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**SITTING DAYS—2015**

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FORTY-FOURTH PARLIAMENT
FIRST SESSION—SIXTH PERIOD

Governor-General
His Excellency General the Hon. Sir Peter Cosgrove AK, MC (Retd)

House of Representatives Office holders

Speaker—Hon. Bronwyn Kathleen Bishop MP
Deputy Speaker—Hon. Bruce Craig Scott MP
Second Deputy Speaker—Mr Robert George Mitchell MP
Members of the Speaker’s Panel—Mr Russell Evan Broadbent MP,
Ms Anna Elizabeth Burke MP, Ms Sharon Catherine Claydon MP,
Mr Patrick Martin Conroy MP, Mr Alexander George Hawke MP,
Mr Ian Reginald Goodenough MP, Mrs Natasha Louise Griggs MP,
Ms Sarah Moya Henderson MP, Mr Stephen James Irons MP, Mr Ewen Thomas Jones MP,
Mr Craig Kelly MP, Ms Michelle Leanne Landry, Ms Clare Ellen O’Neil, MP,
Mrs Jane Prentice MP, Mr Donald James Randall MP, Mr Ross Xavier Vasta MP,
Mr Brett David Whiteley MP, Mrs Lucy Elizabeth Wicks MP

Leader of the House—Hon. Christopher Pyne MP
Deputy Leader of the House—Hon. Luke Hartsuyker MP
Manager of Opposition Business—Hon. Anthony Stephen Burke MP
Deputy Manager of Opposition Business—Hon. Mark Dreyfus QC MP

Party Leaders and Whips

Liberal Party of Australia
Leader—Hon. Anthony John Abbott MP
Deputy Leader—Hon. Julie Isabel Bishop MP
Chief Government Whip—Mr Scott Buchholz MP
Government Whips—Mr Andrew Alexander Nikolic, AM, CSC and
Ms Nola Bethwyn Marino MP

The Nationals
Leader—Hon. Warren Errol Truss MP
Deputy Leader—Hon. Barnaby Thomas Gerard Joyce MP
Chief Whip—Mr Mark Maclean Coulton MP
Deputy Whip—Mr George Robert Christensen MP

Australian Labor Party
Leader—Hon. William Richard Shorten MP
Deputy Leader—Hon. Tanya Joan Plibersek MP
Chief Opposition Whip—Mr Christopher Patrick Hayes MP
Opposition Whips—Ms Jill Griffiths Hall MP and Ms Joanne Catherine Ryan MP

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### Members of the House of Representatives

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<td>Bonner, QLD</td>
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<td>Watts, Mr Timothy Graham</td>
<td>Gellibrand, VIC</td>
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<td>Whiteley, Mr Brett David</td>
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<tr>
<td>Wicks, Mrs Lucy Elizabeth</td>
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<td>Wilson, Mr Richard James</td>
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<td>Wood, Mr Jason Peter</td>
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<td>Zappia, Mr Antonio</td>
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Clerk of the House of Representatives—D Elder
Acting Secretary, Department of Parliamentary Services—D Heriot
Parliamentary Budget Officer—P Bowen
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<td>Senator the Hon. Nigel Scullion</td>
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<tr>
<td><strong>Minister Assisting the Prime Minister for the Public Service</strong></td>
<td>Senator the Hon. Eric Abetz</td>
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<tr>
<td><strong>Minister Assisting the Prime Minister on Counter-Terrorism</strong></td>
<td>The Hon Michael Keenan MP</td>
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<tr>
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<td>The Hon. Jamie Briggs MP</td>
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<td>The Hon. Karen Andrews MP</td>
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<tr>
<td><strong>Minister for Industry and Science</strong></td>
<td>The Hon. Ian Macfarlane MP</td>
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<td><strong>Parliamentary Secretary to the Minister for Industry and Science</strong></td>
<td>The Hon. Karen Andrews MP</td>
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Each box represents a portfolio. **Cabinet Ministers are shown in bold type.** As a general rule, there is one department in each portfolio. However, there is a Department of Human Services in the Social Services portfolio and a Department of Veterans' Affairs in the Defence portfolio. The title of a department does not necessarily reflect the title of a minister in all cases.
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The SPEAKER (Hon. Bronwyn Bishop) took the chair at 09:00, made an acknowledgement of country and read prayers.

BILLS

Australian Radiation Protection and Nuclear Safety Amendment Bill 2015

First Reading

Bill and explanatory memorandum presented by Ms Ley.

Bill read a first time.

Second Reading

Ms LEY (Farrer—Minister for Health and Minister for Sport) (09:01): I move:

That this bill be now read a second time.

This bill amends the Australian Radiation Protection and Nuclear Safety Act 1998 to ensure that Australia's regulation of radiation activities remains at the forefront of international best practice.

Since 1999, the Australian Radiation Protection and Nuclear Safety Agency (also known as ARPANSA) has been regulating Commonwealth entities undertaking activities involving radiation. This has included regulation of organisations such as CSIRO, ANSTO and the Department of Defence to undertake activities ranging from the operation of baggage X-ray machines at airports, to the operation of the OPAL research reactor at Lucas Heights.

Since the introduction of the legislation in 1998 there have been changes to international approaches to radiation and nuclear safety, as well as a number of reviews that have identified the desirability of minor changes to the regulatory scheme.

This has included reviews by the International Atomic Energy Agency and by the Australian National Audit Office. On the whole, the regulatory scheme was found to be appropriate, however changes were suggested to clarify the reach of the legislation, to strengthen the monitoring and enforcement powers of the regulator and to continue to ensure the legislation aligns with evolving international approaches.

Drawing on the recommendations of the various reviews and the experience of ARPANSA, this bill makes changes to the legislation to provide greater clarity regarding the reach of the legislation, improve risk management of radiation activities undertaken by Commonwealth entities and provide greater capacity for ARPANSA to act in the event of an emergency or noncompliance with the legislation.

Specifically, the bill makes amendments in four main areas.

Firstly, the amendments provide ARPANSA with greater powers to monitor compliance with the legislation and to take action in the event of noncompliance. For example, the amendments enable the CEO of ARPANSA to require a licence holder to produce information or documents, or to appear before the CEO to answer questions. Inspectors are also being empowered to issue improvement notices to require licence holders to address contraventions of the legislation, or likely contraventions, within certain time frames.
These changes ensure that ARPANSA can access the information it needs to assess compliance with the legislation and can adopt a graduated and proportionate response to noncompliance, should it be identified.

The amendments also support the CEO of ARPANSA to better respond in the event of an emergency, by enabling the CEO to issue directions to licence holders to minimise any risks to people and the environment in unforeseen circumstances.

Importantly, all action taken by ARPANSA in response to noncompliance or to emergencies will continue to be reported quarterly and annually to the parliament and will also be made publicly available.

Secondly, the amendments clarify the application of the legislation to contractors and those in arrangements with the Commonwealth or operating from facilities owned or controlled by Commonwealth entities. This provides greater regulatory certainty and ensures there is no gap in regulatory coverage between entities regulated by ARPANSA and those regulated by state and territory authorities.

Thirdly, the proposed amendments improve the licensing regime and make it more efficient by:

- enabling ARPANSA to issue time limited licences in circumstances where time limits may be more appropriate and ensures that unnecessary licences do not exist into perpetuity—currently, no licences expire;
- providing for ARPANSA to regulate activities to maintain the integrity and safety of contaminated legacy sites as under current arrangements, ARPANSA does not have a clear legal basis to undertake this work; and
- clarifying that ARPANSA may issue single licences for multiple activities to reduce regulatory burden and streamline arrangements.

Finally, the bill makes a number of minor technical and administrative amendments, such as updates to definitions and removal of outdated provisions to improve the operation of the legislation.

The proposed changes have no financial implications, and do not place any additional regulatory requirements on regulated entities. The amendments reflect sound administrative practice, and will ensure that Australia's regulation of radiation remains best practice. I commend the bill to the House.

Debate adjourned.

**Gene Technology Amendment Bill 2015**

**First Reading**

Bill and explanatory memorandum presented by Ms Ley.

Bill read a first time.

**Second Reading**

Ms LEY (Farrer—Minister for Health and Minister for Sport) (09:09): I move:

That this bill be now read a second time.

The Gene Technology Amendment Bill 2015 being introduced today improves the Australian government's component of the national gene technology regulatory scheme. This
scheme protects the health and safety of people and the environment from risks posed by genetically modified organisms.

The bill will make amendments to the Gene Technology Act 2000 to improve the effectiveness and efficiency of the gene technology regulatory scheme. The amendments will not make any significant changes to the framework or policy settings of the act. In line with the government's deregulation agenda, the amendments will decrease regulatory burden for regulated organisations and help ensure that regulatory burden remains commensurate with risk into the future.

This bill is part of the response to an independent review of the Gene Technology Act 2000 conducted for the Legislative and Governance Forum on Gene Technology. The review recommended a number of small changes to improve the operation of the scheme. The bill contains minor and technical changes which have been agreed by all jurisdictions to:

- improve efficiency of reporting and public notifications;
- provide greater flexibility for licence-holders through licence variations; and
- improve efficiency, effectiveness and clarity of the act.

The review also concluded that the gene technology regulatory system is working well and the Office of the Gene Technology Regulator is operating in an effective and efficient manner and providing a rigorous, highly transparent regulatory system.

Debate adjourned.

**Social Services Legislation Amendment (Fair and Sustainable Pensions) Bill 2015**

Second Reading

Debate resumed on the motion:

That this bill be now read a second time.

**Mrs McNAMARA** (Dobell) (09:09): Australia is a generous and compassionate nation. Our society has been built upon a commitment to help those less fortunate and to look after our mates. Throughout the years Australia has had a strong social safety net for those in need. It is crucial that we ensure the sustainability of this safety net and guarantee that it will be there for generations to come. Over the past 12 months the federal government has spent approximately $150 billion on social services and welfare. This spending provides Australians with pensions, aged care, benefits to families and individuals, and the National Disability Insurance Scheme. Of this, the age pension is our largest welfare payment, totalling an estimated $44 billion in 2015-16. This represents close to 35 per cent of the Commonwealth budget. In the coming decade the costs of delivering these services will increase as our population grows and ages.

The *Intergenerational report* stated that the number of Australians aged 65 and over is projected to more than double by 2055. Future projections anticipate that by 2055 there will be approximately 40,000 people aged 100 and over. Payments made through age and service pensions are projected to increase each year, and in real monetary terms spending per person is projected to increase from almost $2,000 in 2014-15 to around $3,200 in 2054-55. Currently, this spending accounts for 2.9 per cent of our gross domestic product; without changes to how we deliver the age pension this amount will increase to 3.6 per cent of GDP.
by 2054-55. This is an unsustainable path for Australia. It is essential that we address the sustainability of Australia's pension system to ensure that we are able to provide for senior Australians in future years. The age pension provides support for 2.4 million Australians and contributes to a broad retirement income system, which also includes superannuation and voluntary savings. This government will ensure that, as our population ages, our pension system is sustainable and fair.

The Social Services Legislation Amendment (Fair and Sustainable Pensions) Bill 2015 introduces several 2015 budget measures aimed at improving the fairness and sustainability of the pension system, and such measures commence from 1 January 2017. It also reintroduces measures previously introduced in bills last year, which are currently before the Senate. The government's measures to provide fairer access to a more sustainable pension will see more than 170,000 pensioners with moderate assets have their pensions increase by an average of more than $30 per fortnight. The government's changes will also see approximately 50,000 part pensioners qualify for a full pension. This bill will rebalance the assets test parameters by increasing the asset-test-free areas and the taper rate by which a pension is reduced once the free areas are exceeded. There will be no change to the existing assets test exemption for the family home.

Currently, pensioners with substantial assets can still receive a part pension. Currently, in addition to their family home, single homeowners are able to hold assets up to approximately $800,000, and couple homeowners are able to hold assets up to approximately $1.2 million and still be eligible for a part pension. The generosity of this scheme long term is unsustainable. The changes outlined in the budget and contained within this bill will require pensioners with substantial means to draw down a maximum of 1.84 per cent of their assets to maintain their current income levels in retirement. In turn, the government will be better able to support those who need it most. Asset tests are applicable to social security pensions—pension payments are assessed under both income and asset testing, with the test that produces the lower rate applicable to an individual. The pension assets test includes an area for the value of assets, excluding the family home, below which a person's rate of pension is not affected by their holdings. The value of a pensioner's assets above these free areas currently reduces their pension by $1.50 per fortnight for each extra $1,000 in assessable assets over the free area.

Currently, the assets-test-free areas are $202,000 for a single homeowner, $286,500 for homeowner couples, $348,500 for non-homeowner singles and $433,000 for non-homeowner couples. As announced on budget night, the government will increase the assets-test-free areas by $48,000 for a single homeowner, $88,500 for homeowner couples, $101,500 for non-homeowner singles and $142,000 for non-homeowner couples.

This bill also makes amendments to increase the taper rate for pensions, providing that an individual's pension rate is reduced by $3 per fortnight for every $1,000 of assets above the relevant assets-test-free area. The lower taper rate placed an additional 110,000 people on the part-pension and increased the cost to taxpayers by almost $1 billion a year. These measures were introduced at a time when the budget was in surplus and there was $40 billion in the bank. But sadly, due to the economic mismanagement of the previous Labor government, this measure is no longer available.
I am pleased to say that, as a result of this government's budget measures, approximately 90 per cent of Dobell's age pensioners will see their pension remain the same or increase by an average of $30 per week.

Pensioners who lose pension entitlement when these changes take effect on 1 January 2017 will automatically receive a Commonwealth seniors health card or a health card for those under pension age without having to meet the usual income test requirements. With these changes, the government can confirm that plans to link increases in the pension to the consumer price index are off the table. Changing the assets test rather than changing pension indexation will ensure that pensioners with relatively low income or means of support are not adversely affected by changes to improve the affordability of the pension system.

In addition, the government will also ensure that a fairer proportion of superannuants' actual defined benefit income is taken into account when the social security income test is applied. From 1 January 2016, this measure will introduce a 10 per cent cap on the defined benefit income that can be excluded from the social security income test. Present arrangements allow some defined benefit superannuants to have a large proportion of their superannuation income excluded from the pension income test. For example, currently a couple receiving $120,000 per year from their defined benefit scheme would still be able to claim a part-pension of around $7,400 per year. Under the proposed income test, people with such benefits are recognised as being able to support themselves.

Approximately 65 per cent of income support recipients with payments from defined benefit income schemes will not be affected by this measure. It is worth noting that individuals receiving Veterans' Affairs pensions will not be affected by this change. Furthermore, defined benefit income streams paid by military superannuation schemes will be excluded.

The government is strengthening the residence based nature of Australia's social security system. Amendments proposed by this bill will reduce from 26 weeks to six weeks the period of absence from Australia after which a pension recipient's payment is proportionalised. After six weeks, the payment of a recipient who is outside Australia will be adjusted according to the length of the pensioner's Australian working-life residence. To retain their basic means-tested rate while overseas, a pensioner requires 35 years of working-life residence in Australia. This is calculated based upon the period beginning when the person turned 16 and ceasing when the person reaches pension age. Should an individual's period of Australian working-life residence be less than 35 years, their individual rate of pension after six weeks will be adjusted according to their years of working-life residence. After a six-week absence, payment will be based on the length of time a person has resided in Australia during their working life.

This bill also takes the opportunity to reintroduce measures relevant to pensions from the 2014 budget. The first of these measures is to cease payment of the seniors supplement for holders of the Commonwealth seniors health card or the Veterans' Affairs gold card. Additionally, the bill reintroduces two measures currently before the Senate that cease the pensioner education supplement and the education entry payment.

The necessity to ensure the sustainability of Australia's welfare system was entirely brought about by the economic mismanagement of the previous Labor government. The
reality is that unfortunately government cannot be all things to all people. We have a fiscal responsibility to all Australians and future generations.

Many senior Australians have worked their entire lives without a superannuation system to support their retirement. We owe these men and women, who built this great nation that we enjoy today, support in their retirement years. The government flat out rejects Labor's plans to introduce a new superannuation tax as part of Labor's plan to raid the retirement savings of older Australians. Minister Morrison has clearly stated, in regard to Labor's plans:

… we will not increase the rate of tax on those who have saved for their retirement.

Our welfare system is there to support those most in need. We owe a great deal to those who have saved for their retirement and are able to support themselves without assistance from the Australian taxpayer. Before this parliament is a robust plan for a stronger and fairer pension system, helping those who genuinely need it.

Members opposite say that there is no need to address the future sustainability of the pension system. This is despite the fact that spending per person is projected to increase from almost $2,000 in 2014-15 to around $3,200 in 2054-55. Instead, they seek to hurt Australia's superannuation system and the retirement savings of thousands of Australians. Labor believe that they can improve the fairness and sustainability of our superannuation system by introducing a new tax on superannuants' annual earnings that are in excess of $75,000. On Labor's own figures, the introduction of a 15 per cent tax rate on earnings over $75,000 will impact approximately 60,000 superannuants. Once again, Labor have fallen back on their obsession with raiding the retirement savings of senior Australians. Unfortunately, this proposal does nothing to address the sustainability of our welfare system or the age pension.

The government has a mandate to balance the budget and spend taxpayers' money responsibly. Our plan, when fully implemented, will get the budget back on track to a sustainable surplus. The measures outlined in this bill will contribute to the budget repair job, saving $2.4 billion over four years. Under the Labor government and their policies, the underlying cash deficit would have reached 11.7 per cent of GDP in 2054-55, and net debt would have reached almost 122 per cent of GDP. Under our proposed policies, it is projected that the underlying cash balance will improve to a surplus of 1.4 per cent of GDP in 2039-40 and then to a moderate surplus of around 0.5 per cent of GDP in 2054-55. Furthermore, net debt is projected to be fully paid around 2031-32. These improvements can only be achieved by making the tough but necessary decisions across all facets of government spending, and it is important that changes do not impact those who can least afford it. The measures contained within this bill strengthen our pension system and ensure that Australia's most vulnerable are protected in their retirement.

Labor simply chooses to ignore the facts. When it comes to Labor's legacy and record of economic mismanagement, they are in utter denial. Under the previous Labor government, spending as a percentage of GDP was on track to grow to 37 per cent, far greater than the previous high of 28 per cent. If left unchecked, this would have resulted in drastic cuts to payments, higher taxes or both. Under our policy approach, expenditure will remain broadly in line with current levels, with real spending to grow at an average rate of 2.7 per cent per annum, thereby reaching a total of 25.9 per cent of GDP. This is where the Leader of the Opposition is exposed as an economic novice. You simply cannot maintain current service delivery without increasing taxes or reducing spending.
We have before parliament flair and sustainable change to the age pension. Our changes look after those who are most in need and protect those Australians who have saved to fund their retirement. The government's measures to provide fairer access to a more sustainable pension will see more than 170,000 pensioners with modest assets have their pensions increase by an average of more than $30 per fortnight. We owe today's senior Australians the best possible retirement, and we owe it to future retirees to ensure that there is a sustainable pension system which will address their needs.

I commend this bill to the House.

Dr CHALMERS (Rankin) (09:24): I rise today to also speak on the Social Services Legislation Amendment (Fair and Sustainable Pensions) Bill 2015. I think that, to properly understand this bill that is before the House right now, we need to understand and acknowledge the two most recent previous waves of changes proposed or passed to the pension.

The member for Jagajaga last night, in her characteristically wise contribution to this debate, reminded the House, and I want to remind the House again, that when Labor were in office, in the first term of the Rudd government, Labor did make a big change to the pension: we provided the biggest increase in the pension in Australian history. We did that by making difficult decisions elsewhere in the budget to fund what we thought was an important piece of social and economic justice for age pensioners in our community, who were falling behind and finding it harder and harder to make ends meet. I want to commend the work that the member for Jagajaga did in that period, working with the member for Lilley, Prime Minister Rudd, Deputy Prime Minister Gillard and others on a really important package of reforms to pensions in this country. I was proud to have played a small part in that effort as well. So that is the first big change that I wanted to refer to in this debate as an important part of context when we are considering this bill.

The next change, of course, was contained in the first Abbott-Hockey budget last year. In last year's budget, the Treasurer came in here and announced his plans to cut future payments for Australian pensioners. Of course, Speaker, as you would recall, the government tried to pretend that there were no cuts to the pension, but their own budget papers, the documents produced by the Treasury and by the government, showed that the impact of their plans would be to take $3 billion out of the pockets of Australian pensioners. That means something like $80 a week cut from the pension over the next decade. As a result, I am proud to say, of the hard work of members on this side of the House—including the member for Blaxland, who is at the table—campaigning in communities, suburbs and towns right around our nation, we managed to force the government to retreat from these plans to cut pensions. I also want to pay tribute to the pensioners of Australia who participated in that effort—the people who signed the petition, showed up to rallies, wrote to the minister and played such an important part in knocking over a terribly unfair attack on the retired workers of this country.

That was the good news—that that first effort was defeated. Unfortunately, even though it is a new year, a new budget and a new Minister for Social Services, we have the same callous approach to people's retirement incomes, particularly the pensioners of middle Australia, the people who have done the right thing. They have paid their taxes all their lives, they have worked in their jobs, they have raised their kids and put them through school and uni, and now they are under attack again. This new minister has brought back some of the same
measures that failed last year: the abolition of the seniors supplement, the abolition of the pensioner education supplement and the abolition of the education entry payment. On top of this, he has added some cuts of his own: changes to the social security treatment of defined benefit schemes, changes to the proportional payment of pensions outside Australia and, perhaps most significantly in terms of impact, changes to the pension assets test.

The sum total of these changes will rip $2.4 billion from the pockets of pensioners. Single pensioners will be up to $8,000 worse off a year and couple pensioners up to $14,000 worse off a year, and 91,000 part pensioners will lose their pension altogether. According to independent analysis from Industry Super Australia, within 10 years half of all new retirees leaving the workforce will be impacted by this measure. So enough of this false claim that the changes are somehow just dealing with a very small sliver of the wealthiest pensioners. We know from independent modelling that they will impact on half of all new retirees leaving the workforce within the next 10 years.

Despite a promise to maintain the Seniors Health Card for retirees affected by these changes, 91,000 people will lose access to a series of pensioner concession card benefits, including discounts on car registration, public transport, council rates, gas and electricity. The Association of Superannuation Funds of Australia (ASFA) has suggested that the value of these concessions lost could be up to $1,500 per year. These cuts to concessions will disproportionately affect people from areas like mine.

I have 11,803 age pensioners in my electorate, and the message from this government to them over the last two budgets has been clear: 'We are coming after your pension.' If you are an Australian who relies on the pension today, the Liberal Party of Australia is after your pension. Or if you are an Australian working hard, saving for retirement in a few years' time, the Liberals are after your pension.

One constituent who contacts me about the pension assets test frequently—and I want to thank him for his correspondence—expects to lose $150 a week from his part pension. That is nearly $8,000 a year. A single pensioner who owns her own home and is earning less than $25,000 from super will lose around $8,200 a year, a huge chunk of her household income. So it is no wonder that this issue has been so concerning for people in my area. Perhaps no issue in recent months has provoked more phone calls, emails and angry discussions with pensioners in my electorate. And it is on behalf of those pensioners that Labor will not be supporting the most unfair and unwise parts of this bill today.

