepared to make investments in innovation. Labor has always understood the importance of encouraging research and development and innovation, both at the macroeconomic level for the nation as a whole and at the micro level for industries we are encouraging to become more export focused and innovative.

Labor's investment in research and development, including encouraging business investment in research and development so that it is not just a call on the budget but is a recognition of a partnership with business to drive the innovative direction forward, was always part and parcel of a massive policy approach that Labor introduced when it won office back in the 1980s. Its investment through incentives to R&D, through the establishment of the cooperative research centres programs, paid huge dividends for this nation.

Let us have a look at the suite of policies that Labor put in place from 1983 onwards. It was Labor that introduced the 150 per cent tax concession for investment in research and development. Why a tax concession? Because for research and development there is what is referred to as market failure—that is, without the incentive, business will not make the investment because the return on that investment does not happen until well down the track. The tax concession is offered to address that failure. We promised and we delivered the 150 per cent tax concession. The government, going to the election that was held in 1996, also promised to keep it but, when they came to office, in their very first budget they cut it back to 125 per cent.

Labor in those days also understood the fact that it is all very well to offer a tax concession of 150 per cent to encourage research and development, but what about small start-up companies that do not pay tax that are relying on innovation? What can we do for them? That is what led to us taking the view that we should allow what was referred to as syndicated research and development proposals. This also plugged a market failure. It recognised that those companies could carry forward losses and could draw on them down the track when they subsequently made profits.

As a Labor government we also heavily invested in public research and development—a massive increase in public research and development. Australia's research and development effort is the envy of most nations. In fact, the Australian research and development effort when it comes to public investment and public research and development punches well above its weight. That is widely recognised. Where this country has always fallen down is the business expenditure on research and development—the complement to the public investment; that which takes it to the commer-

cial stage and turns the good research and the good ideas into good products and good services. That is what was lacking. That is why we needed the 150 per cent tax concession. That is why we developed the syndicated research and development.

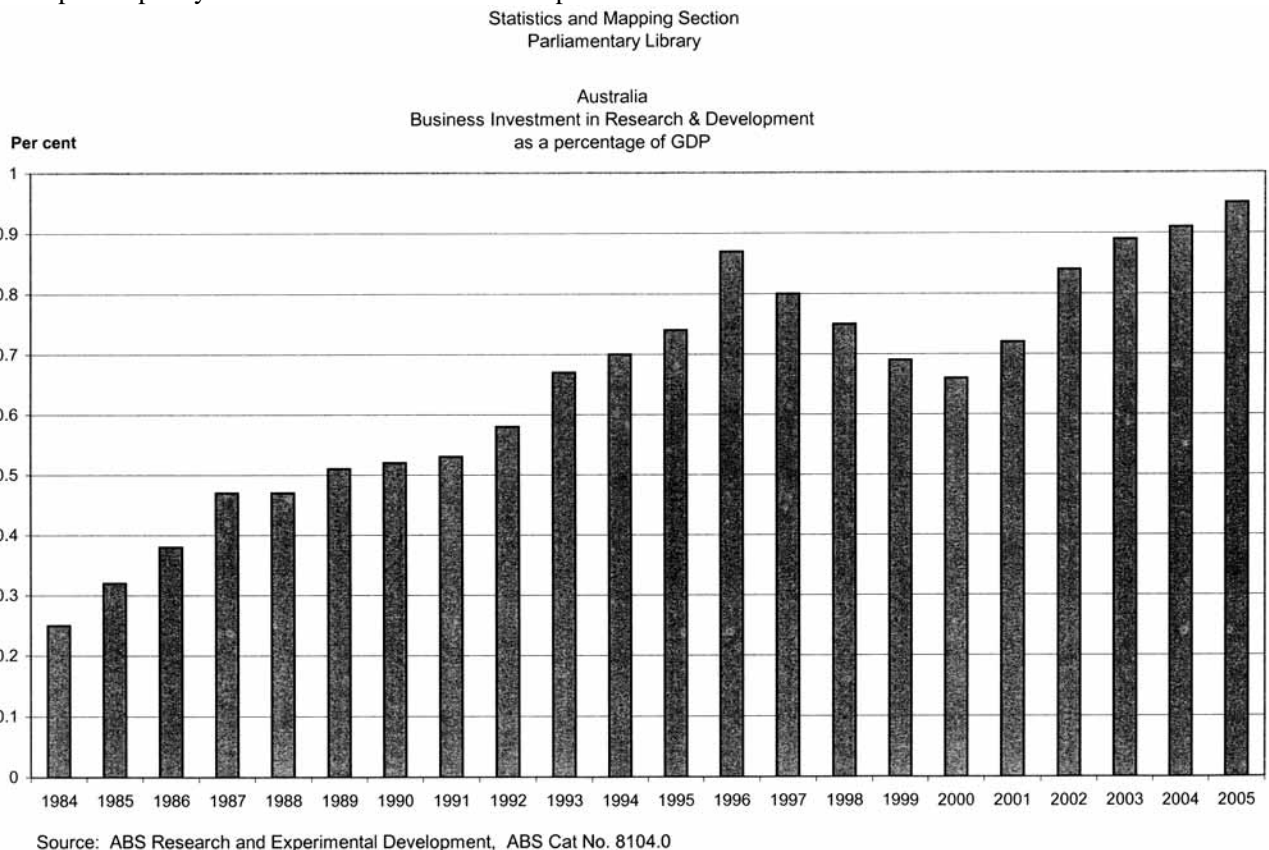
To bring these two segments of the economy together—public research and the commercialisation of it by the private sector—we also established the Cooperative Research Centres Program. It is a program dear to my heart, because I was the minister who implemented it back in 1990 when I first came into this place. It is pleasing to note that the Cooperative Research Centres Program has been retained by this government, because it was recognised as an important piece of public policy—one that does need to be sup-

ported. But, as I said before, whilst the government has supported the CRC Program, it slashed the incentives that drove expenditure on research and development.

I thought it would be pretty instructive to see what the consequences are of that disinvestment in our research and development effort, so I asked the library to do some research based on statistics from the Australian Bureau of Statistics. I seek leave to have the table incorporated in *Hansard*.

Leave granted.

The document read as follows—



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This is a very instructive graph because it shows what government policy and government initiatives to encourage research and development actually end up achieving. Government investment as a proportion of GDP has fallen from approximately 0.24 per cent of GDP in 1995-96—the year that we left office—to 0.18 per cent of GDP in the latest year that these statistics are available, 2004-05. That is a massive reduction. That is a reduction by one-third in GDP proportionate terms, not in terms of expenditure. There will be cir-

cumstances in which it will be claimed that expenditure on research and development has gone up. Everything has gone up. As the economy grows, you would expect it to go up. But the real measure that we have to have regard to—and this is the way in which it is compared internationally—is the proportion of expenditure in relation to GDP.

Let us have a look at what the graph shows. It shows that, when Labor was in office, in every one of the years from 1984 through to 1996—those 12 years—there was really strong growth in business expenditure

on research and development. Why? Because Labor had the policies in place that drove that incentive. In fact, over that period, in real terms, average annual growth of business investment in R&D was 11.4 per cent. That was the average in each one of those years for the whole 12 years. What is the record under this government from 1996 onwards until 2004-05? It is less than half that. It is only 5.1 per cent. That is the cost of not continuing as a government to make the investment in and not prioritising the significance of research and development in the suite of policies.

For the manufacturing sector the position is even worse. We all know how lip-service is paid by the government to support for the manufacturing sector, but it is the manufacturing sector that has seen the most dramatic decline in expenditure on research and development. I said before that, under Labor, the average annual growth for the whole economy was 11.4 per cent. Under Labor, each year, it was 10.6 per cent for the manufacturing sector. Under this government, that has plummeted to less than two per cent. In other words, it was cut by more than four-fifths. Yet this is a government that says that it supports the manufacturing sector.

The simple message from this graph is that when Labor were in power we saw strong growth in research and development. We saw business investment in research and development increase from 0.25 per cent of GDP up to 0.85 per cent of GDP. We had 12 years of really strong growth. They came in, having promised to retain the 150 per cent and retain the syndicated research and development, and proceeded in their first budget to abolish syndicated R&D after demonising it by saying that it was open to tax rorting. I might say that we acknowledged that there were circumstances in which financial managers were taking advantage of these schemes, but we had put in place the system by which that loophole would have been closed. The government, rather than face up to the debate on the significance of R&D, sought to demonise the program as their justification for cutting the program. We question the justifiability of cutting syndicated R&D completely; we were in favour of closing the loopholes but did not support cutting it completely. But they had no defence or justification whatsoever for the cut of the 150 per cent back to 125 per cent. They said that they had to cut government expenditure, but this was an investment in the nation, not just a cost to government. The nation reaps huge benefits from it.

But, when they came in, what did we see? This graph tells the story. We saw negative growth in business investments in R&D. Growth in R&D investment by the private sector fell in 1997, 1998, 1999 and 2000. Only from 2001 did the rot stop. There was then growth in business expenditure in research and development, because the government realised that they had

acted badly in this regard and introduced new programs to try and stem the tide and to get business expenditure in research and development up again. As the graph shows, in each of the years from 2001, the rate of growth increased. But the truth is that in 2005—the last year available—we were only back to where we were when Labor left office in 1996. It is a pretty instructive comparison: 12 years of strong growth because we as a government were prepared to make the investment, compared to their 11 years of negative growth followed by a pick-up—11 years of wasted opportunity.

Just imagine if we as a nation had continued to make the investment that Labor saw the need to make. Just imagine how much better off we would be in terms of our balance of payments and in terms of products and services getting into overseas markets—the value-adding dimension and the creative side of it, not just the resources boom which is what has driven this economy and carried it along over recent years. That is the story that is contained in this. That is the message that we need to keep sheeting home every time we have the opportunity in this parliament.

We hear the Treasurer from time to time in this parliament copy another phrase from the previous Prime Minister, Paul Keating, in using the argument about getting behind the authors of the particular policy and backing them. I make the point that, when people make judgements about where we go as a nation in the future, that is exactly our argument when it comes to issues such as innovation, research and development, skills formation and investment in infrastructure. We made an announcement last week in relation to broadband and connecting the nation. That will be a great enabling piece of infrastructure for this nation. It will ensure that this nation goes forward as a whole and that opportunity is afforded to the whole of the country, not just the capital cities. We have the ability to fund that and invest in the future. That is the Labor way, and it is the way forward for this nation. This is a government that has not got the wit or will to think of initiatives such as that. It is the government that decimated the research and development effort in this country. As a nation, we have paid the price for that. This is a government that is not prepared to invest in the nation's future. Only Labor will.

This is about Australia's farm exports as well, which are facing a particularly difficult time at the moment because of the drought. But the Labor Party has always understood the importance of ensuring that the rural sector makes that investment in research and development. There needs to be an extra effort to encourage them to be innovative, to be creative and to value-add to their product line, so that they can get not just commodities but products into overseas markets. Dairy is a classic example of this. Instead of just bulk cheese, we

are exporting Australian name-branded products which are recognised as clean, green, nutritious, quality produce. There is a huge demand for food product, particularly in the region nearest to us. Clearly, living standards are increasing in those countries. As living standards increase, the demand is for quality, nutritious food products. We need to invest in innovative products and in packaging so we can get horticultural and dairy products fresh to market. In a whole range of crops—grains, for example—there are huge opportunities. Australia can be the food bowl for Asia, but it has to have value-adding strategy that markets, packages and ensures the quality of our products. That is why there has to be investment in research and development.

But which party actually saw the need to do this? It was not the National Party, which claims to represent farmers. It was not the Liberal Party, which always reckons it has got the farm sector at heart. It was the Labor Party in the Hawke-Keating years, with John Kerin as the primary industries minister, that established the very research and development board structure which today we are debating the need to improve the governance of.

Back in 1989 the rural industry research and development corporations—a whole raft of them—were created. The principle was pretty simple. The government would put half the amount—match dollar for dollar—into research and development if industry was prepared to levy itself and make its own contribution to improve the innovation within the particular sectors.

I had the responsibility when I became Minister for Primary Industries and Energy subsequent to John Kerin to build on that legacy; not just to establish the rural industries research and development corporations but to restructure the industries themselves to make them more market oriented. I built on the first Kerin plan in dairy with the second dairy plan. This is an industry that now exports in excess, I think, of \$2 billion a year. That is an industry strategy. That is opening up markets and creating something with innovation, product design and opportunity.

The wine industry is another classic case in point, where a whole range of initiatives were undertaken including access into Europe. We have seen huge growth in wine exports from this country.

We had to restructure the wool industry to get it more market oriented and back into the game. I inherited a wool stockpile. Not only did we have to get it down; we also had to get the industry more focused on promoting regional quality. I can remember the days when we would not market regional varieties of wool. The member for Corangamite is in the House; he knows the quality of wool that comes from his district, just as the fine wools come from up in the New England area and the particularly fine wools—the super-

fine wools—come from Tasmania. It was not until we started getting more market orientation of the system by restructuring the boards, getting them focused on the end use, that we started to market from a regional perspective and go for quality.

That is what working with industry is all about. That is what a role of government is: not to tell industry what to do but to facilitate it, to help it and to be in partnership with it. This is the Labor way. Labor was the author of this particular initiative. I say again how much better off we could have been had we stuck with our structure for the Wheat Board instead of the one that was adopted by this government. Just have a look at the structure and cooperation that I put in place when I dealt with the Grains Council. I did not hand it back to the National Party to rot the system and not have it oversighted by an export authority. That got us into this shameful exercise where \$300 million went to Saddam Hussein's pocket to fight our soldiers. That was allowed because this government, in this House, took its eye off the ball in terms of the very industry structures it claims to represent. It is a shame on that side of the House that this in turn has brought shame on what was once a great institution.

This is more than just a bill to improve the governance of research and development. This is an opportunity to reflect upon the different approaches to innovation, creativity, and research and development in this country, and I hope that opportunities such as this present yet again the means by which we can demonstrate our bona fides, not just mouthing the words of support but translating them into action—into real, concrete policies that work for this nation.

The main points of the bill go to the governance arrangements that were essentially for the eight research and development corporations that are affected by it. These recommendations come from what was otherwise known as the Uhrig review, a review of the corporate governance of statutory authorities and office holders. We have had a number of legislative amendments to give effect to the Uhrig review, but the inquiry looked at examining structures for good governance of statutory authorities such as the R&D corporations, including relationships between statutory authorities and the responsible minister, the parliament and the public. Its key task was to develop templates to ensure governance principles which would assist the development of effective governance arrangements for statutory authorities, achieving clarity in roles and responsibilities and providing guidance for new authorities.

The key component of the amendment before us will remove the appointment of an Australian government director—they will no longer be appointed to each board—and reform the main point of contact between the boards and the ministers. We support the changes.

They are not controversial in themselves. I think it is important to continue to assess and update the governance procedures by which bodies administer important appropriations of public money. We believe that the potential for conflicts of interest for serving public servants will be avoided, and it will give industry a greater voice and ensure that the boards are managed more at an arm's length from government.

So our problem is not with the bill; our problem is with the failed policy settings that underpin the bill. We believe that as a nation, if we are to go forward, we need to make the necessary investment in our innovative, creative culture. That will only happen with stronger investment in research and development. This is a government that has let the nation down by disinvesting in research and development. The results are there to demonstrate what happens when that occurs. It is the reason we do not have a strong performance in trade despite the resources boom. It is one of the reasons why export growth under this government is only half the rate of growth that Labor was able to achieve when it was in office. We had an integrated policy approach—the policy approach that understood the importance of opening markets by pursuing primarily multilateral trade outcomes and reinforcing them with bilateral trade approaches. This government has reversed that role. It has put its eggs fundamentally in the basket of bilaterals and it has debased and undermined our ability to secure an outcome in the multilateral round.

It is one thing to open up the market opportunities, and we can debate the means by which we achieve that; it is another to give our industries the opportunities to get into those markets. They will not be able to get into them unless you have got governments prepared to invest in the drivers that help them get there—in innovation, in skills, in infrastructure and in having an integrated approach between trade and industry policies, moving away from the concept of protecting industries in domestic markets to helping industries get into export markets. If you have to change their culture away from a protected economy to a more open, more opportunistic set of market opportunities then you have to help them get in there. That is why the investments have to be made in research and development, in export facilitation programs and in support programs to help them get into markets that they were not otherwise in. If we get that integrated approach right, we can have a sustainable economic future for this country—not one that simply relies on the next resource boom or China not burning out.

For the foreseeable future, all the indications are that China will continue to be strong. That is a good thing for our nation. It will see the wealth continue to be generated. But we can be so much better. Why is it that we simply rely on the export of our resource base? As

important as they are, why shouldn't we be doing more to seize the opportunities in terms of new markets and new opportunities, particularly in services and particularly in manufacturing—where there is a requirement to try and compete not at the low end of the manufacturing scale but in smart manufacturing using our skills, using our innovation and using our creativity? That is what Labor believe in, and Labor's record stands. When we implemented such a program, this nation was far better off in sustaining its future. That is what we have to get back to. *(Time expired)*

The DEPUTY SPEAKER (Mr Secker)—I call the member for Corangamite.

Mr Martin Ferguson—Otherwise known as the Corangamite squatter—part of the squattocracy.

Mr McARTHUR (Corangamite) (11.03 am)—I do acknowledge the presence of the member for Batman at the table and, more importantly, the contribution of the member for Hotham. It was a thoughtful contribution. I acknowledge his longstanding interest and previous ministerial responsibility in this area. Of course the member for Hotham cannot resist talking about the stealing of superannuation funds for the implementation of the broadband proposal. Both those former presidents of the ACTU are condoning a position where the superannuation funds of our hardworking public servants and members of the Defence Force will be stolen from the Future Fund. They are condoning that in this parliament. Apart from that, the member for Hotham gave some thoughtful contributions about R&D and so I commend him on his contribution on the bill.

On a more sober note, I am pleased to contribute to this debate on the Primary Industries and Energy Research and Development Amendment Bill 2007. As a wool grower and cattle farmer, as the member for Batman has noted, I have long had an interest in agriculture research and development, innovation, extension and agricultural education. In Corangamite a group of enterprising farmers have formed Southern Farming Systems. The objective of this group is to incorporate the latest research in agronomy, spray technology and plant varieties. Ironically, they have developed the raised bed technology which assists in removing excess water from cropping operations in high-rainfall areas. However in recent years there has been below average rainfall which has not fully tested the new technology. Results in the Winchelsea area with raised beds indicate a 50 per cent increase in yields on soil types that are of a poorer quality.

Just this morning we had a discussion over breakfast with Australian Farmers Managing Climate Change. Speakers raised the issue of climate change and rainfall. Representing the farmers was Mr Ian McClelland from the Birchip Cropping Group. That group has been instrumental in bringing new technologies to the

Mallee and ensuring that hands-on farmers use the technology to their commercial advantage. The Birchip Cropping Group is probably a world first—where farmers, the community and scientific researchers combine their skills for the common good. I pay particular tribute to my good friend Ian McClelland for his leadership, enthusiasm and innovative approach in bringing the latest research to farmers, particularly in times of drought and economic downturn. Ian McClelland has been a unique leader in combining research with practical farming and, more importantly, disseminating research results to farmers.

Farmers elect to pay compulsory industry levies collected by the government to fund farmers' research and development priorities to help sustain the long-term profitability of their industry. R&D and extension are funded in this way. The argument put forward is that many individual farm enterprises are too small to individually undertake research. If the farmers make a contribution, it also encourages government to assist—in the 'national good', which the member for Hotham referred to on a number of occasions, being interpreted as more research and development in a particular industry. There have been a lot of arguments over the years about agricultural levies, both in the parliament and amongst farmers themselves.

Over the years, I have had great reservations about the policy of statutory compulsory levies on agricultural producers. This parliament has a proliferation of acts related to primary production levies. It would be interesting to calculate the number of acts of parliament that have been passed by both houses to force a levy on farmers and on primary producers. I note that in other industries there do not seem to be compulsory levies to assist with R&D. Some tax concessions are the order of the day in other industries apart from primary industry.

Heated debates have been had about whether the levy should be a compulsory levy, how much the levy should be and what the levies should be spent on. Once a levy has been agreed to, farmers want to know that the funds raised by the compulsory levies that they pay will be put to good use, that the research priorities being followed are in accordance with the short- and long-term interests of their farm businesses and that research and development corporations themselves are being well-managed. That is the thrust of the legislation before the parliament. This bill is about the management of these research and development corporations.

Each farming industry has a different approach to resolving the conflict of how much levy should be imposed and for what purposes it should be used. In the context of this discussion, I note that my colleague the Minister for Agriculture, Fisheries and Forestry, the Hon. Peter McGauran, yesterday issued a statement

announcing the results of the first dairy industry levy poll. Deputy Speaker Secker, you would be aware that Minister McGauran recently joined us in Wannon and Corangamite at the Sungold Field Days at Allansford. The minister took the opportunity to meet a number of my dairy farming constituents and those of the member for Wannon to discuss issues such as the dairy poll and of course the drought with those hardworking farmers. Sixty-four per cent of those farmers who voted in the inaugural dairy levy poll wanted to retain the current one per cent levy which is paid on milk production, representing \$3,150 per million litres of milk produced.

The poll is a major development in the dairy industry. For the first time, individual dairy farmers are able to vote on their future. Some 5,039 dairy farmers chose to vote in the poll out of 9,540 ballots distributed, representing 53 per cent of the industry. It is interesting to note that, while sixty-four per cent of the farmers who were polled wanted to retain the levy, one in three dairy farmers did not want a levy and only four per cent of farmers wanted to increase the levy. This was industry democracy at work.

The levy funds will be managed by Dairy Australia to fund research and development projects to help our dairy farmers remain internationally competitive, and to assist them to manage through the current drought. The Howard government will match the dairy farmers research funding up to a total of \$15 million per year. I commend the dairy farmers, Pat Rowley and all the other leaders who have put the dairy industry at the top of the tree in research and development and for the way in which they have organised this poll and the way the money has been spent. I commend the dairy industry for their innovative approach in R&D now that the deregulation has taken place. In my opinion, the dairy industry in Australia is a world-class industry.

This bill amends the Primary Industries and Energy Research and Development Act 1989 by improving the government's arrangement for eight statutory research and development corporations—namely, the Cotton Research and Development Corporation, the Fisheries Research and Development Corporation, the Forest and Wood Products Research and Development Corporation, the Grains Research and Development Corporation, the Grape and Wine Development and Research Corporation, the Rural Industries Research and Development Corporation, the Sugar Research and Development Corporation, and Land and Water Australia. That is quite a big list of the groups that are at the forefront of research for rural producers in Australia. These primary industries R&D corporations are statutory corporations established under government legislation, to be distinguished from industry owned R&D companies such as the red meat industry's Meat and Livestock Australia Ltd and the dairy industry's body Dairy Australia, which I have referred to before.

The amendments in this bill are being made in response to the findings and recommendations of the review by John Uhrig, the former chairman of Rio Tinto and Westpac, into the corporate governance of statutory authorities and office holders. The Uhrig review was a 2001 election commitment of the Howard government, and the report recommended improvements to the governance arrangements of statutory authorities to improve and clarify the roles and expectations of the authorities and their accountability to government.

The agricultural research and development corporations were assessed in terms of their compliance with the recommendations of the Uhrig review. There are some improvements that can be made and these have been recognised in the bill. Independent boards have been appointed to manage the R&D corporations and to develop their research priorities. The boards generally comprise directors appointed on the basis of skills and experience, but it is interesting to note that these boards also include a so-called government director. The government directors are senior officers of the Commonwealth Public Service. As an example, the government director of the RIRDC Board is Mr Simon Murnane, General Manager of the Science and Economic Policy Branch of the Department of Agriculture, Fisheries and Forestry, and the government director of Land and Water Australia is Mr Charles Willcocks, General Manager of the National Biosecurity Strategy Taskforce in the Department of Agriculture, Fisheries and Forestry. Of the eight primary industries R&D corporations that are the subject of this bill, all eight government directors are officers from within the Department of Agriculture, Fisheries and Forestry.

In assessing the R&D corporations for compliance with the Uhrig recommendations, it has been determined that the appointment of government directors is inconsistent with the practice of appointing directors using a skills based approach. The amendments in the bill will terminate the practice of appointing government directors and will instead provide for an expansion of the skills that are appropriate for board selection to include expertise in public administration. A further beneficial outcome of these reforms is that they will remove any potential for conflict of interest for those departmental officials serving as government directors between their responsibilities to the department and the minister and their responsibilities to the board and the R&D corporation.

It should be noted that this reform is in no way a reflection on the service provided by the government directors. The officials within the department provide a high-quality contribution to the government and people of Australia, and in particular to those working in the industries that the officials are working for.

The bill will also make changes to the act with regard to board selection committees and reporting on the performance of the selection committees. Board selection committees have an important role to serve in the process of selecting effective board members of R&D corporations. It is important that boards comprise a diversity of skills suited to enhancing the relationship and responsiveness of the corporation with industry participants, the farmers who fund the levies, researchers and government. The changes in the bill will provide an enhanced emphasis on board membership diversity.

The eight statutory R&D corporations were responsible for delivering more than \$541 million worth of rural research and development and extension in their respective industries in 2005-06. I note that the member for Hotham was rather critical of some of those figures and the amount spent. It seems that in the vicinity of half a billion dollars is a huge amount of money to be devoted to research in rural Australia.

Australian farmers are the most competitive and the most exposed to international markets in the world. Unlike farmers in the United States, the United Kingdom and across the world, our farmers are not protected by subsidies and trade barriers. Our farmers produce more product than can be consumed domestically, exporting 70 to 80 per cent of their produce. As exporters, our farm sectors depend upon open international markets. It is not in our farming industries' interests to seek government handouts, subsidies or trade barriers, because our nation could not afford to outbid the Europeans when it comes to farm subsidies. For these reasons, our farmers need to remain at the forefront of agricultural innovation and the levy-funded research and development companies need to make a massive contribution to this end by developing new practices and products to drive enhanced productivity.

By working with our primary industries, the Howard government is supporting expenditure of more than \$500 million in rural research and development as recorded in 2004-05. The rural industry's RDC research portfolio totalled around \$23 million in 2004-05, funding some 435 projects. I emphasise that, Mr Deputy Speaker Secker: 435 individual projects—and you would be aware of some of those personally. The research portfolio covers projects supporting new and emerging industries such as new plant and animal products, Asian foods and essential oils; smaller established industries such as honey bees, rice, chicken meat, horses, deer, buffalo; sustainable agricultural systems; global competitiveness; and biosecurity.

I move to the Cotton Research and Development Corporation and indicate that it will invest \$11.7 million into research and extension programs this year, 2006-07. The corporation is funded from a levy on production matched by the Commonwealth govern-

ment's contribution. The cotton RDC's website says of its 2005-06 R&D program that 32 per cent of the funds was spent on crop protection, 22 per cent on farming systems, 18 per cent on breeding and biotechnology, 14 per cent on people and knowledge, seven per cent on integrated natural resource management and seven per cent on the value chain. I commend that, because the cotton industry is going through some difficult times in relation to water, with some public debate on some aspects of their production technology.

The fisheries RDC 2005-06 annual report indicates that the corporation spent \$24 million on research and development priorities in 2005-06, with a Commonwealth contribution of \$16 million. In addition to the corporations' research program, the FRDC managed over \$65 million in fisheries research and development for other parties in 2005-06.

The Forest and Wood Products Research and Development Corporation received \$3.04 million from industry levies in 2005-06, which has been matched by a \$3.03 million contribution by Australian government funding. The FWPRDC does not undertake research in its own right but funds research providers such as state forestry R&D bodies, the CSIRO, tertiary institutions and other industry providers. The total research funded by the corporation was valued at \$5.96 million in 2005-06, contributing to projects worth \$16.64 million in total.

The grains RDC raises levies on 25 crops to fund a \$115 million research and development program in 2005-06. The Australian government contributed \$43 million in matching research funding to the GRDC. So, in the grains area, we see quite a considerable contribution by both the government and the industry. My discussions with the grains industry indicate that they have had a very good return from those research activities in improving the grains industry, varieties and technology.

I will move to the grape and wine RDC, which raises levy funds from approximately 7,000 grape growers' annual harvests and the wine yield of more than 1,800 wineries. So there we have it, Mr Deputy Speaker. In your electorate, they make a contribution to these levies. In 2005-06 the industry levy raised \$13.5 million for research and development, which was matched by \$12 million in Australian government funding. So we see that, even in the wine industry, the government is contributing to an industry which has been going through some difficult times over the last couple of years.

The Howard government contributed \$5.2 million to the sugar RDC in 2005-06 as a matching contribution to the sugar industry levy collection of \$5.3 million. The corporation committed \$8.6 million towards research and development projects over the year, with the distribution of funding as indicated in their report—

that is: 49 per cent for farming systems, 19 per cent for industry capacity, 17 per cent for processing and distribution systems, and 15 per cent for the value chain.

Land and Water Australia is a differently funded arrangement from the seven other research and development corporations that are discussed in this bill. There is no industry to levy but this statutory corporation was successful in raising \$18 million in funding in 2005-06 from third parties for research and development projects in natural resource management. The Howard government contributed \$12.5 million to the corporation in 2005-06 towards the corporation's \$27.1 million research and development investment in that year.

The reason I have taken the time in this contribution to mention the size of the research effort by these organisations and the government's contribution to agricultural research is that the major assistance the government provides to research and development for our farming industries is quite often forgotten. I emphasise that point. With all the debate amongst the agricultural producers and primary producers, sometimes the government contribution is forgotten. I well recall, Mr Deputy Speaker, as you do, that the government contribution to the wool industry in terms of the reserve price scheme and research and development was a major point of debate for many years.

I would like to conclude by saying that I commend the bill. I commend the sentiments of the government's legislation and the improvement of the governance of the R&D corporations. In the long run Australia will depend upon R&D in primary industries to enhance producers who will, hopefully, return to better seasonal conditions if the drought breaks. Farmers throughout the eastern seaboard, particularly, and Western Australia and South Australia will be able to utilise some of these research capacities to improve the profitability of their farm enterprises.

Australian farmers depend upon research and development. I say to the member for Batman that I have been associated with the Melbourne University in agricultural education in Victoria for about 30 years in the hope that those young farmers would go back to primary industries and provide some skills, both management skills and some research skills, to enhance the development of those industries. Farming industries have moved a long way in the last 15 to 20 years, from small family enterprises to enterprises that handle huge sums of money and handle huge risk elements, as identified by the drought commodity prices. The one key feature is that they can improve their technology through research and development both with the assistance of their own industry and the assistance of the matching contribution from the government. I commend the bill, I commend the sentiments and I am pleased that the opposition are also supporting the bill. (*Time expired*)

Mr SNOWDON (Lingiari) (11.23 am)—I am pleased to have the opportunity to have a bit of a chat about the Primary Industries and Energy Research and Development Amendment Bill 2007 and a few other matters that relate to it. I endorse the remarks made by previous speakers, particularly those on this side of the House. But the Geelong supporter from Corangamite has done a reasonable thing by going through the various RDCs, what they do and how they contribute. I think that is fine, so I do not have any great divergence of view about that with him, although there will be many issues on which we will diverge. It may well be that some of the points I raise in my contribution will be points on which we will not agree.

Much of the discussion on this legislation has focused on the question of governance—and, I think, rightly so. Sound governance arrangements, including appropriate levels of accountability, are essential to the success of the research and development corporations. We acknowledge that and support the government's initiatives in that area. It is particularly important to remove any suggestion of conflict of interest and it is encouraging that the amendments remove the requirement for an Australian government director to be appointed to the board of each RDC.

However, I must say that I do have some twinges of concern about the strengthening of the relationship between each board and the minister, simply based on my own experience of ministerial interference in the activities of various organisations around this country and the way in which ministers of the current government are operating to dispense largesse and favour to particular electoral districts across the country. I also make an observation about the ongoing continuing interference by this government, and one particular minister, in the affairs of Aboriginal community based organisations. I think, however, that the amendments are overall an adequate response to the *Review of the Corporate Governance of Statutory Authorities and Officeholders*, the Uhrig report.

However, I would like the House to consider just for a while what research and development means in regional, rural and remote Australia, most particularly in Northern Australia. The north is crying out for research to provide a basis for sustainable development. It is fair to say that development is being held back because we know too little about the sustainable use of northern environments, and that includes the marine environment as well as the terrestrial environment. That being said, our research capacity—our ability to understand and to act on our understanding—has been drastically cut as a direct result of actions of this government.

It is a telling comment, I believe, on the hypocrisy of what goes on in this place at times that this government continues to talk up opportunities for agricultural expansion in the north while, at least, all but ending

our capacity to provide a solid research base for that development. I welcomed the Prime Minister's announcement earlier this year of a northern water task force. I am not sure about its chair. Nevertheless, I support the idea of us looking at issues to do with water in Northern Australia. Understanding water regimes in northern environments is the key to sustainable pastoral and agricultural development. And, with the drought biting in the southern half of the continent, there is as you would know, Mr Deputy Speaker, renewed interest in the north where rainfall, while seasonal, is certainly more reliable.

State and territory governments throughout that vast region have undertaken significant water conservation work, and this will provide a platform for the task force. Indeed, I hope it does not go about duplicating work which has already been done in Western Australia, the Northern Territory and Queensland. Much work already has been done. What I said at the time of the announcement of that task force was that the first thing that the government needed to do to improve the task force's chances of being successful was to plug a brain drain—one of its own making.

Last year, the CSIRO agricultural research station at Berrimah in Darwin was shut down and CSIRO funding has subsequently been restricted. Last year, the weeds cooperative research centre was defunded. In the near future, the Tropical Savannas CRC will come to the end of its useful life—and I will talk more about that CRC later. We cannot afford to lose one of them, but we are set to lose all three. Together, they have been providing the kinds of insights and information on maximising crop yields, efficient use of available water, pest and disease management, grazing regimes and fire management that underpin an environmentally sustainable and profitable rural industry sector.

We have yet, of course, to see much research into the social dimensions of any expansion in the rural economy, and I would suggest that this is an important element to consider before we contemplate how that expansion might proceed. There is the need to have a deep appreciation of the infrastructure needs of Northern Australia—which include commercial and essential services like roads and communications—to help bring the vision of development to reality.

That said, I am confident that the make-up of the task force, comprising, as it will, government in partnership with the scientific, commercial and Indigenous communities, will be a crucial ingredient of its success. But I am concerned about whether it has the research base to do its job and to do it well. The kind of research we need includes, but goes beyond, the primary industry and energy focus of the RDCs. There is already research in some important areas in the north, but our research portfolio needs to be boosted if it is to be of much use to the task force.

I have already mentioned the Tropical Savannas CRC, which spans the top of the nation, from Queensland, through the Territory and across to Western Australia, and which has been an invaluable research tool for the cattle industry in the savanna belt in particular. The Tropical Savannas CRC has been the host organisation for a very innovative and exciting development called the North Australian Indigenous Land and Sea Management Alliance, more commonly known as NAILSMA. NAILSMA's brief is to support locally based Indigenous land and sea research and management programs and initiatives from the Torres Strait across to the Indian Ocean. Its research projects include dugong and marine turtle management, foreshore management across the variety of environments in Northern Australia, Indigenous knowledge conservation, scoping tropical rivers, and leadership, scholarship and communication.

It is also worth noting that NAILSMA member organisations, particularly the marine ranger groups from Weipa to Broome, provide an invaluable service to the entire Australian community when they apply their knowledge of sea country to tracking and surveillance of illegal activity in our waters. NAILSMA's mainstream work, however, should be of great interest to the northern waters task force. I think the government needs to understand the importance of finding and supporting a proper home for NAILSMA once the Tropical Savannas CRC goes out of existence.

In the Territory there is also the Darwin based CRC for Aboriginal Health, which is halfway through its second funding period and which is providing valuable insights into preventative health, as well as managing chronic disease among Indigenous people. The work of the CRC is backed by, among others, the Centre for Remote Health, in Alice Springs. It is, unfortunately, one of the few remaining 'public good' CRCs—a CRC which is not and indeed cannot be expected to deliver a commercial return and morph into a commercial research and development organisation. Unfortunately, it is one of the few.

In Alice Springs the CSIRO maintains its Centre for Arid Zone Research and is a major partner in the Desert Knowledge CRC, which is essentially another 'public good' CRC that is looking toward commercial outcomes from research that will help to deliver sustainable livelihoods for people who live in desert environments. Its brief is to: provide sustainable livelihoods for desert people that are based on natural resource and service enterprise opportunities that are environmentally and socially appropriate; encourage sustainable remote desert settlements that support the presence of desert people, particularly remote Aboriginal communities, as a result of improved and efficient governance and access to services; foster thriving desert regional economies that are based on desert com-

petitive advantages, bringing together Aboriginal and non-Aboriginal communities, government and industry; and apply social science insights into governance.

Alice Springs has also long been the home of the Centre for Appropriate Technology, which has pioneered research into, and the development of, low-cost, low-impact and energy-efficient technology for remote community living. There is support from the private sector on the energy front, too, with two Territory businessmen leading the field in energy conservation and alternative power sources. Alan Langworthy and Juer-gen Zimmermann began by supplying power generating equipment to mining sites, industrial complexes and remote communities and now they are pioneering wind-diesel systems and applying new technology to damping down power surges. They are actually exporting their technology to Malaysia, Alaska, Antarctica and Portugal, and they built the new power station for the Cocos Islands community, which is in my electorate.

There is a growing emphasis on social research at Charles Darwin University, with the School of Social and Policy Research looking at the reform of educational systems, hosting the National Accelerated Literacy Program and investigating more accurate and relevant demographic studies that take into account the nature of the Territory's population. The internationally renowned Menzies School of Health Research, now under the auspices of CDU's Institute of Advanced Studies, has made an international impact with pioneering work on malaria and melioidosis to complement its important work in all aspects of Indigenous health. Batchelor Institute of Indigenous Tertiary Education has also recently announced itself as a new player in Indigenous research. Over in Queensland, James Cook University, with campuses in Townsville and Cairns, has an enviable reputation.

I have listed these examples of what we are doing to illustrate what is currently happening in research in the north. It has always had a regional and national impact and, increasingly, is having an international impact. It is entirely appropriate for government to support and build on this research base to meet the challenges of northern development. We need more hydrological research to support what we are trying to do already, let alone what we might be expected to achieve through the workings of the northern waters task force. We need sustained research into pastoral and agricultural programs and we need research into models of appropriate and sustainable regional development. What we do not need is a return to the days of the carpetbagger and the 'quick fix' approach.

It used to be a standing joke that the *Northern Territory News* had an all-purpose headline set in type: 'Territory set to boom'. The accompanying story was often about a big dollar pie in the sky scheme that was going

to be the magic bullet that would end our economic dependence and allow us to forge ahead as rich and free citizens of Australia. The schemes, as you might imagine, never got beyond the inflated headlines. If they did, they proved to be modest in the extreme. But the common factor is that rarely did they consider the need for a sound and comprehensive research base for the future wellbeing of the north. We need that research base if we are to sustainably expand our agricultural and pastoral yields and make some contribution to beating the drought. That means, I say again, we need the government to support and extend our existing research capacity.

But the government should also note that, within the requirements of good governance, the north is equally—and rightly—concerned with how we do the business of research. For research to be meaningful and appropriate to our needs, we have found collaborative approaches to be the most successful. One of the common features of CRCs, for instance, is that they bring together partners from government, industry and academia to work together collaboratively to determine research agendas for the common good. In the north, that means we have to involve Indigenous people as true partners if we are to get anywhere near sustainable outcomes from appropriate and meaningful research.

We cannot, for instance, consider what makes a sustainable environment in zones of extreme climatic conditions—the arid centre, the monsoonal Top End or the fabulously rich variety of marine environments—without tapping into the intimate environmental knowledge of Indigenous Australians. We should not even begin to think of how people can live in these conditions without looking at matters to do with traditional diet, food harvesting, social systems and population densities. Involving Aboriginal people as partners is not just a matter of equity; it is about learning from success. It is about an exchange of knowledge. Aboriginal physical and cultural survival in northern Australia is a success story whichever way you look at it. So when the north is targeted for another big spending task force, and the government sends out their heavies to talk it up, I just ask for a deep and abiding recognition of the way we do business and a respect for what we see as a diverse northern community that can contribute. It is no use talking things up unless you listen first to what the people of the north say and then learn from what they know.

The legislation we have been discussing today and which I have used as a mechanism to talk about the issues to do with research in northern Australia is to be commended—there is no question about that. It is very important, as the member for Corangamite pointed out, that we acknowledge the way in which these regional development corporations have worked in partnership

with the industry sectors that they serve, and that is a very positive thing.

I say to the government that, in the context of getting the sustainable view of northern Australia, you need to do a great deal more than you have done. You need to ensure that you do not take the research capacity that exists away from us in the way you have done previously, that you actually build upon it and build upon the knowledge base that exists so that we can get a more sustainable use of our resources in a way which would profit not only the regional economies of northern Australia but the Australian economy generally.

Mr BRUCE SCOTT (Maranoa) (11.41 am)—I rise this morning to speak on the Primary Industries and Energy Research and Development Amendment Bill 2007. This bill will lead to the improvement of eight statutory rule research and development corporations. Obviously, with my electorate of Maranoa, I have a very strong interest in research and development in the agricultural land management and stewardship areas.

This bill will provide for performance and accountability improvements. It will also ensure that these groups are better placed to enhance the important partnership between industry and government. Of all the changes stipulated by the act, it will further strengthen the delivery arrangements of research and development in rural industries. This can only be of great benefit to all agricultural industries in Australia. I repeat once again the importance of the partnership between science, industry and obviously the implementation of research after field trials with the farm sector.

Six of the eight research and development corporation industries include cotton, fisheries, forests, wood products, grains, grape and wine, and sugar. Smaller and emerging rural industries are covered by the Rural Industries Research and Development Corporation. All of these sectors, with the exception of sugar, are industries that are represented in my seat of Maranoa, which I might add covers some 50 per cent of the land mass of Queensland.

I would first like to specifically talk about the benefits of research and development in the cotton and grain industries and the impact that that is having on the farm sector in my electorate. If time permits, I want to touch on the beef, wool and wheat industries and a little later perhaps on the land management natural resource area. Research and development assists in minimising the effects of pests and predators on crops. For example, in the cotton industry, Bollgard II is the name of the cotton that has been bred and genetically enhanced to produce a toxin that has the potential to kill the helioverpa species of insects. It has now been commercially available for three years. Unfortunately, not many of the producers in my electorate, particularly in the Darling Downs, have been able to make use

of it over the three years because of the extreme drought and the lack of available water for irrigation.

There are two genes that occur naturally in the environment that are a toxin specifically to the helioverpa species. These genes have been introduced to the regular cotton plant to provide the plant with protection from helioverpa that normally attack the cotton plant, which would reduce the yield. It would reduce the yield dramatically if it was not sprayed over the top with insecticides.

The introduction of Bollgard II has significantly reduced the need for the helioverpa and heliothis pests to be sprayed by over-the-top insecticides. 'Over-the-top' is a spray applied to the plant either from the air or by a land based vehicle to remove these pests. Other, secondary pests such as mirids, green vegetable bugs, whitefly—which is one that has emerged in the last 10 years—and aphids all still need to be monitored and treated if they reach certain thresholds within the crop, particularly if those threshold levels are at an intensity that would cause damage to the plant and obviously damage to the potential cotton production.

Plant breeders and researchers are constantly trying to breed new varieties of cotton that are more tolerant—and this is terribly important—of our harsh environment, especially varieties that require much less water to produce the same amount of lint and seed as the currently available varieties produce. That is a particular challenge for research: to have a plant that will produce the same or improved amounts of cotton lint and seed as you can get from existing varieties. That is obviously very important, given that the drought is an issue for all as water available now and in the future will probably become a more expensive commodity. Through research we have to find not only water efficiency measures that will lead to how efficiently we can use water but how efficiently a plant can use that water. It is not just about the efficient transport of water to a farm, around a farm or the recycling of water that is not used and how it can be reused; it is about how important it is for a plant itself to be able to utilise water and produce improved yields with the given amount of water.

It is also important for pesticides and herbicides to be developed which not only are environmentally friendly but also provide for more efficient and economic delivery of those herbicides and pesticides. Whilst we would all like to think that we can live without some of these herbicides and pesticides in many of our rural industries, it is just a fact of life that we will probably always have to have some of them if we are to maintain our current levels of production, and obviously we would like to see these levels of production increased on an economic basis. Roundup Flex is one such herbicide that is a herbicide tolerant, genetically modified variety of a cotton crop. Roundup Ready is

currently in its last year of commercial availability. What will it be replaced with? The new technology Roundup Flex has now been commercially available for the first time this year. Once again, it is not able to be used very widely in my electorate because of the drought, but obviously research does not stop, nor does the need to continue this research to gain an advantage in reducing the number of sprays used on a crop, as well as genetically improving the plants themselves.

I want to point out the importance of what has led to a reduction in the control applications of spraying herbicides and pesticides on, for instance, cotton—particularly on new genetically modified crops such as Bollgard II cotton. In 2001-02, at 13 sites across Australia, Bollgard II cotton needed, on average, 2½ sprays across the crops to control pests and other insects that were attacking the crop, compared to conventional cottons—in other words, not Bollgard cottons—which needed about 10 sprays. That is a dramatic reduction in the number of sprays that had to be applied to the crops in 2001. These sorts of results are constant. In terms of total insect control applications in the periods 2002-03, 2003-04, 2004-05 and 2005-06, the differential between Bollgard II and the conventional cottons is similar year after year, which demonstrates the importance of research and development and, obviously, the development of new technologies and new genetic strains of plants—in this case, cotton.

The Roundup Flex plant is also able to have glyphosate, which we also know as Roundup, sprayed directly over the top of it for its entire life without damaging the fruit on the cotton plant—a tremendous step forward. Once again, this has come from research and it is delivering the benefit of being able to use Roundup Flex. This technology has meant less herbicide usage in general in the cotton industry.

I know in my electorate of Maranoa, Emerald particularly was a community that was very concerned, about 15 to 20 years ago, about the level of herbicide sprays being used in the production of cotton in that area. With new technologies, new strains and new herbicides, the reduction in the numbers of sprays that are used has been dramatic. This has been a result of all the research that has gone into it. I know the communities and the growers are certainly much happier with what research has been able to deliver for that community.

The other important result of research is that there are now fewer residual herbicides used in cotton fields because farmers are able to control weeds that are susceptible to glyphosate throughout the life of crops without having to apply a herbicide with a long residual cycle. Once again, this is an important aspect of research because it has not only reduced the numbers of sprays but has also reduced the residual sprays that had been used in the past. That is another very positive step forward.

There are companies that are working at the fringes of genetic technology regarding insecticide and herbicide insertion of genes but we all know that that is very costly. It would cost a great deal of money—money which has not always been available—to continue with this research at the present time. I am sure that as time goes on it will become economical to look at this area of research, particularly in relation to many horticultural and agricultural crops.

I want to touch on grains research because, as I have mentioned a couple of times in my address, one of the worst droughts on record is affecting farmers right across Australia. Obviously my electorate has a very large number of farmers in it, so the development of drought resistant crops has been crucial to assist farmers' ability to grow crops. They have been using new farming technologies and new strains of grains, particularly wheat and barley—cereal crops—and other crops so that they can sustain some production, even in dry years or drought years such as we have now, and particularly with long fallows.

Research into wheat goes on at the Queensland Wheat Research Institute in Toowoomba. A lot of field trials are conducted across my electorate. In fact, when I was farming actively many of the field trials in the western Maranoa took place on my property, so I had a direct involvement prior to coming into this place and was able to witness first hand the benefit of research. I saw the different strains of wheat—wheats that were more drought tolerant—using some of the genes that had been identified in places like Syria, including ICARDA, the research station outside Aleppo. Researchers were able to insert these genotypes into some of the Australian wheats to give our wheats more drought tolerance.

I will never forget that in the early part of that research the Mexican dwarf wheats were used but in our really dry times in Australia they were very dwarf wheats. They would produce grain but often they would be less than a third of a metre in height, which made it almost impossible to harvest the yield that they would produce in the worst of the worst droughts. So, by removing the dwarf gene from the strains of wheat and putting it into strains of wheat that had a longer stem, researchers were able to get the benefits of drought tolerance bred into a wheat that would be sustainable in our environment. I had many years of watching these trials conducted on our own property in western Maranoa so I certainly come to this debate with some practical experience in relation to wheat research.

In relation to sorghum—another crop which we grew on our property—particularly hybrid sorghums, research has gone on very successfully recently in my own electorate of Maranoa, at the Warwick Hermitage Research Station. That research is into green leaf tech-

nology. Farmers are always battling droughts, dry times and the availability of water. We all feel for them in these times of extreme drought. As a plant starts to die because of the lack of available moisture it is important that the plant does not die off. When a plant starts to die off the first thing that happens is that the leaves lose their green and turn brown. The leaf, of course, is a very important part of any plant because what it absorbs from the sunlight and from the atmosphere goes to the overall health and wellbeing of the plant. This green leaf technology has meant that the sorghum strains that they have bred have been able to withstand long periods of no rainfall and the plant still has an active capacity to produce grain if rains occur late in the season. So this is an example of research benefiting the grain sorghum industry. Because of this research many of these crops, if people have been fortunate enough to be able to plant, have produced a yield.

I want to touch briefly on the sheep and wool industry and the importance of research in that area. We all know there has been a worldwide campaign to get consumers around the world to not buy merino wool from Australia because of the practice of mulesing. I am opposed to those groups because they have little understanding of the impact of a flyblown sheep on production. The wool industry, to its great credit, is now developing a replacement for the surgical procedure of mulesing that will ensure that sheep can be run without having to be mulesed. If this new product is successful, it will result in the animal having the same sort of protection from flystrike in the breech that mulesing has provided for the wool industry for many decades.

As a former wool grower and practitioner who has used the surgical procedure of mulesing to ensure sheep were not flyblown, I certainly welcome this research and I congratulate the wool industry for it. They know that, if they do not take on this research, the lobby organisations around the world will continue this pressure—very wrongly, and for which I condemn them. I believe that by 2010 we will be in a situation where mulesing can be phased out and replaced by this new procedure that I am sure will be acceptable even to these extreme lobby organisations.

Time does not permit me to talk about the beef industry and land management systems, which are also important research areas. Suffice to say that the beef industry has been at the forefront of breeding cattle that are more tolerant to ticks and heat stress in northern Australia. I see my time has expired. I look forward to continuing some comments on this at a future time. (*Time expired*)

Mr GAVAN O'CONNOR (Corio) (12.02 pm)—I acknowledge the contribution of the honourable member for Maranoa to the debate. He has a longstanding interest in the production and research side of agricul-

ture. It is pleasing to see that members of this House can come together and agree on a piece of legislation and the fundamental premise on which it is based. I acknowledge also the presence in the chamber of the Independent member for New England, who will make a contribution to the debate later. I also acknowledge the contribution by the honourable member for Corangamite, who preceded us in this debate.

I was not here when the honourable member was on his feet. I do not know too much of what he had to say, but I do know that he does have an interest in the wool and sheep industry, as does the honourable member for Maranoa—a squatter and a squire from the western district of Victoria and a former political enemy of mine. However, I do owe this one to the honourable member for Batman, who pointed out to me that the honourable member for Corangamite has been peddling mutton dressed as lamb for a long period of time!

The honourable member for Corangamite, as well as other members in this House, appreciates the importance of research and development to Australia's agricultural industries. The Primary Industries and Energy Research and Development Amendment Bill 2007, according to the minister's explanatory memorandum, is primarily designed to improve the governance of the eight statutory research and development corporations funded by the Commonwealth. There are six discrete R&D corporations covering particular commodities. They are cotton, fishing, grains, grapes and wine production, sugar, and forest and wood forest production. Smaller industries are well covered by the Rural Industries Research and Development Corporation, RIRDC, while water and land management issues are covered by that very expert body that is held in very high esteem within this parliament and outside it, Land and Water Australia.

