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HOUSE OF REPRESENTATIVES

Votes and Proceedings

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CORRECTIONS

This is a **PROOF ISSUE**. Suggested corrections for the Official Hansard and Bound Volumes should be lodged in writing with the Director, Chambers, Department of Parliamentary Services **as soon as possible but not later than:**

Wednesday, 17 March 2010

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BY AUTHORITY OF THE HOUSE OF REPRESENTATIVES

PROOF

from feedback from tax professionals and the general public provided through the Tax Issues Entry System.

When I spoke to the House on the financial services committee's report on agribusiness I commented that I hoped the matters raised would result in a regulatory framework that puts more emphasis on consumer protection, and I think this bill does that. I congratulate the minister for that, and of course the committee chair, Bernie Ripoll. It does show that we are committed to improving processes and making sure that there is clarity and that investors have confidence and certainly will not be in a situation, as we have recently seen, of great loss. The amendments do illustrate the government's commitment to the continual process of review and modernisation of the Australian tax system.

Another inquiry held by the Joint Parliamentary Committee on Corporations and Financial Services is of relevance too—its inquiry into the operation of Australia's franchising code of conduct last year. I note that Australian franchises employ more than 400,000 people and turnover is around \$130 billion a year. However, some elements of the code, in particular its provisions on unconscionable conduct, in some cases failed to stop unethical conduct by big businesses and franchisors towards small businesses and franchisees. This week the Minister for Small Business, Independent Contractors and the Service Economy, the Hon. Craig Emerson, announced sweeping changes to that code in light of this committee's inquiry as well as a number of other inquiries that have been held by the states. It is good to see that this government is serious about making sure we respond to the needs of business and the needs of investors as well. These are people who put their income and their future on the line.

I have also talked in the House about issues around phoenix companies. We have had a quite distressing experience in Newcastle. Another important announcement affecting small business was made in November of last year by the Assistant Treasurer, Senator Nick Sherry, who released a package of proposals that aimed to crack down on businesses who rip off their workers and the general taxpaying community. This has been an issue of particular relevance in my electorate of Newcastle and the surrounding region. Too often, particularly in the construction and development industry, there have been examples of companies engaging in questionable and dishonest behaviour, leaving former employees being owed considerable amounts of back pay and superannuation, and causing misery to contractors, suppliers and other workers on those sites. This government certainly is very serious about its commitment to corporate responsibility. It is committed to clearly defining the roles and responsibilities of the key players in the corporate and commercial sectors, and giving some confidence that a

framework is in place to protect investors and other people involved.

At the same time, the Rudd government understands that it is vitally important to maintain conditions that allow businesses to prosper of their own accord, that reward entrepreneurship and that foster economic wealth. Catering for the demands of two considerations is not always easy, but they are not mutually exclusive. With legislative amendments like the ones before the House today, we can strike a balance between accountability and prosperity. The Rudd government understands how important its role is in attending to the care and maintenance of tax laws. They do need intervention if they are left too long—the complexities grow and the uncertainty grows. We are committed to assisting compliance cost savings, with a strong financial and taxation framework. I commend the bill to the House.

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

Sitting suspended from 11.44 am to 2.31 pm

**ADDRESS BY THE PRESIDENT OF THE
REPUBLIC OF INDONESIA**

His Excellency, Dr Susilo Bambang Yudhoyono, having been announced and escorted into the chamber—

The SPEAKER—On behalf of the House, I welcome as guests the President of the Senate and honourable senators to this sitting of the House of Representatives and the Senate to hear an address by His Excellency, Dr Susilo Bambang Yudhoyono, President of the Republic of Indonesia. Mr President, I welcome you to the House of Representatives chamber. Your address today is a significant occasion in the history of the House. I would also like to welcome Ibu Ani Bambang Yudhoyono, who is in the gallery this afternoon.

Mr RUDD (Griffith—Prime Minister) (2.33 pm)—Mr Speaker, Mr President, honourable members and honourable senators: today is only the fifth time in the 110-year history of this parliament that the two houses have met together to hear an address from a visiting head of state.

And today is the first time we have done so to hear an address from the President of the Republic of Indonesia.

In doing so, we symbolise the profound changes that have occurred in the relationship between our two countries.

Mr President, we welcome you as our neighbour.

Mr President, we welcome you as our friend.