I spoke earlier about the anger in the community. One reason pensioners are so angry at this government is the insulting way that the Prime Minister and the Minister for Social Services refer to retired people. They are so dismissive, describing them as if they are some sort of welfare bludger or as some sort of lazy person on the public teat. I think that is a terribly offensive way to describe people who have worked all their lives. They have paid their taxes and they deserve to be supported by this place.

The Prime Minister and the Minister for Social Services characterise Labor as 'the welfare party' for standing up for pensioners in our community. We are the party who stand up for people who work all their lives. We are the party who stand up for people who put their kids through school and uni and who paid their taxes, and who deserve some dignity in retirement. Again, they deserve our support in this place. They will get it from us; they will not get it from the government.
Pensioners are asking for some certainty in their retirement incomes. When the Prime Minister promised before the election—not once or twice, not as a throwaway line, but nine times—that there would be no change to the pension and he then cut the pension of around 330,000 Australians, that creates anxiety—not certainty. On this side of the House, we understand one thing: if you attack the pensioners of Australia, you attack middle Australia itself. Now that we have seen this deal done between the government and the Greens—a deal that they said would never happen—we are left, on the Labor side of the House as the only party standing up for pensioners and not supporting most of the measures in this pensions package.

We will not support measures that disproportionately affect people who have worked hard; we will not support the abolition of the Pensioner Education Supplement, that modest fortnightly payment for 41,130 pensioners who are studying; we will not support the abolition of the Education Entry Payment, the $208 one-off payment that goes to recipients of some of the other payments; and we will not support changes to the payment of pensions outside Australia. This issue is red hot in my electorate. People in my area are very concerned about the government's proposal to reduce from 26 weeks to six weeks the period that recipients of pensions can be paid their full pension while absent from Australia. We do not think pensioners who go overseas to visit family members should have their payments cut after six weeks. And critically, as I have said, we will not support the change to the assets test, which doubles the taper rate and which alone makes 327,300 current pensioners worse off. Labor cannot support these grossly unfair measures for retirees and low- and middle-income earners in our community.

But we do understand the legitimate concerns about the budget. We do understand that we need to do all we can to improve the budget bottom line, and that means finding sensible savings. That is why we have agreed to support some of the measures in this bill. They are not the most unfair ones. In doing so, and in acknowledging that we need to improve the budget bottom line, we do not accept the government's characterisation of the age pension as 'unsustainable'.

The latest Intergenerational report projects that the age pension will peak at 3.6 per cent of GDP in the middle of this century, based on no change. That is still lower than the current OECD average today of 7.8 per cent. More generally, we know that Australia has one of the most targeted welfare systems across the OECD. This is something that is celebrated about Australia around the world, that Australia does have a well targeted, sustainable system of social security that other countries would love to emulate.

Welfare expenditure in Australia accounted for just 8.6 per cent of GDP in 2013, compared to the OECD average of 13 per cent and, of course, over the last decade there has been a drop in the number of retirees who rely on benefits as their main source of income from almost 66 per cent to 63½ per cent. So if the government were serious about fixing the budget situation they would not be attacking pensioners, they would be looking to close some of the superannuation tax concessions for the very few at the very top of the system.

We do know—and this is a fact, not an opinion—that the cost to the taxpayer of superannuation earnings tax concessions will almost double over the next four years from $11.8 billion in 2014-15 to $22.4 billion in 2017-18, and continue to grow at a rate that is unsustainable. And, of course, high-income earners, particularly the very highest-income
earners, receive a disproportionately-large amount of the super concessions because the difference between their marginal tax rate and the concessional superannuation rates grows as their income increases.

Now, this is not just a Labor opinion: the government's own Financial System Inquiry by David Murray—selected by the government—found that 10 per cent of Australians receive 38 per cent of Australia's superannuation tax concessions, more than the combined benefit of the bottom 70 per cent of Australians. Action in this area has been supported and encouraged by a growing consensus of stakeholders. Again, these are not just friends of the Labor Party: the Australian Chamber of Commerce and Industry, the Association of Superannuation Funds Australia; the ACTU, Industry Super Australia and the Australian Council of Social Service.

That is a remarkable consensus among business groups, unions and social service groups that action needs to be taken in this area.

The member for McMahon has proposed a very sensible plan to make the super tax concession fairer and more sustainable by reducing the tax-free concession available to people with annual super earnings of more than $75,000 and by reducing the high-income super charge threshold from $300,000 to $250,000. Together, these reforms would save $14.3 billion over the next decade. And they are ready to go. We have done the homework for the government; we could put them on the table today and they could support them and we would get that $14.3 billion in a way that is so much fairer and so much smarter than the way that the government is going about attacking the pension.

As I said, we will not support the pension cuts that hurt retirees and low- and middle-income earners preparing for retirement. We are willing to cooperate on $1.5 billion worth of savings in the bill, because we understand we need to put the budget on a sustainable footing, but I say again: if the government were truly interested in improving the budget bottom line, they would be supporting Labor's plan to make superannuation tax concessions fairer and more sustainable.

Mr IRONS (Swan) (09:38): I too rise to speak on this bill. I have listened with interest to the member for Rankin and the member for Dobell this morning, and it is good to see that we are getting some sort of support from the other side—even though it is not their full support. We are trying to fix the budget. The member for Rankin acknowledged this, but he did not acknowledge where the budget fell away—that is, under six years of the previous Labor government. Maybe the member for Rankin, who has now left the chamber, could listen in to hear these words: 'You had your chance for six years and you just messed it up. You took Australia in the wrong direction, and now it's our turn, and that is what the Australian people are looking for.'

During his speech he talked about sustainability. This is obviously an important word, particularly for governments of all tiers and persuasions, but it is a word that, for those six long years, did not just fall by the wayside, which would have been bad enough, it was completely forgotten by those opposite. Instead, what we saw was one unsustainable handout after another, one bad policy implemented after another and one economically burdensome and competition-destroying tax after another throughout the six long Rudd-Gillard-Rudd years.

What this coalition government is doing instead is developing and implementing policies that will put each area of government expenditure back on a sustainable path. We are getting
rid of the waste and we are getting rid of the mismanagement, particularly when it comes to social services. And that, members, is exactly what this Social Services Legislation Amendment (Fair and Sustainable Pensions) Bill 2015 will achieve within our nation's social security and welfare system, which, for this financial year, will cost taxpayers $154 billion.

Despite every economist and every review recognising this need for sustainability, those opposite continue to grandstand in this place even though their argument against this bill's proposed changes have absolutely no basis. As members on this side of the House know, Labor's refusal to back our changes has been based on advice from consulting firm Rice Warner, which has just made a submission for the part-pension to be phased out as part of this government's tax white paper process. Rice Warner have also called for inclusion of the family home in the pension assets test if it is worth more than $1.5 million. So there you have it: the fact that those opposite want to try to claim that they are a friend of pensioners is, quite frankly, ridiculous, and we have just heard the previous speaker, the member for Rankin, confirm the Labor Party is coming after people's superannuation.

Rice Warner is not a friend of pensioners, and neither are those opposite. They are voting to deny an average $30 a fortnight pension increase to 170,000 Australian pensioners with modest assets. They are denying an increase to those who need this support most purely so that they can oppose this government's budget measures. You see, members, what is often forgotten in this lucky country of ours is that the government support services, and in particular our welfare system, were not created or designed to provide a wage for those who simply do not want to work—this is despite, as members know, some people viewing subsidies such as the Newstart allowance as just that—and they were not created to give more to those who can afford to provide for themselves.

What government subsidies are established to do is to provide support to those who, without these concessions or assistance, would not be able to uphold the basic standard of living that we as Australians expect every person to have—and those would be food, shelter, clothing. These are not wants, they are basic necessities, but, to put it simply, they all cost money. So when times are good, government can afford to provide additional assistance in the areas of welfare or infrastructure, for example; when times are not good, we as a society need to accept that belts must be tightened and those additional concessions must be reined in. But what appears to have happened in Australian society is this concept of entitlement overshadowing the need for sustainability. As a government, we cannot just focus on what is happening right now; we also have to implement policies that can be maintained in the future.

The reality for Australia's future is that we are faced with an ageing population, creating a situation where less people will be working and paying taxes in the future. And to put this concept into perspective: the number of Australians aged 65 and over is projected to double by 2055. This will mean there will be fewer people contributing to the government's spending measures in key areas such as health, education, infrastructure and the many welfare measures the government has in place, particularly for older Australians. So to ensure we can continue providing these services for our most vulnerable, we have had to make a number of policy decisions to create a welfare system that we can actually afford to maintain.

Before I outline the measures in the bill before the House that will achieve this, I do believe it is important to put on the record my appreciation and the appreciation of the coalition government for all of our partially or fully self-funded retirees. We appreciate the
work these people have put in throughout their lives so that they are not reliant on government pension support, either at all in some cases or only in part in other cases. This is a significant achievement, which supports and reflects the true ideals of the pension system specifically and the welfare system more generally—that is, being a social safety net for those who need it and, in particular, for our most vulnerable. It is not an entitlement.

Before I go into the detail of these measures, I will also take this time to highlight that the government has listened to stakeholder and community feedback regarding pension changes and will no longer be proceeding with previously announced changes to indexation. Under the government's reformed welfare system, pension indexation increases will be determined by the higher of the consumer price index, the pensioner and beneficiary living cost index or the male total average earnings.

In terms of the measures outlined in the amended bill before the House, which I must say has been aptly named for being focused on fairness and sustainability, it makes a number of key changes to pensions that were announced in the 2015-16 budget with regard to the assets test threshold by which pension payments are assessed for eligibility as well as the taper rate that is applied to this assessment.

I recently discussed this measure in great detail with members of the Association of Independent Retirees Perth Southern District Branch, which is based in my electorate of Swan, to ensure the partially self-funded retirees in particular understood how these changes may affect them. As I outlined to members of the AIR, what the government has done with the assets test is to again refocus our welfare support toward those who do not have the means to support themselves, bringing it back in line with its original intent. We have achieved this by re-balancing the scale so that additional assistance is provided to non-homeowners and people with moderate assets and less support is provided to those who are better off.

I will, however, firstly highlight that, prior to these announcements being made, a number of interest groups were speculating about whether the value of a person's home would start to be included in the assets test. So I will very distinctly say now that, under a coalition government, a person's home will not be touched. This government views the family home as sacrosanct and it will not be included in the assets test. Pensioners worked hard for that home and we will not let its value whether that is $300,000 or $1 million or $2 million affect the pension they receive later in life.

Unlike those opposite who have now proposed it, this government also will not be taxing retirees' superannuation. Unlike those opposite, we, again, view superannuation as sacrosanct. However, under the changes that were announced rather than just speculated on by the media, more than 170,000 pensioners with modest assets will have their pensions increased by an average of more than $30 per fortnight from January 2017. More than 90 per cent of pensioners will also either be better off or have no change to their pension under the measure. This is largely because the assets-free area of the pension will increase. For example, for single homeowners with assets of $210,000, these people are currently not eligible to receive a full pension; however, under the changes which will see this asset-free area increase from $202,000 to $250,000, more people will therefore be eligible to receive a full pension and will be $1,540 a year better off under the changes at this threshold.

To continue with this single homeowner example, as a person's total assets increase, the rate of pension they will receive will gradually decline. Under current arrangements, a single
homeowner will continue to receive a pension until their assets exceed $775,500; however, under the changes this will be reduced to $547,000. Again, to put this into context, we are therefore lifting the threshold for the amount of assets a person can have at the lower end to receive a full pension, so those people with less assets who need more assistance to make ends meet can be helped. And we are taking down the higher assets threshold at the other end so that the maximum amount of assets a person can have and still receive the pension is not as high.

The same concept will also be applied to pension payments for couple homeowners and couple non-homeowners. For those who own their home, the assets test-free area has been changed from $286,500 to $375,000, and the respective cut-out area has been reduced from $1,151,500 to $823,000. In terms of couples who are non-homeowners, this has been increased from $433,000 to $575,000 for the assets test-free area and the respective cut-out area has been reduced from $1,298,000 to $1,023,000.

To summarise these examples, all couples who own their own home with additional assets of less than $451,500 will therefore get a higher pension. Couples who do not own their own home with asset holdings up to $699,000 will also be better off. For singles, the maximum threshold point below which pensioners will be better off will be $289,500 for homeowners and $537,000 for non-homeowners.

The bill before the House also includes a provision to alter the taper rate applied to pension rates. Currently the taper rate applied to pensions is $1.50. As of 1 January 2017, this will increase to $3. The reason why this change has been applied is because, as I said earlier, we need to create a welfare system that is sustainable long into our future so that we can provide for the 23 per cent of Australia's population who are estimated to be over 65 years of age by 2050. This will reverse the lower taper rates which were introduced by the Howard government in 2007 when the budget was in surplus and we had $40 billion in the bank. Because, as members on this side of the House know, thanks to the former Labor government's cash-spashing policies this is no longer the case and this coalition government now has to work hard to reverse this downward fiscal trajectory. With the lower taper rate being applied, this currently costs taxpayers an additional $1 billion a year. Simply, this is no longer affordable. So just like every Australian taxpayer has to balance their budget books at home when their personal circumstances change, this government has also had to develop policies that will once again balance the welfare budget books based on Australia's fiscal standing today, not our fiscal standing from eight years ago. As members know, every pensioner's circumstances will be different. But I believe it is important to highlight to the House that in the very worst case scenario under these changes, those most affected would only have to draw down a maximum of 1.84 per cent of their assets to make up for the loss of their part pension if this were to happen.

For those people who will lose the part pension under these assets test threshold changes, the government has also ensured important safety nets in relation to access to medical concessions continue to be received, including eligibility for the Commonwealth Seniors Health Care or Health Care Card, which provide the same concessional access to pharmaceuticals as those who have a pension card. Once the changes come into effect, this will be automatically issued.
In terms of health care, I also believe it is important to highlight that the government also
announced in the budget that we will be investing $1.3 billion over four years to list new
medicines and vaccines. This includes the listing of new drugs to help Australians beat
melanoma, breast cancer and blindness on the Pharmaceutical Benefits Scheme, as well as
extending free vaccinations for the shingles virus to older Australians aged 70 to 79 on the
National Immunisation Program. It is important to note that Commonwealth Seniors Health
Card holders will, however, continue to receive the energy supplement under the changes to
the seniors supplement.

Overall the measures before the House will ensure our nation's welfare scheme is
sustainable in the long term and will make vital budget savings for the benefit of taxpayers.
We do not want to be in a situation where the government simply cannot afford to provide
these payments to those who most need them, so we need to work together to remove the
concept of pensions and other subsidies being an entitlement in lieu of taxes paid when
working, and instead as the safety net they were designed to be. This mentality and attitude
needs to change in Australian society, and it needs to change in this place and the other by
those who continue to knock back this government's budget savings measures. If we want
Australia to continue to be a prosperous country with vital safety nets, then passing bills such
as the one before the House is imperative. And that is why I will be joining with my
colleagues in commending this Fair and Sustainable Pensions Bill to the House.

Ms RYAN (Lalor—Opposition Whip) (09:52): I also rise to speak on the Social Services
Legislation Amendment (Fair and Sustainable Pensions) Bill 2015. I would open my
comments with a feeling of shock and awe that the word 'fair' is in the title of this piece of
legislation, because it is anything but fair. For most of us here it is not a surprise to see that
this government would label something 'fair' when in fact they understand that at the core it is
not fair. Because, of course, they have a track record. They had a completely unfair budget
last year which was suitably and appropriately rejected by the public of Australia. One of the
reasons it was rejected by the Australian public was that at its core it had some incredibly
unfair measures. One of those went to pensions. Of course, we in this place all know about the
indexation cut plans in last year's budget. We know because in our electorates pensioners
came to see us, because we stood with pensioners across this country day in, day out to beat
back that change. Only this year, in the new budget that is supposedly the fair budget, having
learnt the lesson that the Australian public will not stand for things that are fundamentally
unfair, under this new election emergency budget designed to save the jobs of those opposite
we have had to go to the details to find the most unfair measures. But they are coming to light
over time. Today is one of those days when they are coming to light, and they are coming to
light again around pensioners.

We all remember the Prime Minister as Leader of the Opposition before the election. We
all remember all of his promises. We can all recount the broken promises since then and the
biggest broken promise of no changes to pensions. Now we are onto the second raft of
changes to pensions, having beaten back the first by standing together with pensioners. We
understand that this is a broken promise. We understand that this piece of legislation before us
breaks that promise by introducing changes to the pension and attempting to introduce those
changes in this place today. We understand that, although the title calls it fair, it is anything
but fair.
Everybody on this side of the chamber understands that, and I am hoping that through this debate some of our colleagues in the Greens party come to understand that and come to understand that with this government you always have to go to the detail. You have to unpack things like the pensioners at home in my electorate today who are unpacking this debate and finding out how unfair it is. Of course, that goes to the priorities of this government, and we have seen this very clearly. I would urge people who are looking at this debate today and unpacking the detail of this not to single out this one issue but to look at it across the raft, because, as we have seen, this is a government that is intent on hurting low- and middle-income Australians to find its savings while refusing to look at revenue. It is a government that wants to sell this new budget as fair when it contains very unfair measures.

As a Labor member of parliament, I stand here very proud of our history on pensions not just since the government's debacle of its first budget but over history. I stand here very proud of the review into pensions and the action that was taken by the previous Labor government in implementing the Harmer report and delivering the recommendations made—delivering the biggest increase to pensions in 100 years and delivering fair indexation arrangements to keep pace with wages which experts acknowledged were cost neutral. I stand here as an Australian very proud of that history and also with the knowledge that our pension system is the best targeted in the world. I want to immediately suggest that the notion that our pension system is unsustainable should be rejected outright by the Australian public. Pensioners who are looking at the detail of this legislation can rest assured that this side of the parliament will not allow them to be separated from other pensioners as is this government's wont—family against family, pensioner against pensioner, retiree against retiree. We will ensure that the public understands that this is an attack on pensioners, that this is an attack on low and middle-income people in their retirement—not, as those opposite would have us believe, the millionaires.

I would say that this government perhaps learnt something after its very poor first budget. They did learn. They kept telling us that it was the salesman and not the content, but we now understand, because we have different approach to this budget, that it was definitely the content that was rejected, not the sales job. But look at what they do in building this division—we have seen that across legislation this year, trying to divide the Australian people into winners and losers, lifters and leaners. Now we are getting into the nitty-gritty—if we cannot separate the whole community let's go in, family against family, pensioner against pensioner. That is what is happening here. That is what is happening in this piece of legislation. We have heard speaker after speaker. We heard the member for Jagajaga yesterday, we heard the Leader of the Opposition yesterday get out those critical points and put on record what this legislation really means.

This piece of legislation is bad news for low- and middle-income pensioners currently and for those set to retire across the next 10 years. It is not justifiable—it is about priorities. This is a priority this government has. In the process, they have done some really cruel and unusual things. They have tried to run a discourse with the Australian public, first labelling the people targeted in this piece of legislation as millionaires when they are anything but millionaires. But they have gone further than that with the insinuations that people who have worked hard all their lives are somehow a drain, a burden. This parliament needs to be reminded that these
people have contributed all their lives to our economy and to our community and that this piece of legislation breaks a contract with pensioners in this country.

We have to be very clear about this bill does. This bill could leave single pensioners $8,000 a year worse off. Some couple pensioners could be $14,000 a year worse off—and this is important because that could be a quarter of their annual income. I think back to images on our television screens back in 2007 and earlier, and how the community rallied behind pensioners when the levels of poverty that some pensioners in this country were living in became apparent. I fear, and I know, that we will see a re-run of those images if some of the measures in this bill go through this parliament.

Make no mistake: this bill will spare some pensioners the pain from last year but it will still have very serious negative impacts for other pensioners this year, and the bulk of it is around the notion of assets. Those opposite are painting a picture that these pensioners and part pensioners are somehow millionaires with millions of dollars worth of assets when in fact that is not the case. The measures in this bill actually go to people with assets of $450,000. I want to dig in to that in terms of pensioners in my electorate and what their assets might be. You have got to look at that assets list, as the Leader of the Opposition did yesterday. Obviously, speaker after speaker will talk about the family home being sacrosanct and how that is not part of this package. That is terrific news. But anything else that is owned, like the furniture in that home, is part of this measure. We have got to look at motor vehicles, caravans, boats and household contents. I can see people keeping their family home but having to sell off the furniture to maintain their income across the year. Also included in people's assets will be their whitegoods, their linen and manchester, crockery, kitchen appliances, computers, televisions and books. It will include their grandmother's engagement ring and any paintings that have been passed down through the family. These will be counted up in those assets.

If you think about part pensioners and what they are likely to have in their asset pool, beyond their family home—if they own a home—then they may have some cash in term deposits and they may have some superannuation, but they will have some money set aside in their everyday accounts. I know that they will have that money set aside for an emergency with their health. They may have some set aside for the health of their family. I know that if you asked my mother—and all of us are well and truly grown up with families of our own—she would say she needs money aside in case one of her great-grandchildren has a medical emergency and the family needs assistance. That is how Australians are wired: to look after their families over time. We have to think about these pensioners and what they have got in their asset pool, because this government is now going to say, 'Because you have got that small amount of money set aside for an emergency for yourself, an emergency for a grandchild or an emergency for a great-grandchild, we are going to cut your income—possibly by up to a quarter every year. This is a clear attack on what has been a social contract: a living income for pensioners in this country.

One of the provisions in this legislation is around those who are set to retire in the next 10 years, those who have been planning and those who have already retired and have planned and set out what their incomes will be. We hear a lot of rhetoric on this side about superannuants and about how unfair Labor's proposals on superannuation are because they have changed the rules. And yet it is okay to change the rules on pensioners because somehow this government fails to understand that the people who are going to be harmed by
these measures are the same people. I call upon people to think about what it will mean if we let the government get these measures through, if we let them divide and set aside one group of pensioners and say to them, ‘Your income could be cut by a quarter,’ and if we allow them to call them millionaires while at the same time they have ruled out any changes to the top end. The Labor proposal is that those people drawing an income down on their superannuation above $75,000 would have a tax concession change at their income above that—much fairer than this, which would cut people's income by up to a quarter.

We are not talking about high incomes. We are talking about low incomes. We are talking about people on a part pension who have saved hard for their retirement. It does not surprise me—and I am sure it does not surprise the member for the Perth, who is in the chamber—that the people who will be hardest hit by this are women. Of course, women: women who have had time out of the workforce, women with less in their superannuation, women who may have scrimped and saved, women who may have purchased a home in partnership with a husband or partner and who is now in that home as a single pensioner on their own. They will be hardest hit, and they will be hardest hit across the next 10 years as well. There is no surprise in that. So again this government finds a way to divide people and pit Australian against Australian, pensioner against pensioner.