The objective of this legislative exercise, according to the government, is to further develop the independent skills capacity of the boards that govern the research and development corporations, in line with the Uhrig report's recommendations aimed at improving the performance and accountability of such boards. In the past, governments have appointed an Australian government director to these boards, a practice that will be discontinued as a result of these amendments to remove any of the potential conflicts of interest for serving public servants. To compensate, the bill includes the strengthening of links between the rural development corporation boards and the minister in the preparation and organisation of research plans. The bill also provides for increased reporting requirements. Attempts are made in this legislation to increase the diversity of experience and gender among those who are nominated for board memberships, and I think those are admirable objectives. The opposition regard these objectives as very worth while, and we will sup-

port the passage of the legislation through the House in a true sense of bipartisanship.

Over the past 10 years, the opposition has been somewhat critical of the government's performance in this area. It has been a perennial concern of ours that not enough time, thought or effort has gone into some of the changes not only to the governance arrangements of many of these boards but to the general structures of these organisations and the mechanisms by which they report to the executive and are held accountable by this parliament. At least on this occasion, the government has shown the sense to back these changes of the Uhrig report into governance issues as they relate to such corporations and other statutory bodies.

I had the good fortune in my early political years to work with the then Deputy Prime Minister of Australia, Brian Howe, who gave me a very good piece of political advice that I have carried through my years in this parliament. He said, 'It is always important, Gavan, to undertake the research and have those recommendations to assess before you proceed in a policy development sense.' Indeed, the reporting process is a very important part of the policy development process. Too often, ministers are caught listening to lobby groups. They cobble together proposals on the run and those proposals are put into the public arena with no foundation discussions and no foundation research, on which the government then proceeds to act.

Of course, our experience in this chamber with governments that operate on those sorts of principles is that they inevitably fall into some very deep holes and traps as a result of failing to do the appropriate research. On this piece of legislation, the government have acted on the basis of a procedure. They have a report that makes recommendations into the governance of many of the statutory bodies and research and development organisations, and they have extracted from that report some recommendations on which they have based the amendments that we are debating here today.

There are compelling reasons that this parliament ought to be concerned with governance matters in these areas; in fact, there are about 451 million of them. That is the amount, \$451 million, that the federal government, on behalf of Australian taxpayers, pours into the seven industry owned R&D companies and the eight R&D corporations that constitute critical pillars of agricultural research in this country. Therefore, it is imperative that we get the best people onto the boards and that their governance is best practice in every sense of the word.

As I stated earlier, the rural R&D corporations are an important pillar in the agricultural research and development effort underpinning Australian agriculture. The farm sector is an important contributor to the na-

tional economy—some three per cent of GDP—and its significance to regional growth and employment cannot be underestimated. There are some 330,000 people employed in the sector. The flow-on effects have been well documented. In a recent letter to the *Australian Financial Review*, David Crombie, President of the National Farmers Federation, outlined some of those flow-on benefits, stating that agriculture underpins some 12 per cent of Australia's GDP and is responsible for value-added production in the region of \$103 billion, which in turn translates on the ground to some 1.6 million people being employed as a result of activity in the sector and some 50 per cent of that employment being situated in Australian capital cities. So there are many Australians who are dependent on agriculture research and development, and many of those people are indirectly employed in city areas.

A growth of 3.8 per cent per annum in productivity in the sector over the past 20 years has been above that of the rest of the economy, despite massive structural changes in agriculture. Of course, the linchpin of that productivity growth has been agriculture's R&D effort. I believe that this is one very important area in which there is agreement across this chamber. There is a bipartisan view on the importance of maintaining public sector research and development and, of course, getting good governance for the moneys that are expended.

I note that the honourable squire from Corangamite has graced us with his presence here in the chamber today. We know that out there in the western districts of Victoria that the wool and sheep industry, which he has been associated with for such a long period of time, is now very much dependent on the cutting-edge research and development that is done not only on farm but also at the value-adding end. I refer, of course, to the CSIRO's fibre and textile facility, which is located in the electorate of the member for Corangamite. I think that, for both of us, it has been very important to retain those researchers in the Geelong region to service an industry which is a foundation industry as far as the Geelong economy is concerned and as far as the western districts are concerned.

I must say that I did make reference to the honourable member for Corangamite, but that was a quip that was provided by the honourable member for Batman—that is, that the honourable member for Corangamite has been trading mutton dressed as lamb for a long period of time. But I know that the honourable member for Corangamite in his enterprise has been interested—like most farmers are—in producing a quality product, getting it to the marketplace and getting a reasonable price that allows a reasonable standard of living for those who engage in that activity.

This sector has been blessed with an R&D structure that has delivered growth and productivity to Australian agriculture. These R&D corporations, the CSIRO,

the cooperative research centres, tertiary institutions and state research bodies form an integrated network of research that has kept the sector in the competitive ring in a global sense. But there are warning signs that falling levels of relative government support for public research and development will expose the sector long term to declines in both productivity and profitability.

As members will appreciate, modern farming in Australia is a very sophisticated business in the 21st century. Farmers not only must manage and maintain their production in a sustainable way but are required to call on a broad range of skills to enable them to stay in the business in the face of natural disasters such as drought, oil shocks that ramp up their cost structures, exchange rates that mitigate against their competitiveness and corrupt international markets that are extremely difficult to sell into in most of the key commodity areas. That is the reality of farming today. I hope that all members of the House have an appreciation of that.

As I have said in the debate thus far, many of the jobs in urban areas are directly related to the agricultural sector and depend heavily on it. If the sector is going to maintain its current economic position then not only will the quantum of research dollars have to be maintained—and increased—but the whole R&D effort will have to be refocused. Returns to the national economy from agriculture R&D have always been high. But the task today will be to maintain and improve levels of investment in this area to maintain the long-term productivity levels that have been the hallmark of the sector's performance in the past.

As has been pointed out by Dr John Mullen in the Australian Farm Institute's report *Productivity growth in Australian agriculture: trends, sources and performance*, public spending on R&D in intensity terms—that is, the ratio of public investment in R&D funding to agricultural GDP—has fallen from five per cent of GDP between 1978 and 1986 to just over three per cent in 2003. Dr Mullen considers that government research funding has been affected by three factors: the level of funding for research being transferred to industry, the outsourcing of research to public and private bodies and the increasing degree of collaboration between state departments of agriculture and universities. It is an interesting analysis. At the end of the day, he has sounded a warning bell in relation to the need to maintain public levels of funding for research and development in the sector. If we do not, then it will become increasingly difficult for Australian farmers to remain competitive as they respond to the economic and environmental changes around them. It will be the capacity of the sector to innovate that in the future will be its saving grace. The key to that innovation will be the sector's research and development effort.

I will conclude by making some comments about the level of research and development around the world. There is an increasing concern that these levels are falling. This has quite profound implications for food security. That relates generally to the security of nations and the way that we as developed countries respond to some of the humanitarian crises that occur from time to time around the world. This is an observation that has been made by many people. There is a changing focus in the research that is taking place. Research in developed economies is changing very subtly from being aimed at enhancing production of food to being aimed at enhancing the attributes of the food that is being produced. That is being driven in developed economies by lifestyle changes, by the health debate and other debates—among other things, the animal welfare considerations that were mentioned by the honourable member for Maranoa.

It is very important that we understand not only the way in which how the R&D dollar is spent is changing in Australia but also how the international scene is changing. At the end of the day, that has some quite profound implications for humanity, the supply of food and food security issues, which—along with a lot of other things—feed into the general security situation on continents that from time to time are ravaged by drought and other factors.

In conclusion, I will refer members to what I think is an excellent article on this. It is called, *Agricultural R&D spending at a critical crossroads*. The people who wrote it are Professor Philip Pardey from the University of Minnesota, Professor Julian Alston from the University of California and Nienke Beintema, another researcher. It is a fascinating article, because it challenges us to think about the levels of public investment in R&D and the directions that are being taken, particularly in the developed world, which in past decades has really driven some of the great improvements in productivity that the sector has seen. They had this to say:

Agricultural R&D is at a crossroads. The close of the 20th century marked changes in policy contexts, fundamental shifts in the scientific basis for agricultural R&D, and shifting funding patterns for agricultural R&D in developed countries. These changes imply a requirement for both rethinking of national policies and reconsidering multinational approaches to determine the types of activities to conduct through the CGIAR and similar institutions and how these activities should be organised and financed.

There is a similar challenge here to us as we contemplate this piece of legislation, which attempts to improve the governance of R&D corporations.

This is an opportunity to reflect on how the research and development dollar is being spent in Australia and what the returns are, not only to agriculture and farming families but to the national economy. It is an opportunity to assess some of the trends that are going to

impact on how that dollar is spent over the next couple of decades. At the end of the day, will we be able to construct and maintain in Australia a viable and sustainable agricultural sector? That is an objective that all members of the House will agree with.

The DEPUTY SPEAKER (Hon. DJC Kerr)—I thank the honourable member for Corio for his most colourful speech. But I observe that I understand that the procedures of the House require members to be referred to by their formal titles. I am not certain that ‘the squire of Corangamite’ is the formal title of the member.

Mr GAVAN O’CONNOR—Mr Deputy Speaker, through you, there was no offence intended in that remark.

The DEPUTY SPEAKER—And none, I am certain, was taken.

Mr Anderson—Mr Acting Speaker—

The DEPUTY SPEAKER—Yes, yes.

Mr ANDERSON (Gwydir) (12.22 pm)—As the member for Corio departs, can I say that I appreciated very much what he had to say. With his level of understanding of the real issues confronting agriculture—the opportunities and the contribution it has made—it is a great shame the Labor Party does not value him more highly. Indeed, so good is his understanding that perhaps we might recognise his value and ask him over here, as I am sure the ‘General’ of—I beg your pardon, the member for—Corangamite might acknowledge.

The DEPUTY SPEAKER (Hon. DJC Kerr)—Might I apologise for not formally calling the member for Gwydir.

Mr ANDERSON—Well, we are all in trouble now; even you, Mr Acting Speaker—not Mr Deputy Speaker, as the previous speaker referred to you!

The member for Corio rightly highlighted the very significant performance improvement that agriculture in this country has notched up year in, year out. No sector of the Australian economy has matched its productivity gains on a year in, year out basis since the end of the Second World War and probably well before that. That has been driven by a number of factors: the commercial realities of the marketplace, the extraordinary advance of technology on-farm and off-farm, and, as the member for Corio rightly noted, our own research and development effort. The \$450 million or so that goes to agricultural research every year out of the public coffers is by far the largest direct contribution made to agriculture in this country by the taxpayer. That makes us quite unique in the Western world, and my opening salvo in this debate on the Primary Industries and Energy Research and Development Amendment Bill 2007 would be to say that very often those dollars are painted as providing primarily a farmer benefit. In reality, under the R&D funding model that

applies in this country—put together, it has to be said, to be fair, in the time of John Kerin, a former Minister for Primary Industries and Energy in the Hawke government who put together the model which I think is the world's best—farmers make a contribution which is matched dollar for dollar, industry by industry, to the efforts of each of the research and development corporations. That shared effort reflects the fact that while there are certainly benefits for agriculture there are enormous common-good results as well.

I make those comments because there are many in this town, in officialdom, who believe that farmers should fund that effort entirely on their own. That debate surfaces from time to time, and I want to say again that I am vehemently opposed to that view. Where would the economy be if we had not had that productivity improvement, resulting in higher export performance year in, year out, for example, over the last 60 years? We have a very serious trade deficit problem. Agriculture is one of the major contributors to our exports. We produce enough food and fibre for somewhere between 70 million or 80 million and perhaps 100 million people every year. With a domestic population of just 20 million, that leaves a massive amount to export and it constitutes a valuable economic contribution.

In environmental terms, the research and development effort has undoubtedly resulted in dramatic improvements in the ways we manage our natural resources. Whether it has been through the control of pests like rabbits, which used to denude the country and exacerbate droughts—you had droughts even when they were not droughts—or whether it has been through the dramatic improvement in the performance in the Australian rice industry, which is now the world's most efficient user of water in the rice industry globally and has cut its consumption of water per unit of production in half over the last decade, or whether it has been the extraordinary development in pasture growth management and run-off management, there is still a long way to go. But we have seen massive progress in recent years. Those things have produced great environmental value.

But then there is employment. I remember when these funding arrangements were being called into question when I was minister for primary industries. I think the most graphic illustration that I could find of the community-wide or common benefits that arose out of the R&D effort was to be found in the dairy industry, which had based their research effort around areas which improved their productivity and enabled them to gain access to and win very substantial export markets in Asia.

It was an incredible performance. Just the export sector of one domestic agricultural industry generated an additional 100,000 jobs, most of them in Victoria—

the home state of the parliamentary secretary at the table, Minister Smith. If that is not a massive common good, I do not know what is. And how those who oppose the funding model might propose to capture the contribution that might reasonably be made by those people who have a job but who otherwise would not have was always beyond me. There is a real value in these models.

Having made those general remarks, I will make some observations about where our R&D effort in agriculture might need to be a little more focused in the future and where we as a government and a nation might devote some more energy. I noted what the member for Corio had to say about the declining global research and development effort in agriculture. I think I am representing him fairly when I say that the research he is drawing on is accurate but may not be quite up to date. My understanding of it is that you are now seeing a very significant injection of R&D funding into agriculture for some very interesting reasons, particularly in Europe and America. The reason is in large part because of the quest to crack the secrets of releasing plant energy and substitutes for oil—liquid fuels—at a time when you have got a great convergence of concern over climate change, oil security and the real possibility that at some stage over the next decade we will hit 'peak oil' or we will reach that point where we cannot supply new sources of oil quickly enough to offset increasing demand and the price starts to rise inexorably. We do not know when that point might come. We have had some warning bells recently that it may not be far away. It is of real concern.

The response to this in America—with which I am a little more au fait because I had the opportunity to spend four or five days there in a very intense study tour recently looking at where they are going with renewable energies, genetic modification and all those sorts of things—has been absolutely astounding. We have seen, on the surface of it, an explosion in the development of ethanol and biofuels, which of course has attracted the interest of many people across rural and regional Australia. There are many points that need to be made about what is happening there.

The first is that, unlike the best of the plants proposed in Australia—for example, the Primary Energy technology proposal which would result in a plant in this country producing 13 times the amount of fossil fuel energy that it consumed—the truth is that many of the American ethanol plants are not really truly renewable. The amount of diesel used in crop production, oil used in fertiliser production and transportation of crops and the very high levels of natural gas used, which is increasingly expensive as resources of natural gas in America are exhausted—and is increasingly likely to be imported in the future—mean that those plants are not as 'renewable' in their production as they appear to

be on the surface. As I say, that is in stark contrast to the best technologies being proposed in this country, which are a whole generation ahead.

Furthermore there is now a real recognition that ethanol is not the only plant based alcohol, or fuel, that can be produced from plant material. There are new options coming along and vigorous exploration and scientific investigation of them is now being undertaken in an attempt to raise their energy content. Ethanol is a simple fuel based on a two-molecular structure. More complex fuels will more approximate the energy of petrol. It is a very exciting future. Some of the numbers in this game are absolutely amazing.

The quest is to overcome the possibility of a very ugly food versus fuel debate, which we are already seeing. The price of corn in America has risen to the point where you have had political unrest in Mexico because the price of tortillas has risen to the point where poor families are finding it difficult to cope. You have had the government in China, where there is a very active ethanol industry, say that they will have to limit the amount of grain going into ethanol. There is a debate going on in South Africa about diverting sorghum from the plates of poor families into the fuel tanks of wealthy BMW owners. In America this is all being driven by the fact that only 16 per cent of the national corn crop is now going into producing three or four per cent of the country's liquid fuel needs. If it is having that impact now, where do we go in the future?

Many now recognise that the scientific effort needs to be massively increased to get the production levels up so that we do not have that acrimonious, very difficult, and morally and ethically charged debate. At the same time as we seek to produce more grain to feed people and to provide for these new industries, we are also trying to crack the process of lignocelluloses. That is where you are really seeing some big dollars flowing. When I was in the US, BP had just announced that it would put up \$1 billion for biofuels, \$500 million of which was to go to research.

We have seen Richard Branson offer \$US3 billion over the next decade for biofuels development. He proposes building a massive plant to try to take the whole thing forward as part of that \$3 billion—it may in fact be in addition to that \$3 billion, I do not know. Warren Buffett, regarded by many as the world's smartest investor, is today building an \$80 million lignocelluloses plant. They are not yet commercial, but he believes that the secrets to extracting the sugars from the cell materials in biomass other than seed material will be cracked in a way that will release massive amounts of energy in the future. He is backing that with his own money. Those things are telling of the things that are happening. The US Department of Energy has just put \$US160 million into three partnership arrangements with the private sector for the develop-

ment of celluloses based biofuels plants as well. So there are massive amounts of money going into the plant area—and that, I think, is why the member for Corio's information, accurate as it was at the time, is rapidly being overtaken by events.

Australia cannot afford to miss out on this effort. This is very important. The Americans say that if they can crack the secret of lignocelluloses then they have available some \$1.4 billion tonnes of biomass a year. That is an extraordinary amount of biomass. It is believed that it could provide up to one-third of the nation's liquid fuel needs. It is renewable and greenhouse energy friendly. We do not know whether that is going to happen. It is not yet commercially viable. But they are putting in the effort and they are determined to reduce their reliance on Middle Eastern oil and so forth. They are throwing the dollars at it.

As one senior scientist said to me, 'What this has done is start to help us put together scientific teams of the quality and depth that in recent years you have only seen in medical research.' Previously that was where it was sexy to be, to use the vernacular. Now it is changing. What was the 'nice idea' of a quest for renewable fuels has become an absolute imperative. With that sort of dedication, money and resourcing going into it, the game is going to change very rapidly indeed. We in this country, with our heavy dependence on liquid transport fuels, need, I believe, to tap into this.

Lest anybody think I am being critical of the ethanol industry, let me say that I am not. Everyone makes it quite plain that it is the critical first stepping stone to what is likely to be a very much more significant renewable fuels plant based energy future. It is not the whole answer; but it is a significant part of it. We need to make certain that we are not missing out on it. In the context of the government's commitment to having a good look at what can be grown with and how we can use the water in the north of the country more wisely, it is very unlikely that you are going to use it to grow cereal crops. But it is highly likely that it can be used for the production of vast quantities of biomass. That might be a biomass source such as a grass. Who knows? Sugarcane is a grass. Ideally it would be perennial, able to be harvested every year, would regrow vigorously, capture carbon and provide the base material or stockfeed for a whole range of sophisticated biofuels. This would benefit the country enormously in the future.

There is a related issue that I will only touch on. It is likely that GM technologies will play a role here as well. We have a state based moratorium in this country on most GM technologies for agriculture. That needs to be lifted. There ought to be one nationally consistent approach. I understand peoples' caution in this area: concerns over food safety, segregation and all of those sorts of issues. But the state based moratoria run the

real risk of stunting scientific investigation and the ability of farmers to make wise commercial decisions about what they ought to grow and where they ought to grow it. We need some real reform in that area. Just as Bt has proved the answer to insect loadings in cotton, in my view it is entirely possible, even likely, that a future biofuels industry will need access to similar technologies for similar reasons in the north of the country.

I now come to another issue: where our research is going, which is all relevant to the rural industries research and development corporations, which put a lot of effort into the plant sciences. I am suggesting that more is needed. We had a plant CRC. It may very well be time for the Minister for Education, Science and Training to consider again the possibility of a new plant CRC in this country, perhaps with an emphasis on renewables.

There are other warning bells going off that I have recently become aware of. We had a vigorous debate, of which I was part, in this country a few years ago about the fact that we were very good at basic research but not so good at developing that research and taking it forward commercially. There is some evidence now—putative only, but we ought to be aware of it—that, because of our emphasis on commercialisation, we are underemphasising the importance of basic research. In the context of what I have been saying, I wonder, firstly, whether we should not be putting more effort into basic research in this country such as the type of plant material, biomass material, that might be used in a future biofuels industry that is much expanded on what is currently envisaged and, secondly, whether, as part of that, we ought to be further investigating whether we can be players in unlocking the secrets of extracting those biofuels from plant materials. That is relevant, because there is often a view in this country that we should not duplicate expensive research being conducted in other countries such as America and Europe, and thereby avoid the cost of duplicating that effort. However, the fact is that research is expensive. Much of it is being done by the private sector and it may be protected by intellectual property rights arrangements in the future. One of the ways you get access to that sort of research at reasonable rates is to ensure that you also have parts of the jigsaw, that you have research that you can trade.

There is a real prospect that perhaps we are in danger of swinging the pendulum a little too much towards development and commercialisation of research, while perhaps not putting quite enough effort into basic research. Indeed, it goes well beyond even the issues of food and fuel. Plant research is now showing exciting options in providing polymers, feedstock and other vital componentry in our Western way of life—our dependence on chemicals, plastics, and the very excit-

ing area that I have been hearing about this morning of polymers, cling-like film, if you like, that can be used for solar cells. At the moment, silicon solar cells are 10 per cent efficient. Polymer film made from feedstock oil is much cheaper, much thinner, more effectively and easily made and deployed but is only six to seven per cent efficient versus the 10 per cent efficiency of silicon solar cells. But it may very well be that, because the film is cheaper to make and easier to deploy, it can be made out of plant material based polymers—a whole new area of valuable resources that can be provided renewably out of agriculture at a time when we may very well be facing real shortages of liquid fuels in the future.

Finally, let me make this observation: I believe that there is a real opportunity for the farm sector in all of this. It is highly likely that within a few years we will see a new farm based sector which is basically farming for renewable fuels. But one of the great ethical challenges before us is to make certain that it does not become, in some ugly way, a competition between the wealthy and the poor over food versus fuel. We have to do better and research will be a large part of the key.

Mr WINDSOR (New England) (12.42 pm)—I am pleased to support the Primary Industries and Energy Research and Development Amendment Bill 2007. I was very interested to hear previous speakers talking about the various research and development opportunities that Australia has. I was quite interested to hear the member for Gwydir's contribution about his intensive visit to the United States looking at ethanol plants. I was a little disappointed to hear him say that American technology is a little outdated, but I think he was referring to the energy life cycle arrangements.

Having been to the States myself last year, I would agree with him that some of the early plants may be outdated, but there has been a lot more progress made in the more modern plants with the energy in and energy out. Obviously if plants are built in Australia they would be of the new generation, positive energy type that the member for Gwydir alluded to. What he did not allude to, and what I think is important in this debate, is that the main driver of biofuels and renewable energy in the United States has been government policy. Australia is sadly lacking in government policy. The member for Corio raised declining global research in his contribution. The member for Gwydir countered that by saying that in the States there are a lot of commercial investments—and he referred to a number of very wealthy people that are investing in private and commercial research. I saw that in the States as well, and I think it is a very positive thing.

But the reason it is not happening here is that we do not have an adequate policy mix that addresses or invites research into renewable fuels. In fact, we have quite the opposite. We have a rather ridiculous MRET,

as they call it: a renewable energy target that was put in place in 2000 to achieve 360 million litres of biofuel by 2010. We are currently running at a rate of, I think, about 47 million litres, and we are into our seventh year. We have a rather ridiculous situation in that we have a policy platform which means that, when 2011 arrives, those who invest in renewable energy biofuels in Australia will be seen as a source of tax—they will be taxed for producing a renewable energy. This is a policy mix that has to be changed. We do not have a mandate. The member for Gwydir failed to mention that the main driver in the United States was that, some years back now, some of the states decided to mandate the usage of certain percentages of biofuels in their fuel mixes for health reasons—emissions in their cities and carcinogenic additives in some of the octane boosters put into the fuels. We do not have that leadership in this country. We have a Prime Minister who occasionally has a cup of tea with the major oil industry bosses, and they say to him, 'Leave it to us; we'll do something.' The last cup of tea was about 18 months ago, and not one contract has been signed—not one off-take arrangement signed—in Australia since. A lot of companies are saying that they are looking at doing things, but not one contract has been signed for off-take arrangements with the major distributors. Why do we need that? We need that because they are the ones who control the bowsers in this nation; they control the distribution network.

So, in terms of research and development and investment in commercial activities in this country, we do not have a policy at all. We are quite prepared to mandate the usage of Opal fuel to stop our Aboriginals in Central Australia from sniffing, we are quite prepared to mandate lead level usage as a fuel standard for health reasons and we are quite prepared to reduce the amount of sulphur in diesel for health reasons, but we are not prepared to tell the fuel companies to start using a certain proportion of biofuel in their fuel mixes for a whole range of reasons—health, environmental, global emissions, regional development, localised investment and to shortcut the corrupt world grain market activities we have seen in recent years. We are not prepared to do that by policy at all. The message that comes from the current government—and I am not persuaded that this government is any different from the opposition—is that the market will provide for those sorts of activities. The biggest market-driven economy in the world, the United States—

Mr Secker—Madam Deputy Speaker, I rise on a point of order. The member has not been addressing the bill for a considerable time, and I ask that you draw him back to the bill.

The DEPUTY SPEAKER (Hon. BK Bishop)—I thank the member for his point of order. It is within the standing orders to allow a wide ranging debate, but it is

necessary for any member addressing a bill to reference his points back to the nature and subject matter of the bill.

Mr WINDSOR—I am sorry that the member for Barker does not have the capacity to see the linkages between research and development and the private sector and government policy. This is a piece of legislation about research and development. What I am talking about is the legislative mix in this place that leads to either commercially- or government-driven research and development.

Mr Secker—A very tenuous link.

Mr WINDSOR—It is a great shame that the member for Barker does not have the capacity to embrace those particular issues.

The DEPUTY SPEAKER (Hon. BK Bishop)—The point of order was a valid point of order. It is necessary, as I said, to reference back to the nature of the bill. But we do allow a wide ranging debate nonetheless, referencing back, of course.

Mr WINDSOR—I am sure, Madam Deputy Speaker, that you would be fully aware that the legislative arrangements in here talk about research and development and the investment in it and the activities of land and water et cetera. Research and development is a very important issue, and it is most appropriate that it embraces the day in which science meets parliament. I noted that the member for Gwydir has met with some people. I met with some scientists this morning and found them very interesting to talk to. I was talking to them about an issue in relation to renewable energy which embraced some of the research that is happening and that maybe should have happened and some of the research we have lost in recent years in a global sense from Australia, particularly in solar and wind energy.

In the electorate of New England, I have seven cooperative research centres that have done enormous work at the University of New England: the cotton catchments, the community CRC, the poultry CRC, the beef genetics technology CRC—which is probably the best known and a world leader in research—the sheep CRC, the wheat management CRC, the irrigation futures CRC and the spatial information CRC. It is a worthy program, and I congratulate the government and the former government on this particular arrangement, where there is a mix of private sector funding, commercial funding—I hope the member for Barker can follow this—and government funding that has some degree of commercial activity at the end of it.

I thought the member for Gwydir made an important point when he said that we have to be careful not to fully commercialise all of our research and to have it all based on the need to show a return within a short period of time—that we need to have research for research's sake. That is not to say that we should just

throw money at any researchers who are wandering past. But, particularly in the renewable energy area—for instance, the lignocellulosic area, which the member for Gwydir mentioned—there is a need to have raw research on what can be done into the future. Even though I am a great fan of the CRC movement, I think the way in which the cycle renews itself in terms of their applications for renewal may be slightly too biased towards asking: ‘What have you done in recent years in terms of commercial activity in the economy?’

Particularly in some of these climate change issue areas, we need to make sure that there is some research being conducted right at the cutting edge and not necessarily at the commercial edge. As I mentioned a moment ago, we have this extraordinary policy mix in this place in which we are encouraging research and development and then hoping that some of the issues will be picked up commercially, particularly in the renewable energy area. Then we intend to use them as a cash cow at the end by taxing those who move into those areas, rather than providing incentives.

One of the areas of research that I believe we should look closely at in terms of the future—and the member for Barker may be able to comprehend some of what I am about to say, because it relates to wheat breeding—in relation to renewable energy and biofuels is the plant breeding mix that is currently carried out in Australia. What we tend to do in Australia in the wheat industry, for instance, is to breed wheat that is relatively high in protein levels. In doing that, we tend to provide relatively high levels of nitrogen, particularly in the better soils, to achieve both yield and protein in the grain, with protein being the marketable product, particularly overseas where there are premiums paid for protein.

When I went to the United States I also went to Canada and looked at a very large ethanol plant that was going through its commissioning stages. It was located in a fairly poor agricultural part of Canada in terms of weather damage. I questioned the people—and I think the member for Barker will be interested in this—as to the location of the plant and asked why they had not located the plant in a more favourable area for wheat production. The answer was that in that particular area the wheat crop experienced weather damage from time to time. The member for Barker would know that weather damage causes the protein level in the grain to drop. Even though there is a by-product of distiller’s grain from the ethanol plant, because they were producing ethanol from grain and not food, they were only after the starch.

So weather-damaged grain, which is low in protein but reasonably high in starch, was something that they believed they would be able to access at a cheaper price. That had some logic in it, but when you apply that to research in Australia, because we have been growing grain for food, you find the concentration of

research activity has been on protein. I am suggesting that our research bodies should look closely at research into starch production in our rain crops, because if we do move from exporting protein based grains to consuming fuel based grains domestically, there could quite dramatic increases in yield if we are growing grain for starch rather than protein. I raise that as an issue that the research people may look at.

The other part of this legislation is about energy and the impact on agriculture. There has been a lot of talk in recent months since the Prime Minister’s conversion last October on global warming and climate change. There has been a great debate taking place about carbon dioxide and the pros and cons of activity—the clean coal debate, for instance, and the research that is going into that. I actually met with some scientists this morning on that very issue: the geosequestration arguments that are out there at the moment. It is good activity. The government has put money into that worthy research that is going on, and I congratulate it for that. But one thing that the Prime Minister did not do when he put his carbon task force together was to involve the agricultural sector.

There is research going on, and I compliment a scientist in my own electorate at the University of New England. Dr Christine Jones has been doing work for some years on soil carbon sequestration and the way in which that could potentially be a short- to medium-term carbon sink. I am not so sure that the National Farmers Federation are doing terribly much about this. But agriculture should be included in that debate and should be there encouraging research into climate change. This legislation is about land and water, issues to which the government’s rules apply to—that is, through Land and Water Australia.

Surely, if there is the potential through improving the organic matter and humus status of our soils and, in doing so, assisting in the carbon debate with a natural sink of carbon in our soils through changes in land management and farming techniques, they are the sorts of issues that the government should be showing a lead in. I was very disappointed that the farm sector was not even included in the broader debate when the task force was put in place. There are in fact some carbon trades taking place on agricultural soils in the United States at the moment. I ask that the Prime Minister revisit that, because within Australia’s better agricultural soils there may be solutions to some of the problems.

The other issue that I would like to mention briefly is cloud seeding, which was the subject of a motion moved by the member for Mallee on Monday. If we are talking about climate change and the impact of industrial pollution on the way clouds form, I think we really do have to extend our research and knowledge in relation to how we can artificially seed clouds and over-

come some of the negative effects of industrialised living in relation to the formation of rainfall.

With all of those issues there is an enormous amount of work that needs to be done. As a number of speakers have said today, the new horizon that could embrace agriculture and agricultural research in this century, particularly in regional Australia—by way of the solar and wind energy debates as well—could be the very thing that rejuvenates our regional communities. That could include carbon geosequestration and the development of starch based grains and various grass plants, such as the member for Gwydir spoke about in Northern Australia in relation to increasing biofuel production. There is a whole range of opportunities out there, and I would encourage the government to look very closely at putting in place a policy that will work into the future.

In the minute I have left to me, I would also suggest that the government renew the call that was made some years ago for a renewable energy authority, an independent body, to look at the various research capacities and opportunities that are out there, particularly with renewable energy. I think it has been left out on a limb with a policy mix that really does not send the correct messages in terms of incentives to the research areas and the investment sector, and that is something that we as a parliament really do need to address.

Mr SECKER (Barker) (1.02 pm)—I have noted with interest the many speakers before me on this bill, the Primary Industries and Energy Research and Development Amendment Bill 2007, and I think the debate has been, without exception, very positive on all sides of parliament. That is always a good thing to see. Many of our constituents expect that we are always at each other's throats and that we always have disagreements, when in fact there are many times when we do agree. This important issue is one of those areas where we do agree virtually in total—although I did note that the honourable member for Hotham claimed that investment had fallen from 1996 to 2000 because the Howard government had reduced the allowance for investment from 150 per cent to 125 per cent. That is factual, but of course he did not tell the chamber why the Howard government had to make many cuts in 1996. It was because the 13-year Hawke-Keating Labor governments increased debt from \$16 billion to \$96 billion in five years. So there needed to be some tough action by a responsible government. Whilst it would have been good to keep the allowance at 150 per cent, in many areas it has been increased to 175 per cent because we can now afford it as a country. We could not when we were going further and further into debt under Labor.

I met with some of the scientists last night and I had some very interesting conversations with them. I grew up with the idea that the CSIRO was probably the best

institution of its type in the world, especially for agricultural research. Whilst there has been a slight shift towards manufacturing by CSIRO, it still does a considerable amount of research in agricultural areas. My home area, the Tatiara, which is Aboriginal for 'the good country', is a prime example of what scientific research can do for us. The Tatiara used to be known as the Ninety Mile Desert, but scientists did research which showed that there were some trace element deficiencies in the soil, namely copper, molybdenum, manganese and zinc. By using those trace elements, generally only once every seven years, the Ninety Mile Desert has been transformed into a very healthy bit of country for both stock and crops. It might seem simple now that we have this knowledge, but it did take the scientific research to discover the problems and to come up with the solutions, and it has really transformed that country. We are talking about an area of 90 miles, probably 150 kilometres in circumference.

Even on my own farm in that area, I can point to many areas where agricultural research has been absolutely wonderful and has been taken on board by many of the farmers in the area. The research and the introduction of first myxomatosis and then calicivirus to control the rabbit scourge in many areas of Australia has had a wonderful effect. We will need some more research because, unfortunately, as is their wont, rabbits tend to build up a resistance to these diseases after a while. But it certainly has increased productivity by reducing rabbit numbers. When I went to school we were told that about eight rabbits equal one sheep, so if you had several hundred rabbits on your property you were reducing the amount of feed available for your sheep.

Keith in South Australia is the lucerne capital of Australia, if not the world, for producing seed for other producers. In Australia we have a very substantial lucerne breeding exercise and we are continually upgrading our lucerne varieties. At one stage we relied on one variety. Unfortunately, we had the introduction of blue-green aphids, and the Hunter River lucerne that was used virtually on its own around Australia was decimated by this bug. So we needed to bring in and breed new varieties that were resistant to the aphids, and that has been a great success story for lucerne production all around Australia and probably all around the world.

As the member for New England also mentioned, Australia's wheat-breeding regime has been very successful. We continually upgrade our varieties for both yield and protein. I note the member for New England's comments on what may be needed in a different direction—lower protein and higher starch—if we go further into the development of ethanol using wheat in Australia. That may need a shift in research.

In Australia we probably grow the best barley in the world. A lot of this development goes through the

Waite institute in South Australia, a fantastic institute next door to one of the schools I went to, Urrbrae Agricultural High School. A former Speaker also went to that school. I think we can almost claim the same number of students as Melbourne Grammar in this parliament. Beyond that, the Waite institute is involved in a large number of areas of agricultural research. I have been to the institute about four times, and it is always interesting to see their latest programs to help our farmers.

We have the LAMBPLAN and BeefPlan, the equivalent setup for beef. As breeders of sheep and cattle we can improve our animals through certain breeding processes. It might interest this chamber to know that Professor Rob Banks's thesis, I think, was on breeding flies—yes, those pesky little things that annoy us at times. It is very interesting that we brought Professor Rob Banks's research into the breeding of flies into the LAMBPLAN process, which is used by many stud breeders all around Australia with various breeds, whether they be White Suffolk, Poll Dorset or even Suffolk. Many of the sheep breeders use the LAMBPLAN to improve things like growth rates and meat density or width so that we get bigger chops—'more chop for our dollar' is one way of putting it. It can also be used for things like fertility.

That process for improving our lamb and our beef in Australia was originally created using flies for breeding. That is now also being used to improve the growth rates of trees. So we have gone from flies to sheep to trees using the same process. When some people look at this research they think, 'Why would we be doing research into flies?' That is the answer—we have used that process to improve other areas of agriculture. I think it is very interesting to look at the range of areas that scientists use to improve our lot in Australia.

In a consumer-driven market, the agricultural industry is fast becoming more accountable for its produce and it is searching for and adopting the most up-to-date, innovative and efficient techniques to improve quality and processes to make its produce the best in the world. I think it is a fairly good claim that we can make in Australia that we produce, if not the best, amongst the best food for the whole globe.

Research and development into improved industry practices play an imperative role in such progress. Because of this it is essential that we and the industry leaders look to improve our practices, our accountability and our efficiency and how those affect industry down the line. Amendments to the Primary Industries and Energy Research and Development Act 1989, the PIERD Act, aim to improve governance of the eight statutory rural research and development corporations, otherwise known as RDCs. The PIERD Act provides the legislative basis for the funding and administration of RDCs. RDCs are already highly successful. They

are a major contributor to the 2.3 per cent average productivity growth rate per annum of the agricultural sector for the last 30 years. To get that sort of growth over that period is quite an incredible achievement. Through the RDC partnership, industry and government spent more than \$540 million in 2005-06 on research and development. But there is room to improve—there always is.

The amendments to the PIERD Act reflect the government's endorsement of the assessment of the governance arrangements of RDCs in the *Review of the corporate governance of statutory authorities and of-fice holders*, the Uhrig report. The Uhrig review was undertaken by Mr John Uhrig AC, who was engaged by the government to assess the governance arrangements of Commonwealth statutory authorities.

In his report of June 2003, Uhrig made six major recommendations. Firstly, government should clarify expectations of statutory authorities by ministers issuing statements of expectations, and statutory authorities should respond with statements of intent. These would be public documents. Secondly, the role of portfolio departments as the principal source of advice to ministers should be reinforced into strong information flows to portfolio secretaries in parallel with ministers. Thirdly, governance boards should be utilised in statutory authorities only where they can be given the full power to act. Fourthly, government should establish an Inspector-General of Regulation. Fifthly, government should establish a centrally located group to advise on the application of appropriate governance structures. And finally, financial frameworks should generally be applied based on the governance characteristic of a statutory authority.

We may look to the Financial Management and Accountability Act 1997 being applied to statutory authorities where it is appropriate that they be legally and financially part of the Commonwealth and do not need to own assets—these are typically budget funded authorities, the executive management template—while the Commonwealth Authorities and Companies Act 1997 can be applied to statutory authorities where it is appropriate that they be legally and financially separate from the Commonwealth and are best governed by a board—the board template.

These recommendations, apart from the establishment of an Inspector-General of Regulation, were adopted by the government. In August 2004 the government announced that ministers would assess their own portfolio agencies against the governance templates of the Uhrig report and implement appropriate improvements to existing governance structures. The government's Uhrig review process, under the Minister for Agriculture, Fisheries and Forestry, the Hon. Peter McGauran MP, has involved extensive and very thor-

ough consideration of corporate governance and accountability.

In making his assessment of the eight RDCs in his portfolio, Minister McGauran concluded their future governance arrangements should continue to be based on the board management template. This reflects the need to provide RDCs with sufficient entrepreneurial freedom to go about their key roles—setting investment strategies and priorities for primary industry R&D, as funders and investors in R&D services and as facilitators of the adoption of R&D outcomes by industry. That is probably the most important part of putting what you have learnt into practice.

Minister McGauran also agreed that the board structure, in line with the Uhrig report's board template, was best placed to enhance partnership between industry and government, determine investment strategies and priorities, keep pace with changing industry R&D demands and maintain key relationships with the extensive range of primary industry stakeholders and research providers. This is a wide-ranging mandate, requiring RDC boards to set corporate strategies and directions and to operate again with entrepreneurial freedom.

In keeping with Uhrig best practice, Minister McGauran recommended the discontinuation of the practice of appointing an Australian government director to each RDC board, thus removing potential for conflict of interest for serving public servants. Also, the skill set for board selection would be expanded to include expertise in government policy processes and administration. All amendments proposed to the PIERD Act respond to the Uhrig report intent to improve corporate governance and board expertise, experience and management arrangements.

These amendments also provide a practical response by government to recommendations by the recent report of the inquiry into women's representation on regional and rural bodies of influence—the *At the table* report. A number of other statutory agencies within the minister's portfolio were also assessed against the Uhrig report, including the Australian Wine and Brandy Corporation—something that I take quite a bit of note of, as I represent nearly half of Australia's wine industry; as I fondly say, the best half—and the Australian Pesticides and Veterinary Medicines Authority, which are both very important sectors. Amendments to their legislation will be introduced into parliament shortly.

There is no doubt that our RDCs are already operating very successfully, but in order to make progress we must continue to review and improve the way they work. This is what we are doing here. These particular amendments to the PIERD Act will enhance the effectiveness of the RDCs even further, which can only be a very good thing for the rural agriculture industry. The

amendments will commence on the day the bill receives royal assent, and I urge all members to support the bill.

Mr SCHULTZ (Hume) (1.20 pm)—The purpose of the amendments to the Primary Industries and Energy Research and Development Act 1989 is to improve the governance of the eight statutory rural research and development corporations. The PIERD Act provides a legislative basis for the funding and administration of the RDCs. These amendments in the Primary Industries and Energy Research and Development Amendment Bill 2007 reflect the government's endorsement of the governance arrangements of RDCs against the *Review of the corporate governance of statutory authorities and office holders*.

The government's Uhrig review process has involved extensive and very thorough consideration of corporate governance and accountability. Mr John Uhrig AC was engaged by the government to assess the governance arrangements of Commonwealth statutory authorities, with particular focus on those that impacted on the business sector. A key task was to develop a broad template of governance principles that, subject to consideration by government, might apply to all statutory authorities and office holders.

In his report of June 2003, Uhrig made six major recommendations. He recommended that the government should clarify expectations of statutory authorities by ministers issuing statements of expectations and that statutory authorities should respond with statements of intent. These would be public documents.

The role of portfolio departments as the principal source of advice to ministers should be reinforced through strong information flows to portfolio secretaries in parallel with ministers. Governance boards should be utilised in statutory authorities only where they can be given the full power to act. The government should establish an Inspector-General of Regulation. The government should establish a centrally located group to advise on the application of appropriate governance structures, and financial frameworks should generally be applied based on the government's characteristics of a statutory authority.

The Financial Management and Accountability Act 1997 should be applied to statutory authorities where it is appropriate that they be legally and financially part of the Commonwealth and do not need to own assets, typically budget funded authorities—the executive management's template. The Commonwealth Authorities and Companies Act 1997 should be applied to statutory authorities where it is appropriate that they be legally and financially separate from the Commonwealth and are best governed by a board—the board template.

The government accepted all these recommendations, except for the establishment of an Inspector-

General of Regulation. In August 2004, the government announced that ministers would assess their own portfolio agencies against the governance templates of the Uhrig report and implement appropriate improvements to existing governance structures. In making his assessment of the eight statutory RDCs in his portfolio, the Minister for Agriculture, Fisheries and Forestry, the Hon. Peter McGauran MP, concluded that their future governance arrangements should continue to be based on the board management template. This reflected the need to provide statutory RDCs with sufficient entrepreneurial freedom in their three key roles of setting investment strategies and priorities for primary industry R&D, as funders and investors in R&D services and as facilitators of the adoption of R&D outcomes by industry.

A board structure in line with the Uhrig report's board template was best placed to enhance the partnership between industry and government, determine investment strategies and priorities, keep pace with changing industry demands for R&D and maintain key relationships with the extensive range of primary industry stakeholders and research providers. This is a wide-ranging mandate which requires the RDC boards to set corporate strategies and directions and to operate with entrepreneurial freedom. In keeping with Uhrig's best practice, Minister McGauran also recommended that the practice of appointing an Australian government director to each statutory RDC board should be discontinued. This would remove the potential for conflict of interest for serving public servants and, at the same time, the skill set for board selection would be expanded to include expertise in government policy processes and administration.

Other amendments proposed to the PIERD Act also respond to the Uhrig report's intent to improve corporate governance and to improve board expertise, experience and management arrangements. These amendments follow an internal review by the Department of Agriculture, Fisheries and Forestry of the PIERD Act's operational and reporting requirements to consider the appropriate balance between the minister's role, effective communications and accountability and the role of the RDC boards. The interactions of the PIERD Act with the Commonwealth Authorities and Companies Act 1997 in regard to accountability and management obligations were also considered. These amendments also provide a practical response by the government to recommendations by the recent report of the inquiry into women's representation on regional and rural bodies of influence, the *At the table* report. Minister McGauran has also assessed against the Uhrig report a number of other statutory agencies in his portfolio, including the Australian Wine and Brandy Corporation and the Australian Pesticide and Veterinary Medicine Authority. Amendments to their legislation will be introduced into parliament shortly.

The RDCs are already highly successful. They make a major contribution to the agricultural sector's average productivity growth rate, which has been 2.3 per cent per annum over the last 30 years. Through the RDC partnership, industry and the government in 2005-06 spent over \$540 million on rural research and development. Most rural RDCs were established in 1990-91 as statutory single-focus research and development corporations, with the intent of improving the performance of the national R&D effort for rural industries. Under the enabling legislation, which is the Primary Industries and Energy Research and Development Act 1989—the PIERD Act—the RDC model was intended to provide best value for money for government, industry and the broader community in pursuing the objectives of increasing economic, environmental and social benefits, achieving sustainable use and management of natural resources, making more effective use of human resources and skills and improving accountability for expenditure. This model has evolved to include industry-owned multipurpose companies responsible for managing R&D and/or combinations involving marketing, promotion, regulation and industry representation.

There are currently eight statutory R&D corporations: cotton, fisheries, forest and wood products, grains, grape and wine, Land and Water Australia, rural industries, and sugar; and there are six companies: Australian Pork Ltd, Australian Wool Innovation, Australian Egg Corporation Ltd, Horticulture Australia Ltd, Meat and Livestock Australia and Dairy Australia. The features of the model include that its key elements centre around the broad scope of rural research activities and may be funded by RDCs; a rational and integrated approach to R&D priority setting and a strong focus on outcomes; close involvement of industry through the whole process of priority setting and reporting; independent boards that are charged with taking a strategic approach to rural R&D; and dual accountability to both industry and parliament.

The evolution of the model to include private companies to provide marketing and/or service the R&D needs of rural industry was premised on the need to give industry more control over its affairs as well as involving industry reforms and rationalisation of existing organisations. The rural and R&D expenditure model has been most successful in generating significant funding of rural R&D by industry. In a number of industry sectors, such as grains and wool, industry contributions have far exceeded the government's general matching of industry R&D expenditure up to a limit of 0.5 per cent of an industry's gross value of production.

The model has seen RDC expenditure grow from \$173 million in 1989-90 to \$541 million in 2004-06. Performance reporting by the corporations and companies has also highlighted the success of many R&D projects in improving industry competitiveness and

sustainability. The PIERD Act provides for clear and strong accountability by the R&D corporations to parliament and industry, including through requirements for preparation of written R&D plans covering five-year periods, which must be submitted to the minister for approval; preparation of annual operational plans, which must also be submitted to the minister for approval; inclusion in annual reports of particulars on R&D activities coordinated or funded; an assessment of the extent to which R&D plan objectives have been achieved; ministerial declaration of at least one representative organisation for each R&D corporation, with associated reporting requirements to that organisation; and ministerial appointment of directors of R&D corporations other than the executive director. A further layer of accountability in reporting obligations was added for the R&D corporations under the Commonwealth Authorities and Companies Act 1997, which is largely modelled on arrangements applying to companies under Corporations Law.

The accountability of companies to parliament is enhanced through the obligations included under the statutory funding agreements. The SFA obligations include: requirements for the establishment of systems, processes and controls to manage the levies collected by the government on behalf of the company and the matching by the government of funds on eligible R&D expenditure, subject to a maximum 0.5 per cent of GVP; planning processes which substantially mirror those applying to the R&D corporations; and reporting directly to the minister for regular meetings and annual reporting processes, including compliance and statutory auditing. Those are the key principles in the bill.

Today I was pleased to gain a further insight into how the R&D program works. I attended a breakfast with the Grains Research and Development Corporation. It was a very interesting breakfast because it centred on climate change and what this R&D corporation is doing to assist farmers. As the former President of the National Farmers Federation, Peter Corish, said, 'Possibly the biggest risk facing Australian farmers in the coming century is that of climate change.'

The goal of the R&D program is to increase the capacity of Australia to capture opportunities and manage risks related to climate change and variability. The objectives are two-fold: develop more accurate climate forecasts with longer lead times and translate forecasts into tools that assist farmers and natural resource managers to make decisions that capitalise opportunities and reduce exposure to risk from climate.

The highlights of future R&D investment under this R&D program include: improved monsoon break prediction for Northern Australia; improved prediction of water yields; improved decision support tools for the cropping and grazing industries that link productivity and sustainability; 'masters of climate'—connecting

researchers, advisers, farmers and resource managers to foster understanding and uptake of climate related opportunities; improve national climate data sets; and scenarios for change that include regional climate drivers.

A quote by farmers Brett and Fran Francis of 'Rocky Glen', Kimba, Eyre Peninsula, South Australia, was included in the documentation and information sheets distributed this morning. They said:

You can't dismiss climate information. I try and look for the positives and if someone can get a forecast half right, well then they're getting there. The more we know, the better with we can manage.

That is indicative of all research and development programs. A very interesting research and development initiative which needs to have more done with it and which has been raised with me in my role as the Chair of the Standing Committee on Agriculture, Fisheries and Forestry concerns the Australian honey bee industry. In 2003, the Rural Industries Research and Development Corporation published several reports which, between them, provide a snapshot of the honey bee industry in Australia. This is a brief summary of the report:

The overall impression is of a small but well established industry which potentially faces significant problems in the near future, but which also has significant potential for future development.

...

The commercial beekeeping industry in Australia comprises a relatively small number of professional beekeepers deriving most of their livelihood from beekeeping and a larger number of people who keep bees for profit but who do not depend solely on beekeeping for their livelihood.

...

Australia produces around 30,00 tonnes of honey each year. New South Wales is the largest producer and the Northern Territory the smallest. Tasmania is the smallest honey producing state, but has the advantage that its main crop is dependable and fetches a premium price. South Australia is a significant producer but lacks the diversity and area of melliferous flora enjoyed in the east. A relatively small proportion of Western Australia is suitable for beekeeping. A significant proportion of the Western Australian crop is exported.

There are a significant number of issues centred on the need for research and development in this industry. We know that the gross value of the industry was approximately \$63 million resulting from the 27,800 tonnes of honey that it produced. But the industry is facing a very serious situation. It would appear from the information that the committee received that there is a potential problem with the *Varroroo destructor* mite. This mite could wipe out all the honey bees across Australia. What would happen then? Farmers would have time to adjust but so, too, would the honey bee producers. It is likely that a market for pollination would develop rapidly in heavily honey bee dependent indus-

tries, lowering the impact of exotic excursions largely to losses incurred while honey bee producers expanded their capacity to meet the demand for pollination services.

The evidence we took during our rural skills inquiry—the report of which has just been released—indicated a sad lack of research facilities for the honey bee industry. The committee has recommended to the government that it consider the establishment of a CRC to ensure that research and development is available for the industry. We have an ageing population in the honey bee industry, as we have in other industries right across Australia, and because the industry has not had the option of going into research and, indeed, educational facilities to train people in the workings of the industry it has been forced to import from Third World countries people who have some expertise in honey bees.

The other issue is that the honey bee industry has not been given appropriate professional recognition by people across the country because the supply of honey is taken for granted. They forget that honey bees pollinate about 70 per cent of all crops grown in rural and regional Australia. It is important that we recognise that pollination role and we must do all that we can through our R&D structure to assist the industry. I am focusing on the honey industry at the moment because it has received little publicity. It is a very small industry, but it plays a significant role. Importantly, R&D facilities have not appeared to focus on the industry.

Another important issue that the R&D system needs to concentrate on was raised by the member for O'Connor at this breakfast this morning and relates to moving away from fuel powered tractors and undertaking research on and development of electric powered tractors. That technology exists and I am sure those involved in research and development will take up that challenge as a vital part of our effort to reduce global warming.