And we welcome you now as a member of the family of democracies—a nation which now celebrates political freedom, a nation whose parliament is as loud, noisy and robust as the parliament in which we are now assembled and a nation where freedom of the

press is now exercised without constraint, without restraint and without fear of repression.

Mr President, these are profound changes in which you have played no small part—and we are delighted to welcome you now as a fellow democracy.

Indonesia's Achievements

The people of Indonesia enjoy a free media, an open society and religious tolerance.

They live in a multiparty democracy in which transitions to power take place according to law.

In Indonesia, democracy now has strong foundations.

And Indonesia's economy continues to grow, disproving the argument of some that democracy somehow impedes development.

Indonesia now has the third-fastest-growing economy in the region and the third-fastest-growing economy of all those which make up the G20 of large economies around the world.

It has withstood the global economic crisis well.

This has been underpinned by a bold economic stimulus package of Indonesia's and bold measures to underpin the stability of the Indonesian financial system.

Your national poverty reduction program is expected to benefit at least 35 million people.

Your nation of nearly 240 million spread across some 17,000 islands still faces many challenges—as do we in Australia with fewer millions and fewer islands.

But you have weathered the storm of the global financial crisis well through the strength of your leadership, and you have decided to exercise that leadership in order to avoid the alternative—mass unemployment—that would have brought great suffering to the people of Indonesia.

Australia-Indonesia Relations

A strong friendship means standing shoulder to shoulder not only when times are good but also in the face of the greatest of adversities.

At the time of the devastating Victorian bushfires, President Yudhoyono and the people of Indonesia did not hesitate to send their assistance to us.

At the time, Mr President, you wrote me a letter of sympathy and support containing the following words:

In the spirit of the Australia-Indonesia partnership, Australia's success is also Indonesia's success, and its misery is also Indonesia's misery.

These were eloquent words. No sentiment better encapsulates the 21st century relationship we seek between our two nations, between our two democracies.

Mr President, we are neighbours by circumstance, but we are friends because we have chosen to be friends.

Indonesia sent aid when bushfires struck Victoria.

Australia, too, sent aid workers, doctors and engineers to help the relief, recovery and reconstruction after the Padang earthquake in September of last year.

Australia sent police officers to work with their Indonesian counterparts in the aftermath of the terrorist bombings in Jakarta, as we did after the Bali bombings in which so many, many Australian lives were lost.

And we will never forget the unspeakable tragedy of the tsunami when, as nations, we stood shoulder to shoulder together in responding to the violence of nature and you wept with us as we mourned the loss of our own military personnel who were killed while helping in the recovery.

Challenges like these, whether natural disasters or man-made scourges, have brought our countries and our people closer together.

Mr President, our modern relationship has been forged in much adversity—adversity which has deepened rather than strained the bonds between us.

Mr President, we are now building a culture of cooperation between us across so many fields.

We are investing in a joint disaster reduction facility.

We are partnering with Indonesia in building its own natural disaster rapid response force.

Our law enforcement agencies are working closely together on a daily basis to deal with the continuing threat of terrorism and, Mr President, today we congratulate the government of Indonesia on its further extraordinary success in fighting terrorism within its own country.

As co-chairs of the Bali process, we are also pursuing a far-reaching regional response to people smuggling and to irregular migration and I would thank the government of Indonesia for their strong and continuing support.

Through bodies such as the Bali Democracy Forum and the Regional Interfaith Dialogue, we are working hand in hand to foster tolerance, pluralism and democracy across our wider region.

We are also working together in the institutions of our region—in the East Asia Summit and in APEC. In the future shape of our region's architecture, together we are helping to build the habits of cooperation across our wider region.

Globally, we now work together intimately in the councils of the G20 on the great challenges which now lie ahead for the international economy.

We also work together on the great challenges that respect no international boundaries, such as the challenge of climate change, on which your own leadership at Bali just over two years ago was so important.

As neighbours with different histories, as neighbours with different cultures and as neighbours with different challenges of economic development, we now come together on the global stage to shape a common future together.

Mr President, historically, so much of our engagement has focused on managing the bilateral relationship between us.

Now, our relationship enters into a new phase, when together we work in the great institutions of our region and the world to build a better region and to build a better world.