I would like to conclude my remarks today with that track record in mind, and with the Minister for Social Services at the table today. If we look at the childcare packages, the same is happening there. This government has learned something. It has learned to put some sugar on the table and a bottle of vinegar down your throat the next second. It wants to put some sugar on the table and say it is doing a great thing for some pensioners while it categorically hurts other pensioners—the same as it is doing with families on family tax benefits, 18,000 of them in my electorate, who are being demonised as bludgers and leaners. (Time expired)

**Dr Gillespie** (Lyne) (10:07): I rise to speak on the Social Services Legislation Amendment (Fair and Sustainable Pensions) Bill 2015. So much of what goes through this House affects people in their everyday life—that goes without saying—but this legislation is acutely important in the Lyne electorate because a very large number of my constituents are indeed pension dependent. There have been a lot of conversations about who is getting what and what is changing. Unfortunately, through life situations do change. We have a shifting demographic, we have a massive debt that we inherited and we have a responsibility to the generations to come. When you have that formula, you have to think about the generations of people, like the generation now, who will depend on the pension. Also, the generation of people who will depend on the pension in the future will probably be double the size in some areas. In the Lyne electorate, because we are a coastal community, a couple of generations of proud Australians have decided to migrate up the coast in their retirement. They want to have that period of their life where they can sit back and look at what they have done and what they have achieved. However, many of them are not high-earning retirees. Many of them are pension dependent.

Those on the other side of the House have focused on some of the difficult decisions that the government has had to make, but there is always a quid pro quo. Basically, 90 per cent of the 3.7 million pensioners in the country are going to either be better off or have no change to their pension under this measure. In fact, in the Lyne electorate, the 170,000 people at the
lower end of the assets range will be better off to the tune of $30 a fortnight. Some, about 50,000 people, will qualify for a full pension. There are levers being pulled here. We can slice and dice things, but to cut to the chase: some people will be better off. The changes are focused on people who have not much of an asset base to look after themselves in their retirement. They will be in a more secure position.

There are changes to the way assets are assessed and the tapering system. And here you have to keep in context what the members on the other side have proposed in their changes, which are far, far worse and far more draconian. At the moment, with these changes, couples that own their own home, with additional assets of less than $451,000, will get a higher pension as opposed to couples who do not own their own home and have asset holdings of up to $699,000. If you are dependent in your retirement age on having to rent premises, you will be better supported. You can have assets up to $699,000. For singles, the maximum threshold point below which pensioners will be better off will be $289,500 for homeowners and $537,000 for non-homeowners. A lot of people in my area live in retirement villages and do pay weekly rent for the space where their relocatable home, caravan or annex is placed. These people will be more secure in their retirement.

We were criticised in the last budget for changing the method of indexation: the highest of MATAWE or CPI. We chose CPI. The pension has gone up twice a year since the coalition has been in government, and double pensioners are up to $78 better off. So the pension will continue to go up twice a year, but by the same system of the higher of the various indexes rather than CPI. So we have listened to people's concerns and maintained the current system. I do note that, with the pension increases that have happened since the coalition has been in charge of governing the country, the index which has gone up the most has been CPI. In retrospect, there was high wages growth during the mining boom, but since that has gone off the boil the exponential wages growth has slowed. So, in effect, the CPI will probably be chosen in the foreseeable future as the index that is moving up the most.

The assets free area is also being changed. The value of assets that you can have in addition to your family home in order to qualify for the full pension will change, and that is an increase from $202,000 to $250,000 for single homeowners and $286,500 to $375,000 for couple homeowners. This is quite a significant change.

The controversial bit is about the assets taper. It is changing. People who currently have significant assets can have their family home and $1.15 million in assets to draw on. People who have that amount of assets will have a change in their circumstances. There is no way to escape that reality. As I said, we are left with an enormous debt, we have an increasing number of Australians who will require support during their retirement and we have to make it all marry up.

If you are losing part of your pension, it will then necessitate you to draw down on your savings. When you think about it that is why you worked hard and made all your savings—to look after yourself in your retirement. The calculations reveal that those who are affected will be able to replace the reduction in their part pension or their pension by drawing down on their savings by 1.84 per cent of their capital. That will maintain their current income stream. A lot of people would like to preserve their assets and hand them on to the next generation. I totally understand that, but we have a dilemma. The fiscal mess of the nation’s finances we have inherited has necessitated these changes.
I have been approached by several members in my electorate about changes to defined benefit superannuation funds and how they are calculated as part of your assets. A defined benefit superannuation scheme is quite different to an accumulated benefit superannuation scheme. Defined benefit schemes deliver much more than accumulated benefit pension schemes do. Some of these were in retrospect very generous. They were designed at a time when wages for people like judges and teachers were not really high. They did a good job for the government teaching or working in the judicial system or in the state public service and they got a pension. That has not changed. What has changed is the amount. Depending on your years of service in the various schemes it can be anything from 50 per cent to 90 per cent of your finishing wage. I admit that that is really quite a great pension. I add for the record that people who have come into parliament here are no longer in a defined benefit superannuation scheme. That is a popular misconception.

Mr Perrett: Seventy-six per cent of us.

Dr GILLESPIE: Yes. Young politicians like me are like everyone else in the Public Service. What we accumulate from our superannuation payments is our pension scheme.

Getting back to the legislation in hand, we are changing the amount that is assessed. Some people were assessing it up to 50 per cent of the value, which allowed quite a generous income stream from the government as well as the pension that you were receiving from the state governments. I admit that it will change your situation, but these schemes were very generous and when you look at it in the cold hard light of day the changes are reasonable and, unfortunately, necessary because when we have twice as many people in the coming years relying on a government pension for their sole source of income there will not be enough to go around. Superannuants who are paying for their own superannuation from money that they have saved are saving the government money because they have put aside for their own retirement.

Concession cards will continue but the energy supplement will replace the seniors supplement. That is a significant change, but no-one will lose their veterans' affairs gold card. The seniors supplement is going to change. It could not be sustained. Another difficult decision has had to be made in relation to the pension education supplement. That is quite relevant in the Lyne electorate because we have a lot of seniors studying at the University of the Third Age and other universities. When we have students requiring support at the start of their life, that is a luxury we cannot afford any more when we have such a bad set of finances. We have to make these difficult decisions. Not that education in the golden years of your life is a bad thing—it is an excellent thing, and I recommend it continue.

I have a few other comments I would like to make. Pensioners who do have a change and lose some of their pension entitlement will automatically be issued with a Commonwealth seniors health card indefinitely. A lot of people I have spoken to who were concerned about these proposed changes thought they were going to lose that. I can reassure them that they are not.

The other thing to remember is what members on the other side have proposed. They are going to include the home. A man's home is his castle. They are planning to put the value of your house into the calculations to see whether you have too many assets to qualify for the pension. They like to stand in this chamber and criticise us for really hard decisions. I freely
admit that they are not popular with those people who are affected, but overall we will have a much more sustainable system.

Let us look at what members of the Labor Party are proposing. They are proposing that if your house is worth more than $1.5 million it be assessed as an asset. In the whole Lyne electorate I think there would be 10 houses in that price bracket, but most of the people in Sydney or Melbourne who bought their house 20 or 30 years ago would be swept up by this. I am absolutely shocked that the Labor Party could be thinking of including the family home. The asset level they were going to set was $500,000. If you think ours are bitter pills to swallow, watch out for what the Labor Party has in store for you.

Ms MacTiernan: Where did you get this information from?

Dr GILLESPIE: Rice Warner have been used as a source of advice and their report includes this. I am not dreaming this up; this is in financial advice that they are using for their policy development. Anyhow, that is even before they get to taxing your superannuation.

(Time expired)

Mr PERRETT (Moreton) (10:22): I rise to speak on the Social Services Legislation Amendment (Fair and Sustainable Pensions) Bill 2015. A tip for the listeners out there: as soon as you hear a title such as 'fair and sustainable' your red flag should go up and your radar should ping. Whenever there is an Orwellian title like that—it is sort of like Work Choices—you know you should listen carefully to what is going to follow and you should be very careful about what the government has proposed.

Pensions: we need to get a few things straight about pensions. Firstly, 'pension' is not a dirty word. It is not the dirty word the government would have us believe. The social services minister said just a few days ago:

"The pension is a welfare payment, it is there for people most in need, it is a safety net payment.

I, and the Labor Party, see the pension as a recognition of the service that pensioners have given to this nation—for those doing the hard yards and those who have paid their taxes and then been provided with a secure and adequate system of support. The Queensland MP and Deputy Prime Minister, Warren Truss, told a breakfast in Brisbane:

Increasingly the lifestyle—and the savings for superannuation—are being seen as the opportunity to enjoy a few cruises and the luxuries of life—as if our pensioners and our superannuants are living an incredible life of luxury. These statements are further evidence of a government that is out of touch with ordinary Australians, particularly our retirees. Labor understands that ordinary people rely on their pensions but are not living a life of luxury, particularly those who are paying rent and do not have their own home.

It was the Labor Party that first introduced the pension system to Australia. Take your minds back. At the turn of the century there was no social security system beyond churches and benevolent organisations. Once the colonies federated on 1 January 1901, charitable relief was provided to needy persons by voluntary organisations and in some cases with a limited amount of government assistance or government grants. The main areas of need which attracted charitable assistance were the sick poor, neglected children, old people who were destitute and women who had been deserted or who had fallen pregnant. These people who I have just described were living a horrible hand-to-mouth existence of high mortality rates and
subject to the whims of employers and society. The unemployed were assisted by grants of wages or rations in return for relief work provided by the government. It was a Labor government that created our pension system in 1909, only eight years after federation, where we attached intrinsic dignity to humanity. Rather than seeing them as economic burdens to society, we saw people who were doing it tough as having intrinsic value.

In June 1908, Labor exercised the power granted to the Commonwealth upon Federation contained in the Constitution to legislate with respect to age and invalid pensions. Labor introduced means tested flat-rate age and invalid pensions. The new pensions which were financed from general revenue came into operation in July 1909 and December 1910 under Andrew Fisher's Labor government. The new pension was paid to men from age 65 and it was paid to women at age 60, but women did not receive the pension until December 1910.

Obviously our standard of living has improved significantly since 1910. Our health care has improved. Our mortality rates have improved, to a large extent due to Medicare—another Labor initiative—and obviously our life expectancy has increased. In 1910 our life expectancy at birth was 55 years. If you were lucky enough to reach 65 years, your expectation was to live only for another 11.3 years. A male child born in Australia today can expect to live to 80 years. Sorry; it would be higher than that. I beg your pardon. A 65 year old man today would be expected to live for another 18.7 years, and the ratio of workers from 1909-10 to people on the pension has changed significantly. So, as people live longer, the period of retirement has increased. Labor recognised that and we increased the end of life working age to 67. The coalition government has increased it out to 70. Obviously it is difficult—I understand—if you are in a blue-collar job; even a job like an electrician that involves crawling around in the ceiling would be difficult when you are 70 and even worse if you are digging holes or a builder's labourer or something like that.

It now costs more to sustain a person through their retirement, and there are many reasons why people have not accumulated enough savings to do that adequately. That is why Labor took the tough decision along with unions and employers to forgo wage increases for future returns by bringing in superannuation. Industry-wide compulsory superannuation was introduced by the Keating government in July 1992. Prior to that date, unless you had an income substantial enough to allow you a nest egg—and there were many people and families in particular who did not—people were destined to eventually end up on a pension. It was how the system worked prior to compulsory superannuation. Every worker paid taxes, and that allowed the government to look after those who could not afford to adequately look after themselves in retirement. People worked hard and people saved hard, but that did not always guarantee that they would have enough money to see them through the years when they could no longer work. That is why Labor introduced compulsory superannuation. The superannuation guarantee system was part of a major reform package addressing Australia's retirement income policies. Labor anticipated that there would be a major demographic shift in the coming decades which would result in an increase in aged pension payments and would place an unaffordable strain on the Australian economy: the baby boomers generation moving through to retirement. This decision was a precursor to that document called the Intergenerational report. The first one of those came out in 2002. The Labor government made a political decision in the nation's interest that we had to change because of this population that was shifting through.
So Paul Keating's Labor introduced a three-pillar approach. The first pillar was a safety net consisting of a means-tested government age pension system. We understand that. The second one was private savings generated through compulsory contributions to superannuation. The third was voluntary savings through superannuation and other investments. Think of those as three legs on a stool. The stool falls over if we do not make sure that they are all there—the pension, the private super savings and the voluntary system.

Our superannuation industry is a great system—in fact, it is the envy of the world—but we have to remember that that superannuation system was not available broadly until 1992. People reaching the current retirement age of 65 this year were already 42 years old when the superannuation guarantee came in, so half of their working life had already passed by. People who are currently receiving the pension had even less working life to accumulate superannuation. There are other reasons people may not have been able to accumulate enough superannuation to see them through retirement. People may not have had steady employment during their working lives—for example, seasonal workers or, particularly, women, who may have had time out to have children. There were also those greater pay gaps, where women were making less than men on average. I think we have just had the first year ever where the pay gap stopped going down and actually started to go back up again. There are many other factors that would have taken people out of the workforce.

It is arrogant of the coalition government to assume that everyone has had the opportunity to accumulate enough superannuation to live comfortably in retirement. Most pensioners, including part-pensioners, would quantify living comfortably as being able to afford safe, secure housing, eat nutritious food and occasionally see family and friends. That is the Australian lifestyle that we have come to expect—not that turn-of-the-century lifestyle; I would hate to see us take steps in that direction.

There is absolutely no doubt that the superannuation guarantee was a great Labor policy success. It was a difficult solution to a future problem. It was an elegant intergenerational solution. Through Labor's initiative, Australians have accumulated more than $2 trillion in superannuation assets, and this is rising. How did we do that? As I said, unions, employers and the government got together and arranged it. People decided to forgo wages for some of those superannuation commitments—three per cent, six per cent, nine per cent, 12 per cent. Keating's plan was always to get to 15 per cent. Every time we brought in those changes—three per cent, six per cent, nine per cent—those opposite, the coalition, voted against those increases. We have seen, as soon as they have got into government, that they have frozen those increases we would need to get up to the 15 per cent.

The balance sheet for Australians would look a whole lot better if the Howard government had not abandoned the Keating government's 15 per cent superannuation guarantee way back in 1996. That decision has cost the average Australian worker about $250,000 of accumulated superannuation. I again condemn the government's decision last year to abandon the previous Labor government's increase of the superannuation guarantee to 12 per cent, because that decision further eroded the retirement savings of Australians. The rate is now frozen at 9.5 per cent until 2021. I think Wyatt Roy will be in his early 40s by then, almost! This is not a decision that is in the best interests of the nation.

The Labor architect of the superannuation guarantee, former Prime Minister Paul Keating, has described that decision by the Abbott government as representing:
nothing other than the wilful sabotage of the nation's universal savings scheme. And sabotage for reasons only of prejudice.

The three-pillared approach introduced by the Keating Labor government, vandalised by the Howard government and the current government, is now a bit of a wobbly stool. Remember the three legs—the pension, the private super savings and the voluntary savings. The government's response to their own destruction of it is to hit those who can least afford it. What a surprise! Three hundred thousand pensioners will now have their pensions cut as a result of these changes, and 90,000 pensioners will lose their pension altogether. And remember that other weapon the government had in their armoury, introduced in the 2014 budget—changing the way that the pension increases.

In real terms, this proposal before the chamber will bring $8,000 less for a potential single pensioner with $500,000 of assets that generate income of around $26,000. A pensioner couple would lose $14,000. These are people who have worked hard all their lives. They have saved hard. They deserve better from our government than to be stripped of a pension that would make their life not lavish, not extravagant, just adequate. It is the difference between being able to have some heating in winter and being cold; the difference between eating a healthy diet of good-quality, fresh food and eating cheaper, poor-quality food; the difference between taking part in a range of regular healthy activities and taking part in very few, infrequent social activities.

It was Labor that created our pension system in 1909 and built universal superannuation in 1992. Labor did not stop there. Between September 2009 and 2013 there was an increase in the maximum rate of pension of around $207 per fortnight for singles and $236 per fortnight for couples combined—the biggest increase to the pension in its history. Labor did that, and it is Labor that will continue to protect retirement incomes for all Australians and ensure their financial security. The three-tiered system, the three-legged stool, designed by Paul Keating is starting to look wobbly due to its destruction by the Abbott government and the previous Howard government. They have taken a hacksaw—and the tenon saw is out there—and they are cutting away at one of the legs. It needs to be fixed, but attacking the people who can least afford it is not the answer. It will never be the Australian way as far as Labor is concerned.

Let us have a look at that superannuation system. The reality is: we have around 400 people who have more than $10 million in their superannuation account. That shows that there is a bit of a loophole there and people are exploiting it.

The top 10 per cent of Australians receive more tax concessions than the bottom 70 per cent of Australians combined. There is something seriously wrong with those figures. The superannuation system was not designed to facilitate wealthy people to get tax relief on their millions of dollars of savings. In fact, the Treasurer's own budget papers show the total cost of superannuation tax concessions, earnings and contributions actually outstripping the cost of the age pension by the end of the forward estimates period. That is in the Treasurer's own budget papers. The growth in superannuation tax— (Time expired.)

Ms HALL (Shortland—Opposition Whip) (10:37): The one thing that Australian pensioners know is that the Abbott government has them in its sights every time it wants to make budget savings. It is important to point out at the commencement of my contribution to this debate that it is always the case that the Abbott government said one thing before the
election and then does something totally different after the election. Nothing demonstrates this more than its attack on pensioners.

Prior to the election, it said that there would be no cuts to the pension. Well, we have had two budgets and two attempts to cut the pension. This mean and tricky legislation is an attack on the part pension, in the same way that last year's budget was an attack on all pensioners, when the Abbott government planned to rip $23 billion out of the pockets of pensioners by changing the way that pensions were indexed. Labor knew this was unfair; we stood alongside pensioners, we fought and we won. The Abbott government has backed away from these mean-spirited changes that it had intended to make to the pension.

This Social Services Legislation Amendment (Fair and Sustainable Pensions) Bill 2015 introduces three measures from the 2015 budget. I would have to say that, in the electorate of Shortland, these measures were absolutely the most unpopular measures in the budget. Shortland is one of the oldest electorates in the country. The pensioners and the people living in Shortland are not wealthy people. They are hardworking people—many of them have worked in blue-collar jobs over the years—and they were devastated when they were confronted with these changes. The legislation changes the way that defined benefit schemes are treated, it changes the proportional payment for pensioners outside Australia and it changes the pension asset test, which was a really big issue in the Shortland electorate. In a moment I will share with the House some of the thoughts of part pensioners from Shortland electorate. I am pleased that the Minister for Social Services is in the House, because he will see how these changes are set to impact on the lives of real people—people that have worked so hard all their lives and are now looking at having to totally change the way that they live their lives.

The legislation also reintroduces three measures contained in the 2014 budget—that is, the abolition of the seniors supplement, the abolition of the pensioners education supplement and the abolition of the education entry payment. The education entry payment is quite a small amount of money, and it particularly benefited people with a disability. But unfortunately this government tends to marginalise those people that are most vulnerable within our community—those people that it thinks it can target in some way or another. To say that this legislation is good news for pensioners is an absolute twisting of the situation, because over 300,000 pensioners will be worse off as a result of these changes. It will increase the taper rate from $1.50 per fortnight for every $1,000 above the free area to $3 per fortnight for every $1,000 above the free area—that is doubling it. That will have a real impact on pensioners.

I think this might be an appropriate time for me to refer to some correspondence I have received from constituents. The first one is from Bridget. She and her husband have been saving and preparing for their retirement over a period of 10 to 15 years. Everything that they have done has been directed towards ensuring that they have a sound retirement, a retirement where they can actually afford to live. She pointed out to me very clearly that they started their superannuation savings some time ago—but they started late. She only worked part time while her children were growing up and she was not able to put a lot of money into superannuation. As the children got older, she increased the amount of money that she was putting into super, and so did her husband. They did this so that they would reduce their dependency on a state provided age pension. They salary sacrificed, rather than spending their money on expensive holidays, new cars and other luxuries, and achieved their goal by
building a retirement nest egg. They did this based on what the rules were at the time, and they did so because they wanted to be self-sufficient and only attract a small pension from the government. They always provided for themselves as much as possible and planned for their future, which included a modest top-up from the age pension. They see the changes to the taper reduction as a very arbitrary decision and one that will really impact on their retirement.

They point out that this legislation will be a disincentive to save for retirement, and it will have its greatest impact on low- and middle-income earners. The new lower and upper threshold levels of the asset test will mean that people will want to spend their money on cars and holidays because there is no point in saving their money. This is something that I think that the Abbott government needs to have in mind.

She talks about how she has had to change her existing arrangements. They will need to keep their super and investment options open and maybe invest in high-risk portfolios, which will mean that they will be more exposed to another GFC-style incident.

While she believes that the government's actions in this area are very harsh, she is quite upset about the fact that the government is failing to look at superannuation. She believes that targeting super tax concessions that unfairly benefit the top 20 per cent of income earners is something that the government should be looking at. She is absolutely horrified that this government can attack part-pensioners who get a very small income, whilst on the other hand ignoring that top 20 per cent of income earners, who, in most cases, will never qualify for the age pension. She believes that the very wealthy top 10 per cent of beneficiaries of the government's super tax concessions have 'undue influence' over the government's policies.

What she put to me was that the 10 or 20 per cent of top income earners were having influence on the area that the government targeted. It was listening to them, whilst it was not listening to the part-pensioners. To stand in this House, day after day, and try to make out that these part-pensioners are wealthy people with a lot of money is ludicrous, and it is a way of further marginalising those people. That is what this government does so well. It stigmatises, marginalises and attacks one group within the community at the expense of another, at the same time ignoring those people who truly are millionaires, who truly are benefiting from this government's very, very top-down approach to any type of changes. 'Do you have a lot of money? We'll leave you alone.' If you are just an ordinary, average Australian, watch out: the Abbott government is coming for you.

I would like to draw from the final part of her letter to me. She states very strongly that she objects to being described as a 'leaner', a 'drain on the public purse' and a 'liability' by the current government. She has worked for the past 46 years, and she points out that there are many hundreds of thousands of people who are just like her. She has made a significant contribution to the growth and success of this nation, something those on the other side of this House choose to ignore. She had a plan to continue working until she had sufficient money in her superannuation—she is over the age of 60 now—and then transition into working voluntarily within the community. She sees this as something that will need to be put on hold, and she is very, very angry about the fact that this government does not penalise in any way the very wealthy individuals in our society who dictate to the government.