I thank the House for the opportunity to speak on the bill today. As most members who have spoken in this debate have done, I support the thrust of the legislation because I know it has brought and will continue to bring great benefits to our rural and regional communities and, more importantly, the farmers and producers who are looking to improve the productivity of this country. (*Time expired*)

Ms LEY (Farrer—Parliamentary Secretary to the Minister for Agriculture, Fisheries and Forestry) (1.40 pm)—I thank all members for their contributions to this debate on the Primary Industries and Energy Research and Development Amendment Bill 2007 dealing with the important issue of research and development and its effective governance. While there have been some differences of emphasis on future approaches and priorities for R&D, there seemed to be broad agree-

ment on the positive contribution of R&D to productivity and sustainability. Many members mentioned that, and the member for Hume quite rightly highlighted the value of rural R&D in the honey bee industry—something in which he has taken a great deal of interest since my time in this place. At the breakfast meeting this morning involving our R&D agency, Land and Water Australia, in conjunction with the Grains Research and Development Corporation and others, we were given a display of tools that farmers are accessing to help them manage climate variability and to put them on the front foot in these uncertain times.

The proposed amendments to the Primary Industries and Energy Research and Development Act 1989, the PIERD Act, will improve the governance of the eight statutory rural research and development corporations, RDCs. Together with the seven industry owned companies, these bodies currently spend more than \$540 million on agricultural R&D. With this money provided through a partnership of industry and the government, it is crucial that corporate governance remains at the leading edge to deliver accountability for producers and taxpayers.

Best practice was identified in the 2004 report by John Uhrig AC, and his recommendations have been used as a benchmark for RDC corporate governance practices. A key PIERD Act amendment will see the removal of the potential for any conflict of interest through discontinuing the appointment of Australian government directors to each statutory RDC board. This proposed amendment is complemented by the expansion of the skills set for board selection to include expertise in government administration. As a result, representational elements are removed and the focus on board expertise enhanced.

To back these specific legislative amendments, I have recently provided each of the RDCs with a statement of expectations as part of my responsibilities as parliamentary secretary. These statements reflect Uhrig report best practice and provide the RDCs with clear guidance on what the government expects on performance. This process will then be completed with the RDCs responding to me with a statement of intent advising how the government's expectations will be met.

I also highlight the amendments to the PIERD Act in the areas of board selection committees, nomination requirements and reporting on selection committee performance. These will deliver best practice. A more diverse pool of candidates on selection committees should deliver broader expertise, experience and gender to underpin more effective board membership and governance. The inclusion of assessments of the effectiveness of selection committees' processes to identify the widest pool of candidates in their annual reports will increase transparency and accountability. These proposed amendments will also provide a practical

response to the recommendations by the report of the inquiry into women's representation on regional and rural bodies of influence—the *At the table* report.

A third aspect of these legislative amendments I emphasise will also deliver accountability improvements. These elements require the RDCs to consult with the minister in preparing or varying their key strategic plans and include reporting in their annual reports on the impacts of their R&D expenditure for their industry. Increases in performance monitoring and analysis by the RDCs and enhanced communications will again contribute to bolstering accountability of decision making by their boards.

In conclusion, I emphasise that the package of proposed amendments to the PIERD Act will deliver best practice in governance. Increased communication, accountability and responsiveness by the boards in governing the RDCs will ensure the continuing success of these organisations in delivering productivity and sustainability improvements for rural producers and the broader community. The proposed amendments to the PIERD Act will commence on the day the bill receives royal assent.

Question agreed to.

Bill read a second time.

Third Reading

Ms LEY (Farrer—Parliamentary Secretary to the Minister for Agriculture, Fisheries and Forestry) (1.45 pm)—by leave—I move:

That this bill be now read a third time.

Question agreed to.

Bill read a third time.

GOVERNANCE REVIEW IMPLEMENTATION (TREASURY PORTFOLIO AGENCIES) BILL 2007

Second Reading

Debate resumed from 1 March, on motion by **Mr Pearce**:

That this bill be now read a second time.

Mr BOWEN (Prospect) (1.45 pm)—In November 2002, the Prime Minister commissioned the Review of the Corporate Governance of Statutory Authorities and Office Holders, led by Mr John Uhrig. On 12 August 2004, the Uhrig report was publicly released. The report made a number of recommendations to improve the governance of statutory authorities and office holders and their accountability frameworks. The Governance Review Implementation (Treasury Portfolio Agencies) Bill 2007 is part of the government's response to the Uhrig report. The bill seeks to implement recommendations in relation to three statutory authorities: the Australian Securities and Investments Commission, or ASIC; the Corporations and Markets Advisory Committee, or CAMAC; and the Australian Pru-

dential Regulation Authority, or APRA. The Uhrig review recommended that two templates be applied to ensure good governance of statutory authorities—that is, that agencies should be managed either by a chief executive officer or by a board structure.

We support this bill. However, we certainly do not support the implementation of the Uhrig principles across the board, and we have outlined in the past our disappointment that, for example, Austrade has had its board abolished. We see that as a short-sighted and counterproductive move. It has deprived Austrade of a vital link with private industry. But we certainly support the application of the Uhrig principles to the Treasury bodies. Labor supports measures which will improve the governance of statutory authorities. The implementation of the Uhrig report recommendations, through this bill, should increase the efficiency and transparency of the operations of the statutory authorities I have mentioned. Labor will also support this bill as part of its commitment to consistency in the governance of statutory authorities.

At a federal level, statutory authorities are established by a specific act of parliament which also stipulates their responsibilities and how they should operate. In addition to enabling legislation, statutory authorities are now also subject to either the Financial Management and Accountability Act 1997, the FMA Act, or the Commonwealth Authorities and Companies Act 1997, the CAC Act. The CAC framework generally applies to statutory authorities which are corporate entities, largely funded by their own commercial activities and managed by a board. The chief executive officers of CAC agencies are required to report to the responsible minister. CEOs must also ensure that the activities of the authority comply with any relevant government policies. The FMA framework generally applies to agencies that are budget funded and managed by a chief executive. The act establishes particular responsibilities for the chief executive and allows the minister to give the chief executive guidelines.

There has arguably been a lack of consistency in the application of the CAC and FMA frameworks to statutory authorities. One of the six recommendations of the Uhrig report was that the legislative basis for agencies should be simplified so that the FMA framework applies to budget funded statutory authorities and the CAC framework applies to authorities which are legally and financially separate from the Commonwealth. Currently, all three statutory authorities that are subject to this bill—that is, ASIC, CAMAC and APRA—operate under the CAC framework, even though their operations are predominantly budget funded.

This bill seeks to transfer ASIC, CAMAC and APRA from the CAC framework to the FMA framework. This change would commence from the 2007-08

financial year. In implementing this transfer, a number of changes to the structure and operation of these statutory authorities will occur. The main changes are that ASIC, CAMAC and APRA will be subject to the FMA Act and not the CAC Act. However, each agency will retain its status as a body corporate but will hold public money and public property on behalf of the Commonwealth, as defined in section 5 of the FMA Act. References to ASIC's money and CAMAC's money will be removed from the Australian Securities and Investments Commission Act, and the reference to APRA money will be removed from the Australian Prudential Regulation Authority Act. ASIC will now have all powers and duties of a trustee on behalf of the Commonwealth in relation to property held on trust. Part 5.7 of the Corporations Act, in relation to winding up bodies other than companies, will be amended so that trust property vests with the Commonwealth.

Under the FMA Act, the agencies' chief executives will be personally responsible and accountable for managing their agency in a way which promotes efficient, ethical and effective use of Commonwealth resources. For both ASIC and APRA, the chief executive will be the chair, and for CAMAC the chief executive will be its convenor.

There are also consequential amendments, due to the implementation from the CAC framework to the FMA framework for each agency's financial and reporting requirements. The convenor of CAMAC will now be personally responsible for providing the responsible minister with an annual report on CAMAC's operations during the financial year. A new section 163 will be inserted in the ASIC Act to set out CAMAC's reporting requirements under the FMA Act. APRA's reporting requirements are set out in section 59 of the APRA Act.

The Commonwealth will now also be responsible for ASIC's financial liabilities. The collection of unclaimed money by ASIC, under part 9.7 of the Corporations Act, will now be put into an account, titled the Companies and Unclaimed Moneys Special Account, under section 133 of the act. The minister will retain the discretion to apply the proceeds of investment moneys. A special account will also be set up for APRA. All of APRA's sources of funding will now be received for and on behalf of the Commonwealth. These amounts will be credited to the account, with the balance of the account providing APRA with the appropriation authority to spend these amounts, and updating taxation arrangements. Each agency will also retain its common seal and may sue and be sued on behalf of its corporate name.

In the case of APRA, employment powers will be transferred from the agency to the chair as, under the FMA framework, the chair, as the chief executive, has the responsibility of managing the affairs of the agency

in a way which promotes the efficient use of Commonwealth resources. Labor is committed to ongoing improvements to the corporate governance of statutory authorities—that is why we support this bill. The implementation of the Uhrig report recommendation in regard to the application of the FMA and CAC frameworks will increase the consistency in the corporate governance of statutory authorities and is welcomed by the opposition. This is an appropriate use of the Uhrig principles. It is appropriate that the three bodies affected by this bill are brought within the framework of the Uhrig principles. As I said at the outset, we do not support the operation of the Uhrig principles across the board; they should be adopted on a case by case basis. We have no problem in supporting the legislation in these three cases.

Mr SLIPPER (Fisher) (1.53 pm)—I am particularly pleased to rise in the House today to support the Governance Review Implementation (Treasury Portfolio Agencies) Bill 2007. As honourable members would be aware, this bill will enable the transfer of several important statutory authorities from being under the guidance of one piece of legislation—that is, the CAC Act, the Commonwealth Authorities and Companies Act 1997—to now come under the guidance of the Financial Management and Accountability Act 1998. These changes were among those recommended in the Uhrig review of corporate governance of statutory bodies that was conducted by John Uhrig AC in 2003.

The task given to Mr Uhrig was to take a close look at the governance frameworks inherent in the operation of such bodies and then to make suggestions as to how these operations could be improved. Obviously, the foundational aim was to ensure these bodies were operating as efficiently as possible and in line with suitable accountability and transparency standards. Mr Uhrig was asked to develop fundamental governance guidelines that could be considered for application to many of Australia's statutory bodies that work independently but as partners to government to ensure their particular sector of responsibility operates as effectively as possible for the overall benefit of the Commonwealth of Australia. Some 160 to 170 government bodies were assessed in line with the Uhrig review's governance templates and among those organisations were those that are the subject of this bill. These include ASIC, the Australian Securities and Investments Commission; the Corporations and Markets Advisory Committee; and APRA, the Australian Prudential Regulation Authority.

The review suggested two types of management frameworks for statutory bodies: one that is based on executive management and the other that has its management by a board. It is obvious that different bodies may lend themselves better to one than the other and it is understood that efficiencies will increase when these

bodies are matched up with the most suitable management framework. As a result of Mr Uhrig's work, modified frameworks have already been implemented for bodies such as Medicare Australia, the Australian Research Council and the Australian Trade Commission, which have all had their governing boards abolished and moved over into an executive management system; and the National Health and Medical Research Council, which has become an independent statutory body under executive management.

The review had also identified those bodies that should have no change to their governance systems. These include AusAID, Australia Post, the Australian Public Service Commission, and the list goes on. There are also a significant number of statutory bodies—some 24—that have been or are in the process of being moved into a system whereby the minister has direct and regular contact with management. So this bill continues the implementation of Mr Uhrig's recommendations with regard to ASIC, CAMAC and APRA.

The legislation to which these bodies have been subjected until now—the Commonwealth Authorities and Companies Act 1997—acts to regulate the financial dealings of these organisations with specific requirements of record keeping, reporting and accountability. It also includes specific directives with regard to the conduct of senior staff and in relation to banking and investments. The act to which these bodies will be transferred, the FMA Act—that is, the Financial Management and Accountability Act 1998—is primarily dedicated to providing a framework for legally accepted methods for managing money and property that is held by the Commonwealth. It includes those items that are held in trust.

The Uhrig Review recommended that all those statutory bodies that were regarded as being required to be legally and financially a part of the Commonwealth but did not need to own assets should come under the FMA Act. ASIC, in particular, will receive some clarification under these changes. Currently, ASIC comes under the framework of the CAC Act but is actually regarded under the FMA Act in relation to the public moneys that it is at times required to hold. This situation will be improved by transferring it completely under the auspices of one act.

This bill continues the good work that has been underway as a result of the Uhrig review, which has assessed the management regimes of these bodies and suggested changes to improve their operations. The transfer of these three bodies to the FMA Act is designed to improve efficiencies, consistencies and transparency in governance arrangements.

It is almost two o'clock but, before I commend the bill to the House, I want to say that this government takes a very strong stand in favour of transparency, openness and good management of government bodies.

The fact that a body is in the government sector does not mean that it ought to be relieved from the obligations that other bodies have. For this government to continue to hold the trust of the Australian people, which I trust we will, it is important to make sure that government bodies are appropriately administered. The reason the Uhrig review was brought about was to ensure that as a nation we have proper levels of accountability.

This is a very important bill, a vital bill. It highlights the government's credentials as a responsible economic manager of the assets of the Australian people. I am pleased that this bill is currently before the chamber. It is part of the ongoing updating by the Howard government of corporate governance requirements. The Uhrig review has come down. We have accepted the recommendations of that review and, in a series of bills before the House, we are continuing to improve corporate governance to make sure that the Australian people can continue to have the sort of level of respect for corporate governance that this government has brought about over the last 11 years. I commend the bill to the House.

The SPEAKER—Order! It being 2 pm, the debate is interrupted.

MINISTERIAL ARRANGEMENTS

Mr HOWARD (Bennelong—Prime Minister) (2.00 pm)—I inform the House that the Deputy Prime Minister and Minister for Transport and Regional Services will be absent from question time today and tomorrow. He is hosting the APEC Transportation Ministers Meeting in Adelaide. The Minister for Trade will answer questions on his behalf. The Minister for Health and Ageing will also be absent from question time today. He is in Indonesia attending a ministerial meeting—

Opposition members interjecting—

Mr HOWARD—I will tell him you miss him—on responsible practices for sharing avian influenza virus data. The Minister for Ageing will answer questions on his behalf. I also inform the House that, further to the arrangements announced on Monday, 26 March, the Minister for Trade will answer questions on behalf of the Minister for Local Government, Territories and Roads today and tomorrow.

QUESTIONS WITHOUT NOTICE

Climate Change

Mr RUDD (2.01 pm)—My question is to the Prime Minister. Does the Prime Minister agree with eminent British economist Sir Nicholas Stern that it would be a very good idea if all rich countries, including Australia, set themselves a target for 2050 of at least 60 per cent emissions reductions? Prime Minister, why won't the government join Labor in committing to cut Australia's greenhouse pollution by 60 per cent by 2050?

Mr HOWARD—I am aware of the views expressed by Sir Nicholas Stern. Some of the views that he has expressed I agree with, some I have reservations about and some, I believe, if implemented, literally would do great damage to the Australian economy. When it comes to the decisions of the government, uppermost in our mind will be the national interest, not the views of any one individual, however eminent he may be regarded by some. The truth is that there is no one single solution to the global climate change challenge but, quite plainly, market mechanisms, including emissions trading, will be integral to any long-term global solution on climate change.

In the *Sydney Morning Herald* this morning he is reported as advocating—and I am not sure whether Sir Nicholas has been correctly quoted—‘Greenhouse gas emissions should be cut by up to 30 per cent by 2020.’ I would be interested to know whether the Australian Labor Party supports that goal. The Leader of the Opposition has asked me whether I would join the Labor Party in committing to that goal. I am not going to join the Australian Labor Party in destroying the jobs of Australian coalminers, I am not going to join the Labor Party in committing to targets which will do disproportionate damage to the Australian economy and I am not going to commit this government, or this country, to targets that impose an unfair or disproportionate burden on this country in the contribution it makes to responding to the challenge of climate change.

I note, incidentally, that Sir Nicholas Stern has also had something to say about clean coal technology, and that is an area where our views and the views of Sir Nicholas are very similar. I also note that he is a supporter and not an opponent of nuclear power. That of course is an area where we would agree and which represents a point of departure.

Let me say in conclusion that I am interested in his views. They make a valuable contribution to the debate, but they are the views of another expert. They should be treated with respect, but they should not be treated as holy writ.

Economy

Mr HENRY (2.04 pm)—My question is addressed to the Prime Minister. Would the Prime Minister outline to the House how the government’s policies have kept the Australian economy strong? Is the Prime Minister aware of opposition to these policies and what is the government’s response?

Mr HOWARD—In replying to the member for Hasluck, can I note that in March 1996 the unemployment rate in that part of Western Australia was 7.4 per cent. At the end of 2006 it had fallen to 3.5 per cent. That is a remarkable achievement. It has been more than cut in half in the 11 years that the government have been in office. Why has that happened? It has happened because we have followed strong and consis-

tent policies in relation to the management of the economy and, notwithstanding the consistent opposition by the Labor Party to all of those policies, the implementation of them over the last decade has produced that wonderful employment outcome in the electorate of Hasluck.

Amongst the policies that we have strongly supported are policies giving a right of choice to Australian workers, policies that recognise—unlike the views of the member for Jagajaga—that having casual work is better than having no work at all and policies that have extolled the importance of choice in the workplace, the importance of independent contractors and the importance of small business. Our policies have been ones of consistent support for the small business sector, consistent support for contractors and consistent support for the value of casual work, as well as indeed part-time and full-time work.

On the subject of consistency, my attention has been drawn to articles successively yesterday and today on the front page of the *Australian*, which illustrate a certain degree of inconsistency on the other side of politics. Yesterday we had the rather breathless claim, no doubt briefed with authority, to Sid Marris of the *Australian*:

Labor will make improving the lot of individual contractors a priority in an industrial relations platform that declares that work arrangements should serve social as well as economic goals. The platform, *Restoring the Balance in our Workplace*, retains a solid pro-union agenda and is similar to that taken by Mark Latham to the 2004 election. But it is peppered with changes that federal Labor leader Kevin Rudd is expected to emphasise in the coming months. It re-embraces the desire of workers for part-time and casual employment and the integral role those jobs can play.

When I read that I thought, ‘This is very interesting. This is the Leader of the Opposition perhaps dragging his party into the 21st century and into the modern workplace.’ But my enthusiasm was dashed this morning when I picked up the *Australian* and this time, under the by-line of Steve Lewis as well as Sid Marris, it had this to say: ‘Rudd backs down on casuals.’ It said:

Labor has dumped explicit support for casual workers and contractors in a stripped-back draft platform as the Opposition struggles to contain union tensions over policy direction.

What has happened is that the policy released the day after that rather breathless briefing, which suggested that contractors and casual workers were going to get a place in the sun, has been dumped. The article carries the description ‘vanishing number’ and it repeats ‘the clause that has been removed’.

This clause was there yesterday; today it has disappeared. Yesterday’s clause said:

Greater attention needs to be given to the growing casualisation of the workforce, home-based work, the needs of inde-

pendent contractors, and the increasing demand in balancing work with personal and family life.

I would have thought that any modern political party would want to have a clause like that in its platform. I think the question that everybody on this side of the House would like to ask is: which of the former ACTU presidents or currently serving senior officers of the ACTU told the Leader of the Opposition to take that clause out?

Climate Change

Mr RUDD (2.09 pm)—My question is again to the Prime Minister. I refer to the Prime Minister's remarkable comments on the *Today* show this morning when he said, in relation to Sir Nicholas Stern: 'Many of the things he's talking about are already our policies.' Prime Minister, isn't it a fact that Stern says: 'Ratify the Kyoto protocol'? The government says no; Labor says yes. Stern says, 'Cut greenhouse emissions by 60 per cent by 2050'. The government says no; Labor says yes. Stern says, 'Establish an emissions trading scheme.' The government says no; Labor says yes. Prime Minister, after 11 long years in office, when will the government get fair dinkum about acting on climate change?

Mr HOWARD—The policies that I particularly referred to on the *Today* program and that we hold in common with Stern are those relating to nuclear power and clean coal technology.

Opposition members interjecting—

Mr HOWARD—The opposition reacts negatively to that but the truth is that if you want to run power stations in a modern economy there are really only two ways you can do it. You do it by fossil fuels or you do it by nuclear power. That is the view not of John Howard; that is the view of Jim Peacock, the Chief Scientist of Australia. I will take my advice on scientific matters from the Australian Chief Scientist before I will take it from the Leader of the Opposition.

This is at the heart of this debate: you cannot run power stations on renewables. Yet the Leader of the Opposition and those who sit behind him believe that you can. The only way that you can run power stations in Australia, and therefore provide electricity for a modern economy, is to run them on fossil fuels. If you believe in reducing the greenhouse gas content of fossil fuel usage you must clean up the use of coal. And as you clean up the use of coal you make its use more expensive, and that is where nuclear power comes into the equation.

That is the irreducible common-sense minimum of this debate about the future of greenhouse gas emissions in a country such as Australia. We can have all the flamboyance and all the rhetoric under the sun but if we are to sustain our standard of living and if we are to remain a modern economy we need to run power

stations. And you cannot run power stations on solar or wind power. You can only run them on fossil fuels or on nuclear power. They are the two most reliable, logical ways of running power stations.

So let me say to the Leader of the Opposition that there are areas where I do not agree with Stern, and I do not think I ever will. I think one of the things that Australians should understand about this climate change debate is that some of the prescriptions that come from Europeans come from a European perspective. They do not come from an Australian perspective. Nations that do not have vast reserves of fossil fuel have a different view about this matter than nations that do. Australia is in a very unusual position: we have a small population but we have been blessed by providence with large reserves of fossil fuel. We should play to our natural advantages and I am simply not going to agree to prescriptions that are going to damage the future of the Australian economy, and I am not going to agree to prescriptions that are going to cost the jobs of Australian coalminers.

We have no intention of turning our backs on the coalminers of Australia. We do not have the view about coalmining that is held by the shadow spokesman on environment matters, the member for Kingsford Smith. And so far as Kyoto is concerned, the reason the Australian government has not signed Kyoto is that if we had entered into the Kyoto protocols in their present terms it would potentially have put this country at a competitive disadvantage. I note, incidentally, that unlike many of the countries that have ratified the Kyoto protocol, this country is on track to meet its Kyoto target, unlike many of the countries that presume to lecture Australia on what she should be doing.

DISTINGUISHED VISITORS

The SPEAKER (2.13 pm)—I inform the House that we have present in the gallery this afternoon members of the 11th delegation from the International Youth Cooperation Development Centre of Vietnam who are visiting under the auspices of the Australian Political Exchange Council. On behalf of the House I extend a very warm welcome to our visitors.

Honourable members—Hear, hear!

QUESTIONS WITHOUT NOTICE

Mr David Hicks

Dr SOUTHCOTT (2.14 pm)—My question is addressed to the Minister for Foreign Affairs. Would the minister update the House on the situation with regard to the trial of David Hicks in Guantanamo Bay?

Mr DOWNER—I thank the honourable member for Boothby for his question. As the Prime Minister told the House yesterday, and as honourable members all know, Mr Hicks has pleaded guilty to one count of providing material support for terrorism. I know that honourable members will be interested in how this

whole process will proceed. The prosecution and the defence have today been working to settle the facts that lie behind Mr Hicks's guilty plea. I understand the expectation is that they have agreed on those facts.

In accordance with the procedures laid down in the Manual for Military Commissions, Judge Kohlmann, who is the judge presiding in this case, will then reconvene the military commission for what is called the providence hearing. During this hearing, which will be held in an open court, Mr Hicks will be questioned by Judge Kohlmann, on oath, about the offence. Judge Kohlmann needs to satisfy himself that there is a factual basis for Mr Hicks's plea or that Mr Hicks has voluntarily pleaded guilty because he is convinced the prosecution could make out its case against him.

The chief prosecutor, Moe Davis, said on radio this morning—and some members will have heard this—that he thought this hearing could occur in the next day or two. We do not have any further light to throw on that. That time scale may be slightly out; we will just have to wait and see. If Judge Kohlmann accepts Mr Hicks's guilty plea, sentencing proceedings will be convened before the military commission members. The military commission members are commissioned officers of the United States military, appointed by the convening authority. Following submissions by both the prosecution and the defence, the members of the commission will deliberate and then determine the sentence. Colonel Davis said this morning that he hoped the military commission members, who come from different parts of the United States, could be assembled at Guantanamo Bay in time to allow these proceedings to be held before the end of this week.

There has been quite a lot of speculation, understandably, about Mr Hicks returning to Australia within a matter of weeks. We do not know at this stage the sentence that will be imposed on Mr Hicks by the military commission, so it is premature to speculate. Suffice it to say that the Australian government has an agreement with the government of the United States, under which Mr Hicks would be able to serve out the remainder of any custodial sentence that may be imposed upon him here in Australia—in an Australian prison—but, until we exactly know what the sentence will be on the back of the guilty plea which has already been made by Mr Hicks, we are unable to throw any more light on whether Mr Hicks will serve time in an Australian prison and, if so, how much time that will be.

Climate Change

Mr SWAN (2.17 pm)—My question is directed to the Prime Minister. Is it a fact that the Stern report shows the economic cost of inaction on climate change would be equivalent to the cost of both world wars and the Great Depression? Why hasn't the government taken the urgent action required to substantially cut

Australia's greenhouse gas emissions, given that we have a window of opportunity of just 15 years and given the impact on the economy and on jobs if we fail to act?

Mr HOWARD—Can I just go back to something I said in answer to the first question asked of me. Sir Nicholas Stern is reported in the *Sydney Morning Herald* today as advocating a reduction of 30 per cent in greenhouse gas emissions by the year 2020. That would have a devastating effect on the Australian economy. It would cost thousands of jobs in the Australian coal industry. It would put back technological progress towards clean coal technology because of its impact on the operation of the Australian economy. Nobody argues or contests the challenge of climate change but what I do argue and contest is the kind of knee-jerk reaction advocated by the member for Lilley.

Mr Swan interjecting—

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

Mr HOWARD—If the member for Lilley wants to become a destroyer of the Australian coal industry, let him go and justify that. There is an idea that this country could achieve that kind of reduction in greenhouse gas emissions by the year 2020, which is a bare 13 years from now, but the economic dislocation, the level of unemployment and the damage that would be done to Australia's competitive position is self-explanatory. It is imperative that we do not take action as a nation which puts us at an unfair disadvantage with the rest of the world. That kind of action would do that and, whilst there are quite a lot of things in Stern's report and in his work that we agree with, we will take decisions in the national interest. History is littered with examples of nations having overreacted to presumed threats to their great long-term disadvantage.

Superannuation

Mr FAWCETT (2.20 pm)—My question is addressed to the Treasurer. Would the Treasurer inform the House of the importance of protecting employees' superannuation funds? Is the Treasurer aware of instances where superannuation schemes have been raided for government spending proposals?

Mr COSTELLO—I thank the honourable member for Wakefield for his question. I can inform him that the government has gone to considerable lengths with legislation to protect employees' superannuation funds. The reason for that is that these funds are for the benefit of employees over the long term and, if those who get control of managing them do not discharge their duty in the interests of the employees, employees will suffer—they will either retire on less or, at worst, they will have nothing to retire on at all. So independent trustees are given the legislative requirement of investing solely for the benefit of members. They cannot be

given directions on how to do that and, most especially, in respect of company superannuation funds, the company cannot appropriate any of those superannuation savings for the benefit of the company or its investment plans.

The same should go whether it is private employees or government employees. There have been a lot of demands in Australia for government employees' superannuation to be protected. The member for Lilley has been a persistent demander that the superannuation savings of employees be locked up in the Future Fund and not raided. For example, on 7 November 2005, he said of the Future Fund:

It has to be a locked box. We have to make the Future Fund a locked box.

It's very important there is public confidence in the Future Fund and that it is a locked box that can't be raided by the National Party, Peter Costello or anybody else.

What he did not say is that he apparently had a plan for it to be raided by the Labor Party and Kevin Rudd. On 18 August 2005, the member for Lilley said:

The whole point of the Future Fund was to have Budget surpluses and the proceeds of asset sales put in the hands of independent experts and locked away in a box.

The idea of an independent expert is that the expert makes the investment decision—not the government, not the trade union movement, not the member for Melbourne, not the member for Lilley and not the member for Griffith but an independent expert. Right over the top of all of those demands that the Future Fund be a locked box has come the bear to the honey pot. Once the Leader of the Opposition, the member for Melbourne and the member for Lilley got the sniff of honey on their paws, they could not resist.

I said yesterday that no state government had ever tried to influence a state government employee superannuation scheme. I received information after question time yesterday which indicated that I may not have been entirely accurate in that claim. I received information after question time yesterday that in 1987 there was a state government that tried to use the Government Employee Superannuation Board to prop up a failed company in the state of Western Australia. In 1992, the royal commission into WA Inc. found:

In our view, as a result of his association with Mr Laurie Connell, Mr Brian Burke demonstrated a disposition to assist Rothwells from the moment he became aware it was in difficulty. He was instrumental in Rothwells obtaining support from the Government Employees Superannuation Board Fund.

So it was a finding of the Western Australian royal commission that there is a precedent for a government directing employees' superannuation. It is Mr Brian Burke, and it was done in relation to Rothwells.

One can only imagine whether at breakfast, at lunch or at the dinner down there at Perugino—the guess

who's coming to dinner' dinner—any discussion about the subject of using superannuation funds for pet investment projects came up. There is one precedent and one precedent alone for what the Leader of the Opposition now proposes. It is the precedent of Brian Burke, Rothwells Bank and WA Inc. And that says it all.

Climate Change

Mr SWAN (2.26 pm)—My question is to the Treasurer. Will the Treasurer immediately commission economic modelling into the impact of climate change on future economic prosperity and jobs in Australia? If not, why not?

Mr COSTELLO—I am of course aware of the modelling that has been done by Sir Nicholas Stern. The Treasury, along with economists around the world, have assessed that modelling. There have been criticisms of a number of the assumptions which underpin that research. I am not even aware that the UK government has accepted all of the findings of that research. In fact, in meetings that we will be having today with Sir Nicholas Stern, we will obviously be exploring that.

There is some disagreement about discount rates, some of the suppositions and the technological changes. There is also quite considerable disagreement about what national effects there would be. To my knowledge there has been no economic modelling done as to the effect on particular countries. All of the economic modelling is done in relation to global effects. That is obviously because it is very hard to disaggregate in relation to individual countries—a point that I have made previously in this House and a point that the Treasury have taken into account.

Having said all that, the important thing to bear in mind is that countries should do what they can to reduce carbon gas emissions. I make the point that this country is probably one of the few countries that is on target to meet its Kyoto target. There is a lot of talk about signing Kyoto, but those countries that have signed Kyoto are some of the countries that are furthest away from meeting their targets. One thing about Australia is that when we sign something we like to keep to it. Even though we have not ratified Kyoto, we are well on the way—

Mr Swan—Mr Speaker, I rise on a point of order going to relevance. It was a question about modelling. Will he or won't he—

The SPEAKER—The member for Lilley will resume his seat. The Treasurer is in order.

Mr COSTELLO—The point I was making was that, although this country has not ratified its target, this country could well be one of the few countries in the world that will meet the target, contrasting with many European countries which have ratified Kyoto and are nowhere near meeting their targets. That is one

of the things about Australia: when we sign and ratify these things we like to actually observe them. This country is on its way to meeting its target. With measures that have been put in place by this government, Australia will make a positive contribution in the decades which lie ahead.

Workplace Relations

Mr FORREST (2.30 pm)—My question is also addressed to the Treasurer. Would the Treasurer inform the House of the importance of a flexible industrial relations system to the management of economic policy? Furthermore, has the Treasurer seen comments which indicate a rollback to a less flexible workplace relations environment?

Mr COSTELLO—That was a very good question, if I may say so, from the member for Mallee. I do not think that there would be any leading think tank around the world—whether it is the OECD, the IMF or the World Bank—that would deny that in the modern global economy the degree to which you enhance flexibility in your labour market is the degree to which you improve economic performance. I heard the Leader of the Opposition engaging in extreme gobble-dygook on the radio this morning trying to explain why a centralised labour market would somehow boost productivity. I must say that the *AM* reporter was as astounded as I was as they asked the question over and over again and met stonewalling from the Leader of the Opposition.

The Leader of the Opposition made the assertion this morning that he could prove from New Zealand that decentralised labour markets had not improved productivity. He claimed that, if you looked at New Zealand, you would see that New Zealand with a decentralised system had done worse than Australia with a centralised system during the 1990s. I do not know where he gets his figures from, because the New Zealand Bureau of Statistics released statistics for their measured sector—which is similar to Australia's market sector—in March 2006 for the period 1988 to 2005. They recently updated those statistics to include 2006. This is the evidence: during the period in which the New Zealand Employment Contracts Act operated, which was from 1991 to 2000, New Zealand measured-sector labour productivity grew by an average of 2.9 per cent per annum, while in Australia labour market productivity growth in the market sector was 2.5 per cent per annum. Comparing like with like—New Zealand with Australia—during the period of the New Zealand Employment Contracts Act, labour market productivity grew faster than in Australia. It grew at 2.9 per cent compared to 2.5 per cent.

There could be many factors affecting labour market productivity. You cannot say that one act is the sole differentiation. But you can conclude from that that there is no evidence whatsoever for the proposition that

was advanced by the Leader of the Opposition this morning that somehow New Zealand demonstrated that under this legislation productivity either declined or was not enhanced or was slower than that in Australia. He went to great lengths, and that was the only evidence that he could put out there this morning.

He said, for example, 'If employers and employees are working together as units of production'—let me interpose there. This is a Labor leader. Let me read those words again: 'If employers and employees are working together as units of production'. Now an employee is a unit of production, according to the Leader of the Opposition. I tell you what: you would not have heard Ben Chifley talk like that; you would not have heard John Curtin talk like that. I wonder how all those members of the ACTU—those thousands of units of production—feel about being so described by the Leader of the Opposition. He said—

Mr Swan interjecting—

Mr COSTELLO—The unit of production from the seat of Lilley interjects.

Mr Price—I rise on a point of order. Mr Speaker, the standing orders require the Treasurer to address members by their seat or title.

The SPEAKER—I was listening carefully and I believe that the Treasurer has been using the correct form of address.

Mr COSTELLO—May I say that the member for Lilley is a very low-productivity unit of production. The Leader of the Opposition said: 'If employers and employees are working together as units of production—as firms—that is how in fact you best yield the best productive outcome.' That is what decentralised wage fixation is all about. If you make sure that, at the level of the local workplace, employer and employee are working together as human beings on terms and conditions that are suitable to that workplace, you get the best outcome.

But centralised wage fixation says that we should take a particular trade and say in relation to that—either through an award or through pattern bargaining—that that trade, whether it is done by a person on the Pilbara, whether it is done on a coalfield in Queensland or whether it is done in a Moorabbin shop, should be paid according to centralised principles. That is why every economic think tank that has thought about this says, 'Get it down to the workplace, get it down to employer to employee, make it relevant to that place and get the best outcomes.' That is why labour market productivity is enhanced by decentralised wage fixation. The rollback proposed by the Labor Party is completely in the wrong direction for a modern economy.

Renewable Energy

Mr DANBY (2.37 pm)—My question is to the Prime Minister, and I refer to the announcement by the recycling company Global Renewables on 27 March 2007 that it is quitting Australia. Is the Prime Minister aware that Global Renewables chairman Dr John White, who is also the chair of the government's uranium industry framework, said:

When Australia does get serious about renewables we will hopefully be able to come back.

Prime Minister, when will the government seriously examine renewable energy and substantially increase the mandatory renewable energy target?

Mr HOWARD—I thank the member for Melbourne Ports for his question. I have not read the particular remarks attributed to the gentleman you refer to; I do know whom you are referring to, but I have not read those particular remarks. I am aware that some people are critical of our decision not to adopt some three years ago the recommendations of an investigation, I think chaired by former senator Grant Tambling, to significantly increase the mandatory renewable energy targets. We took a decision then to go down the path of providing greater incentives to such things as clean coal technology, and if you look at the energy white paper you will see laid out in very clear language our support for that.

The member asks me to follow Labor policy in extending mandatory renewable targets; that is a very interesting proposition, because I have been told in briefing sessions from officials representing the eight Labor state and territory jurisdictions of Australia that, in advocating the national emissions trading scheme which the eight Labor states and territories want, part of the package is a phase-out of mandatory renewable energy targets because they are incompatible with the notion of a national emissions trading scheme. Perhaps the member for Melbourne Ports might like to factor that into his reflections on what Dr White has said.

National Security

Mrs BRONWYN BISHOP (2.39 pm)—My question is addressed to the Minister for Foreign Affairs. Would the minister inform the House of the progress of Australia's international efforts to counter the threat of terrorism?

Mr DOWNER—First can I thank the honourable member for Mackellar for her question and her interest in the issue of terrorism. I think all members are very familiar with the tragic deaths of a large number of Australians as a result of terrorist activity. Australians were killed on 9-11 in New York and Washington; one was killed in Washington. Eighty-eight Australians were killed in Bali in October 2002. Australians were killed again in Bali more recently, and our embassy in

Jakarta was attacked in 2004 by terrorists. Ten people were killed as a result of that.

For us, not only does the government have a fundamental obligation to provide as much protection as it can for the Australian community but on this side of the House anyway we regard it as enormously important that we fight terrorism, and we do so very effectively. That is why we have troops in Afghanistan, because we want to help the people of Afghanistan embrace freedom and democracy, and we want to ensure that Afghanistan cannot once more become a base for terrorist activities.

It is why we keep arguing our corner on the issue of Iraq. The other night I saw on television the opposition spokesman on foreign affairs claiming that the only fighting that took place in Iraq was between Sunni and Shia militias—there were not any real terrorists there. Actually, the honourable member is completely wrong. Al-Qaeda in Iraq is a very major force and has been doing everything it possibly can to create sectarian violence and as much chaos as it can. We on this side of the House do not want to give Al-Qaeda in Iraq any comfort or any victory, and we will do our best in Iraq to counter terrorism as well.

In our own region, I think the government has been doing a very effective job working with our neighbours in Indonesia and also other countries in South-East Asia to counter terrorism. Just three weeks ago I co-chaired a subregional counterterrorism meeting with Hassan Wirajuda, my Indonesian counterpart. It included police chiefs as well, and at that meeting we reinforced our determination to counter terrorism; not just congratulating ourselves on what we have done but, very importantly, reinforcing cooperation between our countries.

In conclusion, some people may wonder why we have been tough on the Hicks case, and that is of course all part of the same narrative. As a government we are deeply concerned about terrorism. Any Australian who may get involved one way or another with a terrorist organisation is a person who gets no sympathy from us as a government. It is important to understand that. I have often said to people that there are not all that many Australians who read day by day in the media about Sergeant Andrew Russell, who was killed by terrorists serving in the Australian Defence Force in Afghanistan, compared to the amount of publicity that someone like David Hicks gets. He has pleaded guilty to providing material support to a terrorist organisation. So it is very important that we have a proper sense of perspective and a strong sense of determination to counter, to fight and ultimately to defeat terrorism.

Solar Power Rebate

Mr GARRETT (2.44 pm)—My question is to the Minister for the Environment and Water Resources. Does the minister recall when he was a backbencher

supporting a doubling of the solar power rebate? Is the minister aware that Labor has today announced a doubling of the solar power rebate, Labor's solar home power plan? Does the minister agree with Labor? Does the minister still agree with himself?

Mr TURNBULL—The member in his question is referring of course to the House of Representatives environment committee report on sustainable cities. It is a very good report and I commend it to the honourable members on both sides. My understanding of the Labor Party's announcement today is that it is not to double the rebate at all but rather to extend it. I believe it is still a maximum of \$4,000 per household. If that is the case then they have not doubled it at all. It is exactly the same rebate. The rebate is currently—

Mr Garrett interjecting—

Mr TURNBULL—There he is. The member for Kingsford Smith does not even know what his policy is. The rebate is \$4 a watt up to a maximum of \$4,000.

Mr Garrett interjecting—

Mr TURNBULL—Is the maximum \$4,000 or not?

Mr Garrett—It's pretty straightforward.

Mr TURNBULL—It is. He does not know. Mr Speaker, I cannot help the member for Kingsford Smith. He does not know what his policy is. If he cannot tell us what it is then I am afraid I cannot enlighten him.

Employment

Mr RICHARDSON (2.46 pm)—My question is addressed to the Minister for Employment and Workplace Relations. Would the minister inform the House of how a strong economy can ensure sustained employment opportunities? Are there any threats to these opportunities?

Mr HOCKEY—I thank the member for Kingston for his question and note that in 1996 the unemployment rate in Kingston was 11.6 per cent and today it is still too high but it is down to 6.8 per cent. So it has come off around five per cent in the last 11 years.

The Australian Bureau of Statistics has released a labour force survey that indicates that the number of persons with marginal attachment to the labour force has dropped. That is good news. There are more people going into work, and people who were previously discouraged from entering the workforce are no longer discouraged. In fact, only in the last 12 months, from September 2006, we saw a drop in the number of people discouraged from entering the workforce by about 90,000. That is a good story. The reason why it is a good story is that the economy is strong. The economy is strong for a number of reasons. Firstly, the government is prepared to undertake tough measures, difficult measures, that help to deliver a stronger economy such as tax reform, such as getting the budget into surplus

and so on. No reform has had a more significant impact in the last 12 months than the introduction of Work Choices. Those laws have helped to free up the marketplace, have helped to make for a more flexible working environment and have helped to encourage business to employ more people, particularly those who have been out of the workforce for a while.

I am asked about threats to the strong economy. No greater threat exists than the Labor Party being elected into federal government, particularly with what seems to be the ninth version, or maybe it is the 10th version, of their industrial relations policy. I did see the *Australian* yesterday. As the Prime Minister pointed out, on the front page of the *Australian* was a story by Steve Lewis. 'Rudd set for brawl with Left' was the headline. He says the Labor policy 'jettisons previous discomfort with the casualisation of the workforce in a move that will alienate left-wing unions' such as the ACTU. So the Labor Party is embracing casualisation.

I thought, 'I have to get a copy of this policy.' I went in search of it. I came across the latest version and could not find anything about casualisation—not a word. So either Steve Lewis is wrong—and I do not believe Steve is wrong; he is not shaking his head. Either Steve Lewis is wrong—and I find that very difficult to believe; when it comes to information from the Labor Party, I do not believe it—or alternatively the Labor Party deleted all references to casual labour. I said to myself, 'Why would they do that?' I looked in the *Australian* today and saw the headline 'Rudd backs down on casuals'. I thought, 'Why would he back down on casuals?'

I found an article in the *Age* which quotes the chief spokesperson for the Labor Party on industrial relations, ACTU President Sharan Burrow. Shazza is back in town. You can create this mental picture. Last night Shazza belts down the door on the way into Kevin Rudd's office, puts him in a half-nelson—with not a hair out of place from the Leader of the Opposition at this time—and says, 'Hey, listen, Kev. We're going to tell you what a Kevin is: a Kevin is when you back down on a policy within 12 hours. That is what a Kevin is. A Kevin is where we call the shots as union bosses and you go to the people of Australia and you try to spin them a line. At the end of the day we run the Labor Party.'

Do you know what? The union bosses pay for the Labor Party's campaign. The union bosses set the Labor Party's policy. And now the union bosses want to come in and represent the Labor Party in parliament. It is not the Australian Labor Party; it is the Australian union party. That is why Greg Combet wants to come into parliament. That is why all the union bosses want to come into parliament. That is why Dougie Cameron wants to come into parliament. And that is why the

Leader of the Opposition changed his policy within 12 hours.

The SPEAKER—Before I call the Leader of the Opposition I remind the Minister for Employment and Workplace Relations that he should use a member's seat or his title when he refers to him.

Ipswich Motorway

Mr RUDD (2.52 pm)—My question again is addressed to the Prime Minister. Why is the Prime Minister ignoring the interests of people who live in the western corridor of south-east Queensland and acting against the advice of the state Liberal leader, Bruce Flegg, and the advice of Liberal Lord Mayor of Brisbane, Campbell Newman, by refusing to commit to the full upgrade of the Ipswich Motorway?

Mr HOWARD—The commitment that the government has made is an amount of \$2.3 billion, which I understand is the largest single infrastructure development investment made in this part of Australia by any Commonwealth government—\$2.3 billion. The reason why we do not support the upgrade of the Ipswich Motorway is that there is clear advice that, as soon as that upgrade were completed, it would be necessary to re-invest in a further expansion because of the enormous amount of traffic. We are supported in our decision by the recommendations of the feasibility study carried out by Maunsell and Partners.

I might also say to the Leader of the Opposition that the Queensland transport minister indicated to the Deputy Prime Minister as recently as yesterday that, although the Queensland government has a different view in relation to this particular upgrade, it will cooperate to the full because this is a national highway and therefore is being totally funded by the Commonwealth government. In fact, we have chosen a more expensive option because it is a longer term option. The option supported by the Queensland government, by the Queensland Liberal Party and by the Lord Mayor of Brisbane is a short-term option and it will not provide a long-term solution to the traffic problems of that part of south-east Queensland. I might say that in making our decision, which I was happy to announce in Queensland only a couple of weeks ago, the government reflects the strongly held views of the federal members representing this part of Queensland.

Mr Ripoll interjecting—

Mr Johnson interjecting—

Mr HOWARD—We think the building of the Goodna bypass is better long-term transport policy, better economics and overall the right decision for the people of south-east Queensland.

Rotavirus Vaccination

Mr MICHAEL FERGUSON (2.54 pm)—My question is addressed to the Minister for Ageing, today representing the Minister for Health and Ageing.

Would the minister inform the House how the government is adding to the immunisation register to further protect the health of our children?

Mr PYNE—I thank the honourable member for Bass for his question. I can tell the House that immunisation rates in 1989-90 in this country were at 53 per cent, one of the worst outcomes in the Western world, and today they stand at over 90 per cent, one of the best outcomes in the Western world—directly because of the government's national immunisation program, Immunise Australia. Spending in 1996 on immunisation was \$13 million a year and this year it will be \$207 million a year, 16 times the rate that the Labor Party left immunisation at when it left office.

I am very pleased to be able to announce today that the Minister for Health and Ageing has kept his promise to make an announcement on rotavirus vaccines by the end of March. I can tell the House that rotavirus vaccines will be listed on the national immunisation program from this year at a cost of \$124 million over the next five years—a very good outcome. GSK's Rotarix and CSL's RotaTeq will be the two vaccines listed. This is very good news, particularly for families in Australia, who have been very well represented and looked after by the coalition government in the last 11 years.

In Australia, the rotavirus accounts for 10,000 hospitalisations of children a year. Half of those are cases of children aged under one year and almost all are children under five. Of course, amongst Aboriginal and Torres Strait Islander populations it is a particularly serious problem. The vaccine will commence from July 2007 and all babies born after 1 May 2007 will be eligible. This further strengthens the national immunisation program—and, in the absence of the Minister for Health and Ageing, I can say it is further evidence that the Howard government is the best friend that Medicare has ever had.

Workplace Relations

Ms GILLARD (2.57 pm)—My question is addressed to the Minister for Employment and Workplace Relations. I refer the minister to the Prime Minister's claim this week that working families in Australia have never been better off and to a recent Drake International survey of 300 predominantly small to medium sized businesses about the paperwork burden of the government's industrial relations laws. Is the minister aware that the survey found that over 57 per cent believe that record-keeping requirements would have a negative effect on their business, 62 per cent said it would adversely affect staff morale and 52 per cent said it would have a possible negative impact on productivity? Minister, given these findings, how can the government arrogantly tell the families who run these businesses that they have never been better off?

Mr HOCKEY—There were two issues raised; the first was about small business. I say to the Deputy Leader of the Opposition that there is nothing more fearful for small business than the reintroduction of the unfair dismissal laws. Small business hates the Labor Party's job-destroying unfair dismissal laws. There is no doubt about that. If the Deputy Leader of the Opposition were to understand anything about small business—and she certainly does not—she would know that small business went through absolute hell trying to comply with the Labor Party's unfair dismissal laws.

Ms Gillard—Mr Speaker, I rise on a point of order. The question is about a survey of how businesses hate the government's industrial relations legislation.

The SPEAKER—The minister is answering the subject matter of the question; I think it included small business. He is very much in order.

Mr HOCKEY—On the second issue, I will tell you what small business are fearful of. They are fearful of the union bosses walking back in on the dark day that the Labor Party is elected in the federal government; that is what they are worried about. When I went to a small business in Queanbeyan in Eden-Monaro yesterday, without any prompting from me, a worker pointed out that he was fearful of the unions walking back into the workplace and interfering in negotiations between employers and employees at the end of the collective agreement.

In relation to the second issue that the Deputy Leader of the Opposition raises on families, I will make this point: we see today more women in the Australian workplace than at any time in Australia's history. We see today a narrowing of the wages gap under the coalition, when the wages gap between men and women grew under the Labor Party. We also see today that it has been the coalition government that introduced the family tax benefit, which provides choice for families. It is the coalition that has doubled the number of childcare places. It is the coalition government that has taken the cap off childcare places. It is the coalition government—

Ms Gillard—Mr Speaker, I rise on a point of order. The point of order is on relevance. This is about the impact of Work Choices—

The SPEAKER—The Deputy Leader of the Opposition will resume her seat. The minister is answering the question. I call the minister.

Mr HOCKEY—It is the coalition government that introduced that outstanding initiative: the baby bonus. It is the coalition government that is in there battling for families and providing them with the opportunity of undertaking work if they choose to, or supporting them if a mum chooses to stay at home in full-time care of the children.

Asylum Seekers

Mr HAASE (3.01 pm)—My question is addressed to the Minister for Immigration and Citizenship. Would the minister update the House on what action is being taken against those who assisted in recent attempts by 83 Sri Lankans to enter Australia illegally? Are there alternative policies? What is the government's response?

Mr ANDREWS—I thank the member for Kalgoorlie for his question and his interest in this matter. I can report to him and to the House that the two Indonesian crew members of the boat that had 83 Sri Lankan passengers who were arrested by the Australian Federal Police have been charged with facilitating the unlawful entry into Australia of persons contrary to the Migration Act. They have been remanded in custody in Perth and are due to face a court hearing in Perth on 5 April this year.

In 2000-01, there were over 4,000 attempted illegal arrivals by boat into Australia and, in response to this, this government introduced new measures to deter people smuggling and the people smugglers involved. As a result of that, last year there were just 263 attempts—so from 4,000 attempts down to 263. It is obvious to anyone who looks at the evidence about this that illegal boat arrivals have virtually stopped because of this government's very strong border protection policies. Indeed, that is quite obvious to everybody on this side of the House. The only people who are oblivious to this and the link between a strong border protection policy and the good results is once again the Australian Labor Party.

In a recent interview with Sky News the opposition shadow minister was asked this question:

But, Tony Burke, aren't we sending an important message to people who try to come into this country illegally by processing them in Nehru? Aren't we saying to them, 'Don't even try to get into Australia unless you want to use the proper means'?

The reply from Mr Burke was:

I just don't believe this is part of the equation. I just don't believe that Nehru is part of the equation.

The danger of this is that a weak response from the Australian Labor Party once again may be just enough to encourage more people smuggling activities and more attempted boat arrivals in Australia. One thing we can say for sure is that if the Labor Party's policies were ever implemented by the ALP in government then we might as well open up the wharves to boats coming from Indonesia. We might as well put a green light up and say, 'Come on into Australia,' because that is the policy of the Australian Labor Party.

The Leader of the Opposition needs to stand up on this issue and declare whether he is going to continue to pursue these weak border protection policies of the Australian Labor Party or whether he is going to take

border protection seriously. The threat of illegal arrivals by boat is very real and, instead of dodging the issue, it is about time that Kevin Rudd stood up to be counted.

The SPEAKER—Order! The minister will refer to the Leader of the Opposition by his title.

Workplace Relations

Dr EMERSON (3.05 pm)—My question is to the Minister for Small Business and Tourism. I refer the minister to the record-keeping rules imposed on small business by Work Choices, which came into force yesterday. Is the minister aware that the strict liability rules on small business provide for penalties of up to \$2,750 for each breach? Does the minister support this extra liability on small business?