As you and I have so often shared in private, we also have the potential to demonstrate to the world at large how two such vastly different nations—one an emerging economy, the other a developed economy; one Muslim, the other of Judeo-Christian origins; one a founding member of the non-aligned movement and the other, one of the oldest allies of the United States—can work comfortably, seamlessly and positively together and in partnership in the great councils of our region and the world.

Mr President, Australia's relationship with Indonesia is comprehensive, it is dynamic, it is economic, it is in foreign policy and it is in security policy, and in all these domains, the potential is vast.

We are ambitious for the future of our relationship.

We are committed to a new partnership for a new century for Australia and for Indonesia.

Your visit and your address to the joint meeting of the Australian houses of parliament further strengthen the ties between our two nations and they reflect, Mr President, the esteem in which Australia holds our nations' friendship and the esteem in which we hold you as President of the Indonesian Republic.

Mr President, you are a welcome guest in this parliament.

Honourable members—Hear, hear!

Mr ABBOTT (Warringah—Leader of the Opposition) (2.42 pm)—I rise to support the remarks of the Prime Minister. This is one of those rare and historic occasions on which the leader of another country addresses a joint sitting of parliament. Mr President, you follow the leaders of the world's most powerful country, of the world's most populous country and of Australia's oldest ally in addressing this parliament. It is fitting that you do so, as the leader of the world's fourth largest country, third largest democracy, largest Muslim society and as a fellow member, with Australia, of the G20.

Our two countries know what can be achieved when we work together. We worked together to rebuild mutual trust after 1999. We worked together to fight terrorism, particularly after Bali in 2002. We worked to-

gether to rebuild Aceh after the tsunami in 2004 and the subsequent earthquake and we have worked together to end people smuggling since 2001.

We have worked to end people smuggling before. It worked when we worked together before. People smuggling has started again and we can stop it again, provided it is done cooperatively and with a clear understanding of our mutual interests and with the right policies in place here in Australia.

Let me say that multilateral diplomacy is very important, but it is no substitute for deep bilateral engagement, because it is hard to make friends with everyone unless you are strengthening your individual friendships. I want to commend the Prime Minister for focusing this week on the vital friendship between Indonesia and Australia rather than on nebulous new communities.

Mr President, Indonesia is one of the world's rising powers. We have been with you when you needed us and we are confident that you will be with us when we need you.

Honourable members—Hear, hear!

The SPEAKER—Mr President, it gives me great pleasure to invite you to address the House.

HIS EXCELLENCY Dr SUSILO BAMBANG YUDHOYONO (2.45 pm)—Bismillah ir-Rahman ir-Rahim.

Honourable Harry Jenkins, MP, Speaker of the House of Representatives; honourable Senator John Hogg, President of the Senate; honourable Kevin Rudd, MP, Prime Minister; honourable Tony Abbott, MP, Leader of the Opposition; honourable members of the federal Parliament of Australia; excellencies; ladies and gentlemen: I am greatly honoured and privileged to be given this rare opportunity to address this august chamber. May I also once again thank the government and people of Australia for the warm and gracious welcome you have extended to me and my delegation. It is really good to be back here, and thank you for the wonderful lunch. I also know that many officers reported for work on Monday, although it was a public holiday, to prepare for this visit. For that, please accept my gratitude and also convey my appreciation to your families.

The last time I spoke here was at a luncheon in this building in 2005. I am grateful for the invitation to address the Australian parliament today. I know that you invite foreign leaders to address this chamber only on very rare, very auspicious occasions, so I am very humbled by the honour of this historic occasion.

I have come to this great country to bring a message of goodwill and friendship from the good people of Indonesia. It is an important message that I trust will be well received in this great hall. I hope that it will also be heard beyond this parliament, in the homes and

workplaces of all Australians. That message is very clear and simple: Australia and Indonesia have a great future together. We are not just neighbours, we are not just friends; we are strategic partners. We are equal stakeholders in a common future with much to gain if we get this relationship right and much to lose if we get it wrong.

Australia and Indonesia have evolved a special relationship. To illustrate the depth of our relations, let me take a few moments to mention the names of some very distinguished Australian citizens: Matthew Davey, Matthew Goodall, Paul Kimlin, Jonathan King, Stephen Slattery, Scott Bennet, Paul McCarthy, Lynne Rowbottom and Wendy Jones. They were selfless soldiers who died in a helicopter crash while helping Indonesian earthquake victims in Nias, Indonesia. Morgan Mellish, Mark Scott, Brice Steele, Allison Sudrajat and Elizabeth O'Neill were dedicated reporters, officers and diplomats who died in a plane crash in Yogyakarta while preparing a bilateral visit. And a highly-committed embassy trade official, Craig Senger, lost his life in the latest Marriott Hotel bombing in Jakarta.