I cannot disagree with that. I see that evidenced each and every day here in this parliament. This legislation targets those people who are most vulnerable within our community. Over a period of time, there will be more and more Australians who fall into that group.
I quickly want to touch on another constituent who sees these changes as unfair for part-pensioners. She talks a little about her circumstances. She lived in Sydney. She sold her home and came to Swansea, within the Shortland electorate. She bought a house that was much less expensive. This is very typical of people who move to the Central Coast and to Lake Macquarie. They invest the money that they receive from their house in a term deposit, and then they live off that, along with a part-pension. She points out that the return on term deposits is three per cent at the moment, and she needs to draw on her assets from time to time to maintain her living standard. But, if she were to sell her house and move to Sydney, she could not even afford to re-enter the market there. She finds it quite upsetting that people living in houses worth millions in Sydney are still able to access the pension, while she enjoys rather a modest living standard in Swansea. She finds it rather disgusting, and she sees these changes as threatening health and making people much more vulnerable at a time when they look to government for support.

Those are only two constituents. My office has received so many phone calls from pensioners who have been adversely affected by this—pensioners like a member of the Swansea Lions Club, who does so much volunteering work in the community, who came and said to me, ‘This will change the way we live our lives.’ I do not think it is right. This is unfair legislation. It is legislation that will attack the living standards of over 300,000 part pensioners, and the impact will be greater over a period of time. Everyone in Australia knows this is a mean-spirited government. It is arrogant and out of touch, and it constantly attacks Australian pensioners—Australians who have made an enormous contribution to Australia over their lifetime—whilst ignoring the flaws in the superannuation system, a system that rewards millionaires. The Abbott government is an unfair government that attacks vulnerable Australians. (Time expired)

Mr THISTLETHWAITE (Kingsford Smith) (10:52): Pensioners are some of the most financially vulnerable members of our community. Although many have a high-value asset, their family home, they tend to be income poor. Most will get by on between $24,000 and $28,000 a year, so they are by no means well off. With an income such as that—$24,000 to $28,000 a year—you are highly susceptible and highly vulnerable to changes in the level of that income, particularly given that, as a person ages, the incidence of requirement for access to health care can tend to grow, increasing insurance expenses and other expenses associated with looking after yourself.

That is why I and my colleagues have taken our time to work through the details of these very substantial reforms and changes to the way the pension system works in Australia. I have consulted many pensioners in the community of Kingsford Smith, and I want to thank those pensioners who have contacted me and my office to outline the details of their concerns regarding what the government is proposing with these reforms. It is on the basis of those consultations and working through the details of the Abbott government’s proposed reforms that I have decided, with my Labor colleagues, to oppose the proposed changes to the pension taper rates.

The basic reason why I have decided to make that decision is that these changes are grossly unfair. They target some of the most vulnerable in our community. Two hundred and thirty-six thousand vulnerable elderly Australians will be worse off because of these reforms, by an average of $130 a fortnight. That is $3,380 a year that part pensioners will be out of pocket.
because of the Abbott government's reforms. A further 91,000 pensioners will lose their pension altogether. That is $4,940 a year that they will be worse off by.

The thing about this reform is that it gets worse into the future. The nature of the change compounds into the future because of the ageing of the Australian population. More and more retirees, into the future, will be affected by these changes, leaving more and more people in our community who are vulnerable. This is something that has been recognised by many who have made submissions to the Senate inquiry regarding these proposed reforms. Industry Super Australia have said that within 10 years half of all retirees will be impacted by these changes. Importantly, most of those people will be women. I think eight out of 10 of those who will be affected by these changes will be women, disproportionately affecting vulnerable women within our community. But, although the government is proceeding with these changes, there are massive taxation concessions that are available to some of the wealthiest individuals in Australia—people with well over $1 million in superannuation balances. Many of those people pay no tax whatsoever on their income from superannuation. So here we have the government wanting to take money from part pensioners, some of the most vulnerable in our community, but they will not touch those who are on some of the largest incomes in Australia and who are the biggest drain on the federal budget and fiscal consolidation and sustainability into the future.

That is why these reforms are unfair, and the best way to highlight this unfairness is through some concrete real-life examples. I would like to outline a few of those now. A single pensioner who owns her own home and is earning $28,900 from interest and earnings on superannuation, under this government's proposals, will lose $8,200 per year. Almost a quarter of her entire income in one year will be lost. But someone who has $1½ million in superannuation and is earning around $100,000 a year in income on that superannuation will not be touched. They pay no tax on that at all. That is unfair. Another example is a couple who own their own home and earn $45,000 together off their superannuation. Under the Abbott government's reforms, they will lose their entire part pension of $11,400 per year. Tony Abbott has his hand in their pockets and will take almost a quarter of their entire income for that year. This reform simply is attacking some of the most vulnerable in our community whilst letting off some of the most wealthy, who are the biggest drain on our budget into the future.

I and my Labor colleagues understand that we need to develop a position in our budget that is fiscally sustainable into the future. We understand that. Labor is deeply conscious of that. That is why we have offered close to $20 billion worth of savings over 10 years, or additional revenue over 10 years, for the budget through reforms to taxation, and in particular to superannuation tax concessions.

I want to talk a little about those tax concessions. The approach that I have taken in respect of this and the holistic debate on fiscal sustainability is: how do we generate more revenue for our budget? How do we generate savings for the budget? But how do we do those things in a manner that is fair? It must be fair. Importantly, it must not attack the most vulnerable and push some of those people into poverty. One way to do that is to have a look at superannuation tax concessions.

Currently in Australia, the wealthiest 10 per cent of Australians—so, those who are in the highest-income quintiles in our nation—get 38 per cent of the tax concessions. That is almost
40 per cent of the tax concessions under the current fiscal arrangements. I can give an example of that. I gave some examples of how pensioners are going to lose but I will also give some examples of how wealthy superannuants are not touched by these proposals.

There are 475 Australians with superannuation balances of more than $10 million—$10 million! Let's assume that they earn an average five per cent return on that superannuation balance, which is an average return in the market at the moment. Such a person would get $500,000 a year from their superannuation as an income. That is half a million dollars per year from their superannuation as an income. Under this proposal—under what the Abbott government wants to do—that person pays no tax on that superannuation income. No tax whatsoever, and yet the government wants to slug part pensioners who are earning an income of around $24,000 to $28,000 a year and take almost one quarter of their income from them in these reforms! How on earth is that fair? How on earth can I, as a representative of my community, say that is fair and agree to these reforms? I cannot and I will not.

We also have 24,000 Australians with superannuation balances of more than $2 million. Again, under this proposal that the government is looking at, they will pay no tax at all and yet the government wants to slug pensioners and those who are the most vulnerable in our community. They want to cut the pension by almost a quarter for some of those people, people who are earning around $25,000 a year. They want to take it off their pension. It is unfair, because it attacks the most vulnerable in our community. It is something that I will not be part of.

And I am not the only person who is making claims about this. Many in industry are as well. In their submission to the Senate social services legislation bill inquiry—this bill—Industry Super Australia said:

... efforts to obtain short-term budget savings by tightening Age Pension benefits are likely to undercut community living standards in an inappropriate way.

ISA-Rice Warner modelling indicates that the proposed changes to the Age Pension asset test and taper rate in this Bill are misguided because they reduce the retirement incomes of Australians who currently are on modest incomes, and whose retirement incomes are projected to be below that sufficient for a comfortable standard of living in retirement. Over time, the changes would adversely affect about 40 per cent of Australians, and 8 in 10 single women. This will disproportionately affect a vulnerable group within our community.

I mentioned earlier that the view of this government that the pensions paid to Australians are unsustainable into the future. I have done a bit of research into this issue. In 2013 the OECD published a report of comparable rates of pensions and social service payments to populations in OECD nations. Currently, Australia spends about 3½ per cent of GDP on pensions, according to the OECD. But when you compare that to other nations in the OECD—like the United Kingdom, which pays six per cent of its income; France, which pays 14 per cent of its income; and Sweden, which pays eight per cent of its income—Australia is in a very responsible and sustainable position when it comes to pensions.

And what are the forecasts for the future? The forecast for the future for growth in pensions in the Intergenerational report in 2010 was that they would stay about the same as they are at the moment—around that level of 3½ to 4 per cent of income. Spending on pensions was
forecast to be around the same as it is at the moment. The Intergenerational report of 2010 reported on Australia's comparative position, and it said:

Australia is comparatively well-placed in relation to Age Pension spending because the Pension is means-tested and targets poverty alleviation.

That was the view of the Intergenerational report, prepared for the government on fiscal sustainability into the future. An article in The Australian Financial Review said:

The claim that Australia's welfare system is "unsustainable" would surprise observers in most other OECD nations which spend a much higher percentage of their GDP on social security payments. Our emphasis on flat –rate, means –tested payments rather than earnings –related social insurance has limited the burden on Australian taxpayers.

I think that the key words in that are that our pensions are means tested and target poverty alleviation. This works to ensure that vulnerable Australians do not slip into poverty. That is what the risk is if these reforms are passed in respect of the pension taper rates.

So, we have seen that the pension is sustainable on comparative levels at the moment and that, according to the Intergenerational report, they are forecast to remain at that level and be sustainable into the future. But what about superannuation tax concessions?

The cost to the budget of superannuation tax concessions will grow from $11.8 billion in 2014–15 to $22.4 billion in 2017–18—over the space of four years, a 23 per cent increase in the cost to our budget by superannuation tax concessions.

If you want to talk about the sustainability of the budget in the future, why are we not looking as a nation at superannuation tax concessions? Why is this government targeting the most vulnerable in our community but letting the wealthiest, those with $10 million in superannuation, off the hook by paying no tax? That is because they have an ideological obsession with driving down the value of the pension and we saw that in last year's budget. That is why I and my colleagues will oppose these changes.

Mr CHAMPION (Wakefield) (11:08): It is a great pleasure to speak on the Social Services Legislation Amendment (Fair and Sustainable Pensions) Bill 2015, which provides such a stark contrast between the various parties. On one hand, we have Labor, which has an excellent record on pensions when in government. When we came to government in 2007, I remember how many pensioners in my electorate were desperate for the government to address the issue of poverty for those on fixed incomes and pensions. We had known that they had been fobbed off for a decade by the Howard government with one budget trick or another. Every budget pensioners were waiting in anticipation to see what support they would get. No increases were built into the ordinary pension rate. They had to rely on bonuses and on whatever Treasurer Costello and Prime Minister Howard had squirrelled away for that year or had decided to hand out for that year. Every year they waited with some trepidation to find what their annual incomes would be.

When Labor came to government, we commissioned the Harmer review, a very important review. That came back with three things: a $30 per week increase for the single pension and new a indexation measured to look at not just the CPI or average male weekly earnings but also, critically, to look at what a pensioner would buy every week and what costs they would expect to have in their household budget. That is critical because the CPI includes many things pensioners simply did not consume week upon week. As you get older, of course budgets change and perhaps your discretionary income changes. So what you spend week to
week changes as well. So that new indexation measure of what a pensioner would buy or consume every week was in the report. There was also a suggestion to lift indexing from 25 per cent of male average weekly earnings to 27 per cent. All of this amounted to the biggest increase in the pension in its history. That is a very important achievement which should be acknowledged by those opposite and by the community. It was not achieved without some difficulty, it was not achieved easily and it was an important such social justice measure to alleviate poverty.

We know that poverty among pensioners went down from 27 per cent to 12 per cent and that was a significant change. It did not eliminate it, something we would all aspire to, but it made a significant dent in what was a very big problem. Obviously prior to those changes, when you did a shopping centre stall or a street stall, you had to talk to a lot of pensioners about the very real and significant pressures on their household budgets and some of it was quite confronting. When you see people who have worked all their life facing poverty, it is a terrible thing.

I spoke in my maiden speech about how confronting poverty is among the elderly because it is too late to get a better job, as the Treasurer would tell some people. It is too late to save a bit more when the bulk of your working life is behind you and you look to the government to do the fair and responsible thing, to make sure the pension is maintained in a manner which can prevent poverty among the elderly.

We know that Australia, alone in the world, did make changes to make sure the pension was fiscally sustainable. That was part of some of the very important economic and social justice measures Labor made while in government, a record we can be proud of and those opposite can look at in some awe.

Against that, we have the Liberal Party. We know what the Liberal Party have been up to. Before the election, the Prime Minister promised not to touch pensions. He said that nine times, including during that fateful interview on SBS. He, and with him all of his backbench, gave a solemn commitment to Australians not to touch pensions. Given the elevated trust among politicians to a sacrosanct matter, you would think he would be very careful with his pre-election commitments and that he would do everything to hold them. Instead, what we have found is disingenuous, gutless, irresponsible, wild and reckless promise-making before the election and decision-making after the election. What did we find? In their first budget, what was the first thing they did? They set out to cut pensions and not by a small amount—by $23 billion. That is what they were going to hack out of the incomes of pensioners, $80 per week. And every time, he stood up in this House and said oh well, they will still go up every September, every March; they will still be going up twice a year. Every pensioner in the country knew he was perpetrating a fiction, a spin, a lie, a scam. They knew they were being scammed and that is why—

Mr Hunt: Mr Deputy Speaker, I rise on a point of order. I would ask that the reference to 'lie' be withdrawn.

The DEPUTY SPEAKER (Mr Mitchell): I think we have seen in recent times that the Speaker has ruled on the position of 'lie' so there is no point of order. The member for Wakefield will continue.
Mr CHAMPION: You would not want to challenge the Speaker's rulings, would you? I certainly do not. Eighty dollars per week, $23 billion will be ripped out of pensioners' pockets. Everybody knew it was a scam and no amount of points of order are going to change that by the so-called Minister for the Environment. No amount of spin and innuendo and trying to dance round of the facts, which we see constantly in question time, will change that. Many of the pensioners in my electorate watch question time rather diligently and they see through what the government's rhetoric is.

We know what the Liberal Party set out to seek to do and the Labor Party stood in their way and stopped them doing it. And so it was to be with part pensioners. We know, having tried to rip $23 billion out of pensioners' pockets, the government has now attempted to rip a mere $4 billion out of the pockets of part pensioners. Some of those single pensioners will be $8,000 a year worse off under this measure. Others, couple pensioners, will be $14,000 worse off a year—and those opposite want to talk about fairness. On average, 236,000 pensioners will be $130 a fortnight worse off, $3,380 per year. And 91,000 pensioners will lose the pension altogether.

The government's election promises cannot be trusted because they were a lie. Who is helping them implement this rancid, wretched agenda? They finally found the same partner they found for their wretched rejection of the Malaysian transfer agreement, the Greens. What a bunch of fools the Greens have been in this. Not only have they done a deal which undermines the pension, which sees all of this damage and wreckage to part pensioners, which facilitates the government's agenda of hostility against the pension but what did they get for it? If you listen to them, they said that the government will now look at the exploding concessions to wealthy superannuants. But if you listen to the government—the minister must have loved dealing with the Greens—he said no, we have not changed our position'.

So the question arises: have the Greens have been completely hoodwinked on this bill? I am not sure if the member for Melbourne is listed as speaking on this bill but it would be interesting to know his views. It would be interesting to know his views on the Green leadership as well—apparently he has been retired to do other projects. So we have the Liberals and the Greens doing a deal where one party says that they will look at wealthy superannuants and their concessions and the other party says no they will not. We know what will happen here. Everybody in Australia should know what will happen. The Prime Minister will say one thing about superannuation before an election. He will give all sorts of guarantees to those wealthy superannuants before the election. But after the election it will be a different story. It is either that or the Greens have been completely hoodwinked. Either it is a secret deal with the Greens, under the table, some sort of arrangement after the election to remove the concessions that wealthy superannuants have—people with millions and millions of dollars—or the Greens have been completely hoodwinked. They are mugs. If this is their deal, well I have got a bridge in Sydney I would like to sell them. What a pack of mugs.

This is, I think, the great dividing line in Australian politics, the great values question in Australian politics at the moment. The question is: whose side are you on? Are you on the side of pensioners? Or are you on the side of people who are very wealthy, who are getting the biggest tax break ever constructed in the history of Federation? That is a pretty clear values proposition.
As Prof. Andrew Podger said, what the government has done is a very tough wealth tax but it only applies to part pensioners. It only applies to those people who have accumulated a bit of super, who have worked all their life, who have done their best to put themselves in a position where they are not entirely reliant on the government. And what the government will do is apply a vicious taper rate to them in conjunction with the Greens— that is who is passing this legislation—while the very rich, the super rich will get this massive tax concession and will be completely let off the hook. How could that be fair? How could that be sustainable?

It is one of two things: either the Greens have got some sort of secret undertaking out of the government to tackle these superannuation concessions or they are mugs. Because what they voted for is a tax on working people, on people who have worked all their lives, so that the very rich can skate out of the system, not just skate out of the system but get a very generous tax concession.

This is one of the great values questions in the Australian parliament and in the community at the moment. The community will rule when they look at the details—just as they did with the government's initial attacks on every pensioner—that this is an attack on aspiration and an attack on working people. It is an attack on all those people in their 50s who are about to retire. They will look at this and they will judge it for what it is: a rancid, terrible deal which attacks the interests of this country.

Mr CONROY (Charlton) (11:22): I rise to speak on the Social Services Legislation Amendment (Fair and Sustainable Pensions) Bill 2015. The measures in this bill cannot be separated from those in the 2014 budget, because we know that the 2014 budget was one of the most unfair, inequitable pieces of public policy in recent history. Pensioners were targeted by the government as an easy source of revenue, despite the promise of the Prime Minister that there would be no changes to the pension—a promise he made nine times before the last election and which he has most grievously broken.

Labor joined forces with the community and fought against the changes to pension indexation that would have seen up to $80 a week stripped from pension payment rates. In the electorate of Charlton, which I represent, almost 20,000 pensioners would have been worse off had these changes been legislated. They were not, because we won. Pensioners won, Labor won and the government lost. That policy is now off the table but not because the government has seen the error or the inequity in its ways; it is off the table because the government knows that it has been defeated.

However, we may have won the battle, but the war is not over yet. What is before us in this bill is the next phase of the government's push to unfairly target pensioners. The government says that these changes are to tweak the pension assets test. They defend the point by pointing to those with greater assets, who will lose their part pension, and those with more modest assets, who will receive an increase of up to $15 a week. They talk about the way these changes will impact on people right now, but that does not mean they are fair.

In the five weeks since the proposal appeared in the budget, Labor has examined these changes in detail. We reserved our right to take a position on these measures until we were clear on what the impact would be. We have looked at how it will impact people now but also how it will impact retirees in the future. We have worked through the policy details and consulted with the ageing and superannuation sectors to understand the true impact of these changes.
Here is our verdict: Labor will support some of the proposals in these bills but not the most grievous. We will support a 10 per cent cap on income from defined benefit schemes that can be excluded from the pension income test, a measure that will save over $465 million. We will not block the government's move to abolish the seniors supplement. This move will save over $1 billion over the forward estimates. However, we will not support the abolition of the pensioner education supplement, which supports pensioners, including those on disability support pensions and carer payments, with a payment of between $31 and $61 per fortnight as they undertake study. We will not support the abolition of the education entry payment, which supports recipients of Newstart, parenting payments and partner or widow allowances with a payment of $208 per year to assist with study costs.

This is an important point. Those on this side, the Labor Party, will not support removing a payment that helps widows and single parents to get an education. The coalition government is trying to take away assistance for widows and single mothers to get an education and improve their lives. We will not support it. We also will not support a reduction in the portability of the pension and we will fight with vehemence against changes to the pension asset threshold and taper rate. These changes will have a negative impact on those people who are amongst the lowest income earners in Australia, and the number of people adversely affected will significantly increase over time. This proposal in particular is not a fair one, nor is it commensurate with the spirit of the retirement income system.

The government wants to increase the asset threshold above which, with the exclusion of the family home, the value of those assets reduces pension payments. It then accelerates the rate at which payments are reduced, from a reduction of $1.50 in the pension payment for every $1,000 in assets above the threshold to a reduction of $3 for every $1,000. For those whose assets are above the current threshold but below the proposed new threshold, there will be a small gain. Those who will be most affected are single home owners with assets valued at over $250,000 or couples with assets valued at over $375,000. According to the government, there are currently 236,000 people in this category who will continue to receive a part pension but will be worse off by an average of $3,380 per year. A further 91,000 people will move off the age pension altogether, leaving them close to $5,000 a year worse off on average.

Let me repeat that: nearly 330,000 pensioners will be worse off because of this proposal, and the impact will be an average of between $3,000 and $5,000. Some of these pensioners are on incomes of less than $15,000 per year. These are not the millionaires the Prime Minister refers to. Let me repeat this point: nearly 330,000 people, part pensioners who have worked their entire lives, who have planned their retirement, will be worse off on average by between $3,000 and $5,000 because of this inequitable and short-sighted move by the government—a move which I sometimes think their backbench do not fully realise. I really think that their backbench, especially those in marginal seats, have been led up the garden path by their cabinet members in safer seats.

Let's be clear what we are talking about here. We are talking about part pensioners—those who have worked through their entire working lives and have their retirement income supplemented by the age pension. Some people do not receive a pension at all; their retirement income derived from superannuation and other wealth exceeds the level deemed by the government. So wealthy retirees do not receive a pension and are not affected by these
changes. For some people the pension is their entire means of retirement income; their other income and assets are deemed by government as being not enough to sustain them through their retirement. So full pensioners are not affected by these changes either—their rate of payment will not change. It is those in between that are affected: those whose retirement income is derived from a mixture of superannuation, the age pension and other wealth. These people are in the centre of the spectrum of retirement income earners, but in comparison to average incomes overall they rank among the lowest income earners in the country.

Let me repeat: we are talking about people with $15,000 of income a year being negatively affected to the tune of $3,000 to $5,000 a year by this move. So let us dispel the idea that these changes are somehow designed to impact the wealthy; they do not. The wealthy do not receive the part-pension and will not be affected.

In the Hunter region, where I am from, more than 37,500 people receive a part-pension. Over 8,000 of them live in the electorate of Charlton. Each of these people will be affected in some way by these changes. Last week I met with Luis, a 74-year-old part-pensioner who lives with his wife in Maryland in my electorate. Luis migrated to Australia in 1968. He took work as a boilermaker and welder in the dockyards before joining the railways as a train driver. He did this job for 37 years, working up to the age of 71—a very high age for such an intense job. Rail work is shift work, mostly at night. He worked 10- or 11-hour shifts, often six to seven days a week. He had tears in his eyes when he talked about the time he missed with his in a new country because of his work commitments. By the time he retired he had close to $640,000 invested in his superannuation fund. He currently receives around $150 a week in age pension. He will lose all of this should these changes go ahead. Luis has an 18-year-old son who has recently started university studies. He says that he had hoped to help his son put a deposit on a house, but with this hit to his income he is worried he may not be able to do this or support his son’s further studies. He says that this government is making the wrong choice—that they should not be penalising those who have worked so hard for so long.

This week I received a letter from a constituent which tells the story of Doug, a 79-year-old widower who shares a home at Wallsend with another widow. Both Doug and his partner receive a part age pension. Doug left school at the age of 15 and went to work in the BHP steelworks, which were the foundation of Newcastle. He worked for the company for 45 years and he did his fair share of overtime. Marrying at an early age, Doug and his wife built a home at Waratah West and raised three children. During his working life, he paid his tax and performed his two years of compulsory military training. Later he nursed his now-late wife of 51 years in their home during a prolonged illness until her death from chronic obstructive pulmonary disease.