FRAN BAILEY—I thank the member for Rankin for his question. The first thing I would say is that all workers have to be protected. I have noticed that both the Leader of the Opposition and the shadow minister have been making a number of claims about small business and Work Choices. Let me put on the record some more quotes about small business and the benefits they find from this. Let me tell you about a small businessman from the Illawarra, Mr Jim Eddy, who says that businesses chasing tourism dollars now have more opportunities and greater freedoms. The IR laws create jobs. Diana Williams from the Fernwood women's health club said, 'Ninety-nine per cent of my staff are female and they are very happy with our AWA arrangements, as they provide flexibility and accommodate the—

Dr Emerson—Mr Speaker, I rise on a point of order. The point of order is on relevance. If the minister does not know the answer to the question, she should say so.

The SPEAKER—The minister is answering the question. I call the minister.

FRAN BAILEY—I can assure you that I do know what small business has to say. They know that we provide fairness and flexibility—

Mr Snowdon interjecting—

The SPEAKER—The member for Lingiari is warned!

FRAN BAILEY—They know that you lot stand for bringing back unfair dismissal and ripping up AWAs. It does not matter what you say, either here or in the other place, we will get the words of small business-people on the record, because there is no doubt that small businesspeople around Australia unanimously support the reforms that the Howard government has brought in for small business.

Exports: Services Sector

Mrs MAY (3.08 pm)—My question is addressed to the Minister for Trade. Would the minister advise the

House how global trade is assisting businesses in the Australian services sector? Are there any alternative policies? What is the government's response?

Mr TRUSS—I thank the honourable member for McPherson for her question. I am pleased to report to the House that the latest figures on Australia's services exports show a record \$41.9 billion worth of service sector exports, up a significant six per cent on the previous year. That is a pretty solid answer to the Leader of the Opposition, who tries to pass off Australia's export performance as just being China's mine and Japan's beach. The reality is that the services sector, which makes up about 80 per cent of our economy and 85 per cent of our employment, is also 20 per cent of our exports.

Many people may not think that an electorate like that of the honourable member for McPherson is a major contributor towards Australia's exports. But it is an important tourist destination and therefore a vital part of our services sector exports. Indeed, two services categories are in our top four national exports, including personal travel, which comes in at No. 3, and education services, which comes in at No. 4. Those services exports are making a very significant contribution to Australia's export performance.

It is also interesting to note that our most important market for export services is the United States. There were many critics opposite of the US-Australia free trade agreement, but it is one of the sectors that has benefited significantly from that agreement. I notice that one of the major critics of the free trade agreement a couple of years ago was none other than the Labor left-wing union leader Dougie Cameron. He had plenty to say about the free trade agreement. He said, on 2 August, that the free trade agreement with the United States was going to cost the Australian economy \$56 billion. I have not noticed any of that cost being built up so far.

It was also going to cost 50,000 to 60,000 jobs. Mr Cameron obviously has not caught up with the Leader of the Opposition's new political correctness. It would be now be 50,000 to 60,000 units of production that would be lost. This great economic luminary and free trader, who is trying to write Labor's free trade policy for the upcoming Labor convention, is also likely to be rewarded with a post in the Senate, we are now told. If this is the kind of approach that Labor is going to take towards a trade policy then indeed our potential as a major exporter of services to the world will be dashed. The reality is that services are an important part of Australia's export performance, and they are helping to boost our exports right around the world and particularly into the United States.

Workplace Relations

Mrs ELLIOT (3.12 pm)—My question is to the Minister for Employment and Workplace Relations. I

refer to the Prime Minister's comment this week that working families in Australia have never been better off. Minister, does ABS employee earnings and hours data not tell us that Australian women on AWAs who work full time earn on average \$2.30 less per hour, or \$87.40 less per week, based on a standard 38-hour week than those on collective agreements? Minister, how does this make working families better off?

Mr HOCKEY—I say to the member that the number of women who have entered the workforce over the last 12 months represents about 109,000, and there has been a significant infusion of women coming back into work for the first time in the last 10 years. The number of long-term unemployed coming in, particularly the number of women coming in, has meant that they have gone into low-paying jobs as a starting point—particularly in the hospitality and retail industries—whereas in industries such as the mining industry—where, overwhelmingly, the majority of workers are men—the wages have gone up.

I make this further point: there are more women today in the Australian workforce than ever before, and they have more choice. One of the areas that they consider to be very important is in relation to casual work.

Mr Swan interjecting—

The SPEAKER—The member for Lilley is warned!

Mr HOCKEY—That is why I wonder why the Labor Party is so opposed to casual work. That is why I wonder why the Labor Party is so opposed to women coming back into the workforce.

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

QUESTIONS WITHOUT NOTICE: ADDITIONAL ANSWERS

Renewable Energy

Mr HOWARD (Bennelong—Prime Minister) (3.14 pm)—Mr Speaker, I seek the indulgence of the chair to add to an answer.

The SPEAKER—The Prime Minister may proceed.

Mr HOWARD—The member for Melbourne Ports asked me a question about a company called Global Renewables. I have subsequently been informed that it is a company that has been driven to locate overseas by winning a reported \$5 billion waste management contract in Lancashire and that the government supported Global Renewables' bid for this contract, including letters of support and meetings with UK officials.

Can I amplify further the comment I made about the underpinning of the state Labor governments' proposal for a national emissions trading scheme. I said that I had been informed that part of their proposal involved a termination of the MRET scheme, which the question invited me to endorse and extend rather than to termi-

nate. Since giving the answer, I have been handed the transparencies of a briefing that was given to the Prime Ministerial Task Group on Emissions Trading on 21 March. This was a briefing from state officials, who of course are informed on the policy proposal that the Labor governments have and which I understand the federal opposition supports. Under the heading 'Relationship with other measures' it contains the following dot point. After it says 'G Gas discontinued'—that is a transitional measure—it then says 'other schemes run their course and not renewed'. Then in brackets it reads:

NRET—

which I think was the Northern Territory renewable energies trading scheme—

VRET—

which is a Victorian renewable energies trading scheme—

Queensland 13% Gas Scheme.

The point I am making is that, simultaneously with the member asking me a question which exhorts me to increase the mandatory renewable targets, his party has a policy to phase them out.

QUESTIONS TO THE SPEAKER

Identification of Members

The SPEAKER (3.16 pm)—The member for Oxley asked me a question related to a situation where the member was requested to provide identification by either an Australian Federal Police protection officer or a Parliamentary Security Service officer. I am advised that the incident took place in the corridor adjacent to the Prime Minister's office, in the ministerial wing, and that the officer was from AFP protection, who provide security in the ministerial wing. Security in all other areas of the building is provided by the Parliamentary Security Service officers, who are expected to recognise all members. This is not the case with AFP officers, due to their limited contact with members and the regular changeover of officers.

As I noted on Monday, the officer was not carrying a firearm. The car park entry card the member referred to is in fact a photographic pass and is the same as the pass issued to other building occupants. All members are entitled to such a pass. While it is unfortunate that the member for Oxley was not immediately recognised, the officer was following standard practice where a person cannot be positively identified. I understand that the member for Oxley was treated with courtesy and thanked for his cooperation.

Hansard: Interjections

Mr RIPOLL—Mr Speaker, could you check the *Hansard* and ensure that the member for Ryan's support for the Goodna bypass was properly recorded today, during the answer given by the Prime Minister to

the question put by the Leader of the Opposition on the Ipswich Motorway-Goodna bypass issue?

The SPEAKER—I thank the member for Oxley. I was not aware that the member for Ryan was either asking a question or answering one.

BUSINESS

Mr ALBANESE (Grayndler) (3.19 pm)—On indulgence, I seek information from the acting Leader of the House on the programming of business. Can the acting leader confirm that today's only business conducted in the Main Committee was 1½ hours of members' three-minute statements and that tomorrow the Main Committee will not sit at all because there is simply no government business? After 11 long years of government, does this demonstrate that the government is out of ideas and out of legislation? Is there no work for us to do?

Mr McGAURAN (Gippsland—Deputy Leader of the House) (3.19 pm)—On indulgence, I wish to facilitate the business of the House. I am always happy to have discussions with the opposite number of the Leader of the House. I simply say that the daily blue reflects the business of the House. I understand that there are discussions underway, or about to commence, between the chief whips as to further business.

PERSONAL EXPLANATIONS

Ms MACKLIN (Jagajaga) (3.20 pm)—Mr Speaker, I wish to make a personal explanation.

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

Ms MACKLIN—Yes.

The SPEAKER—Please proceed.

Ms MACKLIN—On ABC radio in Brisbane today the Minister for Families, Community Services and Indigenous Affairs accused me of misrepresenting new figures from the ABS survey about people not in the labour force. These figures say, as I did, that there are nearly 100,000 people who are not working because child care is either too expensive or too far away or because parents are not happy with the quality of it. This is a fact. I also make clear—

The SPEAKER—Order! The member will not debate it.

Mrs Bronwyn Bishop—Mr Speaker, I rise on a point of order. The member opposite, as so many of them do, uses this personal explanation as a debating point. She is debating the issue, not showing where she was misrepresented.

The SPEAKER—I thank the member for Mackellar. I am listening carefully to the member for Jagajaga. I think she has explained where she feels she was misrepresented. Does the member for Jagajaga have a further point?

Ms MACKLIN—Yes, I do. The minister for families, in the same interview, also suggested that I did not understand that these figures excluded parents who want to stay home to look after their children. We specifically excluded those figures because we understand that there are many parents who want to stay home and look after their children.

The SPEAKER—Order! The member will resume her seat. She will not debate the point.

DOCUMENTS

Mr McGAURAN (Gippsland—Deputy Leader of the House) (3.22 pm)—Documents are tabled as listed in the schedule circulated to honourable members. Details of the documents will be recorded in the *Votes and Proceedings*. I move:

That the House take note of the following documents:

Gene Technology Regulator—Quarterly report for the periods 1 October to 31 December 2006.

Migration Act—Statement under section 46A—22 March 2007.

National Health and Medical Research Council Act—National Health and Medical Research Council—Guidelines—National Statement on ethical conduct in human research—March 2007

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

MATTERS OF PUBLIC IMPORTANCE

Climate Change

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

The failure of the Government to take action to avoid dangerous climate change by refusing to ratify the Kyoto Protocol, establish a national emissions trading scheme and cut Australia's greenhouse pollution by 60 percent by 2050.

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 GARRETT (Kingsford Smith) (3.23 pm)—The Howard government just does not get climate change, and the minister for the environment in question time plays word games knowing full well that Labor's policy announcement today is to double the funding for the installation of solar power—a policy he has previously supported. This morning the Prime Minister said: Many of the things that (Sir Nicholas Stern) is talking about are already our policies.

The question here is: what planet is the Prime Minister on? Sir Nicholas says: ratify the Kyoto protocol—the government says no; Labor says yes. Sir Nicholas says: cut greenhouse emissions by 60 per cent by 2050—the government says no; Labor says yes. Sir Nicholas says:

establish an emissions trading scheme—the government says no; Labor says yes.

After 11 years in power it is about time the government got fair dinkum about climate change. Seven weeks ago we received the first instalment of the fourth Intergovernmental Panel on Climate Change, and the findings of that report shook the world and received saturation coverage, including here in Australia. Called *Climate change 2007: the physical science basis*, it confirmed what we already knew, what many people were feeling—that is, that climate change is real and that it will hurt our economy, our environment and our children's future. Using terms like 'unequivocal', it walked us through the bone-dry science and graphs and concluded that there was a very real possibility that within the next 100 years we could be living on a planet three to four degrees hotter than today.

On Good Friday coming, the second volume of the Intergovernmental Panel on Climate Change report will be released in Brussels. This volume is called *Impacts, adaption and vulnerability*. The first report gave us the skeleton outline of what to expect; Good Friday's report will get to the heart of the matter. *Impacts, adaption and vulnerability* will take us to the centre of what is best described as a potential disaster, a centre made up of six billion or so human beings: families in China, India and Australia; nomads; city slickers; itinerant workers—people going about their daily lives but living under the shadow of impending and growing climate change. This report will show how the unfolding crisis will impact on the very vulnerable and on those of us who like to believe we are beyond such vulnerability. If the first volume was a shock to some, the second volume is likely to be a heartbreaker.

Before the report is released and the storm of climate change is upon us in earnest, it is vital to remember that the challenge of climate change is essentially a challenge to human initiative and will. For us in this place, that means political will. The first report made it clear that we still have the time and capacity to act in order to prevent the worst-case scenarios, that there is nothing inevitable about the outcome, and that is what gives this issue such and urgency and a necessary moral component. That moral component—moral imperative, in fact—is to build a sustainable future for our children and grandchildren.

The scientific consensus is clear on the scale of the challenge, and there is a growing consensus across Australia on the need for urgent action to reduce greenhouse emissions; for an emissions trading scheme; and for a portfolio approach to climate change which includes clean coal, renewable energy and energy efficiency—all part of Labor's climate change policy suite. This consensus is increasingly shared by farmers, scientists, business people, clergy, mums and

dads—people around the country, all wanting action and all despairing at the wasted opportunities.

This is the new politics, and Labor's national climate change summit this Saturday is a symbol, and a practical one, of the new consensus that has emerged—a new politics, a national conversation on climate change. Of course, we would welcome the coalition joining with all of us as we confront this threat, but how can they? On the need for urgent action, their ranks are thick with those who still insist climate change is a left-wing green conspiracy. I look forward to the minister coming up and disassociating himself from the remarks of various members, including the member for Tangney, that have been made in the House on this issue. Not surprisingly, some of those who are most sceptical about climate change are also the most supportive of nuclear reactors.

The Howard government, having previously resisted emissions trading, finally initiated a task force to examine the possibility of a carbon emissions trading scheme, under the lash of appalling polls and a business community that is ready to up stakes and leave for good, that is disenchanted with the government's approach to climate change and its failure to move vigorously to introduce a national emissions trading scheme.

The government started to talk about emissions trading but they still have not flicked a switch and agreed to establish a scheme. In question time today, we referred to the case of Global Renewables, one of Australia's leading recycling companies, which on 27 March announced it was leaving Australia. The chairman of Global Renewables, Dr John White stated very clearly: When Australia does get serious about renewables, we will hopefully be able to come back.

It could not be much clearer than that: it is bye-bye to Global Renewables and other clean energy companies until we see a change of government and a real commitment to clean energy.

The coalition's idea of a portfolio approach to energy is to insist that it is a nuclear future—a future some 15, 20 or 25 years away—or no future at all, and that only nuclear energy or coal can provide baseload power for the nation. The gas industry, described by the Minister for the Environment and Water Resources here at the dispatch box as 'selfish and short-sighted', is getting pretty tired of hearing that, I can assure the House. In fact, until the minister for the environment came upon the light bulbs idea recently, it is hard to think of any new idea on climate change from the Howard government.

Let's not forget that the government has failed to introduce a single piece of legislation on climate change, and there is no climate change trigger in the environment legislation. I think the Treasurer today went out of his way not to actually utter the words. Then there were preposterous rhetorical extravagances when the

minister for the environment simply said, 'Australia leads the world on climate change.' Does the minister mean to remind Australians that on a per capita basis of greenhouse emissions we are a world leader, that in terms of emissions we rank around 10th overall amongst nations and that we continue to increase emissions, which are expected to increase by 27 per cent by 2020, with no climate change strategy in place?

Notwithstanding any of this, the fact is that the Howard government have given Australia 11 years of denying the reality of climate change. Despite the fact that there were numerous reports pointing the way, they simply failed to act. Then, with the science and the community stacking up against them, they relinquished their approach of denial and replaced it with a strategy of minimising the impacts of global warming, while playing the game of political point scoring. But the community is over this behaviour. If the Prime Minister had taken a brief look at some of the submissions being made to the task group on emissions trading, he would have seen that the business community has also had a gutful. Westpac's submission makes the point that the government's failure to act has an impact on investor confidence, saying:

Business is ... calling for greater clarity on how companies are strategically and tactically managing their response to the implications of, and exposure to, climate change.

BHP Billiton calls for not only an efficient, effective and equitable domestic Australian emissions trading scheme but one that also 'facilitates the trading of emissions entitlements and reductions and the crediting of offsets developed or purchased in other countries, such as CDM or other project based credits,' which sounds terribly like Kyoto and the CDMs that attach to that international agreement, the very agreement that we on this side of the House support, which the government regularly mocks.

The Prime Minister has been willing to play possum on climate change, but Australian business are not. They want to get on with it. They recognise that there are opportunities and that they need to be taken now. As Labor questioned and quizzed the Prime Minister and his ministers about why they ignored all the reports and the evidence that was building a frightening picture of climate change over the last 11 years, we received nothing of substance in this House. We queried the Howard government on their inaction—inaction that, in the light of the IPCC report, is best described as a dereliction of the government's duty of care. We asked the Prime Minister, for example, to formally repudiate the statement of the Minister for Industry, Tourism and Resources, in which he said, 'I'm a sceptic of the connection between emissions and climate change.' The Prime Minister said, 'No, I will not formally repudiate it.' On closer reflection it is clear that the Prime Minister was wide awake and that the subversion of the science and the scrambling of the mes-

sage were the government's approach to climate change.

The House would be well aware of the investigative work done by ABC's *Four Corners* in 2006. That program and the subsequent investigations revealed the pressure that climate scientists were put under while working for CSIRO. So, if the coalition were not allowing CSIRO to do their work and give them frank and fearless scientifically based advice, the question is: who was advising them? The Howard government have had 11 long years to act with credibility, integrity and intelligence to address the outstanding issue of our time, but today's newspapers are alive with one message that has been delivered by Nicholas Stern: action is cheaper than inaction, the time to act is now, the targets are critical and delay is not an option.

Over the next days and months we can expect the government to open up their wallets and spend big on climate change policies because the government have seen the polling. The government know the political risks. They know the political risks of an 11-year record of indifference, denial and inaction. They recognise that the public is angry and is ready for someone to stand up and say, 'We will address climate change in a profound, sincere and appropriate way.' The government have simply failed to do that.

The government here is all about protecting their political interests but not the national interests. In question time the Prime Minister made some remarks about the composition of the mandatory renewable energy scheme. As far as I understand it, I am not aware of any formal state government position either seeking the phasing out of mandatory renewable energy targets or saying that it is incompatible with emissions trading. But this is typical of the response of the government on an issue of this importance and moment. When countries in other parts of the world are clearly taking up the challenge to start producing energy from renewable sources, the government maintain their hostility and aversion to renewable energy. They just do not get it.

Let us be clear: a government full of climate change sceptics cannot deliver climate change solutions. Whatever responses the government may come up with from now until the election, their 11-year record of delay and inaction is imprinted on the minds of Australians—and rightly so, for the Howard government has never been fair dinkum about climate change. Labor has climate change solutions that will address this issue. Labor will bring the Australian people together to work our way through the challenge of climate change, and that is the difference between the two parties in this House. One has the solutions, recognises the seriousness of this issue and is prepared and willing to act resolutely and the other is not.

Today Labor announced a \$50 million solar home power plan. This is a practical policy that will allow

around 12,000 Australian households to install clean, green power over the next four years. Importantly, it is a plan that supports our local solar power industry, creating jobs and opening the gateway to one of the fastest growing and cleanest technologies in the world.

And this Saturday Labor will host the first national climate change summit in Australia because we are committed to open dialogue with the community, business and the scientific communities to build a national consensus as we tackle the reality of climate change. In the weeks and months ahead we will deliver solutions—solid policy—to enable this country to meet the climate change challenge, and to meet it with confidence. However difficult the future may be—however difficult climate change makes it—we will not run away from it. We will not ignore it and we will not play games with it like the Howard government has done. Labor is committed to being fair dinkum on climate change.

Mr TURNBULL (Wentworth—Minister for the Environment and Water Resources) (3.37 pm)—I have a number of inconvenient truths to share with the House. The first one relates to the Labor Party's allegedly new solar rebate announced today, which was described as involving a doubling of the rebate. It was clear in question time that the member for Kingsford Smith did not know what the policy was, but I have since found a transcript of the policy, which I had obviously read earlier. I am reading from Mr Rudd's transcript. It says:

... we'll be providing \$50 million to provide [subsidies] rebates of up to \$4,000 for homes right across Australia ...

Well, the rebate maximum now is \$4,000. So the rebate proposed is exactly the same. In fact, since the photovoltaic rebate program was put in place by the government it has provided \$52 million to help householders, schools and community groups install solar systems on their roofs. The program expires on 30 June this year and the Prime Minister has publicly committed to extend it. So neither in the amount of money proposed nor in the rebate is there any doubling at all. What is so mystifying is that the member for Kingsford Smith asked the Australian people to trust him with the conduct of the campaign against climate change and he does not know what his own policies are. When taxed with that question, when challenged in question time, he sat there mute, clutching a piece of paper the contents of which he obviously did not know or understand. He did not utter a word.

The other inconvenient truth that the honourable member for Kingsford Smith has to recognise is that this global warming problem is a global problem. That is why it is called global warming. It is a problem that every country in the world and every citizen of the world faces. Whether a tonne of carbon dioxide goes into the atmosphere in Canberra, Shanghai or Novosi-

birsk it has the same effect. So we have to have a global agreement. And therein lies the fatal flaw for Kyoto, and the reason why everybody—from Sir Nicholas Stern and Tony Blair to everybody around the world, be they passionate proponents of an aggressive response to climate change or not—recognises that Kyoto cannot do the trick. Why? Because we know that without Kyoto we would have had a 41 per cent increase in global emissions; with it we get a 40 per cent increase—a one per cent decline.

The reality is that when you look at the Kyoto agreement you see that it is filled with a number of very serious flaws. I have mentioned the biggest one, which is that it does not involve the major emitters. It only involves 30 per cent of the world's emitters. The United States is not a party; India is not a party; China is not a party. All the countries of the world—in particular, the big emitters—have got to be in it to make it work. So much is obvious, and that is why Australia is working creatively and actively with the major emitters, particularly through the AP6 program, to ensure that we have the programs, technologies and policies that enable us to meet the challenge and that enable us to ensure that countries like China and India, that deserve economic growth and that need development, will be able to get the energy they need without adding to the carbon in the atmosphere—to get the energy they need and slow the increase of carbon in the atmosphere from their emissions.

Let me go to a very important point. This is one of the most inconvenient truths for the opposition on this issue. They keep on saying that Australia has a very high level of carbon emissions per head of population, and relative to many other countries we do. Let me put this to the member for Kingsford Smith: I would say that the residents of Wentworth, my electorate, have a much lower level of carbon emissions per head of population than do the residents of Kingsford Smith. Why is that? Because Sydney airport is in the electorate of Kingsford Smith where there are enormous amounts of emissions from jets landing and taking off. Or we could point to the member for Hunter and we could say that the constituents of the Hunter electorate have an even higher set of emissions per head of population because of all their power stations. If I were to make those points the member for Hunter would say, 'Hang on, the citizens of Wentworth are using that electricity we generate in the Hunter Valley,' and the member for Kingsford Smith would say, 'Hang on, the citizens of Wentworth are getting on planes at Sydney airport and taking off overseas and coming back. You can't just look at it constituency by constituency.'

That is exactly the same point with these narrow, country by country analyses. We are a large exporter of alumina and aluminium. It is a very, very energy intensive product. If we were to shut down our aluminium

industry we would reduce our emissions dramatically and our emissions per head of population would be reduced. But would the world's demand for aluminium be reduced? Not at all. In fact, arguably aluminium has a positive benefit in terms of energy efficiency because obviously anything built of aluminium is light and once you have created the aluminium it can be, in effect, perpetually recycled.

So this is the problem with these cheap, shallow points. The member for Kingsford Smith did not know, half an hour ago, what his own policy was. He could not answer the question. He was mute; struck dumb! He could only clutch the paper. The fact is that if we were to eliminate our aluminium industry we would reduce our CO₂ emissions. But the aluminium would simply be made somewhere else. People would not stop wanting to use aluminium. People would not stop wanting to make vehicles and planes and containers out of aluminium. That would continue. All that would do is export the emissions.

The same is true with energy. A considerable amount of CO₂ is emitted as a consequence of our LNG industry—our gas industry. When we export gas, we are providing relatively low carbon fuels to other countries in the world. But quite a lot of CO₂ is emitted here in Australia. Let us say we shut down that industry. Do we imagine that the nations of the world will suddenly stop using gas? They will just get it from somewhere else. Worse still, they would burn a great deal more coal—which, in most parts of the world, is a great deal dirtier in respect of its CO₂ emissions than Australia's coal.

Looking at Australia in this narrow way, in isolation, is as narrow-minded and ignorant as looking at one suburb, one electorate or one city in a country. It is a global problem and it needs global answers. How are we in Australia responding to the global challenge? Firstly, we will meet our Kyoto protocol target through our own efforts. We will not be buying bogus credits from Eastern Europe.

Mr Garrett interjecting—

The DEPUTY SPEAKER (Hon. IR Causley)—The member for Kingsford Smith had 15 minutes.

Mr TURNBULL—We will not be investing in clean development mechanism investments because we are not part of Kyoto—this will be from our own efforts. I notice that the member for Kingsford Smith derides land clearing. Let me tell the member for Kingsford Smith that 20 per cent of CO₂ emissions come from deforestation alone. As Sir Nicholas Stern said today in his speech at the Press Club, and as he said in his report, tackling deforestation is one of the greatest challenges that we face in dealing with global warming.

Yet one of the curious things about the Kyoto protocol—to which the Labor Party is so attached—is that many very knowledgeable people believe that the Kyoto protocol is actually promoting deforestation. Only a few weeks ago I received a letter from—and I had a meeting with—Michael Kennedy, Director of the Humane Society International, which works very closely at looking at the destruction of rainforests and natural habitats in South-East Asia. He wrote to me, and he consented to my quoting from this letter:

Nowhere else is the contradictory nature of the current UNFCCC policy framework—

the Kyoto framework—

more evident than in large areas of the Indonesian and Malaysian forests.

He pointed out that, because of the anomalous way Kyoto deals with forestry and land clearing generally around the world, it in effect gives countries that want to buy clean development mechanism credits an incentive to plant biofuels—palm oil, for example, in tropical countries—and there is no disincentive to mow down vast areas of rainforests and destroy the peak forests which sequester so much carbon. He observed:

The Kyoto protocol, through this clean development mechanism funding, is effectively financing the industry that is contributing to massive amounts of greenhouse gas emissions.

That is the Kyoto protocol. That is the protocol that the member for Kingsford Smith wants us to sign.

Let me deal with another aspect of the clean development mechanism. The member for Kingsford Smith wrote an article in the *Sydney Morning Herald* extolling the virtues of carbon trading and the clean development mechanism. He reminded me of that character from the Austin Powers movies, talking about trillions and billions of dollars that could be won in carbon credits. He was so excited about it. There are billions of dollars going around the world in carbon credits, but let me tell the member for Kingsford Smith exactly what is happening. Thirty per cent of the projects under the clean development mechanism are in China and are for the purpose of eliminating a very active gas called HFC23, which has 14,000 times the potency of CO₂. HFC23 is a by-product of refrigerant gases.

It is so potent that, in most countries, it is simply not legal to emit it. But in China it apparently is. For a few million dollars you can install a scrubber, stop the gas from being emitted and then, by virtue of this mechanism that the member for Kingsford Smith is so enamoured of, you sell those credits—not for a few million dollars, not for a few hundred million dollars but for billions of Euros. This HFC23 scam is such a scandal that Michael Ward, of Stanford University, in a study that was published in the 8 February 2007 edition of *Nature* magazine, estimates that over four billion Euros have been spent on these HFC23 credits in excess of

the abatement cost—that is, in excess of the actual cost of reducing them.

If we had been part of Kyoto, if we had signed up to the Kyoto protocol, some of those billions of Euros would have been coming from Australia. Instead of Australian businesses investing in reducing their greenhouse gas emissions in Australia, taking action under the greenhouse-friendly program of the Australian Greenhouse Office, working with the Australian government, being part of MRET, being part of Solar Cities, being part of the Low Emissions Technology Development Fund and being part of our \$2 billion program that has delivered real results, real achievements and led the world in the fight against climate change, we would have seen them sending their money off to China, where it would have gone to line the pockets of—who knows?—bankers, lawyers, governments or accountants. It would simply have been a nice little loophole in that billion dollar scheme—or trillion dollar scheme, according to the member for Kingsford Smith.

The member for Kingsford Smith says that we should have signed up to Kyoto—to what is clearly a fatally flawed mechanism—and been part of this scheme. The Australian government has done exactly the right thing in respect of putting a price on carbon. We have put a price on carbon. Of course we have. That is what subsidies do. That is what MRET does. When you give \$100 million towards a clean coal project, as we did the other day, that is putting a price on carbon. That is subsidising it. We have worked in a very careful, targeted way. We have not rushed into an emissions trading scheme, and it is just as well we have not. The Europeans have made the most monstrous, incredibly expensive mistakes and, as we have seen from the material I have presented to the House, they have not only made errors in the design of their scheme but have contributed to—not worked against but contributed to—global warming, to the destruction of the peat forests that sequester so much carbon. The Australian government deals with climate change practically, responsibly, and we act always in the best interests of Australia, recognising our global obligations but using practical measures to achieve substantial results.

Ms GEORGE (Throsby) (3.52 pm)—In his argument today, the Minister for the Environment and Water Resources has certainly relied a lot on the term ‘inconvenient truth’. But I think the inconvenient truth and the rather sad truth that we have heard from the minister is that this is a minister who is now circled by people on the government benches who are in a state of denial about the seriousness of climate change or, at best, are very sceptical. This saddens me because the minister and I spent some together on the House of Representatives Standing Committee on Environment and Heritage, which made a number of very significant

recommendations in the *Sustainable cities* report, one of which was picked up in the announcement made today by our shadow minister. If you do not believe me, Minister, let me quote a few of the words used by your colleagues about this very important global issue.

Senior ministers, like the Minister for Industry, Tourism and Resources, are in an absolute state of denial about the seriousness of this issue. Can you believe that a senior minister of this government dismissed the Al Gore movie *An Inconvenient Truth* as ‘just entertainment’? The same minister said on a TV appearance: ‘Carbon dioxide levels go up and down and global warming comes and goes.’ No wonder he admitted on that same program, ‘I’m a sceptic of the connection between emissions and climate change.’ Is it any wonder with an attitude like that displayed by the minister for industry that we have had a government paralysed by inaction on the most serious issue facing not only our nation but the whole planet? In fact, public opinion is way ahead of this government and this minister.

The Stern report followed on from the showing of the movie *An Inconvenient Truth*. For the first time, I do not think anyone with any rational appraisal of the issue could ignore its very comprehensive analysis and the alarm bells that it rang. This morning I was very fortunate, along with my shadow minister, to have the opportunity to hear directly from Sir Nicholas Stern at the Press Club. I looked around the room and I could not see one government representative, one MP, at that talk—not even my good friend and colleague the member for McMillan. Sir Nicholas Stern reaffirmed today, in a very compelling way, that delay is costly not only in economic terms but also in terms of catastrophic consequences. He made the point that time is running out. He described climate change as the greatest market failure the world has ever seen. Something he said today really alarmed me. He said that, if we as a global community continue to deny this problem and do not take serious action, we face the possibility of a five-degree centigrade rise in temperature by the turn of the century.

That is just horrendous in terms of consequences. What does it mean? It means that species face extinction across the world. It means that we will have rising intensity of storms, fires, droughts, flooding and heat-waves—and the impact on people cannot be underestimated. We are already seeing in our Pacific neighbourhood the impact of rising sea levels on their fragile and vulnerable communities. As a nation with so much of our population on the coastal strip, the rise in sea levels can have catastrophic consequences for us as well. The cost of inaction will be a devastating environmental and economic outcome not just for our country but for the whole globe.

Despite what we now know and despite the science—which should not be contested by anybody and has in fact been reinforced by the most eminent scientists in the world in the recent intergovernmental panel on climate change—this government continues to obfuscate the issues. We heard it today in question time. The Prime Minister said, ‘We didn’t ratify Kyoto because it would place us at a competitive disadvantage.’ Very soon thereafter, the Treasurer admitted, ‘But we are on the way to meeting the Kyoto targets.’ There is no logic at all in saying that we are going to meet the target but we are not prepared to ratify an international treaty that commits us, along with the rest of the world, to trying to address this growing and serious problem.

When we first signed up to Kyoto—and it was this government that first signed up to Kyoto—we then said that it was a win for the environment and a win for jobs. So I cannot for the life of me understand how we can now have a totally different attitude when it comes to ratifying the convention. I find quite amoral the argument that we should not ratify because developing countries like China and India are not compelled to reduce their emissions in this first found of the Kyoto protocol. In fact, China and India have ratified the Kyoto protocol.

If the rich nations of the world are now contributing 75 per cent of global emissions, surely that imposes a moral obligation on countries like Australia and the United States—which have stood aloof from ratification—to take the lead, particularly when you consider that the countries that are being spoken about as not pulling their weight are countries that are trying to lift their populations out of extreme poverty. That is why they are referred to as ‘developing nations’.

If every one of the 158 countries that have ratified took this narrow view expressed by the Prime Minister and the minister—that we should not ratify because China’s emissions are growing and India’s are growing—we would have no global or international vehicle. Despite its limitations—and I accept that the Kyoto protocol is an imperfect vehicle—it is an expression of the fact that the whole global community thinks that we have to work in a constructive and collaborative way to address this problem.

The third argument that you hear constantly from the Prime Minister and the minister against ratifying Kyoto is that there is a cost involved in doing that. He maintains that there is a cost in jobs and in international competitiveness. But he never tells you the other side of the equation: that there are opportunities forgone. As an MP who represents a coal-mining region, I am very mindful of the importance of balancing this with economic and employment outcomes. It can be done in a very meaningful way. We are trying to address that through a very large investment in clean coal technology that our leader announced.

What the Prime Minister and the minister hide is the fact that many companies are leaving our shores precisely because they do not think that the government is taking this issue seriously. In answer to a question raised by my colleague the member for Melbourne Ports about a company called Global Renewables, the Prime Minister seemed to imply in his reply that they had moved offshore only because they had a good investment opportunity and a good commercial deal. This is what John White, the Chairman of Global Renewables, said about why he was moving:

We—

Australia—

are 10 to 15 years behind Europe. When Australia does get serious about renewables we will hopefully be able to come back.

That is the reason he gave for them leaving. His is not the only company that has moved offshore. Its offshore move follows the move of the Danish company Vestas. It closed its wind turbine manufacturing plant in Tasmania last year. We all know that the Australian citizen Zhengrong Shi left our country. He used his intellectual capacity to develop solar technology, could not get it commercialised, moved to China and is now a leader in solar technology. We know that the Roaring 40s company shelved two Australian projects to concentrate on their business in China. When the Prime Minister talks about the costs associated with Kyoto, he never tells you about the opportunities forgone. Opportunities for the creation of new jobs in the renewable sector are immense. The Stern lecture today comes on top of the documentary movie *An Inconvenient Truth* and the Stern report. They are alarm calls; they are wake-up calls. We do not have much time. We need to take this issue seriously. (*Time expired*)

Mr BROADBENT (McMillan) (4.02 pm)—The member for Throsby is an articulate and talented politician—we just happen to disagree on a few things. I have worked with her on a number of committees in this House. I know the background of the member for Throsby when it comes to sustainable cities and sustainable strategies for the nation. However, to carry on from where the member for Throsby left off, the proposed 60 per cent cut in emissions in Australia would have this effect: petrol prices would increase by approximately 100 per cent. How would that go in the Hunter Valley? GDP growth would be 10.7 per cent lower. Real wages would be 20.8 per cent lower than they would be under a business-as-usual scenario. There would be a fall in oil and gas production of 60 per cent. Coal production, which the member for Throsby mentioned, would be down 32 per cent. Electricity output would be down by 23 per cent. The agricultural industry, which is a major part of my electorate, is also projected to decline by 44 per cent relative to the reference case.

So who was right today? How would you like to have been the member for Kingsford Smith today, starting off with a complete shemozzle of a presentation of a policy? He announced a doubling of the subsidy. The subsidy is \$4,000, and he has announced a \$4,000 subsidy. What an embarrassment that would have been. There but for the grace of God go I; may that never happen to me. The first announcement of a Labor Party policy in an election year and what do they do? They get it wrong and are unable to answer the question. That is the worst thing that could happen to anybody. The member for Throsby showed the way on how the public and government interact with one another. Obviously, somebody made a mistake when they chose the spokesperson, because I really do not think that the member for Kingsford Smith gets the way that government works. That showed today. It was a bit of an embarrassment to see the member for Throsby present her case so well while the member for Kingsford Smith muddled through it.

It has been very important for me in the last few weeks to see this government responding to climate change in a way that responds to the workers in my seat, the seat of the member for Throsby and the seat of the member for Gippsland. There are 130,000 families across the nation that have something to do with coal. I would say to the community, which I know is listening to this debate, that if you do not work within a power station you probably know somebody, or know somebody who knows somebody else, who works in a power station. That is where the connection is. It affects an enormous number of people in our community.

Are we doing it better? Even before I arrived in this place for the third time, I was watching how the companies producing our electricity were cleaning up their own act over these last few years. Even before this enormous breakout of climate change argument, these coal companies and electricity power generators were cleaning up their act, and doing it very well. Now government has responded through HRL and our partnerships overseas. We put in another \$100 million the other day for a coal gasification plant that will hopefully reduce emissions by 30 per cent. We are heading in the right direction all the time. As the Prime Minister said today, it is a providential resource. It is the same in New South Wales and the same in Queensland. We have been blessed with this huge resource; we will not as a nation turn our backs on that competitive advantage. We cannot and we will not, on the altar of climate change, walk away from the families that are so well employed in these industries. We will not walk away from you.

What was good about the HRL announcement? You might say, 'It's another \$100 million. Big announcement, but it doesn't count; it's just your reaction to climate change. It's no big issue.' I tell you what: for

the first time I am talking about the future of the Latrobe Valley and not the past. We are talking about the future development of the coal industry here, and not the past. We are talking about future generations.

It was great, when you were here the other day, Mr Deputy Speaker Causley, and I was speaking in the House, to celebrate our heritage in the production of coal, in growing the Latrobe Valley, in growing the Hunter and—

Ms George—And the Illawarra.

Mr BROADBENT—the Illawarra, celebrating the history of our steel and the things we did in the past. But now we are talking about electricity production, and I am talking about future jobs, future generations and future opportunities in Latrobe Valley. How long have I waited to be able to talk about the future!

When you have a company like HRL and its partners come in and they are prepared to produce a new power station—400 megawatts baseload—it is very important. This is not about renewables. I am supportive of renewables; we even have a power station in Latrobe Valley that runs on rubbish. There will be people out there listening to this address thinking that I am running on rubbish, but I will tell you what: I am not. I am serious.

This is our first opportunity to grow jobs in Latrobe Valley. It is an area that has been really knocked about by change and by privatisation, and where so many people see themselves in the past. And now what are we doing? We are grabbing hold of the future. Climate change should not just mean that we are going to be oppressive against people, that we are going to pull things down and that we are going to stop things happening. No, climate change for the whole of the parliament should be an opportunity to project ourselves forward and say, as is outlined in the Sustainable Cities strategy, 'What opportunities does climate change present to us? Where can we as a nation go into the future while addressing climate change and taking the benefits of how we might change a building or how we might change the way we use water?'

Haven't I suffered enough and told this House how farmers in Gippsland particularly have been suffering through this terrible, erroneous, gut-wrenching drought that we have had since 1997? It is not new; we have had it since 1997. I am sure I mentioned to the House that we have now had an interim EC declaration which means it is in the whole of Victoria. Water is a crucial issue. In this argument about climate change, why can't we develop those things where Australia benefits, like through this new power plant in Latrobe Valley? Surely we will now benefit because of the argument.

You could say, 'It was going to happen anyway; there would be new power stations,' and, yes, the power stations that are on line today will roll off. But

there is one point I want to make, and that is that the Labor Party has aligned itself with the Greens and preferenced against me in every election campaign that I have been in. This time I am saying to them: if you go down the road of the Greens in Victoria—who want to close the Hazelwood Power Station down and who call it dirty, the worst emitter and all the names under the sun—and align yourself with those Greens who want to close down a power station that supplies 20 per cent of Victoria's needs, of course the workers are going to vote for people like me who are protecting them. Of course the workers in Latrobe Valley are going to vote for people who put them, their families, their generation and their kids first. If you are going to align yourselves with the Greens, who want to close the Hazelwood Power Station down and put restrictions on all the other power stations, they are not going to vote for you. That is why there is no Labor seat from Pakenham to Cann River and to the border—because we sent the message: we are going to protect you, we are going to protect your families and we are going to protect your jobs. And if you do not do that in Illawarra, if you do not stand up as a local member and say, 'Listen, I am on your side'—

Ms George—What about protecting the planet?

Mr BROADBENT—Well, you can protect the planet, but I tell you: these people are real, they are local, and didn't we say, after all, 'All politics is local'? (*Time expired*)

Mr ANDREN (Calare) (4.13 pm)—The previous speaker spoke of coal and our minerals being providential, and certainly they have to this point been such. I know that only too well, with the western coalfields being part of my electorate. If we can clean coal it may continue to be providential; if we cannot, we are in a very deep hole. The providential power supply, I would suggest, is above us shining every day, and that is solar. It is also the source of our problems. It is the reason for the drought and the reason for global warming. But in our solar potential we have the means already to harness that energy power baseload that the PM says cannot be delivered by anything other than coal or nuclear.

We heard recently the news of the report that was commissioned by the coal cooperative research centre. That was repressed for almost 12 months until Rosslyn Beeby of the *Canberra Times* did such good work and exposed the fact that that report had been sat on. Why? Because it demonstrated so clearly that solar thermal was capable within seven years of being cost competitive with coal if indeed we put in the right emissions caps. Indeed Exxon Mobil is now suggesting that a carbon tax is the most transparent way—quite separately from any carbon trading, which they and others believe is so mired in commercial imperatives and so non-transparent—of ensuring that we do put proper caps on our emissions.

Clean coal and nuclear, on which the Prime Minister keeps insisting, are not the clean energy options. Indeed neither are remotely clean or green at this point. We cannot shut down coal immediately, but we can make that transition. The answer is not expanding uranium mining, and we should totally reject nuclear power. There are other options; for instance, the geothermal option. A briefing of scientists last week in my office pointed out that geothermal is viable now as a baseload supply and is located adjacent to our current mining areas right throughout this country. You could begin the transition from fossil fuel to at least a supplementary production of energy, given that we are not sure in any way that the clean coal technology and carbon sequestration is going to deliver us an option. What if we get to that point where it does not work and we have done nothing in the meantime to allow for any transition from coal to anything else?

We should not just jump into the nuclear option as the Prime Minister suggests that we should. Quite apart from everything else, there are enormous costs. The previous speaker spoke about the cost to our economy and the cost to our nation. The cost of the nuclear option around the world is one that is hugely supplemented from the public purse. There is no will from the private financial markets to support it in any significant way. We are told that solar thermal for one could be cost competitive with coal, especially with an emissions tax—which Exxon Mobil now supports. The PM answered the question I asked him about geothermal and solar thermal energy a couple of weeks ago by saying that all options are on the table. They are not. Massive investment is needed in solar, wind and geothermal. The kids of coalminers should be working in new, alternative energy developed alongside the existing mines.

The forward-thinking union officials whom I have spoken with in Lithgow and other places believe we must be moving down this path. On the rural front, we need to get far more serious about biofuels. Our targets for ethanol are voluntary; they should be mandated. Research by Malcolm Wegener from the University of Queensland, who met me this morning, says that the sugar industry can include cogeneration of electricity and the potential for bioplastics. What a massive environmental plus that would be if only we were serious about getting this industry up and running. (*Time expired*)

Mr NEVILLE (Hinkler) (4.18 pm)—I take pleasure in joining the member for Wentworth and the member for McMillan in pushing the government's case in this matter of public importance. Labor knows that ratifying the Kyoto protocol will not achieve anything in itself. Signing a piece of paper will not magically reduce carbon emissions, but what it will do in this country—and you heard the member for McMillan say what

it would do to his electorate—is dramatically cut jobs in towns like Gladstone, in my electorate; Mackay; Blackwater; Biloela; Emerald and in fact the whole Central Queensland area.

Let me sketch an outline for you of what it would do in my area. Industries would pack up and move offshore. Thousands of jobs would be lost from the Central Queensland region, which is currently experiencing a boom. Families would be paying at least twice what they are paying now for their electricity and fuel prices would go through the roof. The average Gladstone family could expect at least one job from each household to be lost, while the cost of essentials like power and fuel, as I said before, will skyrocket—all because the opposition wants this no-brainer, easy-sell, quick-fix solution to change, with a choke hold around the Central Queensland coal industry as the one and only benefit.

Bear in mind that the aluminium industry, and potentially the magnesium and nickel industries which may come to Gladstone in the near future, depends heavily on cheap coal-fired power. Central Queensland and Gladstone's advantage is cheap coal-fired power. Destroy that and you destroy all the industries that are downstream from that. I noticed the member for Richmond in here before. This debate should be a salutary lesson to her, and I hope she is listening to this in her suite. Has she told the people of Richmond, for example, that wind energy, which a lot of her constituents favour, is four times more expensive than coal or that solar is six times more expensive than coal? Is she going to tell her constituents that we should be putting wind turbines on St Helena, west of Byron Bay? Or is she going to do what I have done: settle down and tell them truthfully face-to-face the consequences of what is going to happen if we do not do these things?

This is not speculation; it is straight out of the mouth of the opposition environment spokesman, the person who led this debate today. He is on the record as saying:

The coal industry needs to understand, and I think it does understand, that the automatic expression of the coal industry such as we have seen in the past, is a thing of the past.

I do not think the people of Gladstone would like to hear that. What about all the people down the line from the Surat Basin, where there are somewhere between six and nine coal mines? What about the Premier of Queensland, who has pledged to defend the Central Queensland coal industry? What about the Premier of Queensland, who has promised a railway line from Gladstone down to Toowoomba? All these things are at risk if you follow Labor's line. Even former Queensland Labor Treasurer Keith DeLacey has come out against the opposition's irresponsible policies by saying that they would 'inflict enormous and unnecessary

pain not only on the coal industry but on the entire economy'.

The second piece of scandalous Labor policy is their proposition to have a mandatory cut in emissions of 60 per cent. That is a massive cut and it would come at a massive cost. In fact, if Australia were to cease all economic activity, our global greenhouse gas emissions would drop by less than 0.1 of one per cent, and that would be replaced by outputs in China within 10 months.

So, before we start putting our hands on our chests and saying that we are going to follow this, let us have a good think about it. We should be working toward sequestration of gases, and we should be telling the people of Central Queensland the truth: we should be telling them that overseas countries that have ratified the treaty are not meeting their targets, and we should be telling them that the nonsense that Kim Beazley preached when he was in Gladstone—(*Time expired*)

COMMITTEES

Public Works Committee Report

Mr BRENDAN O'CONNOR (Gorton) (4.23 pm)— On behalf of the Parliamentary Standing Committee on Public Works, I present the first report for 2007 of the committee, relating to the proposed redevelopment of propellant manufacturing and other specified capabilities at Mulwala.

Ordered that the report be made a parliamentary paper.

Mr BRENDAN O'CONNOR—I seek leave to make a short statement in connection with the report.

Leave granted.

Mr BRENDAN O'CONNOR—On behalf of the Parliamentary Standing Committee on Public Works, and in particular on behalf of the member for Pearce, the chairperson of the committee, I would like to place on the record the following.

This report addresses the redevelopment of propellant manufacturing and other specified capabilities at Mulwala at an estimated cost of \$338.7 million. This was a particularly complex project in terms of its nature. On one hand, the arrangements between the Commonwealth and the lessee are, to all intents and purposes, commercial. On the other hand, the current relationship between the Commonwealth and the lessee, while continuing to ensure that the propellant and ordnance needs of the ADF are met, maintains the arrangements that existed when Mulwala was government owned and operated.

The committee accepts the significance of Mulwala as the only facility in Australia that produces propellant for the Australian Defence Force, and its needs as part of the overall defence infrastructure are beyond ques-

tion. So too is the ongoing requirement for Australia to be self-reliant for both the manufacture of propellant and ordnance to meet the demands of the Defence Force. However, financial arrangements in place for the operation of the plant at Mulwala are problematic, particularly as to whether they reflect the Commonwealth's best interests. The Commonwealth is investing a large amount of public money in this project with little return on investment. Indeed, arrangements that have been entered into between the current operator and the department as the agent for the Commonwealth skew the financial arrangements between the lessee and the Commonwealth in favour of the former. This situation has emerged largely as a result of the Mulwala agreement, which was signed off in 1998 but which has not been revisited since the new lessee took over the lease of the Mulwala facility in 2006.

The Mulwala agreement is significant in the context of the redevelopment of Mulwala. It establishes the terms and conditions under which the lessee occupies the facility, the lessee's commitments to the ADF in terms of product supply and related issues, and the obligations of the Commonwealth to the occupier. This includes a number of conditions, but of specific interest to the committee were those arrangements associated with the payment of a capability payment, the actual leasing arrangements of the property and the distribution of revenue between the Commonwealth and the lessee. Prior to Mulwala becoming fully commercial, financial arrangements between the then Australian Defence Industries and the Commonwealth could be seen as circular transactions— that is, these occurred within the Commonwealth's financial framework. However, with the introduction of a wholly commercial operation into the equation, accompanied by the Commonwealth's commitment to a major investment in the facility, the circumstances have changed.

In a commercial environment a lessee occupies a building and pays the lessor whatever rental has been determined by the lessor. The occupier leases the property for a specified period and, apart from some obligations that the lessor meets, the leasing arrangements generate income for the lessor.

However, in the case of Mulwala there are some fundamental differences. The requirement under the Mulwala agreement for the payment of capability payment has brought about a situation whereby the Commonwealth receives no benefit in terms of revenue from the lease arrangement and where the Commonwealth is now offering the occupier considerably enhanced and more modern facilities to undertake its business. Existing rental payments made by the lessee appear not to be in line with current market rates. Therefore, it would be appropriate for the agreement to be renegotiated by the department to take these circumstances into account. As the committee has rec-

ommended in its report, the renegotiation of rentals should include an assessment of comparable current commercial market rentals paid for purpose-built buildings in order to deliver an enhanced revenue stream to the Commonwealth.

The effect of the capability payment on the capacity of the Commonwealth to earn revenue from its investment also extends to other sources of potential revenue. The committee was informed at the inquiry into this project that the production of Mulwala is in excess of defence requirements, to the extent that the lessee has successfully achieved sales, in both domestic and overseas markets, for surplus products. However, the Commonwealth share of this revenue, as provided for under the Mulwala agreement, is also subsumed into the capability payment. Accordingly, the committee has recommended that the ongoing capability payment to the lessee be reviewed on the basis that the lessee is satisfying the requirement that the needs of the ADF have been met and that there is potential revenue from sales of surplus product for which the Commonwealth should derive a benefit.

Similarly, the Mulwala agreement determines the share of revenue between the Commonwealth and the operator. In one sense this is an academic exercise, since the capability payment absorbs almost all revenue. However, the potential to review the capability payment would provide an opportunity to reassess the distribution of revenue, particularly since it is contingent on the Commonwealth's \$338.7 million investment in this project.

In conclusion, the concerns of the committee that I have outlined are contained in recommendations in its report. These are significant issues and the committee hopes that at the earliest opportunity the department will look constructively at our recommendations at a time when the arrangements with the current occupier can be revised.

Finally, it is important for agencies and departments to consider all aspects of expenditure of public moneys on projects of this magnitude to ensure that they deliver value for money to the Commonwealth.

Having given detailed consideration to the proposal, the committee recommends that the redevelopment of propellant manufacturing and other specified capabilities at Mulwala proceed at the estimated cost of \$338.7 million.

In closing, I wish to thank those who assisted with the site inspection and public hearing, my committee colleagues and secretariat staff.

I commend the report to the House.

Australian Crime Commission Committee

Membership

The DEPUTY SPEAKER (Hon. IR Causley)
(4.30 pm)—I have received a message from the Senate

informing the House that Senator Ludwig has been discharged from the Parliamentary Joint Committee on the Australian Crime Commission and that Senator Bishop has been appointed a member of the committee.