These are ordinary names to the ear but they belong to very extraordinary people: heroes. These fine Australian men and women made the ultimate sacrifice in the cause of friendship, solidarity and humanity. Let us give them a big hand to show our deep respect and appreciation. Let us honour them by continuing their noble work to build bridges and help one another, for that is the business we are in.

We have come a long way together. In the last 60 years of our diplomatic relations we have gone through many ups and downs, many generational changes, many political eras and many crises. We in Indonesia will always remember that Australia resolutely stood by us when Indonesia was struggling for our God-given right to independence and statehood. We remember how Prime Minister Chifley, foreign minister Evatt and diplomat Sir Richard Kirby actively supported Indonesia during critical moments of diplomacy in the United Nations—a standard collegiate with that of the Netherlands. That was one of the finest hours of our relationship, and we have had many more high points since. Our intense and fruitful cooperation to bring the Bali bomber to justice and Australia's outpouring of sympathy and rescue and relief efforts in the wake of the tsunami tragedy of 2004 were the emotional turning points of our bilateral relations.

I will always remember when Australian servicemen went all out to help us during the tsunami tragedy in Aceh and Nias. It was Indonesia's darkest tragedy ever, but I was so proud to see Australian soldiers and TNI troops working together to save lives and bring relief to the suffering. We are two nations united by grief. It mattered to us in Indonesia that we were able to lend a

helping hand to the Australian people during the bushfires in Victoria early last year. Yet over the decades ours was not always an easy relationship. One Indonesian observer in the 1980s described it as a love-hate relationship. There were periods when we were burdened by mistrust and suspicions at both ends. There were times when it felt like we were just reacting to events and were in a state of drift. There were moments when we felt as if our worlds were just too far apart. During the East Timor crisis in the late 1990s our relations hit an all-time low.

Today Indonesia looks at Australia in a different way. Australia means different things to the Indonesian generation of today. Australia is now a country of choice for Indonesian students and tourists. Indonesians admire Australia's high standard of living, social dynamism, openness and generosity. They can watch the Australian Open on their TVs. They watch your soap operas and Australian stars such as Hugh Jackman, Mel Gibson, Nicole Kidman and the late Steve Irwin. They all have many fans in Indonesia.

Indeed, I know of no other Western country where Bahasa Indonesia is widely taught in the school curriculum. I know of no other Western country with more Indonesianists in your governments, universities and think tanks, and no other Western country has more Indonesians studying in their universities and high schools. Here I wish to extend my deepest gratitude to the professors, teachers, students and families across Australia who have been so kind and generous in welcoming tens of thousands of Indonesian students into your campuses and your homes. I have heard heartwarming stories from various Indonesians who studied and worked in this country, including from my son Ibas, who spent five years at Curtin University. So allow me to say on behalf of many Indonesian parents, 'Terima kasih, Australia'—'Thank you, Australia'.

Excellencies, ladies and gentlemen, a watershed event in our relation is the comprehensive partnership that we entered into in 2005 and the agreement and the framework for security cooperation—or the Lombok treaty—that we signed the following year. The comprehensive partnership has locked us in a vision of two countries that are compelled to work closer together in pursuit of common objectives. The Lombok treaty entered into force in February 2008 through an exchange of notes in Perth. The plan of action for the agreement was signed in November 2008. For Indonesia, the Lombok treaty is a landmark since it makes possible forward-looking cooperation in the fields of traditional as well as non-traditional security. Let me stress that the Lombok treaty created neither a security alliance nor an exclusive club. It recognises the complexity of the security issues that our two countries are confronting together; hence, it is a treaty committing both sides to working together to address these complex issues.

Moreover, both sides commit themselves to respecting each other's sovereignty and territorial integrity. That means each side will in no way support any separatist movement against the other. Thus, the treaty is a paradigm shift in the notions of security, threat, mutual respect and cooperation. By signing onto this agreement we were changing course and reinvented Indonesian-Australian relations for the better. I commend the bipartisan stance of Australia that is firmly committed to the new partnership with Indonesia.