Doug receives a monthly payment from a rollover pension and a small amount of age pension. He has a modest lifestyle, usually eating out once per week. He does not own any significant assets, apart from his four-year-old Mazda 3. Doug and his partner have always been honest and open with Centrelink. Although they each receive a small part age pension, it is not a significant amount—just enough to help with the council rates and utilities. According to the Prime Minister, the Treasurer and the entire coalition government, Luis and Doug should not be entitled to the modest retirement income that is provided to them by the taxpayers of Australia.

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CHAMBER
Let us not forget that this is not just a debate about the pension. It is about retirement incomes—principally our superannuation system in this country. Industry Super Australia estimates that between now and 2055 about half of all Australians will not have enough income from their super, their pension and other accrued wealth to live comfortably. In the next 10 years, over 17,000 in the electorate of Charlton will reach retirement age. In the 10 years after that, a further 20,000 or so will also reach retirement age.

These people will have spent their working life accruing superannuation; many of them will have started work around the time compulsory superannuation was introduced by the Keating government in 1992—opposed by the coalition. Superannuation guarantee aside, the government actively encourages people to save for their retirement. The age pension is one mechanism and superannuation tax concessions are another by which the government directly boosts the retirement income of working people. Yet, according to Industry Super Australia, over 40 per cent of people who retire between now and 2055 will be negatively affected by these changes. For couples due to retire in the next ten years, the largest impacts are felt by those earning just under the average wage today, or around $62,000. They stand to lose $8,500 a year between them. For those between 45 and 55 years of age now, who are set to retire in a decade, the impact is even greater. Those earning as little as $45,000 a year today will find themselves $1,500 a year worse off as a result of these changes. Let me repeat that: people on $45,000 a year today, well below the average income, will be significantly negatively affected by this change. This is a measure that is not affecting millionaires; it is affecting the vast majority of working Australians, some of whom earn barely above the minimum wage. In fact, studies have shown that nearly a million people will be affected by these changes in the next 10 years. The coalition government and their lackeys in the Greens are targeting the retirement future of over a million Australians, and they will pay a price for that.

This stands in stark contrast to their agenda on superannuation, because those on the other side are effectively saying, 'We're going to target people on as little as $15,000 a year while preserving vastly unsustainable taxation concessions for wealthy superannuation holders. The government's own budget figures show that in a couple of years time the cost of superannuation tax concessions will outstrip the cost of pensions, they will cost taxpayers over $50 billion a year, and 40 per cent of those concessions will go to the top 10 per cent of wealthy Australians. This is a system that is not only unsustainable but grossly inequitable. That is why the Labor Party has put together a modest proposal to reduce the tax concession on those who receive more than $75,000 a year in income from superannuation.

So let us contrast this. The coalition government and the Greens are attacking those with $15,000 worth of private income and yet they are opposing modest changes that say that if you receive more than $75,000 worth of income from super—typically that means you have more than $1.5 million of superannuation assets—you will have a small reduction in your taxation concession. Despite all the bluster from the Prime Minister, despite all his crude references to 'trousering' things, this is not attacking people's superannuation assets. This is saying that a concession granted to superannuation holders by the government of Australia on behalf of the taxpayers of Australia needs to be reduced slightly in order for it to be sustainable. I think that is a much more equitable and efficient way of reforming the
retirement system in this country—a change that actually targets those who can afford the modest change rather than part-pensioners surviving on $15,000 a year.

In the time remaining, I would like to reflect on the role of the Greens in this process. The Greens, yet again, have combined all their hypocrisy about who they protect with doing a dodgy deal with the coalition. Just as they put petty politics ahead of a true solution on the Malaysian resettlement deal, they have put their narrow political interests ahead of a really comprehensive look at the retirement system in this country. They have done a dodgy deal under their new leader, and they have been sold a pup by the minister, Scott Morrison, who must have thought this was the deal of the century. In return for getting $2½ billion of inequitable savings through this parliament, he promised to continue consultations on a taxation white paper for 30 days. What a great deal! It reflects incredibly poorly on the Greens and their attitude to public policy, where they have sold a million retirees—a million retirees in the next 10 years—up the river for short-term political gain. They were truly atrocious in this process.

I am proud to be a member of the Labor Party. I am proud to stand up for part-pensioners. I am proud to stand up for those who have worked their entire life and deserve dignity in their retirement, while the coalition government and their Greens lackeys are attacking them.

Ms RISHWORTH (Kingston) (11:38): Here before the parliament we have the Social Services Legislation Amendment (Fair and Sustainable Pensions) Bill 2015—legislation that is not only unfair but represents two broken promises by the Liberal Party, two broken promises by our Prime Minister. The first is those famous words that then opposition leader and now Prime Minister said: he would make no changes to the pension. This is the second lot of changes the government have tried to make to the pension. Their first budget hit pensioners very badly. The government were going to effectively cut $80 per week out of the pension over 10 years. That would have hit over three million pensioners in this country. It really showed that they had no understanding whatsoever of what it was like to live on a pension. In government, Labor understood this and took a very long-term look, through the Harper review, at retirement incomes and the pension. What was clear then was that so many pensioners were living below the poverty line. So many pensioners were not really able to make ends meet.

I am sure that if those on the other side went out and spoke to pensioners they would know how thrifty pensioners are and how much they make their money work for them. I hear stories again and again about how pensioners put their heater on for only a short period of time so that they do not get large energy bills. That is what our pensioners of Australia do. They have worked hard their entire lives, and it was wrong of the Howard government to let them slip below the poverty line and to have to struggle so much. That was why when Labor came to government we made three important changes to the pension. First was the $30-a-week increase in the base rate of the pension. The second was the introduction of a new indexation measure, the Pensioner and Beneficiary Living Cost Index. We were really looking at an index based on what pensioners and older Australians actually bought. Their basket looks somewhat different from the CPI basket because of their needs in older age. We brought in that index. Third was the increase of the indexation benchmark from 25 per cent of male total average weekly earnings to 27.7 per cent of male total average weekly earnings. These
changes not only brought an increase to the base pension but also ensured that the pension kept pace with increased costs of living over time.

Despite saying before coming to government that there would be no changes to the pension, this government obviously tried to go back on that promise and ensured that the pension did not keep pace. They ripped away some of the indexation arrangements and made sure that the indexation did not increase, as Labor had put in place. It meant that pensioners would be worse off. The pensioners of Australia are no mugs. They knew that this government had broken its promise, and that is why the backbench got pretty nervous. I think it was one of the ingredients that led them to knock on Tony Abbott's door and say, 'You gotta go, mate.' Not only was this a broken promise; it also hurt those very vulnerable older Australians who had worked all their lives. Instead of the government listening to this message, we have now seen in this latest budget a new set of proposals that are also unfair, that also hurt many pensioners. They not only hurt current pensioners but also those looking to retire in the future. As a consequence of the measures before the parliament today, 327,300 current pensioners will be left worse off and, of those, 236,000 will have a reduction on average of $130 a fortnight, which equates to $3,380 per year. And 91,000 pensioners will have their pension cancelled entirely. That is a reduction on average of $190 a fortnight or $4,940 a year.

We know that this government is very fond of advertising. They like to advertise their small business measures and they like to advertise their changes to higher education—although, they do not get that advertising quite accurate. Indeed, they mislead a lot of Australians in their higher education advertising. I wonder if the Liberal Party will be transparent and spend some political advertising on all those pensioners who will be worse off. I have got a message for the Liberal Party: they do not have to advertise it, because the pensioners of Australia are well aware of what these changes mean. The weekend after the budget, I was at a shopping centre speaking to pensioners. In fact, I had a line-up of pensioners who were very concerned about these changes. One gentleman illustrated to me that, under these changes, especially with interest rates being so low at the moment, with his small amount of assets and his part pension he will have less income than a full pensioner. He will be living on less income. He was very, very worried about that. He also highlighted—and I think this was very eloquently highlighted by the Leader of the Opposition—that a lot of his assets that were counted in the pension test do not derive income. He particularly highlighted his furniture, to which Centrelink has added a significant amount of money. He highlighted to me that he cannot get any income from his couch or his refrigerator but, importantly, he might find himself needing to sell those assets to make ends meet. I think he tried to sell his couch on Gumtree the other week, and he could not get any money for it. So it is absolutely ridiculous for the coalition to suggest that furniture could be sold and an income derived from that asset. Not only is there no income derived but indeed you cannot get a return from a couch or a second-hand refrigerator. I think this shows that the government is very out of touch.

I had streams of comments come from people in my electorate. I will read some of them. Jessica said:

Elderly people should not be penalised for working hard during their lives to own their own homes. I was a single mother and one of my main goals was to pay off my house on one wage and call it my
own. Now that I am 72 and looking after my son with an untreatable disease, I feel that there should be some reward for working hard for most of my life.

David and Lynette said:
Hitting the people who have worked hard all their lives, and paid their taxes, is a bullying tactic. It is just appalling, and will cause so many of us added stress at a time in our lives when we just want to have some peace and financial security: Shame, shame, shame!!!

Cath and Royce said:
The Prime Minister continues to tell us he is not getting the message across. Well he is, we simply don't think the message/policies are equitable.

Graeme said:
Most of us worked hard in our lives and paid our taxes and what for? To suffer mistreatment in our later years? It is obvious that those making these decisions don't have to live on the pension and never will. Shame!

Wayne said:
I condemn the Abbott federal government for not protecting pensioners and for Mr Abbott's tendency to continually break promises that he made when he was campaigning for his job as prime minister.

Lynette said:
You must look after pensioners, those who have worked all their working life and have put back into the community what they can, volunteering etc, like myself, have paid taxes for all that time and should be looked after in our retirement.

I could keep going. I am sure it would be very enlightening for those on the other side to listen to. If they listened to their electorates they would know that these changes are unfair and do hit many of those who rely on this income. They want security. They have made financial arrangements and they certainly were not expecting this broken promise.

These changes will also impact on people looking to retire in the future. Within 10 years around half of all new retirees leaving the workforce will be affected by these changes. For couples due to retire in 10 years time the largest impacts will be felt by those on just below average earnings. They stand to lose $4,300 a year, or $112,000 each over their retirement. This is a significant amount. As has been highlighted by these figures, this will not just affect those currently in retirement but people retiring in the future.

I started by saying that this was two broken promises. One was the broken promise of no changes to the pension and obviously Tony Abbott's broken promise of not doing dirty deals with the Greens. In a press conference on Monday, 27 February 2012 he said:

The … point I make is that I don't do deals.

At a joint doorstep in Perth on Monday, 30 April 2012 he said:

I don't do deals.

The Prime Minister of this country has shown spectacularly bad judgement again and again by doing these sorts of dodgy backdoor deals.

Mr Whiteley: You know exactly what that meant.

Ms Rishworth: I know you on the other side are a little sensitive. I understand you are sensitive. You would be getting the emails like I am getting. You would be getting a flood of upset pensioners, who you said you would stand up for.
Mr Whiteley: There is no deal. You know that.

The DEPUTY SPEAKER (Mr Craig Kelly): Order! The member for Braddon will cease his interjections.

Ms RISHWORTH: We had on radio 4KQ in Brisbane the then opposition leader saying: … if you sit down and start doing deals with the Greens, who do you represent? What do you believe? That question has to be posed to our Prime Minister. My favourite is this quote: What this Prime Minister did was say one thing before the election to win votes and then do the opposite in a squalid, shameful deal with the Greens to stay in the Lodge. Shame, Prime Minister, shame!

That was the then opposition leader. Who would have thought he would be talking about himself? If we fast-forward a few years then we have a Prime Minister whose quote so aptly represents his position. He has now done a deal with the Greens to stay in the Lodge. That is shameful and a huge broken promise.

Mr Whiteley: The Prime Minister has not lived in the Lodge yet.

Ms RISHWORTH: Unless he reverses his position, I am not sure he is going to get there. This is completely unfair. It is a complete broken promise.

Mr Whiteley: You deal with your own battles.

Ms RISHWORTH: I understand why the member for Braddon is so sensitive. Of course he would be getting the emails that I am getting—email after email—and people coming to his electorate office one after another saying that this is unfair and showing him the calculations of how these pensioners will be worse off. I have had so many pensioners come and show how they will be worse off under this attack by the Liberal Party. It is very shameful that they will not look at those at the highest end with huge amounts of superannuation and not look at tax concessions that are unsustainable in the long-term and do eclipse spending in the budget. They will not look at that. Why won't they look at that? I am not sure. Instead, they will attack low- and middle-income pensioners who rely on that extra help. They have worked hard all their life.

Finally, I would like to make the point that I do not believe that these pensioners are welfare bludgers. Those on the other side have characterised them as welfare bludgers who need to be cut off from this welfare because they are just taking so much. I mean, quite frankly, that is an insult. Those on the other side should be embarrassed to hear the Minister for Social Services characterise our hard-working pensioners, who have worked hard all of their lives—as I have illustrated by so many in my electorate—as welfare bludgers. That is an absolute shameful position. They need to rethink this policy. Unfortunately with this dirty deal with the Greens, there is only one party in this place that will stand up for pensioners. That is the Labor Party. We are proud to stand up for pensioners, we will continue to stand up for pensioners and we will be their voice in this parliament because the Liberal Party and the Greens have abandoned them.

Ms O’NEIL (Hotham) (11:52): It is a huge privilege to speak this morning on the Social Services Legislation Amendment (Fair and Sustainable Pensions) Bill 2015. I do so on behalf of many thousands of older Australians and pensioners that I represent as the member for Hotham. I take that responsibility very seriously. In many ways, I am very much in awe of
some of the older people who I represent in terms of what they have done to build up this incredible country that we get to play a privileged role in.

I do not want the House to forget about the people whose incomes are affected by the legislation that is before us today. They created so much of what we love about Australia. One of the things that is so much at the heart of the Australia they created is a feeling of egalitarianism amongst Australians. We have a social compact in this country that says that when you grow older, when you have worked your whole life, when you have paid your taxes and when you have worked to build this country then the government is going to do its part by helping ensure that you live a reasonable retirement. And it is not a retirement that merely keeps people with enough food on their plate; that is not sort of country that those people worked for and that we represent in this House. We want in Australia, as the country grows more prosperous, for everyone to benefit. That is fair. That is the fair way of doing things. That is why I am proud to stand today to say that Labor will not be supporting the essential measure of cutting pensions for part pensioners that lies at the heart of this legislation. We will not do that to the pensioners who rely on government to live in a reasonable retirement.

The conservatives on the other side of the House have a lot of things to say, a lot of talk about how much they respect older Australians and want to protect them in their retirements. But there is a big difference between the rhetoric that you hear on this side of the House and the rhetoric that we hear on the other side of the House—that is, as well as talking the talk we in Labor walk the walk. Older Australians, as I have said, deserve a retirement does not see them living in poverty. When Labor came to government under the Rudd government one of the first things that the government did was ask the department to come back to the government with a proposal that will see retirement incomes for older Australians lifted up, and the former minister for social services, Jenny Macklin, was in charge of that process. What we found was something very concerning and that is that when the Howard government left office there were literally millions of older Australians in this country—having worked their whole lives, paid taxes their whole lives, raised children, built business—living in poverty. What the Rudd government did was make the increase to the base pension rate that occurred in this country for a hundred years. In a single act, that government brought millions of Australia people out of poverty.

We have something in economics called revealed preferences. That is a way of saying that the only way to really judge what people really value is to watch their behaviour. I would say to you that, if you look at the behaviour and the record of Labor, you will see that every time a Labor person comes into this House and talks about how seriously they take the representation of older people in their electorates we back that up with real policies and real protections for people. That is not what we see today by people on the other side of the House.

Let me get to what we have seen from this government so far. We saw the conversation about retirement incomes very much as one of the 'unity ticket' items of the last election. We saw Tony Abbott walk around the country and say to Australia's pensioners that there would be absolutely no changes to pensions and no cuts to pensions. He said it over and over and over again. Yet what we have seen since this government has been in office is more or less constant attempts to try to change and cut pensions. They have tried it one way and they have tried it other ways. They have done many other things that will affect essentially the
retirement incomes of Australians such as the GP tax and raising the cost of meds for older Australians, and we know that all of these will increase the burden and the cost of living on older Australians.

What we have seen Labor do is fight them on really all of the essential measures that would see the incomes and standard of living of older Australians cut. Again, I would say that I am really proud of that. What we have seen the government try to do is cut the indexation rate of pensions. That would have seen, over 10 years, older Australians $80 a week worse off as a consequence of that change. The policy itself was an absolute shock, coming as it did on the back of a sort of parade around the country stating the level of commitment the Abbott government would have in protecting retirement incomes. But what really upset me about this was the falsehoods and the lying that went on about what this change really was. During question time after question time we sat in this chamber and we asked the Prime Minister why he was cutting the indexation rate of pensions, and he would stand up and talk about how pensions were going up. You can probably hear it ringing in your ears as I can.

Older Australians are not silly people. They are not the silly people that the Prime Minister would take them for. They know that when the indexation rate of their pension is being cut, over time that means that they will end up with less money in their pockets than they otherwise would have. I hope that what we see during the course of this debate about retirement incomes is some level of respect shown to older Australians and that when you are cutting their pensions you will be up-front and tell people that is what you are doing. With the changes that we see in the bill before us, we know we are going to see 327,000 current pensioners worse off and over time about half of all pensioners will be worse off as a consequence of the changes.

I was very lucky to host a morning tea in the last few weeks for seniors in Hotham. The shadow minister, the member for Jagajaga, was there with me. You probably will not be surprised to know that we had a flood of people. We had about 150 people there with 90 people on a waiting list because we were not actually able to fit the people that wanted to be there in the room. And I would say that, despite the upbeat nature that we usually see in our older Australians, there is a real feeling of deep anxiety out there amongst our seniors—and they have got pretty good reason to be anxious, because all we have seen on the other side is constant attempts to reduce their incomes.

It is an important moment today for us to pay tribute to the work of the member for Jagajaga and what she has done for older Australians over the time that she has been in this place. Although the people in the room with us at the morning tea did feel a lot of anxiety, everyone who was there—and I think everyone in this House—would acknowledge that the member for Jagajaga has fought with everything she has to protect the incomes and the quality of life of senior Australians. I think the seniors who were at the morning tea are so grateful that there is a politician at a senior level who they know they can trust, who they know is going to go into bat for them. She is doing that again in Labor's stance on this legislation today.

We were able to talk to a lot of seniors who will be affected by the bill that is before the House today. A lot of part-pensioners were there. Again, there was a lot of anxiety about what this legislation is going to do to their incomes. I want to make it really clear that the people who were there with us at the morning tea are not millionaires—absolutely not. They are
people who have worked in ordinary jobs for their whole lives, people who have been prudent, people who have put aside a bit of something extra where they can and people who, over time, have been able to put themselves in a position where they are accessing a part-pension and not a full pension. The implication that the people affected by this bill are millionaires is brutally offensive, and I think, again, just getting the politics of this so wrong. I will give a bit of free advice to those on the other side. The people who will be affected by this legislation know who they are. They know they are not millionaires. You going out there and telling them how well-off they are and how little they need government support is neither going to get the legislation across the line nor win you any votes at the next election.

The Leader of the Opposition and the shadow minister have done a lot of detailed policy work together that has helped us reach the conclusion that we will not be supporting the central change in here about the part-pension. As the detail of the legislation has become clearer and as we have seen some modelling that has been done, we have seen a lot of reasons that this is a really regressive proposal. There are people in Australia, single pensioners, who will be $8,000 worse off as a consequence of the measures in the legislation here. Couple pensioners will be up to $14,000 worse off. Two hundred and thirty-six thousand pensioners will be $130 a fortnight worse off. That is almost $3½ thousand a year. A further 91,000 Australians will lose their pension altogether. Modelling by Industry Super Australia has shown that, as a consequence of this legislation, in 10 years time half of all future retirees will end up with less money in their pockets than they would have had otherwise.

There are a lot of confusing things about our retirement income system. I would say to people who are listening at home, trying to make their own view about these proposals: what you really need to know here is that this is a cut to the pension of $2.4 billion. Whatever is going on here, whatever machinations there are, whatever different proposals come forward over the coming months, just remember that this government is trying to cut your pensions, and that is what it has been trying to do since it was elected to office.

I referred before to some of the equity issues here. The government has been saying again and again in question time that this is a policy that is about millionaires who are accessing a pension. NATSEM, which is one of the most robust and authoritative modelling organisations in Australia, has looked at the impact of this legislation on older Australians, and it has found that $8 in $10 of the savings in this measure will be paid for by the lowest fifth of income earners. So I just want to absolutely put this to bed. This is not about millionaires; this is about middle Australians who are going to see significantly lower incomes and cuts to the pension as a consequence of what is in the legislation.

We do need to have a conversation about retirement incomes in this country, and Labor is trying to be a constructive voice in those discussions. We know that over the next four years we are actually going to see the tax concessions that apply to superannuation outstrip the amount of federal budget that is going towards the pensions. Most commentators in Australia agree this is becoming unsustainable. A tax system which was trying to do something very sensible, which is encourage Australians to put money into their super, will see tax concessions actually outstrip our expenditure on the pensions. We do need to look at this, and Labor wants to have a serious debate and a serious policy conversation about whether this can continue.
A third of superannuation tax concessions go to the top 10th of income earners, and 70 per cent of capital gains tax concessions and one-third of negative-gearing concessions also go to this group. So I think we do have an issue to address here. Labor wants to have a real conversation about it, but the narrative and the rhetoric that are coming from the other side are not actually going to any of these important strategic fiscal issues that we face as a nation. What we have heard from the other side since they were elected to government is a lot of noise about how unsustainable the budget is, but then the first thing they did was get rid of a tax that applied to some of the biggest-polluting companies in Australia and change our carbon-trading system into something that means that we now have taxpayers paying big polluters to try to reduce their pollution. They ditched the mining tax and they spent the next two years crying poor and saying that pensioners are the ones who have to pay—when effectively the two first things they did as a government cut taxes to some of the biggest companies in the country.

When we have the discussion about retirement incomes which I hope will follow in the coming months, I want to make it clear that Labor is not going to be buying into this bogus dichotomy between superannuation tax concessions and the pension. If we were to take the government's argument that this distinction exists to its logical conclusion, we would not really have a tax system in Australia. A lot of Australians with high incomes actually acknowledge that a lot of their wealth comes from the fact that government provides lots of infrastructure and other things that have allowed them to run successful businesses and so on. Many Australians have planned for their retirement on the basis of a fair pension, and, as Labor people, that is what we will be fighting for.

From what we hear in question time and in these debates, there is a bit of an undercurrent that people do not do need or deserve certainty, because they are relying on the government for a pension. That is absolute tosh, and I will be fighting against that rhetoric. If anyone needs certainty about their incomes in this country, it is pensioners, because at their stage of life they cannot do anything to change their incomes. That is why government needs to be clear about what it wants to do and be consistent in the policy that it puts in place.

I am very pleased and proud to continue a Labor tradition in this House, which is standing up for Australia's pensioners, standing up for fair retirement incomes and standing up for the seniors that I represent in my community of Hotham. I am very pleased to say today that yet again we will not be supporting cuts to pensions, and yet again we are standing up for senior Australians.