PRIVATE MEMBERS' BUSINESS

Mr McGAURAN (Gippsland—Deputy Leader of the House) (4.30 pm)—by leave—I move:

That so much of the standing and sessional orders be suspended as would prevent notice No. 29, private Members' business, being called on forthwith.

Question agreed to.

TRADE PRACTICES REGULATIONS

Disallowance Motion

Mr KATTER (Kennedy) (4.31 pm)—I move:

That the Trade Practices (Horticultural Code of Conduct) Regulations 2006, made under the Trade Practices Act 1974, contained in Select Legislative Instrument 2006 No. 376, be disallowed.

In moving this motion, obviously we had a lot of conjecture as to whether we should move for disallowance. But the reason for moving for disallowance is that we will plead with the Minister for Agriculture, Fisheries and Forestry to consider alternatives. The alternatives are so comprehensive that it is hard for me to see how the regulations could be amended rather than having them replaced. We would emphasise that it is most certainly the position of me and the seconder of this motion, the member for Calare, that if there is a choice between having this or not having this, Minister, then we would prefer to have it. We are only moving for disallowance on the basis that there is an alternative out there, which we will be moving for acceptance by the government. We will have to do that by way of legislation. We make the point very forcefully to the House that some advancement has been made here. We thank the minister for that but, compared with what was required and what was promised, it falls a million miles short of that.

Having said those things, what was agreed to was a mandatory code of conduct. But this is not a mandatory code of conduct; this is a mandatory contract—it is a contract. And a contract is enforceable by the parties to the contract, not by the government. So the government says, 'You must have a contract.' That is good, Minister; we thank you for that. But that leaves us facing off against Woolworths and Coles—not that they have to have the contract anyway! So we do not have a mandatory code; we have a contractual code—two entirely different things. 'Mandatory' means that the government tells you to do it. 'Contractual' means that the parties decide themselves what they are going to do.

It must be said that I think—and my information is such—that the minister has tried hard for us on this. The current minister is a million times better than his predecessor, and I know that he is a very worthy per-

son. I remember the fate of John Kerin. But I would ask him to recall that John Kerin is remembered with affection because he said publicly what he would like to do. When the government disagreed with him, the reflection was upon the government. At least we knew that we had someone in there battling for us. So we would plead with the minister to take that position. From where I sit, the minister had the embarrassment—although I do not think it was embarrassment; I think he should be very proud of the fact—of having this taken off him for some period of time and Minister Macfarlane was in fact appointed as the spokesman. I think that was very much to the minister's credit.

But I would ask the minister to think about John Kerin, and I would ask him to consider the famous words of JT Lang. JT said:

It was not important to me that I should sacrifice my political life, but it was vitally important to me that I sacrificed it in a worthy cause—

which, of course, he did, during the Great Depression. So, Minister, we are not asking you to sacrifice yourself, but there may come a time when that is required, because the situation with agriculture in Australia is very sad indeed.

Jeff Kennett is the head of the body that oversees action to try to prevent people committing suicide. On the front page of the *Age* he said that every four days a farmer in Australia commits suicide. The minister's brother was one of the best exponents of the fact that if we deregulated the dairy industry it would be the greatest crash in Australian agricultural history. There is the handiwork of the people who involved themselves and dirtied themselves—and they will be answerable to their maker one day—and were a party to the deregulation of the dairy industry. That is their handiwork: every four days a farmer commits suicide. Every two months a sugar farmer commits suicide. When the wool industry was deregulated in western Queensland we had a suicide every two months.

The issue that we are trying to address here is only a very tiny part of the problem. It stems from the fact that the only country on earth with a massive oligopoly situation—such as we have with Woolworths and Coles—is Australia. Read the government report, the so-called Baird report, the fair market report, which indicates clearly that the two biggest food retailers in America, the United States, Germany, France or Japan—or any other country—do not come up to 20 per cent.

In Australia, the big two are Woolworths and Coles. I always like to back up what I say, and the grocery industry overview from *Retail World* magazine says that 76.7 per cent of the market was held by Woolworths and Coles in 2002. If you go back to 1991, you see that they only held 50.5 per cent of the market. So if ever there was a classic case of duopoly, you have it

here. If you want a manifestation of it working, when they deregulated the sugar industry within Australia, the food retailers—principally Woolworths and Coles—took an extra \$470 million a year from the Australian sugar producers for their own profits. When dairy was deregulated, we saw a 30 per cent reduction in the amount of money going to the dairy farmers and a 40 per cent increase in price to the consumers over the same five-year period. In the egg industry, the figures were about \$400 million.

So, in three items alone, there was an extra \$2,000 million a year of profit principally divided up between two companies. I am not attacking Woolworths and Coles. They are there to maximise profits. That is their legal duty, quite frankly. But it most certainly is the duty of the government to protect the consumers and to protect the producers with a free market system—and there sure ain't any free market system when just two players have 82 per cent of the marketplace.

Our other problem, which I have mentioned on many occasions and is set out in the latest OECD figures that I have to hand, is that there is a 49 per cent average subsidy tariff in all the other OECD countries and it is six per cent in Australia.

I specifically turn now to the code of conduct itself. I regret that the minister is not here. It is a very important matter, and a matter that he should have cognisance of. I must emphasise again that we asked for a mandatory code. We were promised a mandatory code within 100 days which would include the large supermarket chains. It is now over 700 days, and we have a code that does not include the large supermarket chains, a flagrant breach of promise. The government asked people to vote for them before the election on this basis, and I am sure that there are a number of people who did. They said, 'Do this for us and we will do this for you.'

When they come out and tell the most flagrant mistruth on a matter of such great importance, is it any wonder that people hate politicians and single out their hatred and contempt for the government and, particularly, the party that was once the champion of rural interests? Here is a party that made this promise and are part of a government that is absolutely determined—

Mr Andren—Where are they?

Mr KATTER—Where is a single member of the government? There is nobody. I am sorry; one is there. Where are they? I would be hiding too. I would not like to have to come in here and show my face after I had made a cold-blooded promise before the election.

It was made in my electorate. It was made after a meeting in Mareeba. God bless the rural action mob up there and Scotty Dixon, Joe Morrow and those people. God bless Noel Hall, who travelled all the way down to

Townsville to see the Deputy Prime Minister. I will not say, 'God bless all those people who went to the National Party rally in Innisfail to show their support for the National Party,' but I will remind them about this when I see them in the street. And they will hang their heads like mongrel dogs, because that is truly what they are. You made a promise to these people, and you have treated the promise with absolute contempt.

Let me be very specific. There are a number of issues that need to be dealt with here. I constantly get complaints that people send product into the market and get a rejection slip. They send down perfect fruit—and I know a lot of these growers; they have an excellent reputation and they would not send down substandard fruit—and the market slips or there is a glut, and the retailers will just return it. There is a glut in the market and they cannot sell it, for whatever reason, and they will return it.

Let me give you one specific case. Do not quote me on the figures, but the figures will be relatively correct. A very big grower who grows lychees sent product down to Brisbane. The agent rang him up and said, 'Mate, you've got \$36,000 from that product you sent down to me,' and the grower said, 'Whoopee!' He was getting \$28 a box. That is a good price. He had made a lot of money. He was a very happy man. That was on a Thursday afternoon. On Tuesday, the agent rang him back and said, 'Sorry mate, they have rejected all of that product.' He said: 'They cannot reject it; it has been sold. It is a done deal; it is a gone transaction.' The agent said, 'They have returned it; it is sitting here in my market in front of me.' The grower said, 'They can't do that,' and the agent said, 'They just have.' He also said, 'Of course, the market has slipped from \$28 a box down to \$12 a box, so they returned it all and then went and bought the same product for \$12 a box.' This bloke had lost a week.

You need to involve people who are the coalface. The code talks about a produce assessor a year later—this is a matter of days. You have only got days. Your shelf life, as often as not, is two weeks at the outside. You have a day of picking and packing, and then you have a day or two to get it to market and sell it. By then, your shelf life is almost gone. If it is returned, of course, your shelf life is gone. So that grower received something like \$6,000, which hardly covered the cost of his boxes. This has happened again and again.

Let me say that the minister has included 'in a contract'—but it is only a contract; it is not enforceable. We asked for a mandatory code. We asked for the government to pass laws so that if you act in this manner you act illegally. An agreement has to be enforced by us. How can a little grower—Eddie Barnaby up in Mareeba—sue Woolworths and Coles? Of course he can't take them on; and with an agreement that is all you are left with. If these people act as agents, you

have not even got a demand for an agreement if they are still agents. At least the minister has put in the code that they have to have a contractual arrangement, and the contractual arrangement has to make them declare whether they are a merchant or an agent. So I think there has been movement forward in the code, and we thank the government for that very narrow little piece.

Having said that, there is nothing in the code that says he has to disclose who he has sold the product to. There is no way of proving that the same games that were being played before are not going to be played now. There is no onus upon anyone to disclose. The argument that there is no bill of sale was one of the things that we most needed—that there is no proof of sale. It says here that you do not have to include who the product was sold to. You do not have to include that. If I am wrong, I would like the minister to put me right. I do not have a battery of lawyers to help me interpret the law. But, on my reading of the law here, I cannot find any clause that says that, in the bill of sale, you have got to put the name of the person it was sold to. That was the main thing that people like Scotty Dixon in Mareeba wanted. He was to some degree orchestrating the requests throughout Australia, and most certainly precipitated, along with Noel Hall, the agreement out of the then Deputy Prime Minister. They did it with all sincerity; they were not trying to set him up or anything. The main thing they wanted was that bill of sale. But the bill of sale does not include who you sold it to. It is not much use having a bill of sale that has not got the name of the person that you sold it to. If we are wrong, Minister, we would ask you to point it out to us.

I cannot see how having recourse only through the common law leaves us in a much different position from where we are at present. But I would like to talk specifically about some issues. I mentioned the horticulture produce assessors and the issue of mediation. A lot of this centres around rejection of product, and there are cases where products should be rejected—but not from normal, serious operating farmers in the marketplace. It would be very rare that they would send diseased product to market, because no-one would ever buy off them again. They just do not do that. They take all the actions that need to be taken to send down a good product to market, and that is why they are still in the industry. But the fact is that these diseases do not show up for a couple of weeks. You know yourself, Mr Deputy Speaker, that if you buy a mango or a banana, it might be two or three weeks before blemishes start to occur. It becomes a very grey area as to whether the product is diseased. You could argue that bacteria naturally occurs in the degeneration of any plant life.

The people who have done the work for me have said that the agreement must state 'within two weeks'. If a person working on this knew anything about the

industries he was dealing with, he would know that that is not going to be in the agreement. It says you have got to put that down in the agreement, but an agent is not going to put in there that he is going to be responsible for who he sells it to. That is not going to be in the agreement. It never has been before, and it never will be in the future.

With respect to the cost of bringing in the produce assessor, the mediator and all these things, I think that this is a very good point. You are talking about growers who—in my case, anyway, in Far North Queensland—are 2,000 kilometres away from the marketplace. They need to get an aeroplane to take them from Cairns down to Brisbane—or, worse still, Melbourne and Sydney, where the vast bulk of their product will be sold. So if they want to go to any of these produce assessor mediations, they are up for a huge amount of money. This is just not practical. If the minister could appoint somebody, and he would be the arbiter and there would be a tribunal that could hear this, we would have something that we could use.

In conclusion, we would emphasise again that there has been some advance made. We appreciate the minister having made an effort for us, and we want that to go on the record. Having said that, to bring out this code and to have 90 per cent of the industry—that is, Woolworths and Coles—the processors, and the exporters left out of the code of conduct really makes a mockery of it. And it insults all of those people who believed in this code—as I did. At the time, I thanked the government, even though it was during an election campaign. I congratulated them and said, 'We look forward very much to the introduction of the code.' You can rest assured about what I will be saying this time around. So we want to say that, and we want to say that what we have not got is a mandatory code of conduct. What we have got is a contractual agreement, and that is all. *(Time expired)*

The DEPUTY SPEAKER (Mr Jenkins)—Is the motion for disallowance seconded?

Mr ANDREN (Calare) (4.51 pm)—I am happy to second this motion of disallowance moved by the member for Kennedy. On 11 August 2005, the then new Minister for Agriculture, Fisheries and Forestry said in this place, in answer to a question from me about the mandatory code of conduct for the horticulture industry:

A mandatory code of conduct for the horticultural industry was an election commitment by the government which will be honoured in full.

This is the reason for this disallowance motion. A code may have been delivered, but it is not the code that growers believed was promised. This is not an election commitment honoured in full. It is a deceit.

The member for Kennedy was more gracious than I am about handing out bouquets for this half-code. He

spoke about the shelf life. Well, the shelf life of the MPs representing fruit growers has been dramatically shortened, I would suggest, and their use-by date is almost up, especially with the added announcement in recent days of the decision to recommend the importation of New Zealand apples.

Mr Katter—And Filipino bananas.

Mr ANDREN—And Filipino bananas. This government's so-called mandatory horticulture code of conduct represents a broken promise. The former Deputy Prime Minister and Leader of The Nationals, John Anderson, made the promise on behalf of the soon to be re-elected coalition government on 1 October 2004 to impose a mandatory code of conduct on the industry to cover all stakeholders in the industry, from growers through to produce buyers who are, to quote the member for Gwydir, 'in many instances large supermarket chains'. That press release states:

The code will give producers a fairer deal on their terms of trade and on resolving disputes with produce buyers, which are in many instances large supermarket chains. It demonstrates The Nationals' commitment—as part of a re-elected Coalition Government—to providing a fair deal for primary producers and small businesses in regional Australia.

I well remember when that came out. It was during the 2004 campaign and I was in a shopping centre in Orange along with Peter Darley—an orchardist, and now the Chair of the Horticulture Committee of the Farmers Association—other growers, their wives and supporters handing out apples to people freely in that shopping centre as a mark of the importance of the industry to the Orange district and further afield. It goes right through to Bilpin and areas on the Blue Mountains, down into the Cowra district and beyond, to the area around the Southern Highlands and down into the southern parts of New South Wales. We are talking here not only about the apple industry but about all of the industry—fruit and horticulture in general. The government's so-called 'mandatory' horticulture code of conduct represents a broken promise, and that has been told to me over and over again by Peter Darley and other growers who are tremendously disappointed at the outcome of what they believed was going to be a full delivery of that undertaking made during the 2004 campaign.

It is a twice-broken election promise. It was not delivered by legislation within 100 days, and the code we got at the end of last year does not include the large supermarket chains, whatever the voluntary or contractual arrangements might be. Without those supermarket chains, the code will do nothing to address the imbalance in the fresh fruit and vegetable marketplace. The mandatory code provided in these regulations will affect only the relationship between our growers and the wholesalers operating from this country's central markets. The growers do not want a code without the supermarket chains, nor do the central market operators.

I have been having meetings with many people from both of these groups since last year, when it first became apparent the government was going to let the supermarkets off the hook. This is perhaps one of the most interesting developments in this whole issue. It was the relationship between these two parties that first motivated growers to call for a code of conduct. The government has only got it half right. The code currently provides definitions of wholesalers as either agents or merchants, which gives growers more certainty when it comes to the price they receive for their produce and how much it is sold for at the market. But defining buyers as agents or merchants helps growers track the price they get for their produce from the wholesalers at the central markets.

For many years the problem has been the lack of clarity as to whether the buyers or wholesalers are agents selling a grower's fruit and vegetables on behalf of the grower for a commission or merchants buying it outright from the grower and selling it as their own property. The importance of this definition is in the information the growers get as to which retailer has purchased their fruit and vegetables and at what price. The proper definition ensures a document trail that allows tracking of prices paid and where the product ends up.

With no definition of how buyers and wholesalers were operating under the Trade Practices Act, they were immune from regulation determining their obligations to provide information to growers. This is very significant because of the fact that in trading fresh fruit or vegetables, the longer it takes to sell, the less fresh the produce is—as the member for Kennedy so graphically described—and thus the less valuable it is. There was nothing in law to compel the buyer or wholesaler to inform the growers when the cases of fruit or vegies were sold or the exact price they were sold for. Growers were being given an average price per case across the board rather than the prices of particular cases of their crop.

The inclusion of specific definitions of buyers as agents or merchants gives a new transparency to the process of taking produce to the fresh fruit market. But the gains of this aspect of the code have been severely undermined by the failure of the government to include retailers, most importantly the major supermarket chains, in its regulations. Indeed, it has brought the growers in central markets together against the mandatory horticulture code of conduct, or the half-mandatory horticulture code of conduct. The central market authority has described this current code as anti-competitive and discriminatory. The buying power of the big supermarkets is so huge—as, again, the member for Kennedy described—that they will have the power to basically set the prices they pay to the wholesalers. When there are only two major buyers—

and because we are dealing with fresh produce—they have the power to dictate price. Further, as the retailers are not covered by the code, there is nothing to stop them conducting their business with growers or wholesalers who choose to operate outside the central market system, which then removes these transactions completely from the regulations of the code, leaving the growers back where they started.

The whole process of building the mandatory code has been fraught, and it has been obvious the government has aligned itself firmly with the supermarkets' best interests. Again and again I receive complaints from growers that the consultative process to work out the form of the code was little more than a political exercise, with the vast majority of meetings being held in capital cities—with some in larger cities; I think Cairns was one—rather than the growing regions.

Further, it soon became apparent that the government—The Nationals in particular—had no intention of honouring the full extent of the promised code. By July 2006, well after the 100-day deadline, the new Deputy Prime Minister and leader of The Nationals stated that the government was not about to regulate the retail sector with the mandatory code, and his agriculture minister weakly supported him by saying, 'Retailers were never part of the election commitment which was written down.'

This is one of the weakest and most gutless excuses for a policy backflip I have heard in my time in this place. If the member for Gwydir's press release does not count for a documented written election commitment then I do not know what does. The exemption of retailers, the major supermarket chains, food processors and exporters makes this code useless. Whether supermarkets have voluntary codes of conduct for themselves or terms of trade agreements with wholesalers, or growers for that matter, none of this is entrenched in law and, as such, can be completely ignored if the supermarket retailers deem it necessary. Market conditions will rule, and we will not see compliance with voluntary codes of conduct if it does not mean maximum profit returns to the shareholders. Rather than level the field for all players in the horticulture industry, this mandatory code of conduct entrenches the advantage of the major retail grocery chains as the biggest buyers in the marketplace, be that within the central wholesale market system or outside it.

As far as I am concerned, the six-year battle of my local Calare growers is not over. Until the horticulture mandatory code of conduct includes all players in the horticulture industry—growers, wholesalers, buyers and retailers of all sizes—my campaign for a fairer deal on behalf of our growers will continue, as will my and my growers' criticism of the recommendation by Biosecurity Australia to allow the importation of apples

from fire blight affected countries such as New Zealand and no doubt North America and other places. I support strongly this motion to disallow the Trade Practices (Horticulture Code of Conduct) Regulations 2006, and I ask whether those other coalition members from rural constituencies are defending these regulations.

Mr McGAURAN (Gippsland—Minister for Agriculture, Fisheries and Forestry) (5.02 pm)—I cannot help asking the question, having listened to the contributions from the members for Kennedy and Calare: have they read the code?

Mr Katter—Yes!

Mr McGAURAN—If they have read the code, they have not understood it. The current refrain that this is not enforceable at law is a laughable notion. These are contracts that are mandatory. They are not voluntary; they are compulsory. Every wholesaler has to enter into a contract under the conditions of the code. If there is a dispute that arises then there is compulsory mediation. If the mediation fails then the Australian Competition and Consumer Commission enforce the contract against the code. There is no need to rush off to the magistrates court or the Federal Court, because it has the backing of the ACCC. So the charge made against us by both members repeatedly—that this is somehow a voluntary or non-compulsory, non-mandatory code—is an absurdity. Of course it has the force of law. That is why we have regulations in the parliament to amend the ACCC's operations.

It is an absurdity, and I do not see how two members can take up the time of the parliament with such a falsehood. The basis of their understanding of this code is utterly flawed. It is enforceable under the law of the Australian Competition and Consumer Commission, and it is vitally important that the regulations for a mandatory code of conduct pass through the parliament quickly so as to provide a fair and efficient market for fresh fruit and vegetables. We want the code to start on 14 May. I agree: it has been too long in coming. But now it is here, it seems to be a tactic by the Independents to delay it further.

It created a great deal of division and difference of view within the supply chain in the fruit and vegetable industries. I tell you what: I had plenty of letters from small, medium and large growers opposed to a mandatory code of conduct. Of course we know the fresh markets conducted, and still are conducting, a vigorous and, at times, inaccurate, bordering on the dishonest, campaign against a mandatory code of conduct. So there is no uniformity of view on this. There might be a majority of growers in Mareeba who have a set code of conduct in mind, but across the nation, there is a divergence of opinion. But I am confident there is a clear majority of growers who support the government's mandatory code of conduct.

Now let us deal with the second falsehood being perpetrated by the Independents, which is that somehow this is a breach of an election commitment. Let me read, for the honourable members, the government's election commitment that was contained in the agricultural policy titled 'Investing in our farming future', released on 23 September 2004:

... a re-elected Coalition Government, as a last resort, will put in place a new mandatory Code of Conduct specifically tailored for the grower/markets sector of the horticulture supply chain.

In every one of the press releases—

Mr Katter—Mr Deputy Speaker, I rise on a point of order. I claim to have been misrepresented.

Mr McGAURAN—Take it up at a later time.

The DEPUTY SPEAKER (Mr Jenkins)—The member can intervene at some other stage to rectify that.

Mr Katter—We are leaving on the record something which is patently false.

The DEPUTY SPEAKER—The member has other options.

Mr McGAURAN—My only charge against the member for Kennedy is that he has not read the code.

Mr Katter—I have read the code!

Mr McGAURAN—I am prepared to take his word for fact, across the chamber, that he has read it—

Mr Katter—It has footnotes all over it!

Mr McGAURAN—but I stick to my assertion that the member has not understood the code. Let us get back to the charge that somehow the government has broken an election commitment. It is in black-and-white in the agriculture policy of the 2004 election that it is limited to the wholesale market sector. In all of the press releases—and you can imagine I have gone through a lot of the documents by Warren Truss, the then minister for agriculture—it has been specifically limited to horticulture. I concede there is one press release, and one press release only, from the member for Gwydir, then Deputy Prime Minister, and one sentence, and one sentence only, that is ambiguous.

Mr Katter—Your leader gave an undertaking!

Mr McGAURAN—Undoubtedly. But anybody looking at the election commitment, all statements leading up to that one ambiguous sentence in one press release and the several statements that immediately followed it which included the discussions and negotiations with the industry knew without a doubt that this was a mandatory code of conduct for the wholesale markets. The Independents are playing with one phrase in one press release to create political mischief. We made an election commitment and we have made several statements detailing the mandatory code of conduct for growers and wholesalers.

Why is the retail sector not included? This is something that the members have not thought through. It is because, again, they do not understand the mandatory code of conduct. The mandatory code of conduct is to provide transparent and clear terms of trade. When a grower sells to a retailer—especially to a supermarket they have a contract and they know what the terms of trade are. Somehow the member for Kennedy seems to think that the code of conduct will force a pricing return for growers. It will not. Supermarkets and processors provide clear price information, written quality specifications, written terms of trade and internal codes of conduct. That is consistent with what we are attempting to do with the mandatory code of conduct with the wholesale sector so the retailers—and I do not for a moment believe that they pay their growers enough—at least adhere to what we want to achieve in this code. The terms of trade, the terms of delivery and pricing are known up-front. You cannot pretend that the mandatory code of conduct is something that it is not. It is not a floor price; it will not guarantee a higher price. What it will guarantee is that your wholesaler has to act in your best interests in a defined role—agent or merchant—and provide all the terms of trade, terms of delivery and other information.

I believe that, if we impose this mandatory code of conduct totally unnecessarily on the supermarkets, retailers and food processors are going to pass the costs on. There will be a price to pay for them changing their contract systems, and they will definitely pass on to growers the added costs. That is not in the interests of growers. It is important to remember that all of these retailers are signatories to the voluntary code of conduct for the produce and grocery industry, and that voluntary code promotes good commercial relationships amongst trading parties.

My submission to the parliament is that there is a clear election commitment with regard to a mandatory code of conduct for growers and the wholesale sector. At the same time, it makes no sense to impose a mandatory code of conduct of this kind on the retail sector—or indeed the supermarkets—because it would achieve nothing that is not already being achieved in the direct relationship between suppliers and retailers, and in all certainty would force up the cost to growers.

Mr Adams—Why not mandate it then?

Mr McGAURAN—The member for Lyons interjects. It is difficult to deal with this issue when people do not understand the ABC of the mandatory code of conduct. The member for Lyons interjects, 'Why don't you make the code of conduct mandatory for the retail sector?' It is because they have a contract. They know what they are supplying, what they are getting for it and where and how to do it.

The problems in the wholesale sector have remained largely unchanged despite the government putting in

place in 2000 a voluntary produce and grocery industry code of conduct. Despite industry attempts to improve trading practices through their own codes of conduct, we have not seen a significant improvement. This code is going to improve the trading conditions in the horticultural industry; it will clarify the responsibilities of growers and wholesalers and increase the transparency of transactions.

The key requirements of the code are that wholesalers publish their preferred terms of trade, growers and wholesalers use written agreements, wholesalers are clearly identified as either agents or merchants, prices agreed in writing under merchant transactions be provided, wholesalers provide written transaction information to growers, independent assessments be available on transactions, and compulsory mediation will occur if disputes arise.

The contracts that are negotiated between suppliers and supermarkets are negotiated with full clarity and include all commercial aspects of the transactions. That does not happen necessarily in the wholesale sector. An unnecessary regulatory burden would impose additional costs on the industry if we were to proceed to a mandatory code of conduct in the retail sector without any measurable benefit with regard to increased clarity and transparency. I appreciate that retailers, processors and exporters are strongly opposed to being included in the code. If they are forced to adapt their trading systems and conduct compliance audits, it could significantly increase the overall compliance costs of the code and impose an unnecessary regulatory burden on businesses that already trade under transparent and clear contractual terms.

For the average grower, the mandatory code of conduct will mean the opportunity to achieve more certainty in their trading relationships with wholesalers, more confidence that business is being conducted in a fair and effective manner, clearer market signals and improved feedback on the quality of produce. The code will be enforced by the Australian Competition and Consumer Commission. At the same time, the government has appointed a horticulture mediation adviser who will help the industry resolve any trading disputes that arise.

The majority of growers and wholesalers support the code. It has not been developed in isolation in some bureaucratic ivory tower. All the way through we have consulted the National Farmers Federation, AUSVEG, Growcom and other organisations such as the Horticulture Australia Council. These organisations are representative of the industry, they have put a number of drafts to their members, and I believe they are worthy negotiators on behalf of the majority view of growers across Australia. There has been enormous and extensive consultation with industry stakeholders. An industry committee will be established to monitor the pro-

posed code and advise the government on matters relating to its operation and performance.

With regard to compliance costs, the code requires terms of trade and the use of written agreements between growers and wholesalers. This is standard good business practice in most industries. There will be minimal additional costs for those growers and wholesalers already using good commercial practices. Clear terms of trade and written agreements will result in reduced disagreements and therefore reduced conflict resolution costs. The government is working with growers and wholesalers to produce contract templates which will further reduce the cost to both wholesalers and growers.

The government is funding the enforcement and administration costs of the code and will subsidise the costs of mediation. This will remove the need for expensive legal costs for growers and wholesalers, which the member for Kennedy seems determined to impose on them by pushing them into the court system. This is a speedier way. If a dispute arises we try to mediate. Failure to mediate then results in ACCC intervention. What could be more enforceable under the law than that? At the same time, everybody has to enter into a contract under the terms of the code. I am sorry, I listened carefully to the member for Kennedy. I would wish to be the hero that he wants me to be, but I am genuinely convinced that this is in the best interests of the industry.

I thought only an Independent could tell the story of John Kerin: that he would go out there and tell people his personal view, what he was going to do, so that people knew he was fighting on their behalf, even though he could not deliver on behalf of the government. That is an Independent's mentality. That is just cheap populism by a member of a government who wants to walk both sides of the street. They want the personal glorification and the benefit that comes with being part of a government.

We have batted off the wholesaler organisations and the fresh food markets. We have answered their issues. We have argued the case with them, and it is very disappointing for me to come in here and find that the Independents are causing more trouble by potentially delaying the implementation of the code—although I have been reassured by the member for Kennedy that he will not vote against the code if the test should arise. It is a code that has been long in planning. It needs to be implemented. It will be successful.

Mr BOWEN (Prospect) (5.16 pm)—The Labor Party finds itself in agreement with the sentiments and the motivation expressed by the honourable members for Kennedy and Calare. We do, however, have a different way of dealing with the problem. We agree that the absence of buyers agents in the code is not only a deficiency; it is a breach of faith. It is not a promise

kept; it is a non-core code. It is a code—which the honourable members who have spoken before me have also indicated—the government was dragged kicking and screaming into implementing. It is a code that the government promised would be mandatory and then it tried to squib on it. The government tried to introduce a voluntary code and then it was forced, kicking and screaming, into bringing in the code that we have now.

The minister arrogantly says that anybody who disagrees with him either has not read the code or does not understand it. I know that the honourable member for Lyons and the members who have spoken before me have not only read it but also understand it. They understand the difficulty that it causes for their constituents.

Mr Andren—It is non core.

Mr BOWEN—It is a non-core code. It is a promise which has been breached. The Horticulture Australia Council said that it was always the intent to include retailers and buyers agents in the code, but they mysteriously disappeared when the code came out just before Christmas last year.

The minister ignores the issues raised by the honourable members for Kennedy and Calare and by the opposition and says, ‘Well, you haven’t read it,’ or ‘You don’t understand it.’ What he does not acknowledge is that he himself tried to squib on the commitment. I would also like to pay tribute to the member for Corio, the former spokesman in this area, who came into this House and argued strongly for the mandatory code and who, together with the honourable members for Kennedy and Calare and the honourable member for Lyons, forced the government into this backdown.

We cannot support a motion to disallow this regulation. The honourable member for Kennedy referred to the code as ‘some advance’, and we agree with him that it is some advance. We know that, if this code were disallowed without a suitable replacement code, the government would throw the farmers to the wolves. The government would leave them hanging and say, ‘The parliament has disallowed the code; they obviously don’t want a code.’

We have a different approach. We will go to the next election with the same commitment that we had last time—a proper mandatory code; a code which protects farmers. No doubt, when in government, if we are honoured with that mandate, we would consult widely, including with the members for Kennedy, Calare and New England and with interested peak body groups. We will vote differently from the members who sit in the crossbenches today—not out of a different motivation, not out of a different sentiment, but out of a conclusion that scrapping this regulation will leave farmers exposed, because this government will leave them hanging. The government will not respond to the parliament and will not allow a better code to come into

force. We agree that the code is flawed, but we agree that it is some advance and that it is better than nothing.

I am sure that, should the Labor Party be elected later in the year, we would have fruitful discussions with members on the crossbenches and we would consult with them closely. I know that the honourable member for Lyons will be pushing very strongly, should we be in government, for the code to be beefed up and protected, as would the honourable member for Franklin and other honourable members on this side. We acknowledge the motivations of the members who have spoken and we agree with the sentiment. We will be voting against the motion today but, should we be elected later in the year, we will be revisiting this issue.

Mr ADAMS (Lyons) (5.21 pm)—As a representative of the good state of Tasmania, as someone with a strong relationship with the state’s first-class horticultural industry and as a member of the Standing Committee on Agriculture, Fisheries and Forestry, I welcome the opportunity to speak on this motion moved by the member for Kennedy. My colleague the member for Prospect has indicated Labor’s support for this endeavour and why we cannot support the member for Kennedy’s disallowance motion. We do not believe that the mandatory horticulture code of conduct put in place by the government is adequate. It is plainly not and it fails to live up to what was promised by the coalition government in the 2004 election. But we believe the code is better than no code at all and gives some opportunities to those growers.

It should not be forgotten by Australia’s 20,000 fruit and vegetable growers that the Howard government had to be dragged kicking and screaming to honour that agreement to introduce a mandatory code for their industry. Labor committed to a mandatory code well before the 2004 election. We put it on the board, nailed it up there and said: ‘This is what we will go to an election with. This is our policy. Put it out there.’ The government followed suit and promised to introduce a mandatory code within 100 days of its return to office.

The then Deputy Prime Minister, the Leader of the National Party, made the promise on 1 October 2004. The Minister for Agriculture, Fisheries and Forestry has come into the House now and said that this was not really the promise. The press release says:

A re-elected Coalition Government will impose a mandatory Code of Conduct on the horticultural industry.

He cannot deny that. It is there in writing in a public document. To try to fudge that is quite dishonest on the part of the minister. At the end of that press release, he says:

... a re-elected Coalition Government will, within its first hundred days, propose legislation to give the Australian Competition and Consumer Commission the power to enforce a Horticultural Code of Conduct.

The government made the commitment, and they broke that promise to the 20,000 Australian farmers in that position. It was not a real promise. The first 100 days went by. We waited; we were ticking them off on the calendar after the election. We were crossing them off. A hundred days went by and nothing had happened. The government continued to twist and turn until they were forced to act under pressure from the industry and the Labor Party. Where are the National Party members of parliament tonight? They are not here. Where is the member for Braddon in Tasmania? He should be hanging from the rafters at the Yolla hall screaming. His area of Braddon grows vegetables and bulbs. He should be here putting pressure on his minister to do the right thing by the people he represents. The member for Braddon is lost when he should be in here arguing a point of view.

It was not until December 2006—26 months after the election—that regulations for a mandatory code were made. They do not commence until 14 May this year—more than two years and seven months after the National Party made their 100-day pledge. It is a broken promise and, when they get there, it is not the real McCoy. Nevertheless, we take the view that the code set to come into force in May is better than no code at all. There are some opportunities to prevent people being ripped off, as has been occurring in the past. A successful disallowance motion would not assist growers who have waited for more than two years for the Howard government to honour its 100-day election pledge.

Labor's position today should not be construed as a big tick for the current code. It is not. We do not think it is adequate. We do not think it is up to it. I note the comments made in the debate by the member for Kennedy. Labor have been made directly aware of the growers' concerns about the buyers' agents—who represent retailers, including the two big supermarkets—being excluded from the code. The two big supermarkets in Australia have too much power when it comes to buying from little people, whether it is manufacturers, food processors or growers of fresh food. They have too much power and our agencies should have operated more to protect the small people of this country. The ACCC has failed to do that on several occasions. I also think it failed dismally when it let the retailing of petrol become locked into supermarkets as well. I understand that growers and their representatives were led to believe that transactions with those agents would fall into the scope of the code. They have been sorely disappointed again—another disappointment and another sell-out by this government.

Labor enjoys a good working relationship with the horticulture sector. I am the chair of the regional committee of the Labor Party, and my colleagues from Tasmania—Harry Quick, with the apple industry in the

southern areas of Huon and the channel area, and Senator Kerry O'Brien—meet regularly with growers; we know their needs. I believe that we know their needs a lot better than those on the other side of this House.

We will continue to talk to them about the code. When we win the next election we will certainly be having major discussions with them about the code. We will continue to work with the industry to ensure that the code provides the intended fairness for this sector so that people can get a fair go, a fair opportunity. Disallowing the regulations will not represent a step forward for Australia's fruit and vegetable growers, including the Tasmanian growers that I represent in this place. So I cannot support the member for Kennedy's disallowance motion, but I do congratulate him for having it on the *Notice Paper*, because it has given us an opportunity to point out again that this government is really a fraud. It is committing fraud on many people in regional Australia. Disallowance would represent a step back, and we want to go forward. On that basis, I cannot lend my support to the motion.

Mr Katter—We're only doing it on the basis of an alternative code being submitted.

Mr ADAMS—I also say that the members of the horticultural industry in Tasmania are very concerned, Member for Kennedy, that this government has now passed regulations to allow New Zealand apples to come into Australia.

Mr Katter—Fire-blighted apples!

Mr ADAMS—Fire-blighted apples. Fire blight will end up helping to destroy the Tasmanian apple and pear industry. There is no fire blight in Tasmania. We do not have fruit fly in Tasmania. We are an island of the big island. This island, Australia, has fewer diseases and bugs and things that cause us problems than many other parts of the world. We are lucky because we are an island continent. But then we have that little island that hangs off the bottom, an island on the periphery of the big island. We on that little island have even fewer diseases and pests for the horticulture industry and other agricultural industries to deal with than are prevalent in other parts of the world. So we can say we are lucky, but we have to be very vigilant if we are going to keep them out. To let New Zealand apples come in will be a major step backwards and will destroy our apple industry. The state minister in Tasmania has said that he will propose legislation that will prohibit those apples being sold in Tasmania. I understand that he is moving that way.

The family of the President of the Senate, Senator Calvert, have been farming apples in Tasmania for many generations. The government have failed the growers in Tasmania and in the rest of the country. They have failed people in Victoria and New South Wales. I do not think they grow many apples in Queensland. We have a good pear industry. The pear industry

will be destroyed by fire blight. I think the New Zealand industry still grows apples, but their cost of production is something like 30 per cent more to deal with fire blight. It would impose an enormous extra cost on a small area of production like Tasmania to have that within our industry.

Unfortunately, we cannot support this motion. We have pointed out the reasons why. We think that there is an opportunity to step forward, not back, but that the regulation is not what was promised. We promise growers that, when we win government, a Labor government will introduce the mandatory code that was promised in 2004.

Mr WINDSOR (New England) (5.34 pm)—I rise to support the disallowance motion moved by the member for Kennedy and seconded by the member for Calare. I am delighted to see the Attorney-General in the House, because I think this is a very poor piece of law. No doubt he is here to listen to the arguments about this poorly structured regulation and the breach of a promise that was given in 2004 as an election commitment. The member for Lyons read out the first line of the former Deputy Prime Minister's press release, where it quite categorically made a commitment to a mandatory code of conduct. That has not been delivered through these regulations. As I was saying, I am glad to see the Attorney-General is here to listen to this attempt to disallow a very poor regulation which is a breach of an electoral commitment made in 2004.

I support the member for Kennedy and the hard work that he has put into the struggle against the major supermarkets. I acknowledge the commitment that he has given to the smaller people in relation to their marketing power against the corporate giants. I am disappointed in the Labor Party's view. If a commitment is given at election and the Labor Party disagree with that commitment—and if it is poor law and does not deliver to working families and small businesses the arrangements that were promised—I do not think that to line up beside that arrangement because it is supposedly somewhat of a movement forward is a good enough reason not to oppose this very poor regulation.

It does not surprise me that the National Party have backed away from an election commitment. It is becoming part of their representational processes. We have just been through the New South Wales election, for instance, where billions of dollars were promised. Knowing full well that they could not win the election, the National Party went on this massive spending spree. I think it was about five to one against the current Labor government. Billions of dollars were committed to try to buy seats. I think that people are becoming very much aware of the use of money and promises at election time—such as this one that a mandatory code would be put in place to give a fairer deal to horticulturalists and vegetable growers et cetera.

Those sorts of commitments are not listened to anymore in the electorate.

There have been more recent examples of this sort of behaviour, this sort of flexible commitment, that the National Party have adopted. Last year in Victoria at a wheat rally the Deputy Prime Minister, Mark Vaile, gave a commitment to wheat growers at a place called Warracknabeal that he would poll all wheat growers if there were to be any substantive changes to the export marketing arrangement for Australia's bulk wheat. He gave a commitment to those wheat growers, and I remember in this place I supported him because I thought: that is a good stand to take because you are actually going to confer with the industry before making a decision. Alas, once his Liberal masters informed him that that was not what this process was about, he reneged on it and instead put in place a consultative group to travel around Australia to determine the views of growers.

I went to those meetings and no votes were taken. Where there was an attempt to move a motion at the meeting, it was stomped on. Where people presented a point of view, they were interrogated about it. The committee chairman, John Ralph, on a number of occasions made the point that he was there to listen and take the message back to the government to engage in debate on. When people said, 'We'd like to have some say in this and move a motion here today,' he refused to listen to and take that message back. We had this consultative committee—

Mr Katter—Shame! Shame—and sham as well as shame!

Mr WINDSOR—The member for Kennedy says 'sham', and in a sense it was. I think the members of that committee were quite legitimate in what they were trying to do, but the terms of reference did not enable them to convey the wishes of growers. And the Deputy Prime Minister had assured growers at that meeting in Victoria last year that he would poll them if there were any substantive changes in those marketing arrangements.

I have taken it upon myself to carry out a poll of wheat growers, and I will be releasing that information tomorrow. I am hopeful that the government will take it on board. If the consultative committee has essentially taken on board the views of the growers, there should be no significant difference in the recommendations. It will be very interesting to see what the recommendations by a government appointed group are and what the views of the growers are. The government and all the political players in here, including the National Party, have been consistently saying, 'We want to do what the growers want'—as they were going to do with what these growers wanted. It is going to be very interesting. They said, 'We will fix that. We will do what the growers want.' They wanted a mandatory

code of conduct. It has not been put in place. It will be interesting to see if there is a replay of a similar agenda in terms of the export wheat marketing arrangements. In the poll I conducted there were something like 3,600 respondents. It was done by a legitimate body and will be released tomorrow. I will be handing it on to the Prime Minister, the minister responsible and anybody who wants to look at it. The release of the poll is going to be a fully open document.

Just recently again, we have seen a similar display of a commitment given by the National Party in my electorate during the state campaign. The leader of the National Party, Mark Vaile, opened their election campaign in Tamworth and promised something like a quarter of a billion dollars to the people of Tamworth on that day if they were elected. I am pleased to say they had a 10 per cent swing against them, so money does not buy confidence. These people have developed a form that they will say anything coming into an election period or to a crowd of people they want to impress. When they return to Canberra and the buttons are pushed, they renege on these things—and similarly in Sydney in terms of the state agenda.

Mark Vaile, the leader of the National Party, was at the opening. He made a speech and he spoke with the press. He had visited some time before that, when the country music festival was on, and made certain commitments that the Commonwealth government would support the upgrade of a dam. I have raised that in question time in this place. In answer to a question in here Mr Vaile made the point that the upgrade of Chaffey Dam was not only an issue about urban water for the people of Tamworth; it was also an issue for irrigators in the Peel system. When he did that, given the Prime Minister's 10-point plan and the agreement from the state Premier to hand over the responsibility for water, particularly irrigation water—there is some dispute about urban water—to the Commonwealth government, there was a certain obligation on behalf of the Commonwealth to look after the irrigators.

Mark Vaile, when in Tamworth, made a commitment that he would support, at a Commonwealth level, the upgrade of Chaffey Dam. On Monday morning, two days after the election result, he also reneged on that commitment. So there is real form on this. I think it is very disappointing on two levels—firstly, that we actually have to move a motion of disallowance to a regulation such as this, when the Deputy Prime Minister of the day gave a firm commitment. In our parliamentary system you cannot believe the Deputy Prime Minister of the day—

Mr Katter—And Leader of The Nationals.

Mr WINDSOR—and, as the member for Kennedy said, Leader of The Nationals. I have articulated three instances, and there are many more, where these people cannot be believed. These are tests of their com-

mitment to the people, and the commitment that they would look after these working people and small businesses in regional Australia was given prior to an election in a bid to win an election. They have been countermanded by the corporate giants in the retailing world. There is absolutely no doubt about that. Take the wheat example. Who pulled the strings to stop the growers having their say? I do not know the answer to that, but I think someone should find out what the answer to that question is. And who pulled the strings in terms of Chaffey Dam, a localised issue? Who is pulling these strings which make people make commitments when they want to win a vote and then, as soon as the election is over, remove themselves from the scenery and countermand their own decision? What that says is that they are breaching the trust of the Australian public and, in this particular case, there has been a massive breach of trust of the horticulturalists of our nation.

I support the member for Kennedy and the member for Calare. I would suggest to the Labor Party that, if they are serious about representing workers and small businesses, this is an opportunity to express that feeling. Do not hide behind a small step forward. This is very poor law, it is a poor regulation and it should be opposed.

The DEPUTY SPEAKER (Mr Hatton)—The question is that the member for Kennedy's disallowance motion be agreed to.

A division having been called and the bells having been rung—

The DEPUTY SPEAKER—As there are fewer than five members on the side for the ayes in this division, I declare the question negatived in accordance with standing order 127. The names of those members who are in the minority will be recorded in the *Votes and Proceedings*.

Question negatived, Mr Andren, Mr Katter and Mr Windsor voting yes.

NATIVE TITLE AMENDMENT BILL 2006

Consideration of Senate Message

Consideration resumed from 27 March.

Senate's amendments—

(1) Schedule 1, page 4 (after line 24), after item 6, insert:

6A Subsection 203A(1)

Repeal the subsection, substitute:

- (1) Subject to section 203AA, the Commonwealth Minister may:
 - (a) invite applications from eligible bodies, in the way determined in writing by the Commonwealth Minister, for recognition as the representative body for an area; or
 - (b) invite an eligible body, in writing, to make an application for recognition as the representative body for an area.

6B Subsection 203A(2)

After “for which”, insert “an application or”.

6C Subsection 203A(3)

After “within which”, insert “the application or”.

- (2) Schedule 1, item 7, page 4 (lines 27 to 30), omit subsection 203A(3A), substitute:

(3A) The invitation may specify the period for which an eligible body would be recognised, if the body successfully applied for recognition. The period must be:

- (a) unless subsection (3B) applies, of no less than 2 years; and
- (b) of no more than 6 years.

(3B) The period specified may be of less than 2 years, but no less than 1 year, if:

- (a) the body is under external administration; or
- (b) a person is currently appointed, under a condition imposed by the Secretary in compliance with paragraph 203CA(1)(e), to deal with funds provided under Division 4 of this Part to the body; or
- (c) the Commonwealth Minister is of the opinion that specifying a period of that length would promote the efficient performance of the functions mentioned in subsection 203B(1).

- (3) Schedule 1, page 4 (after line 30), after item 7, insert:

7A Subsection 203A(4)

Omit “under subsection (1) for inviting applications”, substitute “under paragraph (1)(a) for inviting applications from eligible bodies”.

- (4) Schedule 1, item 8, page 5 (lines 27 to 29), omit subsection 203AA(3), substitute:

(3) The invitation must specify the period for which the body would be recognised, if an application were made. The period specified must be:

- (a) unless subsection (3A) applies, of no less than 2 years; and
- (b) of no more than 6 years.

(3A) The period specified may be of less than 2 years, but no less than 1 year, if:

- (a) the body is under external administration; or
- (b) a person is currently appointed, under a condition imposed by the Secretary in compliance with paragraph 203CA(1)(e), to deal with funds provided under Division 4 of this Part to the body; or
- (c) the Commonwealth Minister is of the opinion that specifying a period of that length would promote the efficient performance of the functions mentioned in subsection 203B(1).

- (5) Schedule 1, page 6 (after line 8), after item 8, insert:

8A Subsection 203AB(1)

Repeal the subsection, substitute:

- (1) Subject to subsection (3), an eligible body may apply to the Commonwealth Minister, in the form approved by the Commonwealth Minister, for rec-

ognition as the representative body for the area, or for one or more of the areas, in respect of which:

- (a) the body has been invited under section 203A to make an application; or
- (b) eligible bodies have been invited under section 203A to make applications.

- (6) Schedule 1, item 14, page 7 (after line 12), after subsection 203AD(1A), insert:

Instrument recognising body not disallowable

(1B) Section 42 of the *Legislative Instruments Act 2003* does not apply to a legislative instrument made under subsection (1A).

- (7) Schedule 1, item 15, page 8 (lines 12 to 16), omit paragraph 203AD(2D)(b), substitute:

(b) if the body applied for recognition on the basis of an invitation in which no period of recognition was specified—the period of recognition specified in the instrument of recognition must be:

- (i) unless subsection (2E) applies, of no less than 2 years; and
- (ii) of no more than 6 years.

(2E) The period specified may be of less than 2 years, but no less than 1 year, if:

- (a) the body is under external administration; or
- (b) a person is currently appointed, under a condition imposed by the Secretary in compliance with paragraph 203CA(1)(e), to deal with funds provided under Division 4 of this Part to the body; or
- (c) the Commonwealth Minister is of the opinion that specifying a period of that length would promote the efficient performance of the functions mentioned in subsection 203B(1).

- (8) Schedule 1, item 43, page 16 (lines 11 to 20), omit the item.

- (9) Schedule 1, Part 1, page 22 (after line 6), at the end of the Part, add:

Legislative Instruments Act 2003**47A Subsection 54(2) (table item 26)**

Omit “section 203AD, 203AE, 203AF or 203AG subsection 203AH(1) or (2),”, substitute “subsection”.

- (10) Schedule 2, item 35, page 31 (lines 4 to 6), omit subparagraph 87A(1)(c)(iii).

- (11) Schedule 2, item 52, page 39 (table item 3), omit the table item, substitute:

3 a party that is provided with funds the Attorney-General under section 183

- (12) Schedule 2, item 53, page 44 (after line 15), at the end of subsection 136GE(1), add:

However, the findings of the review are not binding on any of the participating parties.

- (13) Schedule 2, item 62, page 49 (line 11), after “so”, insert “and the consent of the parties has been obtained”.

(14) Schedule 2, item 73, page 51 (lines 28 and 29), omit the heading to subsection 190D(6), substitute:

Where all avenues for review of Registrar's decision exhausted

(15) Schedule 2, item 73, page 52 (lines 6 to 13), omit paragraph 190D(6)(b), substitute:

- (b) the Court is satisfied that the avenues for:
 - (i) the review under this section of the Registrar's decision; and
 - (ii) the review of orders made in the determination of an application under this section; and
 - (iii) the review of the Registrar's decision under any other law;
 have all been exhausted without the registration of the claim.

Mr RUDDOCK (Berowra—Attorney-General) (5.51 pm)—I move:

That the amendments be agreed to.

I would just like to thank the members of the House as well as those in the Senate for their contributions. I make the point in particular in thanking them that the Senate amendments to the Native Title Amendment Bill 2006 were to implement one of the Senate Legal and Constitutional Affairs Committee reports and its detailed consideration. I do not wish to detain the House by outlining the detailed amendments. These amendments were as a result of very careful consideration. The native title system is inherently complex. While the existing regime provides a sound framework for resolution of native title issues, it needs to deliver outcomes more quickly, and the amendments made to the bill, along with other amendments in the package of native title reforms which we will be introducing shortly, are aimed at delivering better outcomes for all parties in the native title system. I commend the amended bill to the House.

Ms MACKLIN (Jagajaga) (5.53 pm)—Obviously we are here noting and debating the government's amendments to the Native Title Amendment Bill 2006 that have been introduced in the Senate and have come back here for our consideration. Unfortunately, from our point of view, these amendments do not even scrape the surface in fixing the problems with the bill, which I highlighted when the bill was last debated in the House.

Firstly, I just want to draw attention to the continuing problems with the bill as it still stands, particularly in relation to periodic recognition. We are opposed to periodic recognition of native title representative bodies. We understand—unfortunately the government does not seem to—that these bodies are representative institutions and we should be promoting their independence, not increasing their dependency on bureaucracy and the minister. I think the important thing to note is that these bodies already report against performance indicators in their funding agreements. They

are already regulated by the Office of the Registrar of Aboriginal Corporations. The minister has the power to withdraw recognition if a body is poorly performing. So in our view the periodic recognition that the minister is proposing to impose is over the top and unnecessary. I know the minister is aware that an average native title claim takes about six years. So one of the most important things in this area is stability; not only for the native title system itself but for the social and economic development agendas of these institutions. We are certainly all for accountability but in my view this is not about accountability; it really is just going to make life more difficult for these native title representative bodies.

We made a number of constructive amendments to the bill when it was in the Senate, and these were based on various submissions to the Senate inquiry. Unfortunately, all but one of these amendments were rejected by the government. I am pleased that the government did support one amendment: that the parties' consent was required for the tribunal to make a hearing public. There is no question that that was a positive amendment that we put forward and I am pleased that the government has agreed to it. This was a change that drew upon a recommendation from the Aboriginal and Torres Strait Islander Commissioner.