The same spirit prevails on the Indonesian side. Indonesia has a proliferation of political parties but, whichever is in power, a constructive relationship with Australia will always be of the highest priority. And what a difference it has made: in recent years, the contents of our relations have expanded. Our respective officials have become much more comfortable with each other and the pace of our interaction has picked up. Imagine: in our first 55 years of relations only three Indonesian presidents visited Australia, an average of one every 18 years or so. In the last six years I have visited Australia three times, an average of once every two years. Indeed, I have made it a policy to include Australia in my first batch of bilateral visits after each of my presidential inaugurations. It is also of enormous diplomatic significance that Prime Minister John Howard and Prime Minister Kevin Rudd attended Indonesia's presidential inaugurations in 2004 and 2009. But we should not be complacent. We must nurture our partnership patiently, prudently and creatively. The worst step we can take is to take this partnership for granted. We have to continue to earn each other's trust, for trust is at the heart of our bilateral relations.

Excellencies, friends, the Australian-Indonesian partnership today is solid and strong, but just how far this partnership will take us will depend on our ability to address a set of challenges. Let me highlight at least four of them. The first challenge is to bring a change in each other's mindset. I was taken aback when I learned that in a recent Lowy Institute survey 54 per cent of Australian respondents doubted that Indonesia would act responsibly in its international relations. Indeed, the most persistent problem in our relations is the persistence of age-old stereotypes—misleading, simplistic mental caricature that depicts the other side in a bad light. Even in the age of cable television and internet, there are Australians who still see Indonesia as an authoritarian country, as a military dictatorship, as a hotbed of Islamic extremism or even as an expansionist power. On the other hand, in Indonesia there are people who remain afflicted with Australiaphobia—those who believe that the notion of White Australia still persists, that Australia harbours ill intention toward Indonesia and is either sympathetic to or supports separatist elements in our country.

We must expunge this preposterous mental caricature if we are to achieve a more resilient partnership. I want all Australians to know that Indonesia is a beautiful archipelago. We are infinitely more than a beach playground with coconut trees. Indonesia is the world's third-largest democracy and the largest country in South-East Asia. We are passionate about our independence, moderation, religious freedom and tolerance; and, far from being hostile, we want to create a strategic environment marked by a million friends and zero enemies.

Indonesians are proud people who cherish our national unity and territorial integrity above all else. Our nationalism is all about forging harmony and unity among our many ethnic and religious groups. That is why the success of peace and reconciliation in Aceh and Papua is not trivial but a matter of national survival for us Indonesians. We would like Australians to understand and appreciate that.

The bottom line is that we still have a lot of work to do when it comes to people-to-people contact and when it comes to appreciating the facts of each other's national life. That is why I keenly welcome the Asian language studies program initiated by the Australian government. I hope the program makes Australia not only the most Asian literate country but also the most Indonesian literate country. Through its mission in Australia, Indonesia is supporting this program by providing Indonesian language teaching assistance in several primary and high schools in Australia. We are offering free language courses and establishing Bahasa Indonesia language centres in Perth and Canberra. We will do more of these in the future.

The second challenge to our partnership is how to manage relations that are bound to become more complex, more dense and more hectic. It is the law of diplomacy that as two countries get closer and interact at an increasing velocity we will experience some speed bumps. When we have a growth in traffic of hundreds of thousands of our citizens and official crisscrossing we should expect problems to surface. Our job is not to lament these problems but to solve them. That is why I welcome the bilateral arrangement for consular notification and a system that was agreed at this visit.

In the face of problems like that, we need to put in place more pragmatic ways of diplomatic consultation. Hence, I am glad that the Australia-Indonesia Ministerial Forum has progressed very well. Indonesia has quite a few bilateral forums with so many ministers on both sides taking part in extensive policy discussions. I am told that since Prime Minister Rudd assumed office we have had 69 ministerial visits both ways. That is an impressive number. We must sustain this good momentum.

For the same reason I am glad that our respective legislators are vigorously engaged with each other. As I

stand before the parliament of this great country, I wish to thank the parliamentary group on Indonesia, chaired by the Hon. Jim Turnour MP, and its counterpart in Indonesia. Because of their initiative we have better policy coordination between our countries today.