Mr SNOWDON (Lingiari) (12:07): I thank the member for Hotham for her very erudite contribution to this debate on the Social Services Legislation Amendment (Fair and Sustainable Pensions) Bill 2015. She highlighted a range of issues around retirement incomes and referred to the obvious dichotomies between the superannuation system and the age pension.

I actually see this debate as being more about the Prime Minister and the government than about pensions. Where we are at today says a lot more about them than it does about anything else. We have had a series of issues emerge; we know that prior to the last election the Prime Minister made it very clear to the Australian people, on a number of occasions, 'There will be no cuts to pensions—I repeat, no cuts to pensions, no cuts, no change.'
Those who may be listening to this debate will well recall that when the Prime Minister was the Leader of the Opposition he embarked on what I believe to be a really scurrilous and dirty attack upon then Prime Minister Julia Gillard. He did this around the issue of the environment and the system which was put in place by Labor for making sure that big polluters paid. I well remember the current Prime Minister standing at a demonstration at the front of this place and behind him was a big sign that said 'Julia'. He did not seem to be embarrassed by that—he did not seem to be embarrassed by that a bit—because what it did for him was confirm his depiction of the then Prime Minister. His years as opposition leader were marked by these sorts of really venomous attacks on the individuals who were the prime ministers at the time, either Kevin Rudd or Julia Gillard.

He attacked them on issues to do with honesty—he made great thing of it. Of course, it was picked up by the shock jocks around the country and all sorts of lunatics who adopted the same propositions. They canvassed it in the community, trying to depict the successive prime ministers and the Labor government as being dishonest. He came into this parliament having said to the Australian people that there would be no cuts and no changes to pensions. Yet, last year, he determined to take the razor to pensions in this country through his plan to cut indexation arrangements, which would have left every single pensioner in this country worse off. Over 10 years this cut would have amounted to $80 a week. He did not blanch about that at all; he was not embarrassed. He just stood up at the dispatch box and said, 'We're doing this because it is for the good of the nation, and the country needs it.' That is despite the fact that, immediately prior to the last election, he guaranteed Australian pensioners that there would be no cuts.

I take you back to his role as the Leader of the Opposition and that demonstration in front of Parliament House. Would it be fair for us to now put signs behind the Prime Minister which describe him as a liar? Would it be fair for us to attack him, because of his dishonesty, in the way in which he attacked the then Prime Minister? Would it be fair for us to attack him as he attacked the former Prime Minister, talking about her 'fraudulent behaviour' or the government's 'fraudulent behaviour'? I suspect that those listening would say: to be consistent, if he is arguing that dishonesty is a key issue around prime ministership, that we cannot have a person who is dishonest as our Prime Minister, that we cannot have someone who tells lies as our Prime Minister, why is he still in the position? That is precisely what he has done. He has done this without any embarrassment whatsoever. He just pouts his lips and struts around the place arrogantly as if it did not matter, as if he can say what he likes and do what he likes whenever he likes without fearing any retribution or without acknowledging any inconsistency or the fact that he is actually telling lies to the Australian people. 'By their actions we will know them.' And by the government's actions we know them.

As successive speakers have said in this debate, what they have done through the measures in this piece of legislation—as they tried to do last year—is attack the incomes of Australian pensioners. Last year's cut would have seen $23 billion ripped out of the pockets of Australian pensioners. That is a problem for the Prime Minister—just another broken promise, just another lie. And we all know, including the pensioners around the country who might be listening to this debate, that that would push many pensioners into poverty and hardship.

I am really proud of being a member of the Labor Party. I have been a member for 40 years. I first got elected to this place in 1987 and not one day has passed when I have not been
proud to be a member of the Australian Labor Party and fight for the good people of Australia, particularly those most in need. People work hard in this country understanding that, at the end of their working life, there will be income support, through a pension system, which they can rely on and plan for. Of course, it was Labor who made dramatic changes to the income levels of Australian pensioners. It was not the conservatives. It was not John Howard. And now we are seeing a very vicious attack by the current Prime Minister on the incomes of Australian pensioners and their families.

       Last year, we fought and we won. We stopped the government from imposing the proposal to change the indexation arrangements for Australian pensioners—for now anyway. But I do not believe that any Australian who understands what the Prime Minister has been doing this space will ever trust him again. How can there be any basis for trust when he deliberately lies to the Australian people? In fact, it is almost as if—

       The DEPUTY SPEAKER (Mr Craig Kelly): Order! I would ask the member for Lingiari to withdraw.

       Mr SNOWDON: With respect, what am I withdrawing?

       The DEPUTY SPEAKER: The member for Lingiari knows very well that that is an unparliamentary term, and I would ask him to withdraw.

       Mr SNOWDON: I withdraw.

       The DEPUTY SPEAKER: I thank the member for Lingiari.

       Mr SNOWDON: Lies have been told by the Australian Prime Minister—

       The DEPUTY SPEAKER: Order! The member for Lingiari knows that that is an unparliamentary term. I have asked him to withdraw once. I warn him and I ask him to withdraw again.

       Mr SNOWDON: With respect, I withdraw. But lies have been told to the Australian public—

       Mr Keenan: Oh really!

       Mr SNOWDON: Aren't lies being told to the Australian public?

       Mr Keenan: No, they are not!

       Mr SNOWDON: You have not told lies to the Australian public! Are we listening to this? What was said before the last election? You said there would be no cuts to pensions. What have you done since the election? If they are not lies, what are they?

       The DEPUTY SPEAKER: Order! The member for Lingiari will resume his seat. The member for Casey.

       Mr Tony Smith: Mr Deputy Speaker, on a point of order: for a tightly defined piece of legislation it is the custom of this House that we have a free-flowing debate. This debate has been more than free flowing, and I think the minister at the table has been more than patient as the speaker has strayed very widely—

       Ms Chesters: How is this a point of order? What are you referring to?

       Mr Tony Smith: I do not need your interjection. Frankly, I cannot understand what you are saying anyway.

       Mr SNOWDON: Have you finished?
Mr Tony Smith: No, I have not finished.

Mr SNOWDON: Have you got a point of order?

Mr Tony Smith: Absolutely.

Mr SNOWDON: What is the point of order?

The DEPUTY SPEAKER: Order! The member for Casey is making a point of order. The member for Casey has the call.

Mr SNOWDON: What is his point of order?

Mr Tony Smith: You can shout as long as you want.

The DEPUTY SPEAKER: You can shout as long as you want, you can shout for four minutes and 20 seconds if you feel like it, but I will finish my point of order.

Mr Tony Smith: Absolutely. You can shout for as long as you want, you can shout for four minutes and 20 seconds if you feel like it, but I will finish my point of order.

The DEPUTY SPEAKER: I would ask the member for Casey to bring to my attention his point order.

Mr Tony Smith: Mr Deputy Speaker, the point of order is simply this: the speaker knows he needs to confine himself to the legislation. He has had a good go; the minister has been very patient. It is confected outrage. He is winking at the member for Chifley and he is playing you off a break.

The DEPUTY SPEAKER: I thank the member for Casey. The member for Lingiari has the call, but I would remind him not to use unparliamentary terms.

Mr SNOWDON: With great respect, I am not referring to any particular persons being a liar, I am saying lies have been told to the Australian people. And now we are seeing another attack on Australian pensioners by this government. They were told prior to the last election that there would be no attacks on Australian pensioners and no cuts to Australian pensions. They were told there would be no change. There are cuts and changes proposed in this legislation. I describe those sorts of things as fibs, untruths. Some others might call them lies. Let me make very clear the impact this legislation will have on some people. As a direct result of this legislation, because of the measures within this legislation, some single pensioners will be $8,000 worse off. Some pensioner couples may be up to $14,000 worse off as a result of the measures in this legislation.

Let me tell you about a mate of mine who is a teacher. Peter is aged 60 and he has a wife who is aged 60. Both of them were fully employed until the end of last year. They have worked for close to 40 years teaching in Victoria, the Northern Territory and Western Australia, sometimes in remote communities, whilst raising four boys with all the educational, cultural and sporting needs to be satisfied in any family. This couple is now in the process of winding down to retirement. The wife has retired and Peter is using his long service leave and reducing his employment from full-time to part-time, and he plans to retire in a couple of years. Until budget night this year, Peter and his wife felt secure and safe that their retirement years would be comfortable, and they were looking forward to a bit of travel and devoting the coming years to their sons' families with a growing number of grandchildren. This is not an unusual scenario for people around retirement age.
The 2015-16 budget, this legislation, introduces savings measures which will tighten the assets test for pensions payments. This consists of two parts: raising the asset test thresholds and increasing the rate at which pension payments are reduced, which is known as the taper rate. Peter and his wife are members of that group of about eight per cent of all pensioners who are estimated to have their part-pension reduced as a result of this measure. They have to sit down and work out precisely what it will cost them each year. It could be well over $10,000 and it may well be $14,000. I go back to what I said at the start. This government, prior to the last election, said there will be no cuts and no change. What are Peter and his wife looking at? No cuts and no change? What they are looking at is potentially impecuniosity as a result of deliberate measures being taken by this government. I know members of the government are embarrassed by it; but it is the truth—and they ought to be embarrassed. I see that the minister is here. I am pleased that he is here.

Mr Keenan: He has a great regard for you!

Mr Snowdon: Well, I have no regard for his legislation. And, I have to say, I have no regard for the Prime Minister. I make it very clear and I am not embarrassed by saying it: I have no regard for this Prime Minister because of what he said prior to the last election, how he acted as the Leader of the Opposition and now how he is acting as the Prime Minister. He does not deserve the respect of the Australian community, despite his high office, which normally, I would say, deserves our respect. He, as the Prime Minister, does not because of the fibs he told prior to the last election and for which we are now seeing in evidence in this legislation.

Mr Keenan (Stirling—Minister for Justice and Minister Assisting the Prime Minister on Counter-Terrorism) (12:22): After a typically ill-considered contribution, I move:

That the question be now put.

The Deputy Speaker (Mr Craig Kelly): The question is that the question be now put.

The House divided. [12:27]

(The Deputy Speaker—Mr Craig Kelly)

Ayes .................77
Noes .................53
Majority .............24

AYES

Alexander, JG
Andrews, KJ
Andrews, KL
Baldwin, RC
Billson, BF
Bishop, JI
Briggs, JE
Broad, AJ
Broadbent, RE
Brough, MT
Buchholz, S
Chester, D
Christensen, GR
Ciobo, SM
Cobb, JK
Coleman, DB
Coulton, M (teller)
Entsch, WG
Frydenberg, JA
Gillespie, DA
Goodenough, IR
Griggs, NL
Hartseyker, L
Hawke, AG
Henderson, SM
Hendy, PW
Hockey, JB
Hogan, KJ

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Question agreed to.

The DEPUTY SPEAKER (Mr Craig Kelly) (12:35): The question is that the bill be now read a second time.

The House divided. [12:35]

(The Deputy Speaker—Mr Craig Kelly)

Ayes ...................... 77
Noes ...................... 53
Majority ................. 24

AYES

Alexander, JG
Andrews, KL
Billson, BF
Briggs, JE
Broadbent, RE
Buchholz, S
Christensen, GR
Cobb, JK
Coulton, M (teller)
Frydenberg, JA
Goodenough, IR
Hartsuyker, L
Henderson, SM
Hockey, JB
Howarth, LR
Hutchinson, ER
Jensen, DG
Joyce, BT
Laming, A
Laundy, C
Macfarlane, IE
Markus, LE
McCormack, MF
Morrison, SJ
O'Dowd, KD
Porter, CC
Price, ML
Ramsey, RE
Roy, WB
Scott, BC
Simpkins, LXL
Southcott, AJ
Sudmalis, AE
Taylor, AJ
Tudge, AE
Van Manen, AJ
Vasta, RX

NOES

Watts, TG
Zappia, A

Wilkie, AD

Andrews, KJ
Baldwin, RC
Bishop, JI
Broad, AJ
Brough, MT
Chester, D
Ciobo, SM
Coleman, DB
Entsch, WG
Gillespie, DA
Griggs, NL
Hawke, AG
Hendy, PW
Hogan, KJ
Hunt, GA
Irons, SJ
Jones, ET
Keenan, M
Landry, ML
Ley, SP
Marino, NB
Matheson, RG
McNamara, KJ
Nikolic, AA (teller)
Pitt, KJ
Prentice, J
Pyne, CM
Randall, DJ
Ruddock, PM
Scott, FM
Smith, ADH
Stone, SN
Sukkar, MS
Truss, WE
Turnbull, MB
Varvaris, N
Whiteley, BD
Question agreed to.

Bill read a second time.

Consideration in Detail

Bill—by leave—taken as a whole.

Mr MORRISON (Cook—Minister for Social Services) (12:38): I present a supplementary memorandum to the bill and ask leave of the House to move government amendments (1) to (6), as circulated earlier today, together.

Mr BURKE (Watson—Manager of Opposition Business) (12:40): The request for leave refers to amendments of which no notice has been giving and nothing has been reported formally within the House. Under those circumstances, leave is not granted.

Message from Governor-General recommending appropriation for the bill.
BUSINESS

Consideration of Legislation

Mr MORRISON (Cook—Minister for Social Services) (12:40): I move:
That so much of the standing and sessional orders be suspended as would prevent the remaining stages of the bill being passed without delay.

Mr BURKE (Watson—Manager of Opposition Business) (12:41): I want to speak against the suspension of standing orders. What we have just had from the Minister for Social Services is a complete change in the bill that is before the parliament—

Mr MORRISON (Cook—Minister for Social Services) (12:41): I move:
That the member no longer be heard.

The DEPUTY SPEAKER (Mr Craig Kelly): The question is that the member be no longer heard.

The House divided. [12:46]

(Disclaimer: The names of individual members have been redacted for the purpose of this text.)

Ayes...............78
Noes...............51
Majority..........27

AYES

Alexander, JG
Andrews, KL
Billson, BF
Briggs, JE
Broadbent, RE
Buchholz, S
Christensen, GR
Cobb, JK
Coulton, M (teller)
Frydenberg, JA
Goodenough, IR
Hartsuyker, L
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Baldwin, RC
Bishop, JI
Broad, AJ
Brough, MT
Chester, DA
Ciobo, SM
Coleman, DB
Entsch, WG
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Hawke, AG
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Jones, ET
Keenan, M
Laming, A
Laundy, C
Macfarlane, IE
Markus, LE
McCormack, MF
McNamara, KJ
Nikolic, AA (teller)
Pitt, KJ
Prentice, J
Pyne, CM
Randall, DJ
Ruddock, PM
Question agreed to.

**Mr MORRISON** (Cook—Minister for Social Services) (12:54): I move:

That the motion be put.

**Mr Burke**: Mr Deputy Speaker, I rise on a point of order.

**The DEPUTY SPEAKER (Mr Vasta)**: I have given the call.

**Mr Pyne**: He has given the call to the Minister for Social Services.

**Mr MORRISON**: He has already given me the call.
Mr Burke: I have raised a point of order. I am allowed to raise a point of order at any time.

The DEPUTY SPEAKER: You are, but I have already given the call to the Minister for Social Services.

Mr MORRISON: I have already moved that the motion be put. Debate interrupted.

**MOTIONS**

Dissent from Ruling

Mr BURKE (Watson—Manager of Opposition Business) (12:54): I move:

That the Deputy Speaker's ruling be dissented from.

Mr Morrison: I have already moved my motion.

The DEPUTY SPEAKER (Mr Vasta): I have already made the call.

Mr BURKE: I know you have made the call and have made the ruling, and I move dissent. That you have made the ruling allows me to move dissent.

Honourable members interjecting—

Mr BURKE: Even the person who normally sits in that chair allows dissent motions.

Honourable members interjecting—

Mr Pyne: Mr Deputy Speaker, on a point of order, the Manager of Opposition Business cannot simply bellow at the dispatch box: 'I move dissent from your ruling.' It is disorderly conduct. If he wants to move motions, he needs to write them and sign them and hand them in to the Clerk.

Mr BURKE: Mr Deputy Speaker, you made a ruling that I was not able to raise a point of order. I moved dissent in that ruling.

The DEPUTY SPEAKER: With respect, I made the ruling that I had already given the call to the Minister for Social Services. That was the ruling.

Mr BURKE: Is that your ruling?

The DEPUTY SPEAKER: That is my ruling.

Mr BURKE: I move dissent in it. I move that the Deputy Speaker's ruling be dissented from. If that is your ruling, that is the one I am moving dissent in.

Mr Pyne: Mr Deputy Speaker, you have not made a ruling on a point of order. What occurred is that I distinctly saw and heard you call the Minister for Social Services. The Minister for Social Services moved that the motion be put while the Manager of Opposition Business bellowed at you: 'Point of order', but you did not actually recognise him at any point. He did not have the call, nor do you have to give it to him when you had already called the Minister for Social Services. How do you know the Minister for Social Services did not want to make a point of order? And, quite frankly, why would the Manager of Opposition Business's point of order overrule the Minister for Social Services? In fact, you did precisely the right thing, and the motion before the chair is that the motion be put. That is what is before the chair.
Mr BURKE: Subsequent to all the events that were just referred to by the Manager of Government Business, I asked you whether you had made a ruling. You, at that point, said that is your ruling. I have a right under standing orders to move dissent in that ruling and I have done so in writing. I now have a right to speak to the dissent motion.

Honourable members interjecting—

The DEPUTY SPEAKER: Order! I am going to seek advice from the Clerk.

Honourable members interjecting—

The DEPUTY SPEAKER: Order! I give the call to the Leader of Opposition Business.

Mr BURKE: It is a situation, in moving this dissent motion, that we would not be in were there competence from the Minister for Social Services. The only reason, Deputy Speaker, that you have been placed in this impossible position is that the Minister for Social Services could not be bothered letting the parliament know that the entire debate we have just had on the age pension is in fact now going to be voted on as a fundamentally different proposition. Each side of the House has made speech after speech and yet, at the eleventh hour, he seeks leave to introduce amendments that completely gut the bill. Apparently, we discover now, the deal that he has been talking about with the Greens, and the deal that the Greens have been claiming that they have got, is not in fact what is going to go through the House today. With the entire national debate that has been happening during the week, the entire debate that has been happening within this House during the course of the week, we find out at the last minute that they now want us to vote with a whole lot of the measures completely taken out—that the deal with the Greens and the dollar figure that was apparently attached to that deal were entirely untrue.

We should have had a situation, had they not tried to sneak this through the parliament in the way they have, Deputy Speaker, where we would have been able to raise these issues in the normal way. If the Minister for Social Services had had the capacity to dial the numbers on a telephone and call the shadow minister, call the member for Jagajaga, then we would have had the debate in the normal way.

But instead, when this government tries to cover up, the Labor Party will call it out on it. When this government tries to cover up and avoid there being any sort of a decent debate, then we end up with the House again in chaos. We end up again with the chaos that has characterised this legislation, with the chaos that we have seen during the course of this week from those opposite, now once again on full display here within the House of Representatives.

Mr Pyne: Mr Deputy Speaker, on a point of order: a dissent motion has to deal with the issue which is being dissented from. It is not an opportunity for a wide-ranging speech about pension reform. The Manager of Opposition Business knows that full well. What he has to deal with is whether your decision not to call him on a point of order should be dissented from. He therefore has to deal with points of order, the precedents about points of order and the standing orders surrounding points of order—and nothing else. It is not a dissent motion about you and pensions, as, because you are in the chair, you do not have a position on pensions. So, if he continues to talk on pensions, I will continue to take this point of order, and he knows it.
Mr BURKE: Thanks very much, Deputy Speaker. Threatened as we feel from the Leader of the House, threatening as he can be, he knows full well that a suppression of debate is exactly what they were pressuring the chair to do. The reason we have to move dissent is that the action taken by the chair was to prevent members from this side speaking. The action taken by the chair was to prevent there being a debate within this parliament. If those opposite think they can now try to prevent us from being up front and that that debate was whether or not Labor would stand in the way of pension cuts, well, you have another think coming. If those opposite think that we will somehow be silenced through their little procedural games and not defend Australia’s pensioners, well, they have another think coming.

This entire game from those opposite is because they wanted to change the debate. They wanted to change the bill and did not want it to be honestly referred to within this House. And then, when I sought the call to raise these issues, those opposite immediately started to take points of order. Unfortunately, the Deputy Speaker ended up agreeing with them and making a ruling which had one impact. The impact was to say that this is a chamber where, according to those in government, only members of the Liberal and National parties need be heard. The ruling was that those who are standing in defence of pensioners will be silenced. The ruling was—in a complete abuse of the standing orders by the Deputy Speaker—that this government wants to get away with covering up what it is doing to Australia’s pensioners.

Mr Pyne interjecting—

Mr BURKE: Don’t you love the claims from the Leader of the House, who just took a point of order that he used as a speech? He just took a point of order that he used as a speech and now wants to say, ‘Oh, but you're abusing standing orders.’ The most extraordinary abuses of standing orders happen every day by the man sitting at the table opposite—every day in the way he behaves.

And unfortunately, Deputy Speaker, today you fell for it. Unfortunately, Deputy Speaker, you allowed the pressure that was brought on you by a member of your political party to affect how you handled yourself in that chair. Unfortunately, Deputy Speaker, it took until the very end of the entire objection back-and-forth before it occurred to you that you should seek advice from the clerks. I have to say: therein lies the problem. And, once you sought advice from the clerks, that was the first time you recognised that we had the right to move this motion, and we had the right to stand up for Australia’s pensioners within this parliament.

The DEPUTY SPEAKER: Order! Order!

Mr BURKE: Deputy Speaker, I am allowed to reflect on you. It is a dissent motion.

The DEPUTY SPEAKER: Order! I was going to say that the advice from the clerks was contrary to what you just said. The clerks’ advice was that I got the call and it was my decision to be made.

Mr BURKE: Deputy Speaker, if you want to be in the debate, you do not sit there, and that is our point. That is our point. If you want to get involved in the debate, there are 149 other places you sit in this room. All of them are available.

The DEPUTY SPEAKER: Order! You were reflecting upon the chair.
Mr BURKE: It's a dissent motion!

The DEPUTY SPEAKER: It doesn't matter—

Opposition members interjecting—

The DEPUTY SPEAKER: Order! There will not be any reflection on the chair. I give the call to the—

Honourable members interjecting—

Mr Pyne: Mr Deputy Speaker, the only matter—

The DEPUTY SPEAKER: Order! There will be silence in the chamber!

Honourable members interjecting—

The DEPUTY SPEAKER: Order! There will be silence.

Honourable members interjecting—

The DEPUTY SPEAKER: Order! There will be warnings that will be given.

Honourable members interjecting—

The DEPUTY SPEAKER: Order! All right. The next person that speaks is getting thrown out under 94(a). I give the call to the Leader of the House.