We had a number of other constructive amendments, which unfortunately have not been adopted. For example, we wanted to make sure that only corporations registered under the Corporations (Aboriginal and Torres Strait Islander) Act 2006 would be eligible to apply for recognition as a representative body because as a result of the government's bill all corporations—both mainstream and Indigenous—will be eligible to apply. We also had an amendment to make it possible for prescribed body corporates to apply for funding in much the same way that native title rep bodies do. The government's rejection of this amendment is a major disappointment for the National Native Title Council, the Minerals Council and us on this side of the parliament.

The bulk of the amendments that we are still considering are unfortunately still focused on top-down control and more power to the minister and the bureaucracy. And there is nothing dealing with what everybody in this area really recognises as the major problems, which are the bottlenecks in the system and the fact that the native title rep bodies are not properly funded and that getting agreement is just taking too long, which is holding up development. I know the Attorney-General is aware of that and we would certainly hope that he will be arguing for additional funding for native title rep bodies in this budget round. It is a shame that he has not looked at the evidence that has come from submissions on this bill. That, I think, would have further enhanced the operation of the native title system,

but we still have major problems with the bill and with the amendments that are before us.

Question agreed to.

ANTI-MONEY LAUNDERING AND COUNTER-TERRORISM FINANCING AMENDMENT BILL 2007

Consideration of Senate Message

Consideration resumed from 22 March.

Senate's amendments—

- (1) Clause 2, page 2 (table item 6), omit the table item, substitute:

6.	The day after this Act receives the Royal Assent.
Schedule 1, items 21 to 57	

6A.	Immediately after the commencement of item 56 of Schedule 1 to the <i>Anti-Money Laundering and Counter-Terrorism Financing (Transitional Provisions and Consequential Amendments) Act 2006</i> .	13 December 2006
Schedule 1, item 57A		

6B.	The day after this Act receives the Royal Assent.
Schedule 1, item 58	

- (2) Schedule 1, page 8 (after line 32), after item 23, insert:

23A Paragraph 127(3)(b)

Omit “or 133”, substitute “, 133 or 133A”.

- (3) Schedule 1, page 11 (after line 22), after item 40, insert:

40A At the end of Division 4 of Part 11

Add:

133A When the Director-General of ASIS may communicate AUSTRAC information to a foreign intelligence agency

- (1) The Director-General of ASIS may communicate AUSTRAC information to a foreign intelligence agency if the Director-General is satisfied that:

- (a) the foreign intelligence agency has given appropriate undertakings for:
- (i) protecting the confidentiality of the information; and
 - (ii) controlling the use that will be made of it; and
 - (iii) ensuring that the information will be used only for the purpose for which it is communicated to the foreign country; and
- (b) it is appropriate, in all the circumstances of the case, to do so.

- (2) The Director-General of ASIS may, in writing, authorise an ASIS official to access the AUSTRAC information and communicate it to the

foreign intelligence agency on the Director-General's behalf.

Note: For variation and revocation, see subsection 33(3) of the *Acts Interpretation Act 1901*.

- (4) Schedule 1, page 15 (after line 12), before item 58, insert:

57A Subsection 3(1) (at the end of paragraph (c) of the definition of *non-reportable cash transaction*)

Add “that occurred after the commencement of Division 3 of Part 3 of the *Anti-Money Laundering and Counter-Terrorism Financing Act 2006*”.

- Mr RUDDOCK** (Berowra—Attorney-General) (5.58 pm)—I move:

That the amendments be agreed to.

Mr BEVIS (Brisbane) (5.52 pm)—When the Anti-Money Laundering and Counter-Terrorism Financing Amendment Bill 2007 was last before this parliament, and I spoke on the bill in this House, I alerted the parliament to the concerns that Labor had in relation to a number of aspects of the bill, in particular two that I identified dealing with provisions in the bill at clause 5D and clause 8(1), I think. Since then the Senate committee has had an opportunity to consider the bill in more detail and has made a number of findings and recommendations supporting the two matters that I raised in this parliament and identified a number of other areas that required improvement.

With the support of the government, the Senate has adopted a number of changes, and it has picked up six or seven of the 10 recommendations that were made by that committee. We welcome the government's willingness to listen to the good counsel of the Senate committee and to take on board those concerns, which both Labor and the Senate committee—and, I know, members of the government's party room—expressed about the bill.

The amendments we are dealing with fix up two of those issues I mentioned a moment ago. It is worth recalling the problem that the original bill presented. Clause 5 of the bill, as it appeared previously before this House, provided that a background check could relate to one or more of the following:

- (a) the individual's criminal history;
- (b) matters relevant to a security assessment of the individual;
- (c) the individual's citizenship status, residency status or the individual's entitlement to work in Australia, including but not limited to, whether the person is an Australian citizen, a permanent resident or an unlawful non-citizen; and the offending provision:
- (d) such other matters as are prescribed by the regulations.

Effectively that would have given the government the opportunity—without coming back to the parliament,

without establishing a public case for it to do so—to conduct quite invasive security checks on anybody at any time for any purpose for which the Commonwealth has constitutional powers. That is an extraordinarily broad purpose that the government sought to include in the legislation.

It is a sad reflection on the mindset of this government that it thinks providing bills of that sort is appropriate. The fact that we are here today to correct that is a good thing. It is nonetheless a cause for worry that a bill with those provisions could go through the vetting processes, be endorsed by the Attorney-General and be brought before this parliament with such extraordinarily sweeping powers, effectively for the executive, entailed in it. Whilst we understand these are disallowable instruments, nobody can honestly say that a regulation is subjected to the same level of scrutiny and public exposure as a piece of legislation. To provide such powers through regulation is not good governance, no matter who the government is.

The other provision was of a similar kind. It was picked up in recommendation 2 of the committee's report, which recommended that clause 8(1)(c) of the bill be removed. These amendments do that as well. That regulation provided for the establishment of a background checking scheme, the AusCheck scheme, that related to the conduct and coordination of background checks of individuals for the purposes of the Aviation Transport Security Act or regulations under that act, for the purposes of the Maritime Transport and Offshore Facilities Security Act 2003, or regulations under that act or—the offending clause—for such other purposes as are prescribed by regulations. Again, this is an open-ended power where the government sought to take unto itself the capacity to conduct investigations. (*Extension of time granted*) The combined effect of the provisions that were outlined in the original bill provides unfettered power for the Commonwealth to conduct these security checks for any purpose, as warranted by its own judgement, and affecting any Australian.

People looking at this may not appreciate what is involved in these security checks. It is not like getting a driver's licence, and it is not like getting a pass to Parliament House. These are serious background checks, typically involving Federal Police and ASIO background checking of individuals and those closely associated with them. These are not the sorts of things that citizens in a free society expect to be subjected to. Ordinary Australian citizens expect, quite rightly in a free society, to go about their normal business and as long as they do not break the law they expect their privacy to be respected. It is a fundamental tenet upon which our society is built. They certainly do not expect the government of the day to authorise intelligence collection agencies and law enforcement agencies to delve

into the depths of their personal, professional and public behaviour for no good reason—and, if there is a good reason, it will be supported in this parliament.

There has been bipartisan support for the establishment of AusCheck and for the creation of the MSIC and ASIC checks. In fact, Labor have been critical of the government's mishandling of these security passes. Our view on this side of the chamber is that the government have done a poor job in administering these security matters, but there has not been a shortage of willingness in this parliament to have necessary security checks done where there is a good public reason to do so. The government cannot claim that they need these extraordinary powers held to the executive, and they cannot claim they need these powers because there has been some obstruction in this parliament. Frankly, in the current situation, they have the numbers in both houses, which makes it pretty unlikely that there would be obstruction.

I am pleased that the government have been willing to review the matters that were raised by me when this bill was here before and also raised more extensively by the Senate committee in its recommendations. It is unfortunate that the government have decided not to adopt all of the Senate committee's recommendations. By way of a further amendment, I will be pursuing one of those after this matter is dealt with so as to give effect to recommendation 9 of the Senate committee's report. The other two recommendations that the government are not pursuing do have merit but, as the government have been willing to address the major areas of concern we have raised, I will not pursue them. At the conclusion of the matters immediately before the chair, I will move an amendment to give effect to recommendation 9 and I will speak to it at that time.

Mr RUDDOCK (Berowra—Attorney-General) (6.07 pm)—The bill we are discussing is the Anti-Money Laundering and Counter-Terrorism Financing Amendment Bill 2007. I think the honourable member for Brisbane was, in fact, debating the AusCheck Bill 2006, and all of the comments were quite superfluous. I hope he does not have to make those comments again at another time.

I would simply make the point that I think the most surprising admission that I heard in the context of the debate I just listened to was that regulations are not subject to the same degree of scrutiny as other legislation. I find that an extraordinary comment. We do have a Senate committee that has specific responsibility, with a high level of academic support, for reviewing all delegated legislation to ensure that matters are brought before the parliament if they involve any element of controversy, and there are a number of principles associated with that degree of scrutiny. For the Australian public to believe that the Labor Party takes the view

that regulations ought to be subject to a lesser degree of certainty is something I find disappointing.

I thank members for their contributions to the debate on the Anti-Money Laundering and Counter-Terrorism Financing Amendment Bill. The amendments do make the law more effective in the fight against money laundering and terrorism financing. I commend the amendments to the House.

Question agreed to.

AUSCHECK BILL 2006

Consideration of Senate Message

Bill returned from the Senate with amendments.

Ordered that the amendments be considered immediately.

Senate's amendments—

- (1) Clause 4, page 2 (line 7) to page 3 (line 4), insert:

aviation security identification card means an identification card issued under the *Aviation Transport Security Act 2004* or regulations under that Act.

Commonwealth authority means a body corporate established for a public purpose by or under a law of the Commonwealth.

maritime security identification card means an identification card issued under the *Maritime Transport and Offshore Facilities Security Act 2003* or regulations under that Act.
- (2) Clause 4, page 2 (line 8), before “In”, insert “(1)”.
- (3) Clause 4, page 3 (after line 4), at the end of the clause, add:
 - (2) To avoid doubt:

personal information, in relation to an individual, includes the following:

 - (a) the number of an aviation security identification card or a maritime security identification card issued to the individual;
 - (b) a photograph of the individual that appears on an aviation security identification card or a maritime security identification card issued to the individual.
- (4) Clause 5, page 3 (line 14), omit paragraph (d), substitute:
 - (d) verification checks of documents relating to the identity of the individual.
- (5) Clause 8, page 4 (line 4) to page 6 (line 2), omit the clause, substitute:

8 Establishment of AusCheck scheme

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

- (a) for the purposes of the *Aviation Transport Security Act 2004* or regulations under that Act; and

- (b) for the purposes of the *Maritime Transport and Offshore Facilities Security Act 2003* or regulations under that Act.
- (6) Clause 9, page 6 (line 23), at the end of subclause (1), add:
 - ; (i) matters relating to the establishment and provision of an online verification service that will enable verification:
 - (i) that an aviation security identification card or a maritime security identification card has been issued to a particular individual and is in effect at a particular time; or
 - (ii) that an individual who is in possession of an aviation security identification card or a maritime security identification card is the person to whom the card was issued.
 - (7) Clause 10, page 7 (lines 1 to 16), omit the clause.
 - (8) Clause 13, page 9 (line 9), after “purposes”, insert “directly”.
 - (9) Clause 13, page 9 (line 15), at the end of the clause, add:
 - ; or (c) the collection, use or disclosure is for the purposes of providing an online verification service that will enable verification:
 - (i) that an aviation security identification card or a maritime security identification card has been issued to a particular individual and is in effect at a particular time; or
 - (ii) that an individual who is in possession of an aviation security identification card or a maritime security identification card is the person to whom the card was issued.
 - (10) Clause 14, page 9 (lines 27 and 28), omit subparagraph (2)(b)(iii), substitute:
 - (iii) the collection, correlation, analysis or dissemination of criminal intelligence or security intelligence by the Commonwealth, or by a Commonwealth authority that has functions relating to law enforcement or national security, for purposes relating to law enforcement or national security.
 - (11) Clause 14, page 9 (after line 28), after subclause (2), insert:
 - (2A) AusCheck scheme personal information about an individual may be used or disclosed for the purpose of verifying:
 - (a) that an aviation security identification card or a maritime security identification card has been issued to a particular individual and is in effect at a particular time; or
 - (b) that an individual who is in possession of such an identification card is the person to whom the card was issued.
 - (2B) AusCheck scheme personal information used or disclosed for the purpose mentioned in subsection (2A) must be limited to personal information of a kind directly necessary for that purpose, and must only be used or disclosed to the extent necessary for that purpose.

- (12) Clause 17, page 14 (line 5), before “The”, insert “(1)”.
- (13) Clause 17, page 14 (after line 6), at the end of the clause, add:
- (2) If the operation of this section would result in an acquisition of property from a person otherwise than on just terms, the Commonwealth is liable to pay a reasonable amount of compensation to the person.
 - (3) If the Commonwealth and the person do not agree on the amount of the compensation, the person may institute proceedings in a court of competent jurisdiction for the recovery from the Commonwealth of such reasonable amount of compensation as the court determines.
 - (4) In this section:

acquisition of property has the same meaning as in paragraph 51(xxxi) of the Constitution.

just terms has the same meaning as in paragraph 51(xxxi) of the Constitution.

Mr RUDDOCK (Berowra—Attorney-General) (6.10 pm)—I move:

That the amendments be agreed to.

I think we have already had the debate on this matter, but let me just say that significant resources have been provided by the government to combat terrorism. The aviation and maritime sectors, in particular, have benefited from major investment and rapid change designed to build on existing security arrangements. More vigilant background checking for people who have access to secure areas at airports and marine ports has been a critical part of these arrangements.

The reason that we have created AusCheck is to improve the rigour and coordination of the process. With the passage of this legislation, AusCheck will be ready to commence operations, as intended, on 1 July. For the aviation and maritime industries, this translates to a more efficient and reliable service. AusCheck will do away with the current paper based scheme. Instead, it will have a state-of-the-art computer database with up-to-date information on people who apply for and are issued with a security card.

It should be expected—and the government fully anticipates—that once it is operational there will be demand for its services amongst other sectors where there is a strong community interest in background checking, such as where people are responsible for the care of children and the elderly. My firm hope is that, when this parliament is presented with an amendment to the AusCheck Act to add new background-checking schemes to AusCheck’s services, it deals with the amendment in a timely manner, so that the government can remain responsive to industry needs and community expectations.

I am pleased that, with the passage of this bill, the government has again added to our domestic security

arsenal while at the same time providing a more efficient and reliable service to industry.

Mr BEVIS (Brisbane) (6.11 pm)—Never let it be said that we are not confused on this side of the chamber! Obviously, my comments in the previous debate on the Anti-Money Laundering and Counter-Terrorism Financing Amendment Bill actually related to the AusCheck Bill 2006, which is now before the parliament. I should say for the record that we were happy to support the passage of the money-laundering bill that was just dealt with.

In speaking to the AusCheck Bill, I do not propose to repeat the things that I said at the wrong point in time a moment ago, but there are one or two things that I should add. In terms of the question of scrutiny of bills as opposed to scrutiny of regulations, my comments a moment ago stand—notwithstanding the misrepresentation of them by the Attorney. The simple fact is that a bill before this parliament typically rests in the parliament for a couple of weeks. It is then debated through a second reading debate, if need be in committee, through a third reading debate and it then goes to the other chamber. The process for dealing with regulation is straightforward. A regulation is listed and becomes law unless one or other of the chambers carries a resolution to disallow it. That is a simple one-resolution process.

For those who want to consider the way in which that is undertaken, I suggest they have a look at the disallowable instruments list that is put out and see the pages of regulations that the government put in place—most of which never come before this parliament for discussion or consideration. In many cases, that is for good reason—for example, administrative regulations for good governance in accordance with the law. The regulations that I spoke about—which were in the original bill but have now been taken out by virtue of the Senate’s decision—were not implementing good governance administratively in accordance with the bill; they were designed to extend the bill to the widest possible parameters the Constitution of Australia permits. There is a world of difference.

The Attorney may want to feign indignation at the thought that regulations do not undergo the same scrutiny as bills, but it happens to be a case of process of government. I have no doubt that the Attorney understands that well. I have no doubt that anybody who actually looks at it understands that well. I am sure that the legal fraternity would be thrilled to know that the Attorney-General of Australia sees no difference in the level of scrutiny to which regulations are subjected compared to a bill before the parliament. If that is indeed the Attorney’s considered view, he might find more than the odd lawyer around the country who would beg to differ.

The amendments that we are now dealing with improve the legislation. As I commented before, it is a pity that the others were not picked up. After this is dealt with, I will move an amendment to pick up one of the other recommendations that I think warrants particular attention.

Question agreed to.

Mr BEVIS (Brisbane) (6.15 pm)—I move the amendment that has been circulated in my name:

Page 14 (after line 6), after clause 17, insert:

17A Periodic reporting

- (1) The Secretary must before the end of June and November in each year, give to the Minister a written report on the operation of the AusCheck scheme which includes the following specific details:
 - (a) the number and type of background checks conducted by AusCheck;
 - (b) the average time taken to conduct background checks;
 - (c) the specific provision in legislation under which background checks have been conducted;
 - (d) the number of individuals who have received adverse background checks and the basis for those adverse assessments; and
 - (e) the agencies to which information obtained by AusCheck has been shared and for what purposes.
- (2) The Minister must cause a copy of the report provided to the Minister under subsection (1) to be tabled in each House of the Parliament within 5 sitting days of that House after the Minister receives the report.

This amendment is relevant to the Senate amendments before us. Put simply, this is a provision that faithfully reflects the views that the Senate committee put in their recommendation 9. It is straightforward. You have to wonder why the government is so concerned to maintain secrecy about the operation of these checks. There is no tactical or operational information being sought. It is purely statistical data. The people of Australia and the parliament of our nation are entitled to know how often these unusual special powers to pry into people's personal lives for the public good and for national security are used by the government of the day. They have a right to the statistical information that this amendment would provide.

I will be interested to hear from the Attorney why it is that the government regard it as inappropriate to report to this parliament on the number of occasions on which they use these checks. There is no conceivable reason. I can recall in earlier debates on other legislation where sunset clauses and reporting matters were dealt where the Attorney claimed that it would be onerous and burdensome for the agencies involved to be

doing these things. That is patent nonsense. If that is the core of the Attorney's belief in this matter then frankly he will need to do a little bit better than that to convince anybody on his own back bench—let alone anyone out in the public—who has a concern about this.

Without accountability, these powers become open to abuse. One of the safeguards in our society against misuse of powers by the state in these situations is to have a light shone on the area in question. In other areas, that can be done through supervisory committees—and you see that in state governments in Australia as well as here—with parliamentary bodies, the Inspector-General of Intelligence and Security and people like that. When it comes to the use of these powers, though, there is no reason at all why the parliament should not be informed as to how often these checks have been done, what background checks have been done, the number of individuals who have been involved and which agencies have been supplied with this information.

Why on earth can't the parliament have that statistical information? What has the government got to hide in this process? It is a fair, reasonable and balanced position. It happens to be the unanimous view of a Senate committee which included a number of the minister's colleagues—Senator Marise Payne, Senator Sandy Macdonald, Senator Stephen Parry and Senator Russell Trood—along with Labor senators and a Democrat senator. There was an additional participating senator, Senator Stott Despoja. That was a recommendation that they all thought made good sense and good governance. Why is it, Attorney-General, that that is not an appropriate thing?

Mr RUDDOCK (Berowra—Attorney-General) (6.20 pm)—The fact is that there is a requirement for reporting to the parliament. There is an annual report of the department. My colleague in the other place—and I am surprised that the member did not know of this—gave an assurance that this information, in the form in which it has been outlined, will be included in the annual report. It is a question of whether you have a multiplicity of reports or whether you include it in the relevant statute. We have no problem with the information being made available to the parliament, and more broadly, in the annual report. We do not regard it as being inappropriate. That is the point that I am making.

In fact, a number of my colleagues were interested in this issue. You may imagine that we discussed it; we did. My colleagues who are on the committee tend to be on my backbench committee. If people have an interest, they carry it through from parliamentary committees to party committees. My colleagues accepted the explanation that we did not think that it was necessary to put in a separate reporting requirement.

Mr BEVIS (Brisbane) (6.21 pm)—I am pleased that the Attorney has placed on the record the government's commitment to provide these details in the annual report. However, it makes it even more bewildering. If the government has no objection to the disclosure of this information, why leave it to the good grace of the minister for the time being? Those of us who have been in this parliament for some time and involved in any particular policy area over a period of time tend to have a close look at annual reports for data when they come out. I have to tell you that the quality and consistency of detail provided in annual reports changes dramatically. I take no comfort, frankly, out of a commitment from the Attorney-General that the annual report is going to include this. I take him at his word that it will be in the annual report due out later this year. But whether or not that is going to be in the annual report after that will very much depend upon who the Attorney-General of the day is.

After we win the election, I suspect your successor as Attorney-General would be glad to give the commitment. But you might find that we would be equally glad to provide the commitment in black and white. There is no reason why, if the government wants this material to be made available as the Attorney said, he should oppose this amendment. It is not good enough to leave it to the whim of whoever happens to be authorising next year's annual report.

If there was a government-wide code for how annual reports were to be constructed and that was public, that might provide some basis for us to think that there was substance in it. But you only need to go through the Defence annual reports over the last 10 years that this government has been in office to quickly grasp how differently matters are reported. The budget papers that the Treasurer provides on budget night are now hugely different and in many ways far less informative. Annual reports are in the same vein. If there is no objection to this information being provided then I say to the government and the Attorney-General: do the right thing. Pick up the recommendation of the committee and put it in the legislation.

If you think reporting twice a year is too onerous—I do not; I think there is a safeguard in that—then change it and make it once a year. But do not leave it to the good grace or whim of whoever happens to be the Attorney-General. An annual report is far too imprecise a document, with no particular parameters.

I have not done the research, but now that you have raised it I will go back and look at the last few annual reports from the Attorney-General. I wonder how detailed and consistent they have been. I have not looked at them, so maybe the Attorney-General will be able to smile and say his are the ones that have been consistently good and detailed. I doubt it, but I can say without equivocation that annual reports of departments

that I do regularly go through are not consistent. They change from time to time. To have the Attorney-General expect this parliament to accept that as in any way a satisfactory response to the Senate committee recommendations is wrong. It may have been something that placated his backbench, but it does not placate the parliament.

The DEPUTY SPEAKER (Mr Hatton)—The question is that the amendment be agreed to.

The bells having been rung—

The DEPUTY SPEAKER—Lock the doors. Lock the doors!

Honourable members interjecting—

The DEPUTY SPEAKER—I just note that I asked for the doors to be locked but they were not locked immediately. There is one member who is in here for the division that should not have been if the doors had been locked at the time. Minister, I think you might go.

The member for Groom then left the chamber.

Mr Hockey—Mr Deputy Speaker, I was looking at the doors when that happened. If the attendant is late in closing the door, it is not the responsibility of the member—

The DEPUTY SPEAKER—It is a very simple situation. I was watching the doors; I had a better aspect on it than you. I asked for the doors to be locked; I asked again for them to be locked. The minister has done the right thing—a thing that should have been done in the past.

Mr Hockey interjecting—

The DEPUTY SPEAKER—I think we will just go with the rest of the procedure; you are wrong.

Question put:

That the amendment (**Mr Bevis's**) be agreed to

The House divided. [6.29 pm]

(The Deputy Speaker—Mr Hatton)

Ayes.....	56
Noes.....	79
Majority.....	23

AYES

Adams, D.G.H.	Albanese, A.N.
Andren, P.J.	Beazley, K.C.
Bevis, A.R.	Bird, S.
Bowen, C.	Burke, A.S.
Byrne, A.M.	Corcoran, A.K.
Danby, M. *	Edwards, G.J.
Elliot, J.	Ellis, A.L.
Ellis, K.	Emerson, C.A.
Ferguson, L.D.T.	Ferguson, M.J.
Fitzgibbon, J.A.	Garrett, P.
Georganas, S.	George, J.
Gibbons, S.W.	Gillard, J.E.
Grierson, S.J.	Griffin, A.P.
Hall, J.G. *	Hayes, C.P.

Hoare, K.J.	Irwin, J.
Jenkins, H.A.	Kerr, D.J.C.
King, C.F.	Lawrence, C.M.
Livermore, K.F.	Macklin, J.L.
McClelland, R.B.	McMullan, R.F.
Melham, D.	Murphy, J.P.
O'Connor, B.P.	O'Connor, G.M.
Owens, J.	Plibersek, T.
Price, L.R.S.	Quick, H.V.
Ripoll, B.F.	Roxon, N.L.
Sawford, R.W.	Sercombe, R.C.G.
Smith, S.F.	Snowdon, W.E.
Tanner, L.	Thomson, K.J.
Vamvakinou, M.	Wilkie, K.

NOES

Anderson, J.D.	Andrews, K.J.
Bailey, F.E.	Baird, B.G.
Baker, M.	Baldwin, R.C.
Barresi, P.A.	Bartlett, K.J.
Billson, B.F.	Bishop, B.K.
Bishop, J.I.	Broadbent, R.
Brough, M.T.	Cadman, A.G.
Causley, I.R.	Ciobo, S.M.
Cobb, J.K.	Costello, P.H.
Downer, A.J.G.	Draper, P.
Dutton, P.C.	Elson, K.S.
Entsch, W.G.	Farmer, P.F.
Fawcett, D.	Ferguson, M.D.
Forrest, J.A.	Gambaro, T.
Gash, J.	Georgiou, P.
Haase, B.W.	Hardgrave, G.D.
Hartsuyker, L.	Henry, S.
Hockey, J.B.	Hull, K.E. *
Hunt, G.A.	Jensen, D.
Johnson, M.A.	Jull, D.F.
Katter, R.C.	Keenan, M.
Kelly, J.M.	Laming, A.
Lindsay, P.J.	Markus, L.
May, M.A.	McArthur, S. *
McGauran, P.J.	Mirabella, S.
Nairn, G.R.	Nelson, B.J.
Neville, P.C.	Pearce, C.J.
Prosser, G.D.	Pyne, C.
Randall, D.J.	Richardson, K.
Robb, A.	Ruddock, P.M.
Schultz, A.	Scott, B.C.
Secker, P.D.	Slipper, P.N.
Smith, A.D.H.	Somlyay, A.M.
Southcott, A.J.	Stone, S.N.
Thompson, C.P.	Ticehurst, K.V.
Tollner, D.W.	Truss, W.E.
Tuckey, C.W.	Vale, D.S.
Vasta, R.	Wakelin, B.H.
Washer, M.J.	Windsor, A.H.C.
Wood, J.	

* denotes teller

Question negatived.

Mr HOCKEY (North Sydney—Minister for Employment and Workplace Relations and Minister Assisting the Prime Minister for the Public Service) (6.36 pm)—**Mr Deputy Speaker**, on indulgence, during the course of the last division the Minister for Industry, Tourism and Resources came through the doors while

they were still open. The doors were still open so that is how he got through the doors. Without any disrespect to you, **Mr Deputy Speaker**, or any inference for the attendant at hand, can I ask that the Speaker provide advice to the House on the responsibilities when a member does come through the doors? My understanding is that, if the doors are open, a member is entitled to go through the doors. If the doors are closed of course they cannot. But, if a member does go through the doors into the division and is then asked to leave, I think that is an incorrect ruling. I know you did it in good faith, but I think the matter needs to be clarified for other members because it is a very important matter.

The DEPUTY SPEAKER (Mr Hatton)—I thank the member for North Sydney and I will give a very simple response.

Mr HOCKEY—I will just clarify. I ask for you, the Deputy Speaker, to refer the matter to the Speaker.

The DEPUTY SPEAKER—For the benefit of the member for North Sydney, I am at present the acting Speaker. The ruling I made was a ruling regarding the minister for industry attending or not attending this division. I did it for a reason and a purpose. Previously, we have had a series of incidents when not one member but many members have forced their way into a division because the doors have been kept open for longer than they should have been. I clearly called for the doors to be closed. They should be closed rapidly. That instruction to those who work in this place should be actively carried out. There was a slowness in the closing of the doors on the part of the person who closed them. The minister for industry, no doubt, heard what I was saying and that is why he left. He knew that the doors had been kept open for longer after the call had been made. That is why I acted in the way that I did.

Honourable members interjecting—

The DEPUTY SPEAKER—We do not need members butting in on all sides in relation to this. The Speaker at any time can take action or talk to me about what I have done. But, acting in the place of the Speaker, I made that determination. It is the correct determination and I stand by it.

Mr Albanese—**Mr Deputy Speaker**, I raise a point of order. Perhaps the member opposite did not recognise someone from the Queensland branch of the Liberal Party being honourable. That is the explanation. The minister fessed up and walked out. He clearly concurred and complied with your ruling.

The DEPUTY SPEAKER—I think it would assist the House if I simply noted here, as I noted at the time, that the minister of his own volition did what he did, noting what the circumstances were prior to that. I think that was an honourable and sensible thing do. I

think the matter is now at an end. If anyone wants to take it up with the Speaker, they are at liberty to do so. I think we should get on with the business of the House.

**SAFETY, REHABILITATION AND
COMPENSATION AND OTHER LEGISLATION
AMENDMENT BILL 2006**

Consideration of Senate Message

Bill returned from the Senate with amendments.

Ordered that the amendments be considered at the next sitting.

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

Consideration of Senate Message

Bill returned from the Senate with an amendment.

Ordered that the amendment be considered at the next sitting.

AIRPORTS AMENDMENT BILL 2006

Consideration of Senate Message

Bill returned from the Senate with amendments.

Ordered that the amendments be considered at the next sitting.

**TAX LAWS AMENDMENT (2007 MEASURES No.
1) BILL 2007**

Returned from the Senate

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

**GOVERNANCE REVIEW IMPLEMENTATION
(TREASURY PORTFOLIO AGENCIES) BILL
2007**

Second Reading

Debate resumed from 1 March, on motion by **Mr Pearce**:

That this bill be now read a second time.

Mr PEARCE (Aston—Parliamentary Secretary to the Treasurer) (6.41 pm)—in reply—The Governance Review Implementation (Treasury Portfolio Agencies) Bill 2007 will improve corporate governance arrangements for the Australian Securities and Investments Commission, ASIC, the Corporations and Markets Advisory Committee, CAMAC, and the Australian Prudential Regulation Authority, APRA. This bill is part of a broader effort within government to improve transparency and consistency in relation to the governance arrangements for statutory authorities and office holders. This is as a result of the June 2003 Uhrig review, entitled *Review of the corporate governance of statutory authorities and office holders*. The government's response to the review demonstrates our commitment to an effective public sector.

This bill amends the financial framework for ASIC, CAMAC and APRA by transferring these agencies

from the Commonwealth Authorities and Companies Act 1997, otherwise referred to as the CAC Act, to the Financial Management and Accountability Act 1997, otherwise known as the FMA Act. This change is consistent with the Uhrig recommendation that the FMA Act should apply to statutory authorities where it is appropriate that they be legally and financially part of the Commonwealth and they do not need to own their own assets. The Uhrig review noted that agencies that the FMA Act would typically apply to include budget funded authorities as opposed to those primarily funded through commercial operations.

The FMA Act provides a rigorous framework for the collection, management and expenditure of public money generally. The FMA Act is well suited to ASIC, CAMAC and APRA, as these agencies are largely budget funded. The FMA Act better reflects the role of ASIC and APRA as regulators and CAMAC as an advisory body, in contrast to government bodies with a focus on commercial activities. Transferring ASIC, CAMAC and APRA to the FMA Act will not affect these bodies' independence or their operational activities. As the Uhrig review pointed out, an authority's independence is determined by their legislative framework rather than their financial frameworks. In conclusion, I believe that the benefits of the measures contained in this bill can be clearly identified in terms of increased consistency of arrangements for agencies across government and improved corporate governance for ASIC, CAMAC and APRA resulting from the new financial framework. I commend the bill to the House.

Question agreed to.

Bill read a second time.

Message from the Governor-General recommending appropriation announced.

Third Reading

Mr PEARCE (Aston—Parliamentary Secretary to the Treasurer) (6.45 pm)—by leave—I move:

That this bill be now read a third time.

Question agreed to.

Bill read a third time.

**BANKRUPTCY LEGISLATION AMENDMENT
(SUPERANNUATION CONTRIBUTIONS) BILL
2006**

Debate resumed from 1 March.

Second Reading

Mr NAIRN (Eden-Monaro—Special Minister of State) (6.46 pm)—I present the explanatory memorandum to this bill and I move:

That this bill be now read a second time.

The Bankruptcy Legislation Amendment (Superannuation Contributions) Bill 2006 will amend the Bankruptcy Act 1966 to provide that bankruptcy trustees can

recover superannuation contributions made to defeat the claims of creditors.

These amendments respond to the High Court's decision in *Cook v Benson*, the effect of which has been to make it very difficult for bankruptcy trustees to recover superannuation contributions made by a person in the lead-up to bankruptcy, even where those contributions were made specifically with the intention to defeat creditors. This represents a significant threat to the integrity of the bankruptcy system because it means that a person facing bankruptcy can transfer assets into superannuation to ensure they are not available to pay creditors. As jointly announced by the Minister for Revenue and Assistant Treasurer and the Attorney-General on 27 July 2006, the amendments will apply to superannuation contributions made on or after 28 July 2006.

The amendments provide an appropriate balance between the need to encourage people to save for retirement and the need to protect creditors from unscrupulous debtors who can currently attempt to avoid paying their debts by converting wealth into superannuation in the lead-up to bankruptcy. They will allow superannuation contributions to be recovered only where there has been deliberate action by the bankrupt to avoid paying creditors.

The amendments have been developed following extensive public consultation. The approach taken by these amendments avoids the complexity of earlier proposals and is consistent with the government's plan to simplify and streamline superannuation. I would like to note the report of the Senate Standing Committee on Legal and Constitutional Affairs following its inquiry into this bill. The committee noted the extensive public consultation undertaken in developing these amendments and the broad support for these amendments and recommended that the bill be passed.

The amendments are based on section 121 of the act, which deals with transfers of property by a person who subsequently becomes bankrupt where the transfer was made with the intention to defeat creditors. The new provisions will ensure superannuation contributions made with the same intent are recoverable on the same basis as other transfers.

In line with section 121, the new rules will allow the trustee to assume that superannuation contributions were made with the intention to defeat creditors where the bankrupt was insolvent at the time of making the contributions. The court will also be empowered to consider the bankrupt's history of making superannuation contributions in determining whether the requisite intention existed at the time.

Where contributions are void under the new provisions, the official receiver will have the power to issue notices to the trustee of the superannuation plan requiring payments to be made to the bankruptcy trustee.

These powers are already exercised by the official receiver under section 139ZQ of the act in relation to other void transfers.

This bill includes other amendments to facilitate recovery of void superannuation contributions, including a power for the official receiver to issue a superannuation account-freezing notice to prevent any dissipation of funds. The bill also provides clear protection for superannuation fund trustees who comply with notices issued by the official receiver to recover contributions.

The bill also contains amendments designed to protect certain types of rural grants in the event of the recipient's bankruptcy. The Bankruptcy Act already protects certain types of grants—for example, grants pursuant to the Dairy Exit Program and the Farm Help Re-establishment Grant Scheme. The amendments represent no change in policy and will simply allow new classes of grants to be exempted more quickly.

Finally, the bill also includes some minor and technical amendments to improve the operation of the Bankruptcy Act.

I commend the bill to the House.

Ms ROXON (Gellibrand) (6.51 pm)—I rise to speak on the Bankruptcy Legislation Amendment (Superannuation Contributions) Bill 2006. As the minister has outlined, the principal effect of this bill is to allow the recovery of funds placed in superannuation by defaulting debtors if the placement of those funds was made with the intention of defeating creditors. In part, it deals with the problems identified by the High Court in 2003 in the case of *Cook v Benson*. The thrust of this bill is to bring superannuation contributions in line with other transfers of funds that have been effected to defeat creditors. The bill will work in two ways to stop this from happening. The first schedule contains provisions which will have the effect of making certain superannuation contributions invalid and provide for the conditions under which these contributions may be recovered. The second schedule makes other amendments, including in relation to payments made under rural support schemes and the role and functions of the inspector-general. The first schedule provides for two types of recoverable contributions: contributions made by a person who later becomes a bankrupt and contributions made by a third party on behalf of a person who later becomes a bankrupt.

The new provisions introduced by part 1 of the first schedule largely mirror an existing section within the act which applies to other transfers of funds. Briefly, they provide the basis on which the court determines whether or not the transfer of funds was made with the intent of defeating creditors. These include considerations such as whether or not it can be reasonably inferred from all the circumstances that, at the time of the transfer, the transferor was, or was about to become, insolvent. They also contain considerations which re-

late to whether or not the contribution was out of character. In line with existing subsections, the rights of innocent transferees are protected. There are also sections in the bill which relate to superannuation contributions made by a third party. The explanatory memorandum states that this is to take into account certain types of contributions, such as salary sacrifices.

Part 2 of the first schedule contains the amendments relating to the processes for the recovery of superannuation contributions. The official receiver will be granted the power to issue a notice to freeze a superannuation account under certain conditions in order to avoid the bankrupt person dealing with the fund in such a way as to prevent the superannuation being recovered. Section 128E will provide the receiver with a wide variety of powers to restrict the operation of a superannuation account.

There are provisions further on in the amendments which will allow a person whose superannuation account is frozen to apply to the official receiver to deal with the account in certain ways. Under specified conditions, the receiver may consent to such dealings. There are also provisions that allow for a court to set aside an account-freezing notice.

Another new section, 139ZU, provides for the circumstances in which a person has rolled over a contribution to another superannuation account.

Finally, schedule 2 makes some technical amendments to the act, and also provides for the protection of certain payments under rural support payment schemes. I commend the bill to the House.

Mr WAKELIN (Grey) (6.54 pm)—It is my pleasure to speak on the Bankruptcy Legislation Amendment (Superannuation Contributions) Bill 2006. I will be very brief too so, for any subsequent speaker, I let it be known that I will only be four or five minutes. As we know, the objects of the bill are to provide for the recovery of superannuation contributions made with the intention to defeat creditors, to provide for certain rural grants to be exempt from the property available to pay the bankrupt's creditors and to make minor technical amendments to clarify or improve the operation of the Bankruptcy Act 1966.

I will address the second of the objects first because it is the one that I know a little about. In my experience within the agricultural industry, there has always been this doubt. From time to time, creditors have sought to confiscate, if you like, some of these grants that are made by government. Just to remind the House, they are grants pursuant to the Dairy Exit Program and the Farm Help Re-establishment Grant Scheme. The grants can sometimes be a significant amount of money when somebody has lost everything, and the intention of the government is to offer grants of up to \$50,000—perhaps a little more—to assist people who at some

point in their lives had significant assets but, due to a series of circumstances, have ended up with nothing.

This is the government's way of saying, 'We have empathy and, at the very least, there should be a limited amount of cash there to help you re-establish.' This bill endeavours to protect that. As the minister said in his second reading speech, currently the act must be amended every time a new class of grant becomes available which should be exempted from a bankrupt's divisible property. To avoid this, the bill will include a power to prescribe these grants in the regulation. As we know, the regulations can be made at the time that a new class of grant is created without having to wait for the act to be amended and laid on the table.

The issue of the official receiver in relation to other void transfers is dealt with under an interesting section of the act, 139ZQ. To remind us, the minister said in his second reading speech that because there is a risk that a bankrupt may move money out of the superannuation plan before the trustee has finalised investigations and instigated recovery action, the trustee will also be able to request the official receiver to issue a superannuation account-freezing notice to prevent any dissipation of funds. There will be time limits on the effectiveness of these notices to ensure trustees do not unreasonably delay a recovery action. The bill also makes it clear that a trustee of a superannuation plan who complies in good faith with a notice given by the official receiver will not be exposed to any civil or criminal liability as a result of that compliance.

The announcement was made by the Attorney-General and the Minister for Revenue and Assistant Treasurer on 27 July 2006. The amendments will apply to any contribution made on or after 28 July 2006. The bill will have little or no financial impact, and I understand that there has been an inquiry into the bill by the Senate Standing Committee on Legal and Constitutional Affairs, which recommended that the bill be passed. For the purposes of the Bankruptcy Legislation Amendment (Superannuation Contributions) Bill 2006, I see no need to say anything further.

Mr HAYES (Werriwa) (6.59 pm)—I advise the minister at the table that I too will be going short of my allotted time in this speech. I do not rise to oppose the Bankruptcy Legislation Amendment (Superannuation Contributions) Bill 2006 but I do wish to point out some shortcomings, at least from my perspective. The most significant amendment made by this bill will be to allow bankruptcy trustees to recover superannuation contributions made prior to bankruptcies which are intended to defeat creditors. The amendment addresses the problem highlighted in the High Court decision in *Cook v Benson* in 2003, which opened up the possibility that people could hide money from their creditors by putting it into superannuation before declaring themselves bankrupt. This is a welcome amendment. I

am sure that creditors who in the past have had money slip through their fingers will be keen to see that the loophole highlighted by the *Cook v Benson* matter will be closed.

As indicated by previous speakers, the overall purpose of the amendments in this bill is as follows. The bill will allow a bankruptcy trustee to recover the value of contributions to an eligible superannuation plan made by the bankrupt to defeat creditors. It will allow the trustee to recover contributions made by a person other than the bankrupt for the benefit of the bankrupt where the main purpose, again, was to defeat creditors. It will ensure that consideration given by the superannuation trustee for the contribution will be ignored in determining whether the contribution is recoverable by the bankruptcy trustee. It will allow the court to consider the bankrupt's historical contribution pattern and whether any contributions were out of character in determining whether they were made to defeat creditors. The bill will provide that a superannuation fund will not have to repay any fees and charges associated with the contributions or any taxes it has paid in relation to the contributions. Finally, it will give the official receiver the power to issue a notice to the superannuation fund or funds that are holding the contributions that will put a freeze on the funds in order to prevent a bankrupt from rolling them over into another fund, therefore seeking to cover moneys that would otherwise be recoverable in bankruptcy.

These are all very sound measures that will act in concert to close the loophole that allows money to be channelled into the superannuation fund of the bankrupt or someone acting in the interests of the bankrupt in order to defeat creditors. However, as I noted at the outset, I do not believe that these measures go far enough. While welcome for creditors, these amendments do absolutely nothing for working Australians who lose their superannuation entitlements when companies go bankrupt.

There are not too many worse things that can happen to any working Australian than for them to find themselves out of work as the organisation they worked for has gone into either liquidation or bankruptcy. It is devastating to anyone who has been in that situation. In many cases it is very much unexpected when they find themselves out of work as a result of poor company performance. However, finding yourself out of work can quickly become worse when a worker finds that an organisation that they have been working for has not put aside the employees' entitlements to cover their liabilities. I have dealt with many working Australians in the past who have experienced this. There are many thousands of people who fall into this category. Even as a local parliamentarian I have worked with people who have lost thousands of dollars simply because someone in their company did not put

aside money to cover leave, long service and other entitlements.

I note that members opposite would indicate that those entitlements could be accommodated by the General Employee Entitlements Redundancy Scheme, or GEERS. GEERS does not work well enough and it certainly does not work in the recovery of superannuation entitlements. I know GEERS does not work as well as working Australians want it to because I have been involved in an ongoing debate between an insolvency company and the Department of Employment and Workplace Relations about some technical specifications of a deed of arrangement which has cost one of my constituents a considerable amount of money. Despite the deed, which by all appearances will operate in a manner consistent with the requirements of the department, my constituent's request for assistance through GEERS has been rejected because the deed does not fulfil the exact requirements of the GEERS operating arrangements. For this constituent, a person of advancing years who has worked for the organisation for a considerable period of time, the system has not worked to satisfy his expectations. It certainly has not worked to satisfy mine.

While members opposite can dismiss concerns about the operation of GEERS, they cannot come in here and deny that there is an insufficient amount of protection in place for the superannuation contributions of Australian workers. The superannuation savings of Australians now amount to more than \$1 trillion. By any measure, that is an impressive amount of money that has accumulated following the decision of a previous Labor government to introduce a system of compulsory superannuation contributions. Some in this place will recall, no doubt, that the Coalition did not support the introduction of the superannuation guarantee. They opposed it at every step. As the value of superannuation savings continues to grow, the government's efforts to rewrite history to claim credit for the whole system seem to be growing with it. The government would have Australians believe that they were the architects of superannuation, despite the fact that they never really believed in it—at least, not right at the beginning.

The rapid growth of superannuation savings means that we have responsibility for a significant proportion of people's retirement income. That is something that should be protected. Those savings mean an adequate retirement income for many Australians who would otherwise not have that income to rely on. It is a credit to a good policy, but it is certainly something that has to be protected.

To understand the value of this system you need look no further than the accumulation of these savings. As I mentioned, currently there is somewhere in excess of \$1 trillion in superannuation savings. Over the

course of the next decade, to 2017, it has been predicted that superannuation savings of working Australians will be in the vicinity of \$3 trillion, due to a three-fold growth. Such a huge sum of money is worthy of some real protection but, more importantly, given the age of the Australian population, it is now more important than ever that we take measures to protect superannuation moneys that hardworking Australians have accumulated and are entitled to enjoy in their retirement years.

The government has acted to cover the unfunded liabilities of Commonwealth public servants through the Future Fund—in fact, according to the Minister for Finance, Senator Minchin, so much money is flowing into the Future Fund that unfunded liabilities are likely to be met much earlier than expected. The government has taken what would be considered a responsible step in that respect, but there remains a gap in the protection of the superannuation contributions of other working Australians. It is for this reason that I describe this bill as a good start—as a matter of fact, a great start if you are a creditor—but one which does not go far enough if you are a working Australian looking for the preservation of your superannuation entitlements. Therefore it is disappointing that the government has once again failed to adopt the plan put forward by Labor to include superannuation under GEERS and protect superannuation entitlements.

Labor has put forward a proposal which would guarantee workers' rights in respect of superannuation entitlements. Working Australians are very conscious of the growth of their personal superannuation as they move towards planning their retirement. Following Labor's bold decision to introduce a system of retirement savings for all working Australians, there is widespread recognition of the importance of these savings, of making sure that employers pay them and that this pool of money is protected. The compounding effect of missing out on even a small sum of superannuation can have a huge impact on the lifestyle that people can afford in retirement.

Superannuation is a statutory entitlement of employees. While members opposite tried their hardest to oppose superannuation at the outset, it is now a reality. It is a statutory entitlement and it should be protected in the same way as annual and long service leave. Accordingly, it should be afforded the same level of protection by including superannuation entitlements under the GEERS scheme.

Through this bill, the government is seeking to close the loophole that allows money to be channelled into superannuation to defeat creditors, yet it continues to resist providing protection to working Australians who lose their superannuation entitlements due to companies going into bankruptcy. This amendment has been introduced—and I support it—with a view to making

sure that payments to superannuation plans to defeat creditors will be recoverable in the same way that payments or transfers to other funds, again to defeat creditors, are similarly recoverable. This should apply to protect the statutory entitlement of superannuation contributions of Australian workers. They should not have to pay the price in retirement for the fact that their former employer was able to get away with not making the superannuation payments on their behalf. Going into bankruptcy is a way of escaping entitlements to employees.

I believe the amendments before us have not gone far enough insofar as I would be looking for something in the bill that could be utilised by employees to protect their nest egg in much the same way as this bill seeks to protect the finances of creditors—and rightfully so—from the application of bankruptcy laws. While I support the provisions of this bill I think if the government took a clear look at how important superannuation is to every member of—

The DEPUTY SPEAKER (Hon. IR Causley)—The member for Werriwa makes a very tenuous tie between superannuation and this bill.

Mr HAYES—As I say, I support the provisions of the bill. I do not believe it has gone far enough and I do not believe it has in any way sought to address the issue of the protection of superannuation contributions and retirement incomes of working Australians.

Mr BAKER (Braddon) (7.14 pm)—The primary objective of the Bankruptcy Legislation Amendment (Superannuation Contributions) Bill 2006 will allow bankruptcy trustees to recover superannuation contributions made prior to bankruptcy with the intention to defeat creditors. These amendments will apply to superannuation contributions made on or after 28 July 2006. The bill also contains amendments to facilitate recovery of void superannuation contributions by building on existing administrative recovery powers exercised by the official receiver and, where appropriate, providing the court with powers to make orders for payment by superannuation fund trustees.

More importantly for the rural community—and I include my electorate of Braddon—this bill also contains amendments designed to improve the operation of the act, particularly in relation to the treatment of rural support grants where the recipient is bankrupt or becomes bankrupt.

I support the objectives of the bill, which include: (1) providing for the recovery of superannuation contributions made with the intention to defeat creditors; (2) providing for certain rural support grants to be exempt from the property available to pay the bankrupt's creditors; and (3) to improve the understanding and operation of the act within the legal framework.

In my previous occupation within the financial planning sector, I always encouraged and supported people to save and plan for their retirement through superannuation. Superannuation is currently and will always remain one of the most tax effective means to save for retirement. The progressive changes the Howard government has introduced to make superannuation a more valuable retirement planning tool for our ageing population has also provided the ability to place a larger amount of contributions into their fund.

The superannuation changes that the Treasurer announced in the 2006 budget represent the most significant change to Australia's superannuation system in decades. The changes, which were welcomed right across the financial sector, will remove the complex issues that are faced by retirees, will increase retirement incomes, provide greater flexibility as to how and when superannuation can be drawn down and improve incentives for those older Australians who, due to the tremendous economy that we now experience, wish to stay in the workforce.

The changes removed the complexity of the old pre- and post-taxed and untaxed components. These were an absolute nightmare for anyone within the financial sector to deal with, and the Treasurer and the Howard government needs to be congratulated on removing these complexities. As a result of the abolishment of reasonable benefits limits and age based limits, a simple universal contribution limit will apply. People will now not be forced to draw down on their retirement savings.

The abolishment of the reasonable benefits limit and its impact on bankruptcy still provides for potential bankruptees to act with intent to defraud creditors. However, the proposed legislation will certainly act as a deterrent to those contemplating defeating their creditors. The Howard government has allowed individuals to contribute up to \$1 million into their superannuation until midnight on 30 June this year, which is an excellent incentive to encourage savings for our ageing population. The addition of the term 'out of character' also provides for a review of such contributions and their intent in the case of bankruptees.

The benefit of this bill to creditors against unscrupulous individuals who may be going bankrupt after transferring funds to his or her superannuation during the period 28 June 2006 to 30 June 2007 will be that the transfer can now be deemed 'out of character' and, as such, be repealed by the official receiver.

Additionally, creditors will have protection against current practices of potential bankruptees utilising family members and protection under family law courts regarding funds that are contributed on behalf of family members. The bill will allow for such contributions to be investigated and for their intent to be reviewed

and, where it is considered out of character, such funds can now be drawn back into the creditors pool.

I commend this legislation not only for its protection of creditors and for supporting the fair treatment of all sides in a bankruptcy situation but also for its potential reforms and participative systems that will be introduced throughout the industry, from legal to superannuation and financial planning, to comply with this bill. This legislation will enable superannuation trustees to work more closely with the legal-accounting fraternity with regard to the movement of contributions and the operation of superannuation funds within Australia. This will no doubt have a greater working benefit for all involved with this issue from the bankruptcy area to the Family Court arena. The balanced approach of this bill should also be commended.

Whilst superannuation contributions of a potential bankruptee are being reviewed in a fair and just manner by this bill, rural grants and assistance programs designed to support the day-to-day living of this vulnerable area of our community at this moment are protected; therefore, protecting the families and dependants of individuals against destitution and an inability to provide the absolute basics for their dependants.

Overall, on reviewing the amendments proposed in this bill, it is clear that the bill provides a clear and just method for dealing with superannuation contributions of a potential bankruptee that are diverted from creditors with the intent to defeat creditors. It will allow the trustee to recover contributions made by a person, other than the bankruptee, to be examined as part of the possible 'out of character' ruling against the bankrupt. It will ensure that consideration given by the superannuation trustee to the contribution will be ignored in determining whether the contribution is recoverable by the trustee. It will allow for a fair and just review of the bankrupt's intent through a historic review of contributions and advice provided by his or her financial adviser. It will ensure the fund is not at risk of costs and charges lost due to any payments made on behalf of the fund. It will provide safeguards against the bankrupt moving his or her superannuation funds through continual transfer of the contributions from fund to fund. It will ensure that superannuation payments have the same rights in a bankruptcy case as any other payments, thus providing a fair playing field between a creditor and a bankrupt.

