



PRIME MINISTER
PARLIAMENT HOUSE
CANBERRA ACT 2600

- 7 SEP 2010

Tony Windsor MP
Parliament House
CANBERRA ACT 2600

Dear Mr Windsor

Thank you for signing an agreement on 7 September for a Government to be formed based on support for confidence and supply.

The agreement recognises your continued status as an independent Member of Parliament and your ability to determine your vote on all legislative matters, except confidence and supply.

Pursuant to the agreement that you have signed, which includes a much stronger governance framework for regional policymaking, I can confirm that in addition to the Australian Labor Party's 2010 election commitments and the matters outlined in agreements with the Australian Greens and other independent MPs, a minority Labor Government will pursue the following policy program during the term of the 43rd Parliament to advance the interests of regional Australia, including the interests of the constituents of New England.

1. A minority Labor Government agrees that the redevelopment of the Tamworth hospital is of vital importance to Tamworth and surrounding regions, and will:
 - a) Contribute up to \$20 million to enable the construction of a teaching and training facility as part of the Tamworth Hospital redevelopment – to ensure University of New England medical students can undertake part of their training at Tamworth Hospital.
 - b) Offset the cost of the project, consistent with Labor's fiscal rules.

2. A minority Labor Government will establish a well resourced Climate Change Committee, which encompasses experts and parliamentary representatives. The Committee will be resourced like a Cabinet Committee. I as Prime Minister will invite the Member for New England to serve as a member of the Committee. As important sources of information for the Climate Change Committee and the public the Government will request that:
 - a) Professor Garnaut update his Review in the light of developments since September 2008 and provide any advice he chooses to on pricing carbon.
 - b) An expert body calculates the carbon price equivalent of measures that China and other developed countries are taking and have committed to take to reduce energy use and greenhouse gas emissions.
 - c) Experts on climate change science and economics conduct a public forum in Parliament House on the economic and social impacts of both climate change and climate change mitigation.
3. A minority Labor Government will facilitate discussion of future tax reform as follows:
 - a) Convene a public forum of experts on taxation and its economic and social effects to discuss the Henry Review, with that meeting to be held before 30 June 2011.
 - b) Facilitate a debate on tax reform in the Australian Parliament following the forum.
4. A Labor Government will take the following specific steps to support biofuels:
 - a) Extending the commitment (outlined in the 2010-11 Budget) to provide additional transitional assistance to the domestic ethanol industry, such that the industry will receive around \$440 million of assistance over the next ten years. This includes:
 - i. Delivering on the Labor Government's previous commitment to a more gradual implementation of the policy to equalise tax on Australian and imported ethanol, providing support for domestic ethanol compared to imports of around \$300 million over the decade, including \$276.5 million over the forward estimates, as included in the 2010-11 Budget.

- ii. Providing further assistance to the ethanol industry during this transition, by halving the speed that the effective rate on domestic ethanol increases (so the excise rate increases to 12.5 cents per litre over ten years instead of five years). This will provide around an extra \$140 million in transitional assistance over the next decade including about \$33 million over the forward estimates, to be funded from the Renewable Energy Future Fund
 - b) Providing a further \$20 million to establish a new Australian Biofuels Research Institute at James Cook University in Townsville. The main focus of the Institute will be research into second generation biofuels and addressing food security issues. The cost of this institute will be met from funds held by the Australian Centre for Renewable Energy.
5. A minority Labor Government will continue its current commitments (funding and/or planning, where relevant) to the following projects:
- a) Chaffey Dam near Tamworth Upgrade.
 - b) Appropriate water supply for Barraba.
 - c) Namoi Valley Water Study.
 - d) Maintenance of \$290 million for the previous budget to the Liverpool Range rail redevelopment.

A minority Labor Government will also ensure appropriate consideration is given to road reconstruction on the New England Highway at Bolivia Hill south of Tenterfield and the Tenterfield Heavy Vehicle Bypass, when suitable funding programs become available.

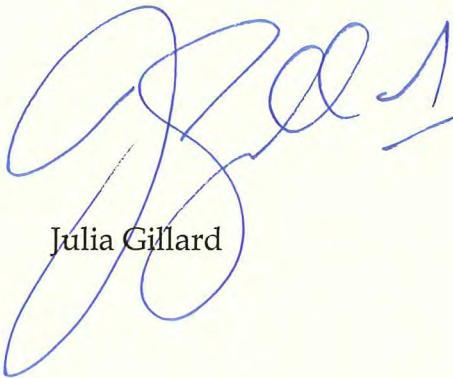
6. A minority Labor Government will also pursue the following other matters:
- a) A referendum during the 43rd Parliament or at the next election on recognition of Local Government in the Constitution.
 - b) Proposals for improving the nation's investments in dental care, to be considered in the context of the 2011 Budget.
 - c) A Parliamentary Committee inquiry to examine the issues of

mining and gas extraction in 'sensitive' farmland such as the Liverpool Plains and the Darling Downs.

d) A review of Agriculture Research and Development funding.

I look forward to working with you during and beyond the upcoming Parliamentary term.

Yours sincerely

A handwritten signature in blue ink, appearing to read 'Julia', with a large, stylized loop at the end.

Julia Gillard