Mr Pyne: I have a point of order, Mr Deputy Speaker, and the point of order is that the Manager of Opposition Business can only deal with his right or not to take a point of order under the standing orders. Therefore, he can deal with that and whether you made the right decision or the wrong decision about a point of order. He cannot deal with any other matters. I know you have no material, and you are probably thanking me for taking this point of order, but the reality is that you actually have to stick to the debate.

The DEPUTY SPEAKER: I give the call to the Manager of Opposition Business, and he will be relevant.

Mr BURKE: If there were ever evidence of bias in the chair, it is direct participation in the debate. I have to say that what we have seen today—the claim that I cannot reflect on the chair during a dissent motion—is a ruling that begs a dissent motion, because what we are in is a situation where it is impossible to move a dissent motion without reflecting on your ruling. What you have illustrated in that is exactly the level of bias that shows why we should have been given the call, why the government should not be allowed to get away with the games that they are playing, and why Labor is the only group of people who are standing up for pensioners in this debate.

The DEPUTY SPEAKER: Is the motion seconded?

Mr ALBANESE (Grayndler) (13:08): I second the motion, Mr Deputy Speaker. This dissent motion is necessary in order to restore proper process to this House. You denied the member for Watson the right to move a point of order. Had he been able to move that point of order, the debate might well have progressed such that we would have moved the adjournment of this debate. That was where it was headed: the proper process around these changes that have been sprung on us by the Minister for Social Services—changes that impact on pensioners and which members of parliament are entitled, through proper process, to be able to scrutinise.
What has occurred here is a jackboots approach to democratic processes in this parliament, and it was exacerbated by your decision as the chair, acting as Speaker, to allow a motion that a motion be put to take precedence when most of the people sitting here—everyone, I suspect, except for the Minister for Social Services—has no idea what is actually before the chair. It has a real impact on people. The normal process in the scrutiny of legislation is that you lay it on the table, it is moved and it then gets adjourned so that there can be proper consideration. What this is about is stopping that process—a complete gutting of a bill that is before the parliament, without any ability to provide proper scrutiny of what the implications of this are for pensioners by those opposite, by those on this side and by the Independents such as the member for Indi.

It is entirely inappropriate for a government to come in here and to move such a motion without even the common courtesy of a phone call to the shadow minister, who knows more about social services and providing assistance to the most vulnerable people in our community than anyone else in this parliament. I will say this about our shadow minister: if it is her up against any of you lot about the needs of vulnerable people, I am with Jenny Macklin, the member for Jagajaga. But the member for Jagajaga has not been given the opportunity to scrutinise the amendment that is before the chair and what the implications of it are. Is the minister going to reintroduce the things that he has taken out as a result of this amendment through other legislation? Is there an opportunity for us to go through proper processes? I would be interested in that, perhaps as part of this debate, because this dissent is about whether there is an opportunity to provide proper scrutiny, and what the Deputy Speaker has ruled is not only that you cannot have proper scrutiny but that you cannot even move a point of order to establish a procedural process that would allow for there to be proper scrutiny of this legislation.

Those opposite might have done their deal with the Greens political party, but up until today, up until this motion, we do not know what the details of it are, because the way the Greens political party always function—such as at their conferences, where no-one gets to scrutinise anything—has now infected the government. This is no way to run this sort of legislation. The way that legislation has always operated is for there to be proper scrutiny from all sides of the House in order to assess what the real world implications are, not for people in this chamber but for some of the most vulnerable people in our community.

Part pensioners have a right to know what the implications of this legislation and the amendments that have been moved are. That is why we have moved dissent here, Mr Deputy Speaker: because you chose to shut down the Manager of Opposition Business, who was perfectly in order in making a point of order which would have then led to a procedural resolution that this debate be adjourned. This can all be resolved if the minister will just agree to adjourn the debate. (Time expired)

**The DEPUTY SPEAKER (Mr Vasta):** The question is that the motion moved by the Manager of Opposition Business be agreed to.

The House divided. [13:18]

(The Deputy Speaker—Mr Vasta)

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Burke, AE
Butler, MC
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Champion, ND
Clare, JD
Collins, JM
Danby, M
Elliot, MJ
Ferguson, LDT
Giles, AJ
Griffin, AP
Hayes, CP
Jones, SP
Macklin, JL
Marles, RD
Neumann, SK
O’Neil, CE
Parke, M
Plibersek, TJ
Rishworth, AL
Ryan, JC (teller)
Snowdon, WE
Thistlethwaite, MJ
Zappia, A

NOES
Alexander, JG
Andrews, KL
Billson, BF
Briggs, JE
Broadbent, RE
Buchholz, S
Christensen, GR
Cobb, JK
Dutton, PC
Frydenberg, JA
Goodenough, IR
Hartsuyker, L
Henderson, SM
Hockey, JB
Howarth, LR
Hutchinson, ER
Jienen, DG
Joyce, BT
Kelly, C
Landry, ML
Ley, SP
Marino, NB
Matheson, RG
McGowan, C

Andrews, KJ
Baldwin, RC
Bishop, JI
Broad, AJ
Brough, MT
Chester, D
Ciobo, SM
Coulton, M (teller)
Entsch, WG
Gillespie, DA
Griggs, NL
Hawke, AG
Hendy, PW
Hogan, KJ
Hunt, GA
Irons, SJ
Jones, ET
Keenan, M
Laming, A
Laundy, C
Macfarlane, IE
Markus, LE
McCormack, MF
McNamara, KJ

CHAMBER
Question negatived.

Mr PYNE (Sturt—Leader of the House and Minister for Education and Training) (13:26): I move:

That government business take priority over all other business until question time.

Mr BURKE (Watson—Manager of Opposition Business) (13:27): Once again, the Leader of the House does not know the rules in this place. The Leader of the House thinks he can thuggishly push his way through and that is how this government operates.

Mr PYNE (Sturt—Leader of the House and Minister for Education and Training) (13:27): I move:

That the motion be put.

The House divided. [13:28]

(The Deputy Speaker—Mr Vasta)

Ayes .................77
Noes .................53
Majority ............24

AYES

Alexander, JG
Andrews, KL
Billson, BF
Briggs, JE
Broadbent, RE
Buchholz, S
Christensen, GR
Cobb, JK
Dutton, PC
Frydenberg, JA
Goodenough, IR
Hartsuyker, L
Henderson, SM
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Ciobo, SM
Coulton, M (teller)
Entsch, WG
Gillespie, DA
Griggs, NL
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Hendy, PW
Hogan, KJ
AYES

Howarth, LR
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Jensen, DG
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Kelly, C
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Marino, NB
Matheson, RG
McNamara, KJ
Nikolic, AA (teller)
Pitt, KJ
Prentice, J
Pyne, CM
Randall, DJ
Ruddock, PM
Scott, FM
Smith, ADH
Stone, SN
Sukkar, MS
Truss, WE
Turnbull, MB
Varvaris, N
Williams, MP
Wyatt, KG

Hunt, GA
Irons, SJ
Jones, ET
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Laming, A
Laundy, C
Macfarlane, IE
Markus, LE
McCormack, MF
Morrison, SJ
O'Dowd, KD
Porter, CC
Price, ML
Ramsey, RE
Roy, WB
Scott, BC
Simpkins, LXL
Southcott, AJ
Sudmalis, AE
Taylor, AJ
Tudge, AE
Van Manen, AJ
Whiteley, BD
Wood, JP

NOES

Albanese, AN
Bowen, CE
Burke, AE
Butler, MC
Byrne, AM
Champion, ND
Clare, JD
Collins, JM
Danby, M
Elliot, MJ
Ferguson, LDT
Giles, AJ
Griffin, AP
Hayes, CP
Jones, SP
Macklin, JL
Marles, RD
Mitchell, RG
O'Connor, BPJ
Owens, J
Perrett, GD
Ripoll, BF
Rowland, MA
Shorten, WR
Swan, WM

Bird, SL
Brodmann, G
Burke, AS
Butler, TM
Chalmers, JE
Chesters, LM
Claydon, SC
Conroy, PM
Dreyfus, MA
Feeney, D
Fitzgibbon, JA
Gray, G
Hall, JG (teller)
Husie, EN
Leigh, AK
MacTiernan, AJGC
McGowan, C
Neumann, SK
O'Neil, CE
Parke, M
Pilibersik, TJ
Rishworth, AL
Ryan, JC (teller)
Snowdon, WE
Thistlethwaite, MJ
Question agreed to.

Mr BURKE (Watson—Manager of Opposition Business) (13:35): Mr Deputy Speaker. Given that people on the crossbench did change their vote during that last division from previous numbers, would the Deputy Speaker please advise the House why the official count is that there are 78 people on that side when in fact there are only 74.

Mr Albanese: They are wandering in now.

Mr BURKE: People did change their votes. There were only 74 people. Could you explain to the House why we are given a count of four people voting who were not in fact in the room and which names will be recorded in Hansard.

Mr PYNE (Sturt—Leader of the House and Minister for Education and Training) (13:36): Mr Deputy Speaker, the standing orders have been applied at all points in this debate, according to the standing orders passed by the House last year.

Mr BURKE (Watson—Manager of Opposition Business) (13:36): With respect to the esteemed position of the Leader of the House, my question was not to the Leader of the House. My question is to you, Mr Deputy Speaker Vasta. It was a situation where people on the crossbench changed their votes, where according to the tellers, did take place. In that circumstance, I am asking: how will it be recorded in Hansard that there were 78 people there, when in fact only 74 people voted on that side? The official record counts four people who never bothered to turn up to the chamber. How can that be?

The DEPUTY SPEAKER: As the Manager of Opposition Business knows, there are tellers for both sides, and this has been recorded by tellers from both sides. It has been universally agreed to, and the Clerk has given me that result. That is the reason why.

Mr BURKE: Mr Deputy Speaker, on a point of order. With respect to that, the advice that the count was wrong has been given by the tellers. The tellers have raised that they were told that they had to hand in a count that is inaccurate. If there are 74 people there and the record says 78, how on earth can the official record of this parliament include people voting when they did not in fact vote?

The DEPUTY SPEAKER: None of that information has been directly relayed to me as Deputy Speaker. I call the member for Shortland.

Ms HALL (Shortland—Opposition Whip) (13:38): The standing orders were changed earlier this year to require the tellers to write down exactly the same number as on the previous count. I was aware after doing a head count that there were only 74 members on that side as opposed to 80 on the previous count. Two members changed sides—we were aware of that—but there was an incorrect count that is going to be part of the record of this parliament. If I might say, Mr Deputy Speaker, it is not the first time.

The DEPUTY SPEAKER: I thank the member for Shortland. The member for Shortland has signed off on that. I will investigate the matter and return the results of that to the parliament at a later date. At the moment, the motion is—
Ms HALL: I did not sign off.

The DEPUTY SPEAKER: We will investigate this at a later stage. I will not be able to investigate it now, because the clerks have given me the advice and I have called the result. This matter will be dealt with at a later date. The member for Grayndler has the call.

Mr ALBANESE (Grayndler) (13:39): Mr Deputy Speaker, on a point of order. It is not appropriate for this parliament to simply move on when we have a situation whereby there were 74 people on that side but there were going to be 78 names. What are they going to be—Tory 1, Tory 2, Tory 3 and Tory 4? It is simply not appropriate to just move on with phantom Tories on that side of the House. It is not on. You need to deal with this and you need to deal with it now.

The DEPUTY SPEAKER: I give the call to the Leader of the House.

Mr PYNE (Sturt—Leader of the House and Minister for Education and Training) (13:40): This is not an ALP branch meeting in Marrickville. This is the national parliament.

Opposition members interjecting—

Mr PYNE: I know you are having a lot of fun trying to create mayhem in the House. The question that the motion be put has been passed. The question now is that the motion be agreed to. We need to get on with the business of government rather than your silly, sandpit behaviour.

Mr Burke: Mr Deputy Speaker, on a point or order. You made a ruling a moment ago, based in good faith, that you believed the count had been signed off by the tellers for each side. I ask that you check with the clerks whether or not that is in fact true.

Government members interjecting—

Mr Burke: We cannot move on. The next stage of debate is determined by what has just happened. How do we deal with what names go into Hansard? A ruling has just been given based on advice from the clerks which may or may not be correct. I would ask that you check with the clerks as to whether or not the tellers from both sides signed off on that count. I am asking for that to be done now. We do not have to wait a month. The clerks are right here; the papers are right here; it has either been signed off by the tellers for each side or it has not.

The DEPUTY SPEAKER: I believe the tellers have signed off on both sides. The question before the House now is that motion of the Leader of the House be agreed to.

Ms Hall interjecting—

The DEPUTY SPEAKER: I know that the member for Shortland believes that there is something different to what is in front of me. She will be able to investigate that at a later date. At the moment I do not have the forensic ability to rule on whether what she said is correct. On the information in front of me I have made my call, and now the question before the House is that the motion of the Leader of the House be agreed to.

The House divided. [13:47]

Ayes ...................... 77
Noes ...................... 52
Majority ............... 25
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Mr BURKE (Watson—Manager of Opposition Business) (13:48): Mr Deputy Speaker, I raise a point of order. On the count, when it is done by the tellers: I have had a look at the sheets where they were signed off last time, and the wrong count—the 78—was only signed off by the coalition tellers. I am asking: when counts are signed off, do the Liberals get to choose how many votes they believe they have—

Government members interjecting—

Mr BURKE: It makes an argument as to why we did not win, if we had to sign off our own. Is that what is happening? They can put forward a count that is inaccurate and it is only signed off by people who were voting on the government side?

The DEPUTY SPEAKER (Mr Vasta): I think this question will have to be resolved by an independent committee or by the Speaker. From what I have seen, the sheets—

Mr BURKE: Mr Deputy Speaker, on the point of order: in referring that to the Speaker, can it also be drawn to attention that one of the four people who was counted as being here was the Treasurer, when the Treasurer had gone down to the cafe or somewhere else.

Mr Pyne: He has dealt with this.

Mr BURKE: No, because he has no way of knowing who the four invisible people were. One of them is the Treasurer of Australia, who is meant to be relevant to counting.

The DEPUTY SPEAKER: I will refer it to the Speaker.

Mr PYNE (Sturt—Leader of the House and Minister for Education and Training) (13:54): Mr Deputy Speaker Vasta, given you have been in the chair for as long as you have, I am sure you want to be refreshed before question time. I will speak on the contingency motion put by the Minister for Social Services about an hour and a half ago in order to make sure that everyone has the chance to get their break before question time—except, of course, the poor old Leader of the House. I will speak to give you the chance to have lunch, a drink or any other kind of refreshment stop that you desire.

The Minister for Social Services has moved a contingency motion, a suspension of standing orders, in order to complete all stages of this bill—the Social Services Legislation
Amendment (Fair and Sustainable Pensions) Bill 2015. He has been prosecuting the case for this very important budgetary and economic reform for some time. As the House knows, as the members of the public know and as the press gallery knows, he achieved a breakthrough deal with the Australian Greens in the Senate to pass these reforms. These reforms are vital to making a sustainable pension in Australia. They are supported by the Australian public. They will ensure that those people who should have access to a part pension or a full pension get that access and those who can exist into the future with the resources they already have, without government support, will not.

The specific changes are that the assets test will be changed for the Australian age pension to ensure that those people who have assets of over $1 million, not including their family home, can no longer access a part pension. I come from an electorate in Adelaide's eastern and north-eastern suburbs where there is a very high proportion of part pensioners and self-funded retirees. I can tell the House that I have had virtually no criticism at all in my electorate from part pensioners who are also self-funded retirees and who will lose that part pension. I think they recognise that $1 million worth of assets, not including their family home, is a substantial resource for them. They can earn the income from those assets that mean they do not have to rely on government support. On the other hand, because of this reform, we can make the age pension sustainable. Those people on lower incomes who get a full pension, those people who exist on the full pension, will get an extra $30 a fortnight in their pension because of this government's changes. That is the effect of the Minister for Social Services extremely important reform.

It is passing strange that the Labor Party would oppose this reform. The Labor Party want to keep people with assets of over $1 million, not including their family home, getting a part pension. They want to stop the poorest of pensioners from getting a $30-a-fortnight increase in their pension. That is the effect of the Labor Party's decision in blocking this legislation.

The debate that we are having now is all about allowing the House to continue through the stages of this debate to make sure that the pension reform bills are passed today and can be sent into the Senate today to be dealt with next week. What I find absolutely remarkable is that the Labor Party have allowed the Greens to steal the clothes of economic rectitude, fiscal rectitude. What the Labor Party are saying is that they are prepared to allow the Greens to become a political party in the Senate and represented here by the member for Melbourne to be more fiscally responsible than the Labor Party. I welcome the Australian Greens' move to the economically sensible position that they have adopted. It is a shame on the Labor Party that they would be so lacking in any principles of fiscal balance and rectitude that they would allow the Greens to do that.

The actual amendments being moved by the Minister for Social Services today would split the bill in order to take the assets test into a separate bill from the other reforms that have been proposed in the budget. This will allow the Senate to deal with that change cleanly next week, when the government and the Greens together ensure that this reform passes both houses of parliament. I see the Leader of the Opposition joins us in the House. I would implore him to see reason on pension reform—to see reason if only for his own political survival—because it is inimical to the Labor Party's interests to allow the Greens to be economically more responsible than the Labor Party. I have to say as a Liberal that I would prefer it if the Labor Party were more fiscally responsible than the Greens. Madam Speaker,
on that note, I sit down because I note that we are at 2 o'clock and question time can therefore begin.

Debate interrupted.

QUESTIONS WITHOUT NOTICE

National Security: Citizenship

Mr SHORTEN (Maribyrnong—Leader of the Opposition) (14:00): My question is to the Prime Minister. I refer to the extraordinary leaks from cabinet on important national security matters. Can the Prime Minister confirm that the reason his legislation will only be considered by the National Security Committee is that the Prime Minister cannot get it through his full cabinet?

Mr ABBOTT (Warringah—Prime Minister) (14:00): I am delighted to get this question from the Leader of the Opposition because it gives me an opportunity to say that this government has a very clear position. We are stripping citizenship from terrorists who are dual nationals. We are stripping citizenship from terrorists who are dual nationals because if someone leaves this country to fight for a terrorist army in Syria or Iraq we do not want them back.

Ms Plibersek: Why don't you show us some legislation?

The SPEAKER: The member for Sydney will desist.

Mr ABBOTT: If you leave this country to fight for a terrorist army in Syria or Iraq, you are committing a modern form of treason and we do not want you back.

Ms Plibersek interjecting—

The SPEAKER: The member for Sydney will desist or leave—one or the other.

Mr ABBOTT: The government has a very clear position. We do not want terrorists coming back to Australia.

Mr Dreyfus: Show us the bill.

The SPEAKER: If the member for Isaacs is anxious for an early mark, I can accommodate him.

Mr ABBOTT: The Labor Party, the opposition, have had three positions in just three weeks.

Mr Champion: And you have had no bill.

The SPEAKER: The member for Wakefield is warned.

Mr ABBOTT: First of all they said that stripping citizenship from terrorists who are dual nationals was dog whistling. That was their first position. The second position they had was that they supported it in principle. But today, this morning, courtesy of the shadow Attorney-General, they have a third position and that is: if you are a terrorist going to Syria or Iraq to fight with a terrorist army, the shadow Attorney-General says, 'Please come back. We want you back. We will roll out the red carpet. We will roll out the welcome mat. Just come back.'

Mr Shorten: Madam Speaker—

The SPEAKER: The Leader of the Opposition on a point of order? You may not enter into argument but you may raise a point of order.
Mr Shorten: That was a disgraceful slur from this desperate Prime Minister. He should withdraw right now.

The SPEAKER: Resume your seat.

Mr Shorten: You always use slogans. You should withdraw.

The SPEAKER: If the Leader of the Opposition does not resume his seat, he will leave the chamber.

Mr ABBOTT: If I had said something that was untrue, if I had said something that had impugned—

Ms Plibersek: You have said many many things that are untrue.

The SPEAKER: I have said the member for Sydney will desist or leave. The choice is hers. We will have some silence. The Prime Minister has the call.

Opposition members: Withdraw.

Mr ABBOTT: If I had said something that was unfair, of course I would withdraw. I want to quote the exact words of the shadow Attorney-General today. Kieran Gilbert on Sky TV said to the shadow Attorney-General:

So, someone who is fighting in Al-Raqqah in Syria?

And the shadow Attorney-General said:

Well, you get them back here.

So he wants terrorists back in Australia.

Mr Burke: That’s inaccurate.

The SPEAKER: The member will resume his seat.

Mr ABBOTT: Let me do it again. Kieran Gilbert of Sky News said:

So, someone who is fighting in Al-Raqqah in Syria?

What do you do about them? That was the question. Mark Dreyfus said:

Well, you get them back here.

He wants to bring the terrorists back; the government wants to keep them out—it is as simple as that.

Northern Australia

Mr ENTSCHE (Leichhardt) (14:04): My question is to the Prime Minister. Will the Prime Minister inform the House how the government’s white paper on developing northern Australia will foster opportunity and create jobs in my electorate of Leichhardt and right across the North?

Mr ABBOTT (Warringah—Prime Minister) (14:04): I do thank the member for Leichhardt for his question and I thank him for his fine leadership of the Joint Select Committee on Northern Australia.

Mr Perrett interjecting—

The SPEAKER: The member for Moreton is warned.

Mr ABBOTT: Indeed, I thank so many members on this side of the House for their advocacy for northern Australia—the members for Durack, Solomon, Herbert, Dawson,
Capricornia and Maranoa. I also thank Senator Canavan and in particular Senator Ian Macdonald for his decades long advocacy for northern Australia.

Every day this government is building a better Australia. On Monday the small business budget boost passed through the parliament. On Tuesday we secured agreement for fairer and more sustainable pensions. Yesterday we signed the historic China-Australia Free Trade Agreement that will set our country up for decades to come. Today we launched the northern Australia white paper. It is about building on the strengths of our great north for the benefit of all Australians. This is a government that does not simply talk; it delivers. Every day we deliver a strong, safe and prosperous Australia for everyone.

Northern Australia is already a very dynamic part of our economy. It is the source of some 50 per cent of our goods exports. Its great cities—Darwin, Townsville and Cairns—have grown massively over the last few decades, but we have got to do better so that every one of us here in Australia can prosper. The North needs more infrastructure, more people and better land use. That is what this white paper is all about. To that end there is the $5 billion concessional loan facility for economic infrastructure in northern Australia. There is $700 million available to upgrade roads in northern Australia, such as the Hann Highway, the Outback Way and the Tanami Road. Very importantly, there is the $200 million water infrastructure fund and that includes $5 million to further study and, hopefully, get cracking with, Nullinga Dam and with Ord stage 3. For too long, this dam phobia has held back the development of agriculture in the north and elsewhere. There are trials to make better use of pastoral land and more economic use of Indigenous land, and there are visa changes to make it easier for people in the north under standard Australian wages and conditions. When the north does well, Australia does well. We are about seizing the opportunities that are within our grasp.