In that same spirit I am pleased to announce that Prime Minister Kevin Rudd and I agreed today to upgrade our partnership with an annual leader's retreat that is to take place alternately between Indonesia and Australia, and a two-plus-two annual meeting involving the foreign and defence ministers of both countries. I am sure that this new arrangement will further cement Indonesia-Australia relations and enhance trust between us.

The third challenge is how to make our partnership more opportunity driven. We know that it is already a rich and dense relationship between our countries, especially in the people-to-people contact, but we have much to do to really connect with our true potential. Indonesia is one of the world's emerging economies and South-East Asia's largest economy with a GDP of US\$514 billion, the third-highest growth among G20 countries, a large market of 240 million people with a growing and sizable middle class, and a wealth of natural resources. Australia is a developed country—the 18th largest economy in the world, one of the world's most competitive and innovative economies, with the best corporate governance and one of the easiest places to do business, with a GDP of US\$920 billion.

The prospect of Australia and Indonesia is indeed bright and exciting, but these impressive statistics need to be reflected in our partnership. Our bilateral trade stands at US\$6.7 billion in 2009, which grew 18 per cent in the last five years, but it is still growing at a much lower rate than Australia's trade with ASEAN. Australian investment flows to Indonesia, which in 2009 was at US\$79 million with 26 projects, ranked at No.12. Meanwhile, services account for only 10 per cent of our total trade. So we need to do better to harness these economic benefits. We need to encourage our private sector to do more business with one another. On that note I do welcome Australia's effort in fostering greater economic linkages with the eastern part of Indonesia.

The fourth challenge for our partnership is how to address new issues. Just look at the list of issues that has defined recent Indonesia-Australia relations and captured public imagination in recent years and you will know what I mean: terrorism, tsunami, people smuggling and drug offenders. We live in a different time and we face different sorts of challenges. Both our countries are facing a new strategic reality where non-traditional threats are becoming more permanent. Terrorism, infectious diseases, financial crises and climate change, to mention only a few, threaten the lives and wellbeing of our citizens.

Our partnerships, to be relevant, must develop the capacity to deal with these new issues. In fact, the unique part of the Australia-Indonesia partnership in the 21st century is how we cooperate beyond the bilateral context to tackle issues of global significance. I believe that Indonesia and Australia are on the same page on the need to foster a more democratic world order to reflect the changing global political and economic landscape. We are both firm believers in the virtue of multilateral relations and in the need to reform the United Nations system. In anticipation of what may well be the Asian century, Indonesia and Australia are also committed to strengthen and evolve the regional architecture to meet the challenges that lie in wait. It is important that such regional architecture evolves in ways that ensure a new equilibrium and usher in new geopolitics and geoeconomics of cooperation.

In addressing the global financial crisis, I am pleased that I was able to work closely with Prime Minister Kevin Rudd, through many phone calls back and forth, to push for the realisation of the historic G20 summit which commenced in Washington DC in 2008. It is a sign of the times that Indonesia and Australia now are part of the premier forum for international economic cooperation. We both share a strong interest in advancing the G20 process, reforming the international financial architecture and promoting balanced, sustained and inclusive growth. We also need to ensure that the G20 leaders avoid the danger of complacency that will result in the reform process losing steam. Prime Minister Rudd and I have kept in close consultation on international economic issues—and, yes, we do wink at one another during G20 meetings!

Prime Minister Kevin Rudd and I have also been in close touch on the issue of people-smuggling. Given the regional circumstances, this is an issue that seems likely to go on in the short term. Indonesia and Australia believe in the imperative of the Bali process, which recognises that people-smuggling is a regional problem that requires a regional solution involving the origin, transit and destination countries to work together. What is our response? At this visit, we have finally worked out a bilateral mechanism of cooperation to deal with this issue so that future people-smuggling cases can be handled in a predictable and coordinated way. We will continue to work together to advance the Bali process. We will speed up the process of relocating illegal migrants now stranded in Indonesia to another country. Now that we know much more about their modus operandi, our respective authorities will intensify their cooperation to disrupt people-smuggling activities. To strengthen our legal instruments, the Indonesian government will soon introduce to parliament a law that will criminalise those involved in people-smuggling. Those found guilty will be sent to prison for up to five years.