The bill will ensure a level of humanity, with the protection of some rural grants and support to the bankrupt against being part of the creditors pool.

Finally, the amendments and those technical changes identified in the bill will improve the operation of the act as a whole and the ability for all parties to participate together in a more effective manner. I commend this bill to the House.

Dr EMERSON (Rankin) (7.21 pm)—I wish to speak tonight about those amendments contained in the Bankruptcy Legislation Amendment (Superannuation Contributions) Bill 2006 which allow bankruptcy trustees to recover superannuation contributions made before bankruptcy with the intention to defeat creditors. That part of the legislation is required because a decision was made by the High Court in *Cook v Benson* in 2003 which opened up the possibility that people could hide money from their creditors by putting it into superannuation before declaring themselves bankrupt. The purpose of those amendments within this bill relating to that matter give rise to a situation where payments to superannuation plans to defeat creditors will be recoverable in the same way as other payments or transfers to defeat creditors.

It is sometimes said, and even more often believed, that in a parliamentary system the opposition opposes for the sake of opposing. I take the opportunity tonight to prove that that is not always the case. We do not oppose this legislation. It is legislation which corrects a problem in relation to people being able to declare themselves bankrupt and still maintain a very substantial amount of their assets through the contrivance of putting it into superannuation. That is not something that Labor supports. Legislation that defeats that contrivance is something that Labor supports, and that is why we support the legislation here tonight.

I want to say a couple of words about superannuation and indicate, in so doing, that I will do what I can to facilitate the passage of this legislation tonight. Superannuation is a great initiative. It is an initiative that was undertaken by the previous Labor government, opposed on many occasions by the present government. I will not go through all that tonight other than to say that our superannuation assets in this country have reached \$1 trillion, which is a terrific achievement in a relatively short period of time. It is an achievement that was initiated by Labor.

Labor supports strongly the superannuation savings system in this country. In order to facilitate the passage of this legislation tonight I think I will leave my remarks there so that we can get to a point where this bill passes the chamber tonight.

Mr KEENAN (Stirling) (7.24 pm)—I also rise to support the Bankruptcy Legislation Amendment (Superannuation Contributions) Bill 2006. I note the opposition's support for it, which is reasonable considering this is a bill that really is common sense. It is a bill that arose in response to the High Court's decision following the judgement in the *Cook v Benson* case, when it was discovered that the law had the adverse effect of making it extremely difficult for bankruptcy trustees to recover superannuation contributions made by someone in the lead-up to bankruptcy.

The purpose of this legislation is quite simple: it is to stop people from getting out of paying their bankruptcy debts by putting their money into superannuation prior to the order being served. I think most of the community would expect that someone who was seeking bankruptcy protection would still make every effort they could to pay their creditors. And I believe that the community takes a very dim view of people using the law to squirrel away assets that should rightly be put before the bankruptcy trustees to pay out creditors.

The bill will amend the Bankruptcy Act 1966 to so that bankruptcy trustees can recover these deceptive superannuation contributions that have made with the specific aim of dodging creditors. As I said before, the amendments come in response to the High Court's decision following judgements made in the *Cook v Benson* case, which had the adverse effect of making it extremely difficult for bankruptcy trustees to recover superannuation contributions made by someone in the lead-up to bankruptcy. This was the case even where those contributions were very clearly made with the specific intention of defeating creditors.

Because this meant that a person facing bankruptcy could transfer assets into superannuation to avoid paying creditors, the integrity of the entire bankruptcy system had been called into question. I am sure everyone would agree that this is not an appropriate way of avoiding paying what can often be very large debts, when others who cooperate and behave with integrity and honesty are penalised. You could even argue that these acts of deception could be used as a way of generating wealth through the thinly veiled guise of putting something away for retirement and then applying for bankruptcy protection. The High Court's decision also meant that superannuation assets are treated differently from other assets that would be available to the trustee.

The amendments will apply to superannuation contributions made on or after 28 July 2006. The amendments will strike a much needed and appropriate definition of what is meant by saving for the future and what is an unscrupulous way of attempting to get out of paying debts occurred in the lead-up to bankruptcy. It is important to note that these amendments will only allow superannuation contributions to be recovered where there has been deliberate action by the bankrupt to avoid paying creditors. The new provisions will ensure superannuation contributions made with that intent are recoverable just as it is with other transfers, including property. They will apply to superannuation contributions made by the bankrupt for his or her own benefit or for the benefit of a third party.

In addition, those provisions will apply to contributions made by a third party for the bankrupt's benefit where the bankrupt was involved in an arrangement with that third party specifically to defeat their credi-

tors. One example of this deception is when the bankrupt enters into a salary sacrifice arrangement with their employer to build up superannuation assets in the lead-up to bankruptcy instead of building up other assets that would have been available to pay creditors. The new rules will allow the trustee to assume that superannuation contributions are made with the intention to avoid creditors where the bankrupt was insolvent at the time of making the contributions. I think the intent of my remarks is very clear and I yield the floor to the minister.

Question agreed to.

Bill read a second time.

Third Reading

Mr NAIRN (Eden-Monaro—Special Minister of State) (7.29 pm)—by leave—I move:

That this bill be now read a third time.

Question agreed to.

Bill read a third time.

ADJOURNMENT

The SPEAKER—Order! It being almost 7.30 pm, I propose the question:

That the House do now adjourn.

Earth Hour

Mr GARRETT (Kingsford Smith) (7.30 pm)—I rise today to welcome the Earth Hour initiative. Earth Hour is an important initiative and event that has been organised and sponsored by WWF and the Fairfax organisation. At 7.30 pm on 31 March 2007, Sydneysiders—businesses and individuals—will turn off their lights for one hour as a sign of their commitment to reducing climate change.

I am very pleased that the Leader of the Opposition and I will have the privilege of being with the Earth Hour team as the lights go out across Sydney. There has been an extraordinary increase in the awareness of the impact that climate change is having and will continue to have on the Australian community. Many citizens right around this country, but particularly in a city as large as Sydney, feel a sense of urgency and a need on their part to make a contribution.

Whilst Earth Hour is symbolic in nature, it sends a very strong message right around the country that people can and should look clearly at greenhouse gas emissions. One of the obvious things we should do, for anyone travelling around one of the big cities in Australia—but particularly in a city as large as Sydney where the lights are indeed bright—is to turn those lights off. By doing that, we recognise the contribution that is made by lighting these buildings at night—quite often they do not have a lot of people in them—to greenhouse gas emissions and contributing to climate change. Additionally, we also recognise that with the simple flick of a switch citizens and businesses around

the city can make a difference and enable some focus on the bigger question of climate change.

The lights will go off for only one hour, it is true, but the impact of Earth Hour will be felt for a very long time. It is the hope of the organisers and those who participate that the idea will be picked up nationwide. Indeed, I can imagine it taking hold in other parts of the world as well. Certainly federal Labor would give Earth Hour every backing it deserves to go national.

I hope the Howard government will give it the same support but judging, by their record that may be too much to hope for. There is a very practical thing the Howard government can do to support Earth Hour: turn off the lights of all unoccupied Commonwealth government buildings for one hour at 7.30 pm on 31 March 2007. I call on the government to make that commitment.

I also call on the government to work with Labor to forge a new national consensus on climate change. It is clear that the key elements of a national consensus are evolving. There is consensus around the climate change science. There is consensus about the need for a national emissions trading scheme. There is consensus about the need for a comprehensive portfolio approach to climate change. That national consensus is evolving and growing, but there is one group missing: the Howard government. Howard government ministers still reject the science. The Howard government still has not developed a national emissions trading scheme, and the Howard government does not accept a comprehensive portfolio approach to producing energy into the longer term. The Howard government is obsessed with nuclear energy at the expense of clean coal, gas and renewables. It is extremely important that we focus on the activities that are being undertaken by Sydneysiders and the organisers of Earth Hour and that we highlight the lack of action that the Howard government has displayed on climate change.

Sir Nicholas Stern, the eminent economist, spoke at the Press Club today. He made it crystal clear that early action on reducing greenhouse gas emissions was both necessary and desirable and that a failure to act now to address climate change will impose additional costs on the economy and on the community into the future. The message from Sir Nicholas Stern could not have been clearer. We need to have measures in place which take climate change seriously. We need to have measures in place which ensure that the market can begin to work effectively to enable businesses to take the lead in reducing greenhouse gas emissions. Most importantly, we need to recognise that all of us—the people in this parliament, the Howard government, which has been lax and in denial on climate change, and the citizens of Sydney—have a role to play. I applaud Earth Hour 2007.

Mr Peter Pinder

Mr MICHAEL FERGUSON (Bass) (7.34 pm)—I rise tonight to honour a kind and gentle man from my electorate who unexpectedly passed away recently. Peter Pinder was a hard-working unassuming man who had a major impact on the lives of many people both within Tasmania and beyond. Peter Pinder was born near Birmingham, England, the fourth child of William and Ellen Pinder. Quite remarkably, Peter won a scholarship to Eton but was unable to take it up as his widowed mother could not afford the associated costs such as uniforms and board. He was instead educated at the local grammar school. Peter was 13 when his father died.

With the blessing of his mother, Peter emigrated to Sydney under the auspices of the Big Brother Movement. Peter worked for the Australian Gas Co., a finance company and the Parramatta Building Society before entering teacher's college. Peter was also involved in lay-preaching and youth leadership from his early 20s. He was appointed youth leader at Parramatta Baptist, and this was where he met his future wife, Isobel, who had migrated with her family from Scotland. They married at Parramatta on 14 October 1967. Their honeymoon was spent at Westbury, Tasmania.

It was during this time that Peter answered a call for adults to train as teachers. He duly entered the Launceston Teachers College, which is now part of the University of Tasmania. Peter was very well read and loved to keep his mind active. His academic achievements are a testament to that. Throughout his teaching career Peter also pastored a number of Baptist churches and was well known as a worker pastor. He pastored several churches including Bracknell Baptist, from 1974 to 1976; Wynyard Baptist, from 1977 to 1979; Longford Baptist, from 1980 to 1984; Enoggera Baptist in Queensland, from 1985 to 1986; and Bracknell-Westbury District Baptist, from 1987 to 1997. He served as a chaplain with ITIM from 1992 to 1997; Coorparoo Baptist, in Queensland, from 1998 to 1999; Elphin Road and City Baptist, from 1999 to 2005; and, recently, Grantown-on-Spey in Scotland, from 2006. Peter was to commence ministry with Perth Baptist.

Peter had a great love for anything associated with the Air Force and he was involved for many years with air cadets and in later years was secretary of the Launceston branch of the Air Force Association. He was chaplain to the RSL, the National Servicemen's Association, the Vietnam Veterans Association, and the POWs. Peter had a great concern for our returned service men and women. He also served on health boards and community committees. He really was a great man and a tireless contributor to community projects and committees. He received a community service award from Meander Valley Council in 1997 and the Centen-

ary Service Medal for his work with air cadets and lay preaching.

Bill Perkins, from the National Servicemen's Association, said of Peter:

Peter joined us in 2002 as a Member, he was then asked to be our Sub-Branch Chaplain, a position he accepted willingly, and remained in that position till he left for the UK. A great listener and a friend to all. He will be sadly missed.

Mike Sharpe and Les Batchelor of ITIM Australia, said:

Peter endeared himself clients by his compassionate nature, his sense of justice and above all his great sense of humour.

Peter had a great joke for all occasions and venues. Not only could he tell a great joke, his delivery was professional and constantly had us in stitches.

The other side of Peter was a very prayerful, compassionate and dedicated man. He will long be remembered by many people in the Launceston area for the caring and compassionate way he supported many locals following a small aircraft crash in the area.

Peter Pinder is remembered by his pastoral colleagues for two philosophies he carried into his ministry and shared with his colleagues: first, the ministry of serving people within the church was really about serving Christ; and, secondly, that pastors serve a God who cares.

The fact that Peter Pinder collapsed while sweeping his church floor remains a touching and unsurprising keepsake memory of a man who earnestly lived to serve his flock and to serve God. I find the image sad but inspiring. Peter's family and friends will rightfully remember him with great pride, everlasting admiration and thankfulness for his life. He was a gentleman and a great but unassuming Australian. (*Time expired*)

Climate Change

Mr WILKIE (Swan) (7.40 pm)—I rise tonight to speak about one of the most fundamental issues of our time: climate change. Around the world, the effects of man-made climate change are occurring before our eyes. From the rapidly disappearing Arctic ice to the increased frequency and severity of floods and cyclones, the effects of man-made climate change are unfolding before us. There will perhaps be no greater threat posed to our way of life this century than from the effects of climate change. Urgent action is needed. No nation stands to lose more from the effects of climate change than Australia. It will hurt our economy and our environment, and it will hurt our children's future.

In this week of Science Meets Parliament, I had the pleasure of discussing this issue of paramount importance with a number of experts from the CSIRO. Mr Stephen Crisp, a climate impacts scientist, detailed the current work being undertaken by his staff with regard to exploring the impact of climate change and climate variability on agricultural systems and ecological proc-

esses. His recent work includes collaboration with farmers on ways to improve farm climate risk management. Of course, this is vital to Western Australian farmers.

I also had the pleasure of meeting Dr Horst Zwingmann, a geochemist from Curtin University, which is located in my electorate of Swan. Dr Horst Zwingmann is a petroleum management expert. He, like Mr Crisp, acknowledges the importance of the issue of climate change and the need for greater action on ways to improve oil and gas exploration through the investigation and development of new technologies for recovering resources from existing reservoir deposits. He is a proponent of the need for this country to achieve capacity building in energy and climate research, whilst acknowledging the need to protect our economic future. His work on CO₂ geosequestration and fault investigation can further improve the management and prevention of CO₂ leakage from current and future reservoirs, thus decreasing the impact that fossil fuels have on climate change.

Finally, I wish to speak on an issue that is close to my electorate. Mr Tim Cowan, from the CSIRO Marine and Atmospheric Research centre, spoke to me today of how 50 per cent of the rainfall decline experience in south-west Western Australia since the late 1960s is linked to rises in greenhouse gases. He demonstrated that the impact of global warming has decreased the average movement of high-pressure patterns into the south of Western Australia and therefore decreased the movement of rain delivering low-pressure systems.

Using climate models to identify what was happening, scientists concluded that increases in greenhouse gases can explain at least 50 per cent of the decline in rainfall trends. The other 50 per cent decline is explained by seasonal natural variations. If current trends continue, we will raise atmospheric CO₂ concentrations to double pre-industrial levels during this century. To put that in some perspective, that will probably be enough to raise global temperatures by around two to four degrees centigrade. This is a future which we cannot allow to prevail.

How is it that, in its 11 years in power, this government has achieved so very little in addressing this crucial issue? As everybody is quite aware, most of the fossil fools who sit opposite do not really accept the reality of climate change; they only acknowledge that it is a problem because their focus groups have told them that their failure to act may cost them votes at this year's election. How can the Australian public have any confidence whatsoever in a government whose ministers still refuse to accept that climate change is a fact? After 11 long years of foot dragging and denial, we need answers, not more hyperbole.

This is just another example of the coalition being dragged kicking and screaming into the 21st century. I thought they were being Neanderthals about broadband, but this government's attitude to climate change really takes the cake. No action could be more reckless and outright irresponsible than to simply defer our problems to future generations. But that is precisely what this government is doing. However difficult the challenges of addressing climate change may be, we can no longer go on ignoring these problems.

Labor gets climate change. Labor accepts it as a reality and is committed to tackling it head on. We know that Kyoto is no silver bullet, but we believe it is a start in the right direction. We believe that only through setting an example to less developed nations can we hope to bring all countries into a global compact. What is needed is leadership and vision. This Saturday, the Rudd Labor opposition will host the first climate change summit in Australia. By bringing together some of the nation's best business and science brains, the summit will begin to shape a national consensus on the best way forward for Australia over the next decade. Labor building the future; the coalition still living in the past. The Prime Minister and his party of cave dwellers are still walking with dinosaurs but, come the end of the year, they also will be extinct. (*Time expired*)

Flinders Electorate: Policing

Mr HUNT (Flinders—Parliamentary Secretary to the Minister for Foreign Affairs) (7.45 pm)—This evening, I want to refer to three issues in relation to policing in the electorate of Flinders. But I want to preface this by making the point that our police, whether they be on the Mornington Peninsula, around Westernport, in Koo Wee Rup, Lang Lang, Cowes, San Remo, Rosebud or Hastings, do a fantastic job. But they do a fantastic job against the considerable odds of being understaffed and undermanned through a trick of rostering. I want to refer to three particular policing issues as a means of going forward.

First, it is time to establish a 24-hour fully manned police station at Somerville. Somerville is a town which has grown dramatically over the last 17 years. It has developed in an extraordinary way. But it has challenges. All residents will tell you that there is a problem related to hooning and a problem related to safety on some evenings. This town, which is a tremendous town that has recently got a secondary college, now needs above all else a police station.

In addition to that, it must only come if there is a guarantee that the police station will be manned by police resources additional to those which are provided at Hastings. A number of senior officers at Hastings have made it absolutely clear to me that what is happening at Hastings is that a series of phantom officers are in place—people who are allegedly on the list but

who are on leave for a variety of reasons. The reality is that the actual policing numbers are far lower than the policing numbers recorded by the state. So what we also need to do when we look at Somerville is protect police numbers at Hastings and make sure that those police who are simply being listed there are bolstered by real police. There is a gap between the actual number of police and the reported number of police. This is important. This is real. This has an impact on the lives of people within Hastings.

The second issue in relation to policing within the electorate of Flinders is the need to convert the police station on Philip Island to a 24-hour police station. The island has a significant population, which has grown dramatically in the last few years. I would also refer to the fact that over the Labour Day weekend, as reported in the *Philip Island and San Remo Advertiser*, the police stations at San Remo and at Cowes on Philip Island were left unmanned for many hours. This was at a time when the holiday population was in residence, and yet the state failed to provide adequate resources. I want to stand up for the local police. They do a great job. They do a tremendous job in protecting and doing all they can for the people of Bass Coast. But it is absolutely clear that they are denied the resources that they need to do their job properly. That is the message that you get from behind the scenes. They cannot speak out publicly, but behind the scenes they have made it absolutely clear that there is a requirement for additional resources. That is the challenge in Somerville and Hastings; it is also the challenge in relation to Philip Island and San Remo.

This brings me to the last area. I respect the fact that new police stations have been put in place over the last few years in Rosebud and in Rye. I welcome that. What I know is that the situation in Sorrento is of a building dramatically in need of if not immediate replacement then at least immediate and substantial upgrade. The police based out of Sorrento do a remarkable job. They have huge floating populations to deal with, particularly through the summer months. What they need is a rapid and immediate upgrade—although preferably a replacement and brand new police station—to ensure they can deal with the challenges that they face. They need to be adequately housed and to have the resources to do their job properly. On behalf of the members of the local community, I want to acknowledge that there is a big challenge and a big crime problem, especially in Hastings and Somerville. A new station is needed. Resources for Hastings need to be boosted. On Philip Island, the police do a tremendous job but a 24-hour manning provision is needed. In Sorrento, the police do a Herculean job but they need a new station. (*Time expired*)

Australian Football League Climate Change

Mr DANBY (Melbourne Ports) (7.50 pm)—This weekend sees two very important events in Australia. The first is the opening of the 2007 AFL football season, when the mighty Saints will take on Melbourne on Friday night at the MCG. Unfortunately, I will not be there. I do not go out on Friday nights anymore. Like all long-suffering Saints fans, I hope and expect that this will be the year. A Saints flag in September and a Labor government in October would make 2007 a year to savour.

The second important event will be the climate change summit here in Canberra, convened by the Leader of the Opposition and the honourable member for Kingsford Smith, who are emerging as the national leaders in Australia's long-delayed response to the global challenge of climate change. Five state premiers will be there. Peter Hendy of the Australian Chamber of Commerce and Industry will be there, as will Mark O'Neill of the Australian Coal Association, Mitch Hooke of the Minerals Council of Australia, Brad Page of the Energy Supply Association, Heather Ridout of AiG and Belinda Robinson of the Australian Petroleum Production and Exploration Association—a galaxy of business leaders. They will be there to debate issues with Greg Bourne of the Worldwide Fund for Nature, ACTU Secretary Greg Combet, Clive Hamilton of the Australia Institute and Australian Conservation Foundation chairman Ian Lowe. Missing in action, as usual, will be the Howard government, which is still deeply divided on the issue of climate change and what to do about it. This government is paralysed by the continuing resistance of a faction of ideologically driven climate sceptics in its own ranks.

Only today in Senate question time, Senator Minchin, who we know is one of the Prime Minister's chief advisers, refused to agree that climate change is driven by human activity such as greenhouse gas emissions. We also know that Senator Minchin has an industrial relations agenda that most of the government ministers do not know about—if they win the next election, to the disadvantage of Australian workers all around the country. We know that the Minister for Industry, Tourism and Resources, Ian Macfarlane, agrees with Senator Minchin on climate change. What can we expect of such a divided government?

Fortunately we have in the Leader of the Opposition and the member for Kingsford Smith, together with the shadow parliamentary secretary for environment and heritage, the member for Throsby, people who are highly committed to seeing Australia become a world leader in the response to climate change. The Leader of the Opposition was referred to in the press this morning as 'doing a Tony', meaning that he was seeking to emulate Tony Blair. Well, I hope he is, because among

his many achievements Tony Blair has put Britain in the leadership of the world's response to climate change, going far beyond the Kyoto requirements, taking on the vested interests and accepting the political risks. Thanks to the Howard government, he has had no support from Australia.

That is about to change. Under Labor, Australia will join Britain as a world leader on this issue. Labor does not pretend that there are simple solutions to climate change questions. The science and the economics are complex, but reasonable people—people not blinded by reactionary ideology—accept that climate change is a reality and that there is a high probability that human activity is responsible for most of it.

We do not say that the Kyoto protocol offers a simple solution to climate change. But it is an important first step. Sir Nicholas Stern, who is in Australia this week, has recommended that Australia ratify Kyoto and that we reduce our greenhouse gas emissions by 60 per cent by 2050. That is Labor policy. But it seems that even the first step is too much for the Howard government, which cannot see past the most short-sighted economic and political considerations such as whether it might be able to grub up a few votes in Lithgow or Rockhampton by scaring people in the coal industry and misrepresenting the Labor Party as being associated with the fundamentalist Greens.

State and territory governments support a national emissions trading scheme and the mandatory renewable energy target. The two can and should coexist. Labor supports a national emissions trading scheme and substantially increasing the mandatory renewable energy target.

Australia's refusal to sign up to Kyoto has had serious international consequences. China, for example, justifies its refusal to take the issue of emissions control seriously by pointing to Australia's refusal to ratify Kyoto. So the blame game goes round in circles, undermining efforts to get a global response. The real blame rests with the Prime Minister and a key circle of climate change sceptics in the government who see this is just another excuse for partisan exploitation. History will judge him harshly for this, and I think the voters will, too.

Climate Change New South Wales Election

Mr NEVILLE (Hinkler) (7.54 pm)—I would like to speak tonight about two aspects of discussion in the House today that impact very heavily on the city of Gladstone, in my electorate. It is a very fine city, an industrial city that wins tidy town awards. So it is very switched on to its environment. Tonight we have heard this business of green energy. We have heard about greenhouse gas emission reductions, and I broadly support that as a concept. But in having a national

agenda we have got to make absolutely certain that we reduce these various emissions in such a way that we do not cripple our own country.

Gladstone's great attraction is that it has amongst the cheapest coal-fired power in the world, and it has good steaming coal. So compared to current-day coals it is relatively clean. Also, as the House is aware, the government is spending over \$400 million on various projects to improve power stations, coal burning, sequestration and the like. All those things are well known to the House. I commend those and I want those for Gladstone. But I do not want to see the price of power doubled and the aluminium industry, the alumina industry, the potential magnesium industry, the chemicals industry and the nickel industry move offshore.

When this proposition was put to Kim Beazley at the last election, when he was in Gladstone, he said, 'We should ratify Kyoto.' And they said, 'But Mr Beazley, the one city in Australia that would be disadvantaged by this is Gladstone.' And do you know what his pathetic response was? 'I will get special arrangements for Gladstone.' Not a soul in Gladstone believed that. Gladstone exports 12 per cent of Australia's—

Mr Tanner—Wasn't Mark Latham our leader at the last election?

Mr NEVILLE—Yes, and Kim Beazley came up twice on that issue.

The SPEAKER—Order! I remind the member for Hinkler that he should refer to members by their seats.

Mr NEVILLE—Very well; I apologise, Mr Speaker. However, the point I am making is that idle promises do not solve the problem for country people. This is a port that is responsible for 12 per cent of Australia's exports by volume. A lot of that depends on coal, and if we are to accept what the member for Kingsford Smith says, that all future coalmines are finished, then tell me how we are going to open the Surat Basin, where there are six to nine coalmines. What about Mr Beattie's train line from Gladstone to Toowoomba? What about its connection with the inland rail network? What about the general job profile of Central Queensland and the coalmines behind Mackay, Rockhampton and Gladstone? I am all in favour of projects like sequestration. I say that we should be responsible in other ways. We should be looking at reforestation and at many things. But this quick grab that is being promoted by the Labor Party is not going to work.

The other thing I want to talk about is the myth that floats around this place about the New South Wales state election, that somehow this was a defeat for the coalition. In technical terms it was, but I think the swing was 4.1 per cent against Labor. But, interestingly, if you look around New South Wales electorate by electorate, you see it was not IR that was the issue.

In fact the greatest swings against Labor were in the Hunter Valley, and the Labor member for Tweed, who based nearly his whole campaign on IR, lost his seat to the National Party. Interesting stuff, isn't it? I suspect they will run the same campaign in Gladstone at the end of this year, and I predict that the ALP will come a cropper.

Australian Labor Party

Mr DANBY (Melbourne Ports) (7.59 pm)—A current branch newsletter in Victoria refers to Labor as the SS. The SS, of course, was a murderous organisation. This is an infantile, ideological—(*Time expired*)

The SPEAKER—Order! It being 8.00 pm, the debate is interrupted.

House adjourned at 8.00 pm

NOTICES

The following notices were given:

Mr Ruddock to present a bill for an act to amend legislation in relation to native title, and for related purposes. (Native Title Amendment (Technical Amendments) Bill 2007)

Mr Abbott to present a bill for an act to amend the Health Insurance Act 1973, and for related purposes. (Health Insurance Amendment (Diagnostic Imaging Accreditation) Bill 2007)

Mr Abbott to present a bill for an act to amend the law relating to health insurance, and for related purposes. (Health Insurance Amendment (Inappropriate and Prohibited Practices and Other Measures) Bill 2007)

Mr McGauran to present a bill for an act to amend the Australian Wine and Brandy Corporation Act 1980, and for related purposes. (Australian Wine and Brandy Corporation Amendment Bill (No. 1) 2007)

Mr McGauran to present a bill for an act relating to service provision for the forestry industry, and for related purposes. (Forestry Marketing and Research and Development Services Bill 2007)

Mr McGauran to present a bill for an act to deal with transitional and consequential matters related to the enactment of the Forestry Marketing and Research and Development Services Act 2007, and for related purposes. (Forestry Marketing and Research and Development Services (Transitional and Consequential Provisions) Bill 2007)

Mr Brough to present a bill for an act to amend the law relating to child support, and for other purposes. (Families, Community Services and Indigenous Affairs Legislation Amendment (Child Support Reform Consolidation and Other Measures) Bill 2007)

Mr Hockey to present a bill for an act to amend the Building and Construction Industry Improvement Act 2005, and for related purposes. (Building and Con-

struction Industry Improvement Amendment (OHS) Bill 2007)

Mr Pearce to present a bill for an act to amend the law in relation to corporations and trade practices, and for other purposes. (Corporations (NZ Closer Economic Relations) and Other Legislation Amendment Bill 2007)

Mr Lindsay to move:

That, in accordance with the provisions of the Public Works Committee Act 1969, the following proposed work be referred to the Parliamentary Standing Committee on Public Works for consideration and report: Fit-out of new leased premises for the Australian Customs Service, Brisbane, Qld.

Mr Lindsay to move:

That, in accordance with the provisions of the Public Works Committee Act 1969, the following proposed work be referred to the Parliamentary Standing Committee on Public Works for consideration and report: Provision of facilities for Project Single LEAP—Phase 2.

Mr Lindsay to move:

That, in accordance with the provisions of the Public Works Committee Act 1969, the following proposed work be referred to the Parliamentary Standing Committee on Public Works for consideration and report: Fit-out of new leased premises for the Department of Health and Ageing at the Sirius Building, Woden Town Centre, ACT.

Mr Lindsay to move:

That, in accordance with the provisions of the Public Works Committee Act 1969, it is expedient to carry out the following proposed work which was referred to the Parliamentary Standing Committee on Public Works and on which the committee has duly reported to Parliament: Redevelopment of the propellant manufacturing facility at Mulwala, NSW.

Wednesday, 28 March 2007

The DEPUTY SPEAKER (Hon. IR Causley) took the chair at 9.30 am.

STATEMENTS BY MEMBERS

Father Nguyen van Ly

Mr BYRNE (Holt) (9.3030 am)—I rise today in this chamber of the Australian federal parliament to address a matter that will deeply concern Australians who cherish freedom of expression of religious belief and of political ideology. This issue deeply affects the many Australians who were born in Vietnam—more than 150,000—and has been raised with me by leaders of the Vietnamese community in Australia. It relates to the Vietnamese government's actions in its reported treatment and persecution of a prominent Catholic priest, Father Nguyen van Ly. Father Ly, who has already spent 10 years in jail for defending freedom of religion, appears to have again been arrested.

International reports indicate that Father Ly's home was raided by authorities on 18 February this year, when a large force of up to 60 officers cut phone lines to the premises and searched and ransacked the priest's compound. Six laptop computers and six cell phones belonging to Father Ly and his aides were confiscated. Additionally, on 16 or 17 February, the eve of the Lunar New Year, Tet, the homes of Father Ly's aides—Nguyen Phong and Nguyen Binh Thanh—were also searched. It has been reported that both men were taken away and nothing is known about their fate.

It is reported that following this raid authorities returned to Father Ly's compound and moved him to a rural parish in Phong Dien district, where he remains under house arrest. I have read deeply concerning reports of the treatment of Father Ly by the Vietnamese authorities. For example, he is forbidden to perform religious services at the church. There have also been reports of assaults on Father Ly and repeated interrogation, whereupon he has refused to answer questions believing that the manner in which he is being treated is in breach of international laws on human rights. I understand that he has been on a hunger strike in protest at his treatment. The treatment of this Catholic priest, his house arrest and his interrogation and imprisonment for advocating for rights guaranteed by the Vietnamese constitution and its international obligations under human rights treaties is unacceptable. It is worth while noting that in its recent annual human rights report the US State Department rated Vietnam's record as unsatisfactory. Accounts of Father Ly's treatment give credence to that report.

It concerns me that the government in Vietnam—which hosted an APEC summit last year and which has been admitted to the WTO—appears to be increasing restrictions on religious or political freedom of expression, utilising very oppressive means. I urge the government of Vietnam to release Father Ly and to allow him to practise his religion free of harassment and intimidation, as is dictated in article 18 of the Universal Declaration of Human Rights, which states:

Everyone has the right to freedom of thought, conscience and religion; this right includes freedom to change his religion or belief, and freedom, either alone or in community with others and in public or private, to manifest his religion or belief in teaching, practice, worship and observance.

I ask the Vietnamese government to take that into account.

Flinders Electorate: Mornington Peninsula

Mr HUNT (Flinders—Parliamentary Secretary to the Minister for Foreign Affairs) (9.33 am)—I wish to refer to the Victorian government's plans for channel deepening within Port Phillip Bay on the edge of my electorate of Flinders. I also wish to refer to the effect it has on the marine environment and, in particular, on the business and livelihood of many tourism operators on the Mornington Peninsula. Let me state from the outset that I accept that the proposal is inevitable and that it is likely to happen. However, I seek from the Victorian government one general and three specific guarantees about channel deepening and the protection of the Mornington Peninsula.

The first guarantee relates to the fact that the state government must develop a peninsula recovery plan. The report into the likely effects of channel deepening clearly indicates that it will have an economic and an environmental impact on the residents and on the marine environment of the Mornington Peninsula. There must be a clear and absolute peninsula recovery plan. It needs to set out—and here I refer to three specific guarantees—these core items. Firstly, there must be a guarantee that the health of the marine environment will be restored. There must also be a time line during which that will occur and an allocation of government funds to pursue this project and program. If there is no guarantee, the plan is unacceptable.

Secondly, there must be a guarantee of compensation for each and every business that is affected. My understanding is that in the draft legislation—which was to be considered by the Victorian parliament but which was not prior to the last election—there was no guarantee of compensation for land based businesses on the Morning-

ton Peninsula. There must be a guarantee for both land and marine based tourism businesses on the Mornington Peninsula. Two years of diminished returns would be enough to destroy and damage many of these businesses irrevocably. They are victims of a process over which they have no control and which potentially they may be excluded from in terms of any cost recovery. That would be unjust denial of compensation and unacceptable in the Australian system.

Thirdly, there is the protection of the snapper grounds off Mount Martha. There must be a guarantee that one of the most important breeding grounds in Port Phillip will be protected and won't be harmed. One of the fundamental fish-breeding areas on the Mornington Peninsula in Port Phillip must be protected. (*Time expired*)

Investing in Our Schools Program

Mr MURPHY (Lowe) (9.36 am)—According to a report by Joseph Sumegi in yesterday's *Inner West Courier*, Dobroyd Point Public School in my electorate of Lowe was shocked to learn that its plan to apply to the federal government for much-needed funds under the Investing in Our Schools Program has been scuttled as a result of changes to the administration of that program. What is revealed is a gross breach of trust by numerous members of the Howard government who have led schools down the garden path. Despite a number of government and federal department of education assurances, both explicit and implied, that schools could apply for up to \$150,000 over the four-year term of the program, we have since found out that the amount of money on offer for each school has been slashed by a third.

I refer members to a press release titled 'Delivering round one of the \$1 billion investment in school capital works' issued on 21 October by the former Minister for Education, Science and Training. It states:

Schools are eligible to receive up to \$150,000 in funding from the Programme. School communities that have not received funding in this Round will have until 2008 to benefit from the Programme.

Dobroyd Point Public School was supposed to be one such school community. It is an outrage that schools are being punished for relying in good faith on this and other statements about the Investing in Our Schools Program. Dobroyd Point Public School has painstakingly prepared plans that depend on the lodgement of separate applications over several years up to a total of \$150,000. Having received grants of \$40,000, the school was understandably under the belief that it could apply for a further \$110,000 this year to complete its projects. The school's expectations are entirely legitimate when one considers the nature of many statements swirling around the Investing in Our Schools Program at the time, including the one I just mentioned as well as this one again by the former minister on the *Today* show:

We're giving each public school \$150,000 directly to the P&C to do whatever they think is appropriate with it.

Dobroyd Point faces great financial difficulty in completing an outdoor covered learning area. It is left with a group of isolated and disjointed buildings. It is unacceptable for schools to be denied funding because the goalposts have been shifted without notice and contrary to all legitimate expectations. The current minister has dismissed the agitation of many schools by suggesting it was never intended that every school would receive \$150,000, despite the former minister's statements. The current Minister for Education, Science and Training is missing the point. Even if it were true that there was never an intention to provide all eligible schools with \$150,000, all schools had at the very least a legitimate expectation that they would be given an opportunity to apply for \$150,000 worth of infrastructure grants. They are not even being given this courtesy.

I call on the government to urgently answer my questions in writing Nos 5576, 5577 and 5585 on the *Notice Paper* of 21 and 22 March 2007. I particularly call on the minister to answer whether she will ensure that schools which had a legitimate expectation that they would be able to apply for separate grants between 2005 and 2008 to a total of \$150,000 will be given an opportunity to do so. Our schools deserve better than this. (*Time expired*)

Defence

Mr LINDSAY (Herbert—Parliamentary Secretary to the Minister for Defence) (9.39 am)—This week we are once again running the very successful Australian Defence Force parliamentary program where members of the tri-service join members and senators to learn about our side of the business. I would particularly like to welcome Commander Michael Rothwell, who is with us this morning. Commander Rothwell is currently with Fleet Headquarters but was the captain of the HMAS *Tobruk*. Thank you for the service that you give to our nation.

That brings me to the point that I wanted to speak about: Defence Force Reserves. I am a very big supporter of Defence Force Reserves. Commander Rothwell will know that these days when ships go to sea 30 per cent of the crew is often made up of reservists who go and support our operations. This morning I have been flying with 28 Squadron, another Reserve squadron. I thank Air Commodore Peter McDermott, Squadron Leader Shaun Jenkins, who was the pilot, Squadron Leader Simon Pattel, who assisted with the arrangements, and of course the crew of the aircraft.

The aircraft was one of the RAAF balloons. It was quite a rewarding experience. The reason that the RAAF has a balloon in 28 Squadron is that it promotes recruitment to the RAAF and particularly promotes the reserves and a career in the reserves. The mobility of the balloons enables them to travel to many regional areas to promote the Air Force. I am certainly a very strong supporter of that. The balloon can support events where it may not be feasible to send other Air Force aircraft. Balloons are able to launch from an open field rather than an airfield and then conduct low-level flights, so Air Force balloon crews have a great opportunity to engage local communities. This is especially true when the balloons are deployed to support regional events, providing the public with tethered rides.

A word to Defence Force reservist employers: employers must understand that their employees can go off and learn a whole new skill set that brings benefit to the employer's business. Defence Force reservist employers should understand this opportunity—that they get better people working for them because they have spent some time in the reserves.

Air Force is a rich training ground. I encourage employers and industry to support any of their staff who are considering joining or who are already members of the Reserve forces because their military skills enrich their workplace. I close by saying this is not only about Air Force; it is a tri-service matter. There are many great careers in the Defence Force these days, many exciting opportunities, and the government is very keen to see more people join the reserves and the regulars.

National Capital Authority: Draft Amendment 53

Ms ANNETTE ELLIS (Canberra) (9.42 am)—I rise to talk about a very important issue in Canberra—that is, the National Capital Authority's draft amendment 53, which affects the Albert Hall precinct, not far from this building. In doing so, I want to refer to a report that was tabled in the Senate last week and in the House this week regarding the Griffin Legacy. Mr Deputy Speaker Causley, it is an issue which you are also very familiar with; you and I are both members of the Joint Standing Committee on the National Capital and External Territories.

Draft amendment 53, which is the Albert Hall precinct amendment, is out for public consultation now. That process will conclude on 4 May. It is proving to be an incredibly controversial draft amendment and it is raising many issues in the Canberra community. Many people are contacting both me and other colleagues here locally to talk about their huge concerns.

Before we get into the rights or wrongs of the Albert Hall precinct proposal, I want to refer to process. My concern is based on the fact that, with amendments 56, 59, 60 and 61, which actually form the Griffin Legacy, we had a very curtailed process. Minister Lloyd, who is in fact the minister for territories—the NCA is not the minister; he is—wrote to our committee on 27 November last year asking us if we wanted to consider inquiring into the Griffin Legacy. The committee wrote back three days later saying that, yes, we would. However, on 6 December those amendments were tabled in both houses, regardless entirely of the committee's position. The taking of that particular action broke a very serious convention. Those four amendments have a bigger impact in Canberra than we have seen for decades, yet that was the process that the minister allowed himself to follow. Now we have draft amendment 53, which has yet to come to the committee, and I am very concerned that we do not see a repeat of that sort of curtailment of process again.

Many well-known and regarded Canberrans, particularly people like Professor John Mulvaney, who is the former Chair of the ACT Heritage Committee, have very serious concerns about draft amendment 53. I am not going to stand here and say DA53 is good or bad. That is not my job at this point. I believe my responsibility is to draw attention to process and to implore the minister not to allow again a process like that which was attracted to the Griffin Legacy amendments. For DA53, the process must be followed correctly. Our joint committee must be given the opportunity to consider what, if any, action it wishes to take on it, and the community must be listened to. The minister is the minister, not the NCA. The NCA should not direct him to do anything in this regard. He should make the decision to follow due process. (*Time expired*)

Australian Government National Awards For Quality Schooling

Mr FAWCETT (Wakefield) (9.45 am)—I rise today to draw the attention of the House to two schools in the electorate of Wakefield who have been recognised under the Australian Government National Awards For Quality Schooling. These awards are a way that we can recognise the imagination, innovativeness and resourcefulness of teachers who seek to make schools a better and more meaningful place for the students and the community that they are working in. This award system recognises not only leadership by individual teachers but also partnerships between schools and communities. Increasingly, I think that is an important thing to recognise. Significantly, it is not just a pat on the back and a piece of paper; the government has committed over \$1 million in prizes to recognise in a very tangible way teachers who have been excellent in their workplace.

There are two schools and two teachers that I wish to mention specifically. The Para West Adult Campus in Davoren Park does work with adults from all around Adelaide, but they also work with many people in the local area who at a younger age were disconnected from education and training, and we do have some families in that area where there is intergenerational unemployment and levels of disadvantage. This school is providing an open door and an opportunity for some of these people to reconnect, to grow skills, to grow in confidence and, more importantly, to connect into the community.

Julia Mannix has been awarded an excellence prize for her work there in the area of ceramics and arts. She works with students to give them both the skills in terms of the art itself and, more importantly, the skills to engage with confidence with the community and build connections with people beyond their immediate circle. Importantly, it is also opening doors for them in terms of a path forward not only in the arts area but in other areas of life, work and community involvement.

The other school I wish to mention is Salisbury High School. Salisbury High School was once in an area that has been called 'the wasteland of Australia's youth', but the youth in that place have been transformed by the leadership in Salisbury High School, particularly by Mrs Helen Paphitis, the Principal of Salisbury High School. She has implemented a number of very innovative programs that in this case have won an award for excellence in family-school partnerships. One of the programs she has implemented builds on the fact that life at its most fundamental level is about relationships. Where many schools struggle to engage young people, Salisbury High School has a care system in place where, when students enter, they come into a group with one teacher and that one teacher, those students and the families work together all the way through high school. We have seen a great improvement in retention rates and outcomes for the students, whether they be further education, training or employment. (*Time expired*)

Private Health Insurance

Ms GEORGE (Throsby) (9.48 am)—I have been contacted by a number of constituents over the past several weeks in anticipation of the further increases in private health insurance cover which will take effect from 1 April. These private health insurance increases are really having an effect on household budgets. I anticipate that, with the next increase, up to another \$150 will be taken from tight household budgets. Medibank Private, for example, is raising premiums by \$2.85 a week on one of its most popular family policies.

I recall that this government promised that they would keep private health insurance affordable and put downward pressure on premiums. They can say that, but the reality proves this is yet another broken promise. Since the 30 per cent rebate on private health insurance was introduced back in 1999, premiums have risen by around 46.8 per cent on average. I say 'average' because that too does not always apply in reality. Last year, for example, the Minister for Health and Ageing said the average premium increase would be just under eight per cent. Numerous constituents—particularly those covered by the NIB fund—contacted me. When I did a detailed analysis of their insurance premiums, the average increase was in fact 17.3 per cent and not the eight per cent claimed by the government.

I pursued my constituents' grievances with the Private Health Insurance Ombudsman to no avail. We are told that next week's increase will be 4.5 per cent on average. That is significantly higher than the general inflation rate and it is the sixth year in a row that this has occurred. Let me just read the figures for the last six years: 2007, 4.5 per cent; 2006, 5.68 per cent; 2005, 7.96 per cent; 2004, 7.58 per cent; 2003, 7.4 per cent; and 2002, 6.9 per cent. These average increases are much higher than the rate of inflation. The government's promise about health insurance premiums has been broken.

Many constituents, particularly low-income families, pensioners and retirees, are telling me that the cost of private health insurance is so unaffordable it is driving them out of private health coverage. An average family now pays about \$2,600 a year for private health insurance; with increases in petrol prices and mortgage repayments, the extra cost of private health insurance is adding pressure to already tight family budgets.

Fisher Electorate: Australia Day Awards

Mr SLIPPER (Fisher) (9.51 am)—I wish to inform the Main Committee of significant achievers in the electorate of Fisher who were recipients of the Fisher Community Australia Day Awards. This is an award system I set up in 2000 to honour and recognise those residents of Fisher who make significant contributions to the community and their fellow citizens. This year, an award for Fisher Citizen of the Year was presented for the first time. In selecting who would be a fitting and deserving recipient of this prestigious award, the Fisher Australia Day committee members looked for traits like exceptional service, sacrifice, preparedness to do more and long-term commitment.

With that in mind, the committee decided this inaugural award would go not to one individual but to two men: Mr Ross Christie and Mr Barry Jones for their services to the community through the Kawana Waters Surf Life

Saving Club. They have made an incredible effort and have contributed greatly to the lifestyle of club members. They have trained club members and they keep our beaches safe for tourists, visitors and locals alike.

Each year, the committee also presents an award, the Des Scanlan Memorial Shield, to a community group that has contributed greatly to their community. This award is presented in honour of the late Des Scanlan, who passed away in early 1999. He was one of the Sunshine Coast's most respected citizens, a tireless worker and a supporter of many community organisations. He and his wife were the driving force behind the establishment of Australia's first permanent helicopter rescue service in 1976, known as the Energex Community Rescue.

The award this year went to the Maroochydore RSL Sub Branch Women's Auxiliary for excellence in service to the veteran community. Other recipients of the individual awards were: Mr Gregory Balfour for support and assistance to the disabled or disadvantaged; Mr Len Brewer for support to returned service men and women; Mrs Marina Bruce for service to the community; Mr Neil Eiby for services to the veterans community through Legacy advocacy; Mr Ted Hawkins for services to the veteran community through Legacy advocacy; Mr Eric Grace for service to the community; Mr Bill Hauritz for service to the arts, entertainment and culture; Mr Ken Hinds for service to the community; Mr Alfred 'Jim' Horsley for services to returned service men and women and education of children; Ms Judy Irvine for cancer awareness and support; Mrs Beryl Kennedy for the ongoing support and provision of palliative care services; Mrs Maureen Marschke for support for those over 60; Mrs Margaret Newton for services to the community; Mrs Noela May Oswin for services to the community; Mrs Betty Parker for support of returned servicemen, particularly the disabled; Mr Ken Peters for community service through Lions International; Mr Richard Roberts for service to the returned servicemen, particularly in funeral services, and educational liaison with schools; Mrs Lucy Rowson for cancer awareness and service provision; Mr Cedric Smith and Mrs Daphne Smith for services to the community; Mr David Smythe and Mrs Margaret Smythe for service to senior citizens; Mr Anthony Vincent for services to the community, particularly education; Joann Walker and Judy Walker for the establishment of palliative care in Kilcoy; Mrs Mary Watts for services to welfare; Mrs Lyn Winch for community service through excellence in education; and Mrs Cherie Wortley for prostate cancer awareness and support. The Lions Club of Mooloolaba was highly commended, and the Fisher Young Citizen of the Year was Miss Mia Schaumberg. We are pleased to have these awards. It is great to recognise wonderful Australians who are role models for their fellow citizens. (*Time expired*)

Broadband

Mr BOWEN (Prospect) (9.54 am)—Broadband continues to be an issue of concern throughout the community, particularly in my electorate. Early in my term in this House, we managed to get broadband connected to Horsley Park and Kemps Creek through the ADSL program, but there are still problems in accessing broadband in my electorate. I am contacted about this regularly by people who live near exchanges which have ADSL connection but who live too far from the exchange to be able to access broadband. Kevin Rudd's broadband plan announced last week will deal with these concerns.

Fibre to node means that 98 per cent of Australians, including those living in my electorate, will now have access to broadband. This will include people who currently live, as I said, near exchanges which have ADSL access but who live too far from these exchanges to be able to access broadband. Broadband under Labor's plan will be 40 times faster than that which is able to be accessed now.

I would like to deal with some of the nonsense we hear from the government about raiding the Future Fund. This is from a government which allocated \$10 billion for water without even referring it to cabinet and without getting the proper advice from Treasury or the Department of Finance and Administration—and the government has the gall to lecture the opposition about fiscal rectitude.

Over the weekend, two senior cabinet ministers belled the cat on the government's scare campaign. We saw Senator Minchin, on the front page of the *Australian Financial Review*, say that the Future Fund was now so close to meeting its requirement to fulfil the superannuation liabilities of the government that it was quite possibly no longer necessary to allocate future surpluses to the Future Fund. Senator Coonan, on the *Insiders* program on Sunday, said that, once the superannuation liabilities were met through the Future Fund, it was of course possible and desirable to look at other uses for the Future Fund money. Both of those senior cabinet ministers have contradicted the rants we have heard from the Treasurer in question time each day since Labor's announcement.

There are real broadband problems in this nation and the government has ignored them. There have been 17 reports on the failures of broadband in this country, yet the government has ignored them. Our broadband rate is slow. Our take-up rate is low, although it is growing. The Prime Minister constantly says that the take-up rate is the second highest in the world, but he declines to inform the House that it is from one of the lowest bases in the world.

Feedback from well-respected commentators and people in the community supports Labor's broadband plan. It is a good plan. If the future is not about broadband, what is it about?

Coolangatta Senior Citizens Centre

Mrs MAY (McPherson) (9.57 am)—I recently had the pleasure of visiting the Coolangatta Senior Citizens Centre to attend a very special morning tea to celebrate the 90th birthday of three of their members and the 92nd birthday of one member. Joe Smith, Alfred Noakes, Hilda Hamilton and Marjorie Harman were made life members of the centre and presented with special certificates and badges to mark the occasion.

I was delighted to present each of them with a special commemorative glass plaque that was personally inscribed with their birthdays. At the conclusion of the ceremony, a special morning tea was held with Councillor Chris Robbins, friends and family and current life members of the centre. Betty Rattery, the president of the senior citizens centre, and Janet Holmes, the secretary, are to be congratulated for hosting this wonderful morning to commemorate these special milestones.

During my visit, I also had the opportunity of discussing the centre with the coordinator, Mr Ron Brisby. The centre is extremely active in providing a safe and caring environment for older Australians to participate in a host of activities, including regular card games, dance lessons, snooker, meditation classes, regular exercise classes, indoor bowls, Tai Chi and bingo to name just a few.

The centre also arranges regular bus trips for members. The February trip to Bribie Island was a great day out for members who enjoyed morning tea at Nudgee Beach before continuing their journey to Caboolture and Bribie Island RSL for lunch. Future trips include a visit to Iluka and Yamba and the sensational scenic rim tour.

The centre is open every day and is supported by an in-house cafeteria which is run by Briony and Glenn Curtis and a great support team. Each day nutritious meals are provided at very reasonable prices and there is even a take-away service. There is also a hairdressing service run by Louise. She has been looking after members for many years and has recently been joined by Stacey.

There are more than 800 members of this senior citizens centre, an incredible membership by any standard. The centre has a wonderful executive team who give freely of their time on a volunteer basis to ensure that members have the facilities and activities they enjoy so much on a regular basis. The federal government assisted the committee with a small equipment grant in 2006, which enabled the purchase of a new refrigerator and an urn. Both of these pieces of equipment have been put to great use, particularly in view of the large membership and the need to provide morning and afternoon tea for members on a daily basis.

There is no doubt that this centre is a great meeting place for senior citizens on the southern Gold Coast and I commend all those involved with the centre who have worked hard to ensure the continued success of the centre by providing facilities and activities that continue to be enjoyed by those people on the southern Gold Coast.

Employment Figures

Mr GEORGANAS (Hindmarsh) (10.00 am)—It is not a hidden fact that thousands of unemployed Australians are eagerly looking for work. It is, however, not commonly known that there are thousands more Australians who work minuscule hours and who want and are looking for more work without any success. These are Australia's underemployed. The underemployed are defined by the ABS as people, including part-time workers, who want and are available to work more hours.