In the fight against terrorism, the Indonesian National Police and the Australian Federal Police will continue to work closely together, including in intelligence sharing, information exchange and capacity building. We in Indonesia continue to be relentless in our fight against terrorism. We have scored some major successes against dangerous terrorists such as Dr Azahari, Noordin Mohammed Top and their associates. In recent weeks, we were able to disrupt terrorist cells operating and training in Aceh and in other places in Indonesia which had some connections with other terrorist cells in the region. Just yesterday, our police authorities raided an important terrorist cell in a suburb of Jakarta and put several terrorist operatives out of commission. In any case, the Indonesian authorities will continue to hunt them down and do all we can to prevent them from harming our people. I agree completely with Prime Minister Rudd, who said in the aftermath of the Marriott bombing:

... any terrorist attack anywhere is an attack on us all. Any terrorist attack on our friends in Indonesia is an attack on our neighbours.

Another major concern that we share is climate change. Prime Minister Rudd and I have worked closely since the Bali climate conference two years ago. Last December, we were both part of a meeting of 26 leaders that produced the Copenhagen Accord. But, beyond the multilateral forum, there is much that can be done between us while waiting for the new global climate treaty to take place.

I appreciate the opportunity to work constructively on the Indonesia-Australia Forest Carbon Partnership. Indonesia also appreciates Australia's support for the Coral Triangle Initiative, which Indonesia initiated and which has become a collaborative effort with Malaysia, the Philippines, Papua New Guinea, Solomon Islands, Timor-Leste and Brunei Darussalam. This initiative will conserve the world's greatest marine biodiversity area—in our region—known as the 'Amazon of the seas'. The livelihoods of some 120 million people around this marine area are dependent on it.

In the same spirit of conserving our marine and coastal resources, we hosted the Manado World Ocean Conference, which Australia strongly supported. We worked with Australia to ensure the mainstreaming of ocean issues in the Copenhagen Accord. I wish to acknowledge Australia's support for Indonesia's initiative of forming the group of 11 tropical forest nations, or F-11. This group has contributed so much to the conservation and sustainable management of tropical forests, which are the lungs of the earth. In caring for our precious forest resources, we in the F-11 are also fostering the larger cause of sustainable development.

In the political field, we are cooperating to strengthen a positive trend in our region, the growth of democracy. I am grateful to the Australian government

for strongly supporting the Bali Democracy Forum, which we launched in December 2008. The Bali Democracy Forum is the only intergovernmental forum in Asia on the issue of democracy. As peace-loving democracies, we are strong advocates of disarmament, particularly the eradication of nuclear weapons and their means of delivery. Thus Australia played a pivotal role in the establishment of the nuclear-weapon-free zone in the Pacific, while Indonesia was a key player in the creation of a South-East Asian nuclear-weapon-free zone.

Through the International Commission on Nuclear Nonproliferation and Disarmament, which is led by Australia and Japan, and other forums we are working closely together towards the attainment of a world of zero nuclear weapons. Because of efforts like these, perhaps in our lifetime we will no longer have to fear the possible tragedy of a nuclear holocaust.

Excellencies, ladies and gentlemen, Australia and Indonesia have become better nations, stronger nations, because we have each other for a friend and partner. We will get stronger and we will together contribute more to the peace, security and equitable prosperity of our region and the world in the years ahead. We will do that by faithfully pursuing our enhanced, comprehensive partnership.

Finally, I look forward to a day in the near future when policymakers, academicians, journalists and other opinion leaders all over the world take a good look at the things we are doing so well together and say: 'These two used to be worlds apart but they now have a fair dinkum partnership. Why cannot we all do likewise?' And because others will follow our example, the world will become a better place to live in. I thank you.

The SPEAKER (3.15 pm)—Bapak Presiden, terima kasih. On behalf of the House, I thank you for your address and the important messages, for your friendship and good humour, and for your ongoing work in strengthening the Indonesia-Australia relationship. I wish you, your wife, your ministers and the members of parliament and governors accompanying you a successful, safe and enjoyable stay in Australia. Selamat sukses! I thank the President of the Senate and the senators for their attendance and impeccable behaviour. The sitting is suspended until the ringing of the bells.

Sitting suspended from 3.18 pm to 4.15 pm

AUDITOR-GENERAL'S REPORTS

Report No. 24 of 2009-10

The DEPUTY SPEAKER (Hon. AR Bevis) (4.15 pm)—I present the Auditor-General's Audit report No. 24 of 2009-10 entitled *Procurement of explosive ordnance for the Australian Defence Force—Department of Defence*.