The unemployment figures published by the Howard government do not tell the whole story. They do not include those Australians who are underemployed and underutilised. As of September 2006, the national underemployment rate sat at five per cent above the unemployment rate of 4.8 per cent, giving us a clearer picture that those people seeking work but who cannot find work are closer to 9.8 or 10 per cent. The September 2006 ABS *Underemployed workers* report showed that more than 500,000 Australians working part time would like to be working more hours. According to the ABS data, 57 per cent of part-time workers would in fact like to be working full time, and 61 per cent of underemployed part-time workers wanting to work more hours are women. For 82.7 per cent of underemployed part-time female workers seeking more work, the highest level of educational attainment is year 10 or below. I call on the government to release Australia's underemployment figures quarterly along with Australia's unemployment figures. I think the Australian public are entitled to know about the country's underemployed, the true figures of unemployment in this nation and how many people are seeking full-time work.

Being employed, however, does not translate into having full-time work. The definition of employment is civilians aged 15 years and over who during the reference week worked for one hour or more or had a job from which they were absent. I think it is unreasonable to think that working one hour a week is enough to support a single individual let alone a family or paying the bills, mortgages et cetera and all the other things that we all aspire to here in Australia.

Australians have the right to know about the number of Australians looking for work but who are unable to find work. It is time that Australia was presented with all the facts. The government needs to address the tens of thousands of underemployed and underutilised Australians desperately looking for work. We need to publish those figures quarterly side by side with the employment figures, so that Australia can have a real notion of what the true figures are of the people who are underemployed or the people who are looking for work but who cannot find work.

The ABS did a survey not that long ago where they surveyed people who were working part time. It showed that eight or nine in every 10 wanted to work extra hours. When the question was asked why they wanted to work extra hours, the answer was because they could not afford to pay their bills, mortgages et cetera. These were ABS statistics. So the real figures of unemployment are far closer to 10 per cent than the five per cent that we currently and constantly hear from this government and the harping that takes place. The government should release those figures and make them public. (*Time expired*)

Energy

Mr HAASE (Kalgoorlie) (10.03 am)—I rise this morning to point out some of the nonsense behind the solutions to global warming. I am very concerned that the populace generally are focusing on sustainable energy in the form of wind and solar as being the solution to the creation of greenhouse gases in Australia as a result of energy production. I point out that 80 per cent of our power generation today is derived from the burning of coal. This government presently has leveraged some \$6 billion worth of development into the cleaning up of coal-burning emissions so as to develop a technology that is not only affordable but saleable overseas with this coal resource that we have in abundance in Australia. This 80 per cent baseload power generated by coal seems to be ignored by the green lobby that would suggest that we can solve greenhouse gas problems and therefore global warming by concentrating on solar energy production and wind energy production. It is simply not so. The same people miraculously seem to ignore the elephant in the room around which we all dance, which of course is nuclear.

Nuclear energy has the ability to provide cheap, non-polluting baseload power, at the same time as being the perfect medium to provide energy for desalination of sea water to solve our water supply problems around this nation. Why is nuclear energy being ignored? Unfortunately I cannot tell this chamber, but it is being ignored most definitely.

The other thing that concerns me especially is the fact that in the northern regions of Western Australia—the Kimberley—we have enough energy to supply all of the energy needs of Australia and it is being ignored by governments and by departments behind governments. I refer, of course, to tidal energy—energy which, wherever there is a tide in excess of a five-metre rise and fall, can produce renewable energy with no pollution whatsoever. Using that electricity to extract hydrogen from water would give us an energy source to power up mobility in our cities and have a future with absolutely pollution-free environments. It is something that must be addressed. There is every reason for addressing it, but there are so many hurdles in the way. A major hurdle of course is the intransigent position of the Western Australian government, which not only ignores the foregoing information but insists, for political expediency, that nuclear energy is out because it will not even allow the mining of uranium. (*Time expired*)

South Australia

Mr SAWFORD (Port Adelaide) (10.06 am)—No matter where you look in South Australia—whether it be politics, business, unions, education, health, public transport or infrastructure—governance and leadership is all too often seriously compromised. It is a dynamic that has dogged South Australia for at least the last 20 years and probably longer. The tripartite relationship between the top end of town and the corporate world, the media, particularly the commercial media, and executive government is too often clouded in questionable goings-on.

State governments have had a far too comfortable and accommodating relationship with the top end of town. Who could forget the State Bank fiasco in the late 1980s, which shamed major political parties and the media? During the Liberals' term from 1993 to 2002, we endured the folly of the waste of taxpayers' money on the National Wine Centre, overspending on the Hindmarsh Stadium and the almost criminally botched sale at a loss of the TAB. During the current government's term, it is going to happen again: \$55 million of taxpayers' money has been allocated to build a grandstand in the Adelaide parklands for car and horseracing. This grandstand, or 'stand for the grand', is to be three or four storeys high, 248 metres long and 10.8 metres wide. Despite taxpayers paying for this monstrosity, it will not have one public seat. It will be a facility for government and the corporate world. The audacity, the arrogance and the contempt implicit in the funding of this grandstand beggers belief and suggests that a section of the government is totally out of touch with the constituency of Adelaide.

A second matter is the all-too-comfortable and cosy relationship state governments in South Australia have with the media. Although it is understandable that the media would protect its income stream and the people who pro-

vide the advertising revenue, it nevertheless too often compromises the fourth estate in South Australia, and it shows. The governments, too, protect themselves. High-profile business and media personnel are strategically appointed to government boards and paid handsomely for their time, participation and support of government. Whether they realise it or not, they are compromised and diminished.

I have always believed that the sale of the TAB in South Australia demanded a royal commission inquiry. It still does. I am starting to believe that the proposed sale of the Cheltenham racecourse and redevelopment of Victoria Park also demands a royal commission inquiry. There exists a bad smell about these matters. It is stronger than the Bolivar sewage treatment works. But the likelihood of either inquiry happening is pretty small. Too many people in both major political parties, at the top end of town and possibly in the media would be exposed. The irony is that the same people come up time and time again, and bubbling away at another level is the increasing nondisclosure of in-kind and political donations closely aligned to the major political parties at the top end of town. The lobbyist of the SAJC promoting the sale of Cheltenham racecourse—the best stormwater site in the western suburbs—and the Victoria Park redevelopment and being appointed to the committee to give advice to government on stormwater management is a very bad look. (*Time expired*)

Economy

Mr ANTHONY SMITH (Casey—Parliamentary Secretary to the Prime Minister) (10.09 am)—Today I want to again address the issue of economic management, which is so important not just to the electors of Casey but to electors right across Australia. The Leader of the Opposition and federal Labor desperately want Australians to believe that they could slip seamlessly into the driver's seat and continue down the road of economic responsibility. But to believe them, Australians have to trust them not only with the management of money in Canberra but also with their own financial security and future. That is why to know what federal Labor would do can only be judged by how they governed in the past and how they have approached policy decisions in opposition.

I turn, first of all, to federal Labor's record in government. In their last six budgets they took net government debt from \$16.1 billion to \$96 billion. Their last budget was in deficit by \$10.3 billion. Their mismanagement saw interest rates peak at 17 per cent and unemployment hit 11 per cent—one million people, or 10 AFL grand final crowds who lost their jobs. There were not too many rights at work for them. Each year \$8½ billion was spent just paying the interest on Labor's whopping \$96 billion debt.

That brings me to Labor's approach in opposition. After leaving this trail of destruction and losing office, far from admitting error or adopting a new approach, Labor quickly did exactly what Labor knows and does best. It dug in and maintained a mindless political picket line in the federal parliament to oppose every single measure and reform needed to improve our economy.

In government Labor destroyed the village. For the last 11 years of opposition they have tried to sabotage the rebuilding of the village and now they ask Australians to put them in charge of it. Trusting Labor with Australia's economy and trusting Labor with your own financial security is about as sensible as asking the local graffiti gang to look after the railway station or the bus stop. It can only end one way. Labor's vision for the future of Australia is in fact the Australia of 1996 and before. So when they say, 'It's time,' they say it is time to go back to 1996. They want to take us on a road back to higher taxes, higher interest rates, wasteful spending, higher unemployment, higher deficits and union control. This is not the place Australians would want to take their family, their business or their country. But under the Leader of the Opposition and his frontbench that is their future.

Workplace Relations

Mr HAYES (Werriwa) (10.12 am)—On Monday in question time the arrogance of this government and this Prime Minister hit an all-time high when the Prime Minister uttered the nine most revealing words of his prime ministership. With the statement 'working families in Australia have never been better off', the arrogance of this government was put up in neon lights for all Australians to see. Yesterday when the Prime Minister was asked to repeat his claim that working Australians have never been better off, he dodged it. He dodged the question by waxing and waning on the false claims that the only dissenting voice to his extreme industrial laws was that of the trade union movement.

The voices of opposition to Work Choices that I hear almost on a daily basis in the south-west of Sydney are not those solely of the trade union movement. I can assure you, Mr Deputy Speaker, and the Prime Minister of that. They are the voices of people such as Reinaldo Martinez, who was sacked while he was on sick leave, and Mr Reynaldo Cortex, who was offered a take-it-or-leave-it AWA that cut his take-home pay by up to \$200 a week. They are the voices of the Esselte workers in Minto and the employees of Lipa Pharmaceuticals. Quite frankly, these are not simply the voices of the trade union movement; they are the voices of working Australians. The people who stop me at community events and sporting events or just in the street to voice their opposition to Work Choices do so on the basis of how it impacts on ordinary, everyday Australians. So when the Prime Minister says

that working Australians have never had it so good, he does not mean that. We know that people are suffering under this government's ideologically driven agenda. The facts speak for themselves.

Of the individual contracts surveyed up to May 2006, the facts are that 100 per cent of AWAs had at least one protected award condition removed, 63 per cent cut penalty rates, 64 per cent cut annual leave loading, 40 per cent cut rest breaks, 51 per cent cut overtime loadings and 36 per cent cut declared holiday payments. The fact is that under this government's extreme industrial relations laws workers have never been worse off.

It is about time that the Prime Minister attempted to prove his statement by releasing the analysis of what Work Choices AWAs really contain. No business would enter into an agreement not knowing the comparison; therefore, surely the minister, through the Office of Workplace Services, can arrive at an appropriate means of comparison. The government managed to produce the analysis once. If the government could do that, what does it have to hide by producing those sorts of statistics again? If the government does not release these figures, the only conclusion that can be reached is that working Australians have never been worse off than under this government's extreme industrial relations laws. (*Time expired*)

HMAS *Gladstone*

Mr NEVILLE (Hinkler) (10.15 am)—HMAS *Gladstone* is finally coming home, following its recent decommissioning in Cairns. The Fremantle class patrol boat has been retired after 23 years in service and will spend its future years as the key display in the Gladstone Maritime Museum. I know the vessel will be sadly missed by the ship's company, who have sailed in her for 620,000 nautical miles in national and international waters, but they can be assured it will have a worthy retirement.

Although HMAS *Gladstone* was based in Cairns for the entirety of its working life, some very strong arguments were put forward when lobbying to have the ship retired to its namesake city, not least of which was Gladstone's frequent role in naval exercises staged at Shoalwater Bay and its proximity to the Great Barrier Reef. It is also Queensland's busiest commercial port.

Acquiring the vessel was the culmination of years of work by the Gladstone community, particularly the Gladstone Maritime Museum president Ced Janson, former president Stephen Mills and committee member Noel Bowley. They worked closely with me and the Mayor of Gladstone, Councillor Peter Coronas, to secure the vessel, and we thank the Minister for Defence, Dr Brendan Nelson, for his generosity because this donation will be seminal to the people of Gladstone and district.

The local community has really pulled together on this project, with the Gladstone Engineering Alliance offering its services to permanently place the vessel on a support structure at the old slipway site on Flinders Parade on land which was donated by the Central Queensland Port Authority.

A division having been called in the House of Representatives—

Sitting suspended from 10.17 am to 10.30 am

Mr NEVILLE—The local community has really pulled together on this project, with the Gladstone Engineering Alliance offering its services to permanently place the vessel on a support structure of the old slipway on Flinders Parade. This is on land which has been donated by the Central Queensland Ports Authority. It will be handed over to the city tomorrow night at a function which I as the local member will be attending. The vessel has already arrived in Gladstone. It should take about six months to get shipshape—pardon the pun—and it should then be ready for public access. Now she will play an important role as a living museum, pulling together naval history, maritime heritage and destination tourism. Let me say to all those concerned: well done, Gladstone!

Australian Technical Colleges

Ms HALL (Shortland) (10.31 am)—About two weeks ago I met with two very distraught parents and their son. They raised with me issues concerning the Australian technical college in the Hunter. Their sons decided that they would undertake study at the Australian technical college. They thought it sounded just like what they needed, but unfortunately it has been a very rough and rocky road for these students. Even the teachers are saying that the college should not have started at the beginning of the year, when it did, but it did so because of an insistence from the government.

Both the boys are doing electrical trades and they have enrolled in the new college. They were supportive of the concept of Australian technical colleges but were very disappointed with the development of the Hunter college and the program offered to date. The development of the college has been fast-tracked. It really should not have opened for another six to 12 months. Both students are considering withdrawing from the college, such is their level of disappointment.

Of the 60 students enrolled in the course, not one has started work with an employer. Work experience placements have not even been negotiated, nor has workers compensation been negotiated. The college facilities are

virtually nonexistent, with classes conducted in temporary premises with no workbenches. The parents were actually talking about going along the weekend after I saw them to build workbenches for the students so they could complete the practical part of their course. Currently there is a very limited supply of working tools and consumable materials, and initially there were no materials. I would ask how these students can be expected to achieve their goal of completing their apprenticeships.

The placement of the students with employers is a critical part of the apprenticeship training model. This has been neglected, with the recruitment of a placement officer not even completed. There is no placement officer. It is little wonder that the students have not been able to undertake the work component of their apprenticeship. Parents now fear it will be next year before the students are able to work in the trade, and the two students I am talking about will not be there. Problems exist with the training model and the ratio of school based training, trades and genuine on-the-job training. *(Time expired)*

World Championships in Athletics

Mr HARDGRAVE (Moreton) (10.34 am)—I am delighted to report to the House today that Brisbane has failed in its bid to host the 2011 World Championships in Athletics. The reason I am delighted to report that is that we have Premier ‘Teflon’ Beattie heading over to Kenya to tout Brisbane as the site for these games and everyone has seen through him. I bet you he did not tell the committee that made its decision that, for anybody who arrived to contest in the 2011 or, indeed, the 2013 world athletics championships—the third largest athletics events in the world—there would have been no water coming out of the taps of any hotel rooms they would have been staying in because his government and, indeed, the Goss-Rudd administration of the early nineties failed to actually deliver on the Wolffdene Dam, which was needed to secure the water that we need in south-east Queensland.

Honourable members interjecting—

Mr HARDGRAVE—They do not like the truth, do they?

Mr Price—Mr Deputy Speaker, I rise on a point of order. Members must refer to people by their title, not their surname, and I would ask you to uphold the standing orders.

The DEPUTY SPEAKER (Mr Haase)—Thank you. I remind the member for Moreton to refer to members in office by their title.

Mr HARDGRAVE—Nor did Premier Beattie tell the committee that Kessels Road, which is right outside the QE2 sport stadium in the middle of my electorate, is overlaid with heavy trucks 24/7 because of the failure of the Beattie administration—and, indeed, the failure of the Goss administration, with the Leader of the Opposition as his core adviser—to put the proper infrastructure into place in time to make sure that we are able to properly cope with transport needs. Premier Beattie also did not tell the committee that Brisbane would not be able to guarantee its power supply because electricity cannot be generated without a reliable source of water.

The point of the matter is this: the Labor Party can be embarrassed all they like about the role of the Leader of the Opposition in the failure of Queensland infrastructure over his time. But, of course, the shadow Treasurer, the member for Lilley, is equally complicit in the sorts of failures we have. Heaven help us if either of those two gentlemen ends up taking on any authority in a national sense. We do not have power, we do not have water, we do not have adequate roads and we do not have adequate rail lines—all because of Labor’s failure to properly administer Queensland’s asset needs for years to come.

We do not have enough people to actually make a remedy possible. I had a Queensland government minister tell me last year that we need a 32 per cent increase in the number of people with the capacity to be plant operators and bulldozer operators. They are probably over in the electorate of the member for Kalgoorlie making a fortune pushing dirt around or in the Central Queensland coalmines. The reality is that all that the Beattie government does is spin. It would make Marie Antoinette blush with this ‘let them eat cake’ approach, bidding for world athletics championships at a time when average Queenslanders cannot get enough power, water or adequate roads. Peter Beattie stands condemned. *(Time expired)*

Workplace Relations

Mr PRICE (Chifley) (10.37 am)—I want to speak on the one-year anniversary of the introduction of Work Choices. We are told that this has been so good for workers, they have just been so much better off and it is the best thing that has ever happened to them. Wouldn’t you think we would have had a cake? Wouldn’t you think we would have had a celebration given that this is so good for workers?

They will not let the truth come out. They have stopped the Office of the Employment Advocate from collecting the statistics that show that workers are worse off. There is a Treasury paper that indicates the future directions and new changes that they will put in for Work Choices legislation. What did they do? They have blacked it out. The news is so good for the workers—they are so much better off and they have never had it so good—but we

cannot tell them what we are going to do in the future. We have blacked it out. I have never seen a good news story that is so heavily censored.

The big point I want to make is about Spotlight employees. I raised this in the parliament and the Prime Minister said, 'Look, for these workers, it is a lot better going from unemployment to employment.' I agree with him. He said, 'These 38 workers are going to be \$338 better off.' What a lie! He knew at that time that they were not going into full-time employment. All they were being offered was casual employment, and part-time employment to boot. For getting rid of overtime, shift allowances and penalty rates, those 38 Mount Druitt employees got an extra 2c an hour. That is what stinks.

Mrs Elson interjecting—

Mr PRICE—I know because I spoke to the workers. One lives as a neighbour around the corner from me.

The DEPUTY SPEAKER (Mr Haase)—Member for Chifley, please direct your comments through the chair, not across the chamber.

Mr PRICE—No problem, but I am being subjected to the odd interjection too. I am trying to tell the truth. I want the facts to be revealed. It is the government that is covering up. It is covering up the statistics because it knows that, far from having it so good, there are lots of workers who have never had it so bad. People who are not directly affected by employment—that is, mothers, fathers, grandfathers, grandmothers, aunts and uncles—are concerned about their relatives and the younger generation, and they have every right to be with this government.

Circular Head Business Enterprise Centre

Mr BAKER (Braddon) (10.40 am)—I rise this morning to state my dismay at the imminent closure of the Circular Head Business Enterprise Centre due to the Tasmanian state Labor government's budget reduction, leading to a somewhat inferior part-time service in the region. This really gives us a snippet, a window, of what it would be like, God help us, if the opposition ever got into power nationally.

The Circular Head Business Enterprise Centre has been in operation since 1991 when it was established as part of a pilot network of six Tasmanian schemes to foster employment creation by assisting people to develop new enterprises, supporting existing businesses to raise their level of business management skills and encouraging local economic development through broader projects identified by the community.

The Circular Head Business Enterprise Centre has provided invaluable assistance to the people of Circular Head for over 15 years. For example, in the preceding three years, 2003-06, the centre was contacted by some 1,829 clients, supported 54 business formations, 16 business purchases and was responsible for 147 direct jobs and 588 indirect jobs. The centre's extensive services include free business advisory, referral to specialist services, new start-up business advice, workshops, seminars, skills training to businesses, coordinating the women in self-employment support program, and networking and mentoring activities. All these services are vital to regional businesses, which often do not have the access to services and resources that those in city locations have.

With prudent management of its funds, the centre has been able to play a greater role in the community by providing assistance to community groups and non-profit organisations, particularly in sourcing grant funds and preparing applications for funding. The centre has significantly contributed to attracting hundreds of thousands of dollars to the Circular Head region over the past 15 years through its proactive participation in both the business and community sectors. It would be remiss of me not to mention some of the great things that happen in this region. For example, up to 40 per cent of the state's milk production occurs there and the forestry, seafood and agricultural industries are flourishing. The continued watering down of all business support programs is a perfect example of the value that a Labor government places on business and business sustainability.

The state Labor government in Tasmania does not differ from other state Labor governments, whose support for business continues to decrease. For the businesses of Australia, this should be a strong warning of what will happen to the business community if a federal Labor government, dominated by union officials, were to be elected. The warning should also extend to the Australian workforce, because without a sustainable business environment jobs are at risk and the very economic prosperity we currently enjoy is also under threat.

China

Mr DANBY (Melbourne Ports) (10.43 am)—I would like to join with the member for Herbert in welcoming Commander Michael Rothwell, the former commander of HMAS *Tobruk*, who is on temporary assignment to my staff. The assignment is part of the Defence Force program where we participate in the ADF's parliamentary program, and some of the people from the various services get the opportunity to serve here in Parliament House. I hope it is a great education for them.

I want to use this opportunity to welcome to the parliament Han Dongfang, the son of a peasant. He was a railway worker and electrician prior to the Tiananmen Square massacres in 1989. He was the convener of the Beijing

Autonomous Workers Federation, the first independent labour organisation in mainland China in 50 years. He wished to build a workers federation that could monitor the Communist Party of China, especially in their treatment of workers. The Workers Federation was shut down as the Tiananmen Square protests came to a bloody end when the protestors were crushed by the tanks of the Chinese government on 4 June 1989. After the Tiananmen Square massacre, Han Dongfang was jailed for 22 months without trial, during which time he contracted tuberculosis. He was released from jail on the verge of death and soon after received an American visa for urgent medical treatment. He recovered in the US and since 1994 has operated the Hong Kong based *China Labour Bulletin*.

Han Dongfang is a great representative of the Chinese working people. Two nights ago he was interviewed on the *PM* program and he made some cynical but true comments about the recent decision of China's National People's Congress to legalise private property. In his view, it is very much like that of the Russian nomenklatura, after the fall of communism. In China's case, the Communist Party is still in charge. This new law will give people the legal entitlement to enterprises that were illegally grabbed by members of the Chinese communist nomenklatura. His view is shared by Will Hutton, the famous author, who said: 'Future Chinese economic growth while extraordinarily spectacular is very fragile, and without democracy this growth will not be able to continue.'

Han Dongfang and the Leader of the Hong Kong Democratic Party opposition, Albert Ho, will be in the parliament on Thursday to speak to the Joint Committee on Foreign Affairs, Defence and Trade. They will also, thanks to the member for Fadden, meet with the Hong Kong parliamentary friendship group. Both men will attend a major seminar in Melbourne on the weekend entitled 'Forum for a democratic China', a non-partisan group which I am involved in together with former member of parliament Victor Peron. Topics will include: a democratic testbed for China in Hong Kong and China's peaceful rise: will economic prosperity lead to political liberty? These two guests, Albert Ho and Han Dongfang, are welcome to Canberra and to Australia. (*Time expired*)

Volunteer Small Equipment Grants

Mrs ELSON (Forde) (10.46 am)—I take my time here today to thank the Minister for Families, Community Services and Indigenous Affairs, Mal Brough, for the support he has given to volunteers all round Australia. In my electorate 35 different community groups will share over \$78,000 in funding provided through the Volunteer Small Equipment Grants program, administered by Mal Brough. The volunteer small equipment grants provide up to \$3,000 to community groups to help make the valuable work of their volunteers much easier, safer and enjoyable. There was an overwhelming response to the last round of funding so the government decided to allocate an extra \$10 million. I am delighted we are able to provide local community groups with an extra \$78,000, on top of the \$46,000 that I announced last year.

This money will purchase important equipment, mostly through local stores, to help the work of local volunteers. Grants have been provided to purchase a wide variety of equipment to assist volunteers throughout the local region. Groups such as P&Cs, Guides, Lions clubs, rural fire brigades, disabled support groups, Rotary and ambulance committees, to name a few, have benefited through the allocation of this grant money. These are the people who give their hearts and souls to our communities. Each purchase will make significant difference to the work they do. The organisations tell me they would have had to sell many raffle tickets and make many cakes to raise the money they will get through this grant.

Each year around 4.4 million Australian adults undertake some 430 million hours of unpaid work. This is a significant economic and social contribution to our society. The selfless spirit with which volunteers approach their unpaid work says something special about the Australian community, and I thank the minister for continuing this valuable grant. While I am on my feet, I would like to also thank two volunteers who come into my office every week. I know most of our electorate offices would not work as well if it were not for people giving their time in our offices. I would like to thank Jerry Nowakowski, who for the last six years has come to my office every day to do all of the manual and hard work. I could not survive without him. I also thank John Skeers, another gentleman who has given eight years of his time to my office. I thank them and their wonderful partners, Clair and Gwendoline. My office would not be efficient without their valuable support. I would like to put that on the record.

Australian Security Intelligence Organisation Surveillance

Ms PLIBERSEK (Sydney) (10.49 am)—I rise today to speak on an issue that relates to a constituent of mine, a Mr Wilson, who believes that he is the subject of an investigation and of intrusive surveillance by ASIO. I know that members of parliament often hear these stories from constituents and most of the time we are given the unenviable task of explaining to them that it is unlikely that they are the subject of surveillance by ASIO. But in 1996, while living and working as an equity research analyst in the United States for SBC Warburg, Mr Wilson was given details of a confidential US state department report. The person who gave him the report revealed confidential details of the investigation into an incident in which seven people had been killed in and around the Grasberg mine in Indonesia.

The mine is owned by publicly traded Freeport McMoran. According to the information leaked by the United States person, the contents of the state department report noted that the US government had given the mining company a confidential soft reprimand that related to environmental abuses only rather than anything to do with the killings. As part of his duties as a mining analyst, Mr Wilson informed the market with regard to these incidents and suggested that there was an economic and political sensitivity in relation to them. He was subsequently sacked by his employer and black-listed from Wall Street and he believes that for that reason he has been the subject of ongoing surveillance.

I do not know whether it is true that he is the subject of ongoing surveillance. The difficulty for him is that, despite his own contacts with officials in Australia and despite the fact that I have written to the Inspector-General of Intelligence and Security, he cannot know whether he is or is not the subject of surveillance. If allegations have been made against him, he has had no opportunity to answer those allegations. This has put enormous stress on his family. The reason I am raising this in the parliament is not because I am convinced either way of the truth of his concerns but because we have a situation where an Australian citizen is convinced—he makes a convincing case—and he has no opportunity to know whether there are allegations against him and how he can respond to them.

Australian Defence Medal

Mr KEENAN (Stirling) (10.52 am)—On Monday, 2 April—this coming Monday—at the Osborne Park RSL memorial hall in my electorate of Stirling, I will be recognising the following former servicemen and service-women of Australia by presenting them with the Australian Defence Medal: Miss Helen Cope, Mr Trevor Baird, Mr Martin Bond, Mr Gerald Edwards, Mr Ronald Eggleston, Mr Colin Guthrie and Mr John Hunter. I am very pleased to be able to host this ceremony in the lead-up to this year's Anzac Day commemorations, and I am proud to recognise the contribution made individually by these men and women.

The Australian Defence Medal was introduced by this government in March last year to recognise the service of more than one million current and former Defence Force personnel who have served since the end of World War II. It is a commitment made to recognise the outstanding contribution that these men and women have made to Australia's proud military history. The Australian Defence Medal is an important tribute to those who have given so much for our country, and today I recognise this small but important group individually and thank them for what they have done for Australia.

As we will not be back in this place before Anzac Day, I want to pay tribute today to the RSL clubs in my electorate. I have been invited to be the representative of the Australian government at services being held at the Nollamara, Scarborough, North Beach and Osborne Park RSL associations at different times throughout Anzac Day, commencing with a dawn service and concluding with an afternoon service. I will attend each of these services with a sense of pride that I am able to actively participate in these moving and memorable occasions. All of the RSL clubs in my electorate are outstanding examples of the true Anzac spirit. In both their deeds and actions throughout the local community, they embody all that is best about Australian values. Their members are proud to have been able to serve their country and in turn we are very proud of them.

This Anzac Day is the 92nd anniversary of the landing at Gallipoli and each year, rather than fading in the annals of our history, I think this important event becomes more relevant to each successive generation of Australians. We must continually encourage our younger citizens to understand the Anzac story and ensure that it is passed on to future generations.

I am heartened by the increasing number of young people who attend the Anzac services as it is a time for them to learn about the conflicts that we have fought in the past and for us to remember the young lives that have been lost in the defence of our country. Anzac Day is also a local day for each of us in our communities to give thanks to the Australian men and women who are serving in our defence forces both here at home and particularly overseas in places as diverse as East Timor, the Solomon Islands, Iraq and Afghanistan and to encourage future generations to pay homage to what those people have done to make Australia a secure place to call home.

Broadband

Ms OWENS (Parramatta) (10.55 am)—Australia entered the resources boom as one of the fastest growing economies in the world with productivity growth of 2.6 per cent per annum. Now, 10 years later, despite extraordinary growth around the world, it is dragging us with it and the government is quietly downgrading Australia's forecast productivity growth over the forward estimates period to 1.75 per cent. One has to ask how that can happen. The answer is quite simple: the Howard government has been coasting on the back of the resources boom.

When the government talks about the future, it sometimes—particularly in the last couple of days—refers to saving for the future, but it does not talk about building for the future. That is what governments do in boom times: they make sure that circumstances are right for families and businesses to grow and flourish. It means mak-

ing sure that families and businesses do not find themselves bumping up against unnecessary constraints. For business, those constraints have been apparent for a number of years: they are infrastructure, skills and excessive red tape. If the government gets it wrong, there comes a point at which business finds it more and more difficult to get it right. Businesses in my area have well and truly reached that point.

That is one of the reasons I am so pleased to be associated with Labor's commitment to ensuring that 98 per cent of Australians have access to high-speed broadband, which will allow them to compete with their international counterparts. Broadband is an enabling technology that drives substantial productivity gains around the world. Broadband infrastructure represents the new growth platform for productivity and business development. The federal government's own broadband advisory group stated that next generation broadband could produce economic benefits of \$12 billion to \$30 billion per year.

Even though we know how important broadband is and even though we have known for some time that we were falling behind the rest of the world, where do we find Australia in broadband performance? The answer is pretty much nowhere. Australia is ranked 17 out of 30 countries surveyed by the OECD for take-up of entry-level broadband. Despite the growth in take-up, Australia's relative position has not improved in the past two years. The World Economic Forum has ranked Australia 25th in the world for available internet bandwidth and 15th for network readiness—and slipping. Similarly, the WEF ranks the Australian government's success in the promotion of information communications technology as just 53rd in the world. This poor performance is occurring at a time when communications is one of the most important drivers for future prosperity. I am proud to be associated with Labor's commitment to broadband and I urge those opposite to consider coming on board and supporting investing in Australia's future.

National Community Crime Prevention Program

Mrs MARKUS (Greenway) (10.58 am)—The Australian government has committed \$64 million to the National Community Crime Prevention Program, which provides funding for community based crime prevention projects in three streams: community partnership, community safety and Indigenous community safety. The NCCPP aims to support local crime prevention by providing the additional resources needed by community groups to develop their own projects and to find their own ways to promote community safety.

In August 2005 the Blacktown Migrant Resource Centre received funding under the National Community Crime Prevention Program for the community harmony and crime prevention project, which works with African communities in Blacktown to help engage local Sudanese and African communities with local human services and businesses in a collaborative manner to reduce the incidence of crime. More recently, crime prevention in the Hawkesbury, Western Sydney, has been boosted with the announcement of \$380,000 to WISE Employment and \$20,200 to Self Advocacy Sydney Inc. under the Greater Western Sydney component of the Australian government's National Community Crime Prevention Program. The grants for the Greater Western Sydney component were announced recently. I am delighted that WISE Employment's 'Straight for Work' received \$280,000 and that Self Advocacy Sydney received \$20,000.

WISE Employment and Self Advocacy Sydney Inc. were among many community groups and local government associations across Australia who responded to the last round of funding for this program. Almost 400 applications were received. Forty-one of those applications were for projects within the Greater Western Sydney component, of which six were successful in receiving grant funding. Projects which adopt a grassroots approach to deal with crime prevention will make a real difference to the local residents.

The WISE Employment Straight for Work project is an initiative targeted at reducing drug-taking behaviour, drug related crime and re-offending by engaging high-need and at risk offenders in community mentoring, support and training. The project will match participants with trained volunteer mentors and will offer life-skill training, supported referrals to essential services and after-prison community care.

The Self Advocacy Sydney Inc. Be Aware Not Scared project is an initiative which aims to address the over-representation of people with intellectual disabilities as victims of crime. The project will help develop, present and distribute a training program to increase personal safety and reduce fear of crime in people with intellectual disabilities.

The Howard government knows that, to ensure a prosperous and stable country, we need to invest in Australia's most valuable commodity—its people. It is because of strong economic management that the Australian government can fund important projects such as these, which benefit the whole community.

Immigration: Visa Approvals

Mr BRENDAN O'CONNOR (Gorton) (11.01 am)—Today I take the unusual step of raising in parliament an immigration matter because I have exhausted all other avenues. Mr Hassan Ali is a resident of the electorate of

Gorton. Hassan is a sincere and hardworking man who is struggling to meet his family obligations under very difficult circumstances. He works night shifts, as his wife is no longer able to care for their daughter or for herself when he is not at home. Mr Ali urgently needs to obtain a visa for his niece Sharmeen Simi to act as a full-time carer for his wife and daughter, as their physical conditions are worsening. Mr Ali's wife, Yasmeen, and their daughter, Sabrina, both suffer from disabilities so severe that they require constant care.

Yasmeen has Whipples disease and Alzheimer's disease, and her condition is worsening. She is cared for by her brother, Yousuff Qureshi, who arrived originally on a carer's visa sponsored by Mr Ali. Given the physical condition of his wife and daughter, he is no longer able to care for these two severely disabled women on his own. Sabrina has Down syndrome with a major intellectual disability, a severe heart condition and epilepsy. She will also undergo a hip replacement within the next 12 months. I understand the health centre services agreed that Sharmeen Simi would be an adequate carer for her.

The most recent carer visa application was refused in September 2006. This application was sponsored by Sabrina, the applicant's first cousin. It was rejected due to the relationship between the applicant and the sponsor failing to meet the definitive reference of 'relative' or 'close relative' in the legislation. I am concerned about the ambiguity between, on the one hand, advice on the website by the Department of Immigration and Citizenship and that given by immigration officers to Mr Ali in person and, on the other hand, the definition of the term 'relative' given in the act.

Specifically, the act considers that people as distantly related as step-grandchildren and step-uncles meet the definition but not first cousins, which is the relationship between the applicant and the sponsor. Arguably, a first cousin is a closer relative than a step-aunt or a step-uncle. Indeed, Hassan Ali was specifically advised by departmental officers that 'first cousin' met the requirements for the visa—an understanding further supported by information on the department's website.

This bad advice cost him more than \$800 on a wasted application. Several other applications were refused previously. Without addressing the reasons given for each decision, I believe immigration officers have taken an unnecessarily narrow view of the regulations they are required to apply, with the result that further hardship and distress has been caused to a family already in great difficulty. Hassan was successful in sponsoring a visa application on behalf of his brother-in-law, who still cares for his sister on a full-time basis. But, as the situation in the household has worsened and more care is needed for Sabrina, Hassan has been compelled to apply for another family member in order to care for her adequately.

The legislation is obviously too narrow in its definition of 'relative' and 'close relative'. This should be amended to recognise the reality of many extended families and provide the capacity for discretion in specific circumstances. The phrase 'The applicant satisfies the Minister that the expressed intention of the applicant only to visit Australia is genuine' is being used in a heavy-handed manner and is completely at odds with the intention of the legislation. (*Time expired*)

Northern Territory: Primary Schools

Mr TOLLNER (Solomon) (11.04 am)—During the last two weeks I have had the pleasure of visiting several Northern Territory primary schools to mark the upgrading of school facilities under the Investing in Our Schools Program. The upgrades have ranged from new playground equipment to new technology in the classroom. Among the schools were Stuart Park Primary School and Nightcliff Primary School, which received \$50,000 and \$150,000 respectively.

I congratulate Stuart Park Primary School's assistant principal, Richard Woodside, and registrar, Carol Metcalfe, for their hard work to win the funding for the school, and Nightcliff Primary School's school council chairman, Murray Fuller, for his tireless fundraising. Alawa Primary School also received \$150,000 under the program to purchase laptop computers and related equipment, and the success of their application is due in no small part to its registrar, Michelle Elkins. All three schools are among the 49 Northern Territory schools that have received over \$3 million in funding under the Investing in Our Schools Program in the past year for upgrades like new air conditioning, shade structures and musical and sporting equipment.

Education, of course, is not just about bricks and mortar, nor is it just about providing technology and equipment. It is about developing a feeling of belonging and enhancing learning outcomes within the classroom by creating an enjoyable and purposeful environment. It is about school communities working together—principals, administrators, school councils, students and teachers. A key factor in this equation is the quality of our teachers. In that sense, I would like to pay a special tribute to four of Darwin's longest serving teachers who all work at the same school, the Leanyer Primary School, which is located in my electorate.

I wish to pay tribute to their selfless dedication and service to the Northern Territory's education system. Leanyer Primary School's principal, Henry Gray, assistant principal, Sally Bruyn, and senior teachers Janelle Northcott

and Craig Nieminski were recently honoured for each serving more than 30 years in Northern Territory schools. Given the shortage of teachers in the Northern Territory and the disturbingly high rates of staff turnover, long serving and experienced teachers should be a treasured commodity.

If you want to keep quality teachers you need to start recognising them and their dedicated work and service. This is essential to the success of our education system, not just in the Northern Territory but nationwide. The teachers that I have just mentioned are dedicated teachers. They work hard and long hours for their school and their communities, and I wish them every success in the future. I know Henry Gray, the principal at Leanyer Primary School, is looking to retire in the coming years. (*Time expired*)

Iraq

Mr ALBANESE (Grayndler) (11.07 am)—19 March was the fourth anniversary of the invasion of Iraq which began a war that the Prime Minister said would last for months not years. The war has come at a massive humanitarian cost. More than 23,000 US troops have been injured and more than 3,200 killed, along with more than 100 British personnel. Of course the statistics on Iraqi casualties are devastating. There is no official tally kept of Iraqi civilian deaths or injuries; however, it is estimated that at least 60,000 civilians have been killed during the war and occupation in Iraq. This is in addition to the approximately 12,000 Iraqi police who have lost their lives, according to a recently released congressional research service report.

The Pentagon's quarterly report to congress measuring stability and security in Iraq for March 2007 shows that the number of sectarian murders and incidents between January 2006 and January 2007 had risen and, overall, the level of violence in Iraq has continued to rise. Tragically, four years after it began, the war in Iraq is not measured by days of peace but by the days that are most bloody. July 2006 has the terrible designation of being the deadliest month in Iraq with 3,438 civilian deaths. This tragedy in economic terms has meant that Australia has expended approximately \$1.603 billion. In the US, according to the congressional budget office, the current cost of the Iraq war stands at around \$200 million per day. That is \$6 billion per month with a total bill being estimated at around \$US400 billion.

In reality the financial cost of the war is, of course, much higher when you take into account the costs of replacing military equipment, casualties and future impact. A suite of countries from the coalition, such as Spain, New Zealand, Portugal, the Netherlands, Japan and Italy, have pulled out. The UK has announced it is planning to reduce significantly the size of its contingent by the end of 2007. Yet the Prime Minister does not want to know.

This is the biggest single foreign policy failure since the Vietnam War. The Prime Minister has no exit strategy. He talks about a new sense of hope in Iraq, but hope is not a strategy; it is a sentiment. He uses slogans like 'cut and run' and 'standing by our mates' but platitudes and slogans are not going to make a strategy in Iraq. Our troops are honourably doing what is asked of them, often in considerable danger. Our troops have our respect and admiration for the job they are doing. We in the Labor Party are proud of our troops but we are not proud of our government. Iraq is a civil war. It requires a political solution to bring peace to the warring parties. It is time John Howard articulated an exit strategy and told the Australian people when our troops will be coming home.

Hinkler Hall of Aviation

Mr NEVILLE (Hinkler) (11.10 am)—I have kept members of the House updated on the progress of the Hinkler Hall of Aviation, and finally the first sod was turned on the project a few weeks ago. Acting Prime Minister Mark Vaile did the honours, and it was the culmination of more than 20 years work for a handful of dedicated souls—people of the calibre of Lex Rowland and the late Tom Quinn, and also Bert Bent, Stan Lohse, Ray Townson and John Wientjens, who have put decades into the completion of this complex which is located in Bundaberg's botanical gardens. The Commonwealth contributed \$4 million, the state contributed \$2 million and the council contributed \$1 million to the project. All of this money will be used to build the hall and refurbish the existing Hinkler House.

The entire Bert Hinkler development will comprise Hinkler's original Southampton home, which was rescued, transported and rebuilt in 1983-84, and the Hall of Aviation, which will have a public display of memorabilia and artefacts from Bert Hinkler's life, as well as original and replica aircraft and interactive displays. The hall will be built in the shape of an aeroplane wing and will be linked by a covered pathway to Mon Repos, the Southampton home.

The Hall of Aviation should attract up to 34,000 people a year. To echo the sentiments of the Acting Prime Minister on the day, I am greatly heartened to see the Bundaberg community celebrating the achievements of one of its greatest sons. Too often Australians shrug off the remarkable triumphs of their citizens, so it is wonderful to see a country town elevate one of its citizens in such a public way. Bert Hinkler was Australia's greatest solo aviator. His most important achievement was his pioneering flight from England to Australia in 1928—a 14½-day flight which excited the world and led to international air travel as we know it today. His pioneering spirit cost him his

life, in Italy's Prato Magno Alps in 1933, when he was attempting another record—but not before he had put Bundaberg on the international map.

Perhaps the modern day heroes of this story are the members of the Hinkler House Memorial Museum and Research Association, led by Lex Rowland, and the Mayor of Bundaberg, Kay McDuff, whose council had the courage to take on the project. For more than 25 years, members of this group have assiduously gathered together an incredible amount of Hinkler memorabilia, including replica aircraft, maps, furniture and personal belongings from his English home. There are 4,000 items in all—a huge aviation resource. The material will make up the bulk of the Bert Hinkler complex, and I urge any future custodians of this material to treat it with care and respect. It is part of Australia's aviation history; in international terms it is the caveman stuff of early aviation. As such, it should be preserved and displayed. (*Time expired*)

The DEPUTY SPEAKER (Mr Haase)—Order! In accordance with the resolution agreed to in the House earlier, the time for members' statements has concluded.

Main Committee adjourned at 11.14 am, until Wednesday, 9 May 2007 at 9.30 am, unless in accordance with standing order 186 an alternative date or time is fixed.

QUESTIONS IN WRITING

Oil for Food Program

(Question No. 2895)

Mr Rudd asked the Prime Minister, in writing, on 8 December 2005:

Can he provide details of any (a) meeting, whether formal or informal, and (b) contact he had with representatives of the Australian Wheat Board during the period 1999-2003.

Mr Howard—The answer to the honourable member's question is as follows:

In his comprehensive inquiry into the conduct of Australian companies participating in the United Nations Oil-for-Food programme, Commissioner Cole investigated all relevant contact between AWB Ltd and the Australian Government, including myself and my office. His findings are available in the report of the Inquiry into certain Australian companies in relation to the UN Oil-for-Food Programme.

Media Monitoring and Clipping Services

(Question No. 4117)

Mr Bowen asked the Prime Minister, in writing, on 7 September 2006:

- (1) What sum was spent on media monitoring and clipping services engaged by the Minister's office in 2005-06.
- (2) What was the name and postal address of each media monitoring company engaged by the Minister's office.

Mr Howard—I am advised by my department that the answer to the honourable member's question is as follows:

- (1) \$64,096
- (2) Media Monitors
131 Canberra Avenue
Griffith ACT 2603

Media Monitoring and Clipping Services

(Question No. 4411)

Mr Kelvin Thomson asked the Prime Minister, in writing, on 14 September 2006:

For each financial year since 1 July 2000, what was the total cost of all Media Monitoring services for the Minister's department and agencies.

Mr Howard—I am advised that the answer to the honourable member's question is as follows:

2000/2	2001/20	2002/20	2003/20	2004/20	2005/20
001	02	03	04	05	06
\$105,07	\$152,79	\$258,31	\$223,10	\$300,73	\$409,87
6	0	9	6	8	1

Industry, Tourism and Resources: Departmental Liaison Officers

(Question No. 4518)

Mr Kelvin Thomson asked the Minister for Industry, Tourism and Resources, in writing, on 14 September 2006:

In respect of the secondment to the Minister's office of a Departmental Liaison Officer (DLO), what is the (a) average, (b) shortest and (c) longest period of secondment and (d) what is the total number of DLOs that have been employed in the Minister's office since 1 July 2000.

Mr Ian Macfarlane—The answer to the honourable member's question is as follows:

- (a) The average secondment time is 1 Year 10 Months
- (b) The shortest secondment time is 7 Months
- (c) The longest secondment time is 4 Years 9 Months
- (d) The total number of DLOs that have been employed in the Ministers office is 7.

G20 Meeting

(Question No. 4851)

Mr Murphy asked the Treasurer, in writing, on 1 November 2006:

- (1) Can he confirm that Australia will host the G20 meeting of finance ministers in Melbourne on 18 and 19 November 2006.
- (2) Can he confirm that the G20 has previously stated that it “should play an active role in addressing critical development issues” and has committed to a “shared vision for global development”.
- (3) Can he confirm that, at its 2005 meeting, the G20 determined it would “carry the momentum forward” on combating poverty.
- (4) As Chair of the 2006 G20 meeting, (a) what specific measures will he take to ensure that the statements made by the G20 and referred to in Parts (2) and (3) are given effect.
- (5) How will he ensure that the critical issues identified in the G20 Accord for Sustained Growth – namely, empowering people and reducing poverty through education, access to credit, water, sanitation and basic health services – are given sufficient attention at the G20 meeting.
- (6) What indicators of success will he seek to measure the extent to which the G20 has “carried the momentum forward” in the global fight against poverty.

Mr Costello—The answer to the honourable member’s question is as follows:

- (1) On 18-19 November 2006, Australia chaired the meeting of G-20 Finance Ministers and Central Bank Governors in Melbourne.
- (2) and (3) The 2005 G-20 Statement on Global Development Issues states that “the G-20 should play an active role in addressing critical development issues”, is “committed to this shared vision for global development” and determined to “carry the momentum forward”.
- (4) (5) and (6) As evidenced in the 2006 G-20 Communiqué, important progress was made on many development issues under Australia’s chairmanship. The Communiqué can be found at:
http://www.g20.org/documents/communiqués/2006_australia.pdf

Agriculture, Fisheries and Forestry: Graduate Program

(Question No. 5028)

Mr Kelvin Thomson asked the Minister for Agriculture, Fisheries and Forestry, in writing, on 7 December 2006:

- (1) For 2006, what was the estimated cost to the Minister’s department and agencies of the Graduate Program, including (a) recruitment, (b) program, (c) travel, (d) external training and (e) internal administrative costs.
- (2) At 6 December 2006, what was the retention rate for the department’s 2005 Graduate Program intake.
- (3) In 2006, how many Departmental Liaison Officers did the Minister’s department and agencies provide to the officers of Ministers and Parliamentary Secretaries.

Mr McGauran—The answer to the honourable member’s question is as follows:

- (1) \$715,000.
- (2) 86% of the 2005 Graduate Development Program intake are still working with the Department.
- (3) The Prime Minister will respond to this part of the question.

Industry, Tourism and Resources: Transportation

(Question No. 5161)

Mr Kelvin Thomson asked the Minister for Industry, Tourism and Resources, in writing, on 6 December 2006:

- (1) For each financial year from 1 July 2004, what sum has the Minister’s department spent on fuel.
- (2) How many cars does the department currently own or lease and how many of those cars run on LPG.
- (3) Does the department plan to purchase any cars that run on LPG or to convert cars running on petrol to LPG.

Mr Ian Macfarlane—The answer to the honourable member’s question is as follows:

- (1) The data is available for calendar years:

2004	\$189,651.58
2005	\$233,799.93
2006	\$250,290.68
- (2) 100 cars, none of which run on LPG. The department has one hybrid car.
- (3) No.

Agriculture, Fisheries and Forestry: Fuel Costs

(Question No. 5164)

Mr Kelvin Thomson asked the Ministers for Agriculture, Fisheries and Forestry, in writing, on 7 December 2006:

- (1) For each financial year from 1 July 2004, what sum has the Minister’s department spent on fuel.

- (2) How many cars does the department currently own or lease and how many of those cars run on LPG
 (3) Does the department plan to purchase any cars that run on LPG or to convert cars running on petrol to LPG

Mr McGauran—The answer to the honourable member's question is as follows:

- (1) 2004-2005: \$1,202,892; and 2005-2006: \$1,224,033.
 (2) The department does not own any vehicles. The department leases 530 vehicles. Of the 530 vehicles, 1 vehicle is run on LPG
 (3) Some additional vehicles that use LPG are due to be delivered shortly. The department also supports the use of ethanol blended fuel by encouraging users of Commonwealth leased vehicles to purchase e10 where possible.

**Training Packages
 (Question No. 5360)**

Ms Macklin asked the Minister for Vocational and Further Education, in writing, on 7 February 2007:

Further to his response to question No. 4910, for each year from 2001 to 2006: how many of the (a) commencements and (b) completions of the (i) Certificate III in Children's Services and (ii) Diploma of Children's Services were made in each State and Territory.

Mr Robb—The answer to the honourable member's question is as follows:

- (a) Data on qualifications commenced is provided in the following table. 2005 data is the most current available.

Student course commencements for selected qualifications, 2001-2005 by state

		2001	2002	2003	2004	2005
NSW	Total - Certificate III in Children's Services	3,740	4,150	4,700	5,060	4,725
	Total - Diploma of Children's Services	2,270	2,270	2,520	2,130	2,410
Victoria	Total - Certificate III in Children's Services	1,585	1,460	1,960	2,505	3,075
	Total - Diploma of Children's Services	1,515	1,580	1,720	1,950	1,990
Queensland	Total - Certificate III in Children's Services	1,395	2,935	4,275	3,745	4,740
	Total - Diploma of Children's Services	2,325	1,960	2,265	1,715	1,965
South Australia	Total - Certificate III in Children's Services	320	340	350	750	720
	Total - Diploma of Children's Services	465	340	360	490	345
Western Australia	Total - Certificate III in Children's Services	590	820	930	1,220	1,280
	Total - Diploma of Children's Services	680	680	745	630	570
Tasmania	Total - Certificate III in Children's Services	10	40	210	305	285
	Total - Diploma of Children's Services	0	30	110	195	135
Northern Territory	Total - Certificate III in Children's Services	195	175	180	295	305
	Total - Diploma of Children's Services	175	175	145	95	120
Australian Capital Territory	Total - Certificate III in Children's Services	215	155	165	330	305
	Total - Diploma of Children's Services	220	140	240	505	275

Source: NCVET Course Datacubes 2001-2005, unpublished data.

(b) Data on qualifications completed is provided in the following table. 2004 data is the most current available.

Number of qualifications completed each year, for selected qualifications, 2001-2004 by state

Number of qualifications completed each year, for selected qualifications, 2001-2004 by state

		2001	2002	2003	2004
NSW	Total —Certificate III in Children's Services	885	1,400	1,830	2,095
	Total —Diploma of Children's Services	755	955	1,070	940
Victoria	Total —Certificate III in Children's Services	585	810	930	1,005
	Total —Diploma of Children's Services	325	600	765	820
Queensland	Total —Certificate III in Children's Services	240	460	960	975
	Total —Diploma of Children's Services	320	365	355	260
South Australia	Total —Certificate III in Children's Services	100	165	165	190
	Total —Diploma of Children's Services	70	295	240	255
Western Australia	Total —Certificate III in Children's Services	225	355	310	515
	Total —Diploma of Children's Services	115	210	190	215
Tasmania	Total —Certificate III in Children's Services	45	110	130	165
	Total —Diploma of Children's Services	10	35	45	90
Northern Territory	Total —Certificate III in Children's Services	60	50	95	120
	Total —Diploma of Children's Services	35	15	40	25
Australian Capital Territory	Total —Certificate III in Children's Services	65	40	45	95
	Total —Diploma of Children's Services	65	70	70	105

Source: NCVET Course Datacubes 2001-2005, unpublished data