National Security: Citizenship

Mr BURKE (Watson—Manager of Opposition Business) (14:07): My question is to the Prime Minister. Can the Prime Minister confirm to the House that on 23 April, in answer to a question about terrorists, he said the following words:

And then, if people seek to return to Australia, we want them arrested, prosecuted and jailed for a very long time and this is where this close cooperation between Australian and Turkish authorities will help because we will identify them better, we will get more information about them and that will help us to ensure that they can’t do any damage back in Australia.

Mr ABBOTT (Warringah—Prime Minister) (14:08): That is right. That is exactly right. When they are not dual citizens we want to lock them up, but when they are dual citizens we want to keep them out. When they are not dual citizens we want to lock them up, and when they are dual citizens we want keep them out. It is absolutely crystal clear: if you are just an Australian citizen and you are a terrorist and you come back to Australia, we will lock you up; if you are a dual citizen and you leave Australia to fight for a terrorist army, we never want you back. If you are a dual citizen and you leave Australia to fight for a terrorist army, you have committed the modern form of treason. We will strip you of your citizenship because we never, ever want you back. We have a very, very clear position on this. We have had a very clear position for some time now. I repeat: we will strip citizenship from terrorists who are dual nationals.
First of all, Labor's position was that this was dog whistling; then their position was that they would support it in principle; and today, the shadow Attorney-General—

Ms Owens interjecting—

The SPEAKER: The member for Parramatta will desist.

Mr ABBOTT: when asked what he would do, what Labor would do, with these terrorists fighting in the Middle East—so someone who is fighting in Iraq and Syria—the shadow Attorney-General said, 'Well, you get them back here.' You get them back here! Not for dual nationals, mate!

Opposition members interjecting—

The SPEAKER: There will be silence on my left.

Mr Bowen interjecting—

The SPEAKER: The member for McMahon. I will not have this wall of noise. There will be silence. The Prime Minister has the call.

Mr Danby interjecting—

The SPEAKER: And that includes the member for Melbourne Ports.

Mr ABBOTT: I know members opposite are getting very excited here because they are feeling very, very anxious about the divisions and the splits in their own ranks over national security issues. The Leader of the Opposition can tell us where they stand when it comes to stripping the citizenship from terrorists who are dual nationals. Is that dog whistling, which is what the Leader of the Opposition said it was a fortnight ago? Is it something they support in principle—which is what he said a week ago—or have they junked all of that and they now say to terrorists who are dual nationals, 'Welcome back!'—

Ms Owens interjecting—

The SPEAKER: The member for Parramatta has been warned and will leave under 94(a).

Mr ABBOTT: 'We want you back here in Australia', which is what the shadow Attorney-General said this morning.

The SPEAKER: The member for Parramatta will leave under 94(a) for one hour.

The member for Parramatta then left the chamber.

Northern Australia

Mr BRUCE SCOTT (Maranoa—Deputy Speaker) (14:11): My question is to the Deputy Prime Minister and the Minister for Infrastructure and Regional Development. Will the Deputy Prime Minister inform the House how the government's plan for infrastructure will help unlock the potential of Northern Australia, including in my electorate of Maranoa?

Mr TRUSS (Wide Bay—Deputy Prime Minister and Minister for Infrastructure and Regional Development) (14:11): I thank the honourable member for his question and begin by acknowledging the terrible fire in Winton overnight which has destroyed the Winton Waltzing Matilda Centre. It was a really important collection of historical Australian memorabilia. I was with the honourable member just a couple of months ago, and we opened a special ANZAC exhibition. As a result of this fire, I understand, a lot of that collection, which is priceless history of our country, has also been lost. At a time when the town is suffering from drought, this is another tragic blow to the people of Winton and the district.

CHAMBER
There is at least some good news because today the government has released its white paper on Northern Australia. It is a blueprint and a plan for action to deliver on the potential of the north. People have been talking about the north and its potential for generations, and a lot has been achieved. It does contribute mightily to our national economy—around half of our exports come from those parts—but only one million of our population live there presently. There is real opportunity for this tropical part of our country to be closely linked with other tropical countries. We have the potential to be leaders in research, agriculture, medicine and education for what is the tropical sector of the globe, which makes up about 40 per cent of the world’s population and will be 50 per cent by about 2050. This is an action plan. It is backed by resources to help make a difference and to deliver the infrastructure, stability and confidence that will be necessary to attract the kind of investment that is going to be necessary for that achievement.

The Prime Minister has already mentioned some of the really significant parts of this package. There is an extra $700 million for roads, which is a commitment to many of the roads in that area that are below the standard that other people in the continent would expect. We are also committing to a feasibility study to build the Tennant Creek-Mount Isa railway line and to upgrade the Mount Isa-Townsville line, a vital transport link in those regions. There are commitments for $200 million worth of work as a part of our broader water infrastructure white paper to build and to do feasibility studies on some of the major water conservation projects in the region. There is a commitment to a new CRC for tropical research, medicine and agriculture, and I think that can help focus scientific endeavour in the north and make a difference in broadening its economy. So this is a significant package that delivers a lot of good news, hope and opportunity for people in the North. But, as it grows, our whole continent, our whole country, will be the better, the richer and the more capable of delivering the lifestyle, services and facilities we want as a nation.

The SPEAKER: I understand that the member for Grayndler would like to make some remarks supporting those of the Deputy Prime Minister regarding Winton, but they will be very short.

Mr ALBANESE (Grayndler) (14:15): Just briefly, I associate myself with the remarks of the Deputy Prime Minister about the tragic incident overnight in Winton and, on behalf of the opposition, indicate that, if there is any way in which we can assist, as a parliament, this community that is already going through difficulties with drought—without the incident last night—then we will be pleased to assist.

National Security: Citizenship

Mr MARLES (Corio) (14:15): My question is to the Prime Minister. Given the Minister for Communications continues to raise serious concerns about the government’s citizenship proposal and the extraordinary leaks from cabinet, how can Australians have any confidence that the government can keep them safe?

Mr ABBOTT (Warringah—Prime Minister) (14:16): Australians know one thing: they know that every time this government wants to toughen up our national security laws, Labor complains. That is what they know. Every time this government is proposing new measures to keep Australians safe, members opposite, one way or another, complain and try to water them down. I want to make it absolutely crystal clear: if you are an Australian who goes to Syria or Iraq to fight with a terrorist army, we do not want you back, and, if you are a dual citizen, we
will strip your citizenship so you cannot come back. If you are an Australian who goes to fight with a terrorist army, you have committed the modern form of treason, and we do not want you back. And, if you are a dual citizen who does that, we will not let you back. That is the position of this government. It is a very clear position.

The problem is that Labor have now had three positions. First of all, they said that the government's proposal—it is a clear proposal to strip citizenship from dual nationals who are terrorists—

Ms Plibersek: There's nothing clear about it!

The SPEAKER: The member for Sydney will desist!

Mr ABBOTT: First of all, they said it was dog whistling. Then they said they supported it in principle. And now they say, or at least the shadow Attorney-General says, that he is against it, because he wants people who are fighting in Al-Raqqa to come back to Australia. If the shadow Attorney-General does not speak for the opposition on this, the Leader of the Opposition should make it crystal clear exactly where Labor stands.

I know that the Leader of the Opposition does not much want to face a press conference. He does not want to face a press conference for a lot of obvious reasons, but he owes this much to the Australian people: to say where he stands. Where does he stand on stripping citizenship from terrorists who are dual nationals? Where does he stand on boat turnarounds? Where does he stand on all of the grave national security issues facing our country right now?

Ms Chesters: Where's the legislation?

The SPEAKER: The member for Bendigo will desist!

Mr ABBOTT: I think that on most of these things the instincts of the Leader of the Opposition are sound. The problem is his party is hopelessly divided—absolutely hopelessly divided. The truth is that the shadow Attorney-General and the member for Sydney are undermining the Leader of the Opposition on national security at every turn.

Mr Bowen interjecting—

The SPEAKER: The member for McMahon is warned!

Mr Thistlethwaite: Madam Speaker, I rise on a point of order. The Prime Minister referred to a clear proposal in his answer. I would ask that the Prime Minister table for the parliament the proposal that he is referring to.

The SPEAKER: That is an abuse of the standing orders and is not a point of order.

Forestry Tasmania

Mr WILKIE (Denison) (14:19): My question is to the Prime Minister. The GBE Forestry Tasmania has collapsed financially, and, bizarrely, the state government inquiry did not seek to find out why. Almost $2 billion in assets and $359 million in government cash injections have been squandered. Prime Minister, seeing as a lot of the money was from federal grants and programs, will your government investigate this matter to find out what went wrong and to hold the culprits to account?

Mr ABBOTT (Warringah—Prime Minister) (14:19): We know who the culprits were. The culprits were the Labor-Green government in Tasmania, assisted by the Labor-Green government in Canberra. They are the culprits, because, in the five years to 2013, the job
losses in that industry were more than 4,000. Two-thirds of the jobs in the Tasmanian forestry industry disappeared in the five years up to 2013. In the two decades to 2013, the area in forest production in Tasmania reduced by 60 per cent because of Labor-Green governments in Tasmania, aided between 2007 and 2013 by a Labor-Green government here in Canberra.

I should correct one point that was made by the member in his question. I am advised that Forestry Tasmania has not collapsed financially. In fact, the Tasmanian government is standing squarely behind the business. But I can also advise the member for Denison that we are doing what we can to help the forest industry in Tasmania. We are extending the regional forest agreement to give the forestry industry certainty so that it can invest with confidence. And, very importantly, this government will not be supporting any further forest lock-ups. Our forests should be there on a sustainable basis to create sustainable green jobs for the future.

Not only are we doing the right thing by the forestry industry in Tasmania; we are doing the right thing by Tasmania. There is $60 million that we have invested in an irrigation scheme in northern Tasmania; there is $200 million that we are investing in freight equalisation so that the great goods of Tasmania can be exported beyond the mainland to the wider world; there is $40 million to turn Hobart Airport into Hobart International Airport; there is $90 million for an ice-breaker; and there is $400 million for the Midlands Highway. So, egged on at every turn by the member for Lyons, the member for Braddon and the member for Bass, this government is investing in a better future for the people of Tasmania.

Northern Australia

Ms PRICE (Durack) (14:22): My question is to the Treasurer. Will the Treasurer inform the House of the importance of the budget in creating jobs and opportunity in northern Australia?

Mr HOCKEY (North Sydney—The Treasurer) (14:22): I thank the member for Durack for the question. We are helping to build the great North. We are putting the ‘great’ into the North of Australia, and we are doing it with real money: $1.2 billion of additional money announced by the Prime Minister and various ministers today, in addition to the $5 billion infrastructure facility that I announced at this dispatch box on budget night. That is in addition again to the $5 billion of infrastructure we spent in last year’s budget in northern Australia as part of our $50 billion infrastructure plan. This plan, laid down by the Prime Minister and the coalition government today, is a fair dinkum plan about opening up a new frontier for Australia.

The member for Durack’s electorate alone is one of Australia’s great exporters. If you compared it with countries it would be one of the leading exporters in the world, because from the member for Durack’s electorate you are seeing rivers of gold come to Australia through iron ore exports. In fact, each year in the member for Durack’s electorate we export so much iron ore to China that you could build a Sydney Harbour Bridge from Sydney to Perth and back to Sydney every year. That is how much iron ore that we are sending—550 million tonnes a year.

That is about the opportunities that are going to come about through the opening up of Asia and the trade agreements that we are building; with the free trade agreement with China.
yesterday, with previous trade agreements with Korea and Japan, we are opening up new opportunities for Australian business. In particular, we are developing the opportunities here in Australia. The North of Australia, the great North, only has a population of one million people. But when you meet some of the cattlemen up there who have properties that are larger than the entire state of the Netherlands—that is how large the properties are—with hundreds of thousands of head of cattle, and they are being exported every year, you start to appreciate how important it is to have the infrastructure that is going to build that part of Australia. Our $5 billion Northern Australia Infrastructure Facility will help to build the railways, the ports, the airports and the pipelines that are going to be the massive traffickers of enterprise and opportunity for Australia and for the generations ahead.

This is one of the most exciting initiatives that I have been proud to be a part of in the coalition government. Through the hard work of the member for Leichhardt, the member for Durack, all of the members, and through the vision of the Prime Minister, we are building a stronger and more prosperous nation, and we are not letting any opportunity pass.

### National Security: Citizenship

Mr CLARE (Blaxland) (14:26): My question is to the Minister for Communications.

_Government members interjecting_—

The SPEAKER: There will be silence on my right!

Mr CLARE: Good things come to those who wait! As the minister responsible for media laws in Australia, is the minister concerned that the decision by the National Security Committee of cabinet on the government's proposed citizenship legislation will be announced in the _Daily Telegraph_ before the committee meets?

The SPEAKER: That question is totally out of order. I call the honourable member for Capricornia.

Mr Burke interjecting—

The SPEAKER: I will give you a go in a minute! I call the honourable member for Capricornia.

### Northern Australia

Ms LANDRY (Capricornia) (14:26): My question is to the Minister for Agriculture. Will the minister update the House on how the government's northern Australia white paper will help rural and regional Australia, including my electorate of Capricornia, capitalise on the delivery of the free trade agreement with China?

Mr JOYCE (New England—Minister for Agriculture) (14:27): I thank the honourable member for her question. She is a true daughter of Rockhampton: a person who worked for 22 years in the National Australia Bank in that area, a person who stands right behind their local university—which is one of the premier universities in Australia now, a centre of excellence in beef research. It is great to see them taking over the CSIRO facilities there. Rockhampton, if it is known for one thing, is known for the immense wealth that it brings back to our nation through the cattle industry.

Queensland's beef industry represents about 47 per cent of our nation's beef industry, and in Queensland alone it employs around 34,000 people. This is why people have got to understand that, when we develop the North, when we bring about new free trade agreements
with China, we are developing industries that actually employ people—they get people back into jobs. It is not only a benefit for the member for Capricornia; it is a benefit for the whole of Australia. A great example of how the benefit of the North is clearly linked to the benefit of the rest of Australia can be seen in the Adelaide to Darwin rail line, which, at the start, had so many people who ridiculed it. Now it has increased the amount of trade that is going from Adelaide 13 times. It has become a vital link, and it also opens up so many more precincts.

I am so happy to see that, within this, we have a $5 billion loan facility to get deals and to make sure that they actually happen. To see $200 million of real money that goes towards dams—these are vitally important because they allow us to do the investigations into Ord Stage 3. In that alone, a one-metre extension on the wall of the Argyle dam would bring 1,000 gigalitres more storage; that is one million megalitres of extra storage. The further investigation of the rail link between Tennant Creek and Mount Isa goes through areas such as Phosphate Hill. These are new mineral precincts. This is going to bring great wealth into our nation.

This is the capacity that we have. It is so good to be part of a government that actually puts its money where its mouth is, that actually delivers real plans with real money. It is great to be part of a government of doers, of people who actually make things happen. And it is great to be in this section of parliament. With all the plans and all the hard work that were part of our time that we utilised in opposition to get these plans together, and our time in government to formulate and finalise them, they are now happening. They are now landing. And it shows that this is a government that is going to make Australia a wealthier, better and more prosperous place.

National Security: Citizenship

Ms PLIBERSEK (Sydney—Deputy Leader of the Opposition) (14:30): My question is to the Prime Minister. Isn't it the case that the Minister for Communications, the Minister for Agriculture, the Minister for Foreign Affairs, the Minister for Defence, the Minister for Education and Training and the Attorney-General do not support the Prime Minister's citizenship proposals?

Mr ABBOTT (Warringah—Prime Minister) (14:30): No.

The SPEAKER: The Prime Minister had the call and he has answered the question. Are you seeking a point of order?

Ms Plibersek: I am seeking leave to table the report that says those ministers are not supportive.

The SPEAKER: No, that is not a point of order to be done.

An honourable member: You can seek leave to table a document.

The SPEAKER: There is no leave—is leave granted, Leader of the House? No.

China-Australia Free Trade Agreement

Mr O'DOWD (Flynn) (14:31): My question is to the Minister for Foreign Affairs, representing the Minister for Trade and Investment. Will the minister update the House on the economy-wide benefits of the landmark China-Australia Free Trade Agreement?

Ms JULIE BISHOP (Curtin—Minister for Foreign Affairs) (14:31): I thank the member for Flynn for his question, and I acknowledge the fact that he is a real champion for his
electorate. He understands the benefits that his electorate will gain as a result of the signing of the China-Australia Free Trade Agreement. The benefits of a closer economic relationship with China are beyond doubt. China is already our largest trading partner, our largest merchandise trading partner, our largest source of overseas students and our second-largest source of overseas visitors. Total trade between our two nations was worth around $160 billion in 2013-14.

This free trade agreement between our two nations, which was signed yesterday, will provide even more opportunities for businesses in Flynn and throughout Australia. Last year, for example, about $2 billion of Australian manufactured goods were sold into China but faced tariffs of around 47 per cent. Once the free trade agreement is fully implemented, 99.9 per cent of manufactured goods from Australia to China will enter duty free. This is an amazing outcome. Likewise, with energy and resources exports, they will also, over time, enter China duty free.

For the first time, China has guaranteed an open door for Australian businesses to build—wholly owned and operated by Australia—restaurants and hotels in China. This is a huge boon for our tourism industry. There is a similar opportunity for aged-care facilities and hospitals in certain locations. So, in tourism, hospitality and health services—all areas where Australian businesses excel—they can now take their skills to China, and the benefits will be felt back here.

The free trade agreement will also benefit Australian companies already doing business in China, including in areas such as architecture and logistics, manufacturing and banking. In fact, last year I chaired an investment and trade roundtable in one of China’s fastest-growing cities, Chengdu. Australian businesses were all present. Some of them have been there for some time, but they all see greater opportunities to grow their businesses under the free trade agreement.

Likewise for opportunities back at home in agricultural products; in processed food, as the Minister for Agriculture has told us; and in wine, where Australian winemakers are already world renowned. They can compete with the best of the world. Currently, the tariffs for wine into China are between 14 and 20 per cent. They will be eliminated over time. These are huge opportunities for our wineries in Australia.

The signing of the ChAFTA, as it is called, is a major step in cementing closer economic relations with China. Our relationship with China has never been stronger, deeper or more diversified, and I am confident that ChAFTA will be the catalyst for even further mutual gain between our two countries.

National Security: Citizenship

Mr SHORTEN (Maribyrnong—Leader of the Opposition) (14:34): My question is to the Prime Minister. Prime Minister, who has actually seen the government’s proposed citizenship legislation?

Mr ABBOTT (Warringah—Prime Minister) (14:34): The relevant ministers.

Workplace Relations

Mr SUKKAR (Deakin) (14:35): My question—

Opposition members interjecting—
The SPEAKER: There will be quiet on my left!

Opposition members interjecting—

The SPEAKER: There will be quiet on my left so we can hear the honourable member for Deakin, who has the call.

Mr SUKKAR: Thanks again, Madam Speaker. My question is to the Acting Minister for Employment. Will the minister explain to the House why it is imperative that the government's measures to ensure transparency and accountability in the union movement are supported? What stands in the way of those reforms being adopted?

Mr PYNE (Sturt—Leader of the House and Minister for Education and Training) (14:35): I thank the member for Deakin for his question. I think it is sweet how people's choice comes in at this particular point to distract the Leader of the Opposition and give him a chance to pretend he is not interested in the question and the answer! Of course, it is absolutely imperative that the government's measures around transparency and accountability in the union movement are carried in the Senate—namely, the Registered Organisations Commission—

Mr Champion interjecting—

The SPEAKER: The member for Wakefield is warned!

Mr PYNE: and the re-creation of the Australian Building and Construction Commission—

The SPEAKER: In fact, you have already been warned. One more utterance and you leave.

Mr PYNE: because of the revelations we are seeing in the Royal Commission into Trade Union Governance and Corruption that go directly to the knowledge of the Leader of the Opposition. The hurdle standing in the path of passing those reforms is, ironically—or perhaps it is sinister, Madam Speaker—the Leader of the Opposition himself and the Labor Party. There are some very important questions that he needs to answer. He needs to answer: what did Winslow constructions receive in consideration of the $38,000—

Mr Danby interjecting—

The SPEAKER: The member for Melbourne Ports is warned!

Mr PYNE: of payments to the AWU that were made when he was the Victorian state secretary?

Mr Danby interjecting—

The SPEAKER: The member for Melbourne Ports will leave under 94(a).

The member for Melbourne Ports then left the chamber.

Mr PYNE: Why, if the $225,000 payment by Winslow construction to the AWU was legitimate—a different payment—was it concealed as safety training? Why was it concealed as safety training? If it was a legitimate payment, why was it covered up by the AWU when the Leader of the Opposition was the Victorian state secretary? What did the Leader of the Opposition have to gain by trading away the penalty rates of Cleanevent workers?

Mr Burke interjecting—
The SPEAKER: The member will resume his seat. I refer you to page 189. The minister has the call.

Mr PYNE: Thank you, Madam Speaker. What did the Leader of the Opposition hope to gain by trading away the penalty rates of Cleanevent cleaners in 2004, during that EBA? Was the $2,000 for the Leader of the Opposition's campaign—

Mr Dreyfus interjecting—

The SPEAKER: The member for Isaacs will leave under 94(a). The minister will resume his seat. If this is, as I anticipate, simply wishing to interrupt what is a valid and relevant answer then you are warned. The Manager of Opposition Business has the call on a point of order.

Mr Burke: Madam Speaker, I refer you to page 524 of Practice, which refers to references to royal commissions within the parliament. Earlier on in the answer, I did not take issue when the reference from the Leader of the House was specifically to legislation, but I quote from page 524:

It is necessary for the Chair to consider the nature of the inquiry. Where the proceedings are concerned with issues of fact or findings relating to the propriety of the actions of specific persons the House should be restrained in its references.

The Leader of the House, midway through the answer, has transgressed from where he started and is in violation of that principle in Practice.

The SPEAKER: I would refer you to the rulings of subsequent—or, rather, previous—Speakers of the House who have ruled that the sub judice rule is not applicable to royal commissions. The minister has the call.

Mr PYNE: I am referring to things that have been reported in the newspapers that have not been findings of fact by the royal commission. I am asking questions that the Leader of the Opposition needs to answer. The last one was: was the $2,000 that his campaign received from the Industry 2020 slush fund the only benefit that the Leader of the Opposition received from Cesar Melhem's activities? Today, in the Fairfax press, we see 'Shorten's $1m union bonanza'. Why did Thiess John Holland regard the payment of $300,000 to the AWU as 'an acknowledgement of the flexibility of the AWU deal'? What does 'acknowledgement of the flexibility of the AWU deal' mean? These are matters that are within the knowledge of the Leader of the Opposition, and that is why he needs to answer those questions. He cannot wait till August. The member for Port Adelaide answered those questions on Wednesday. Why can't the Leader of the Opposition answer them today?

National Security: Citizenship

Mr SHORTEN (Maribyrnong—Leader of the Opposition) (14:40): My question is to the Prime Minister.

Government members interjecting—

The SPEAKER: There will be silence on my right. The Leader of the House on a point of order?

Mr Pyne: Madam Speaker, my colleagues are wondering if you asked the member for Isaacs to leave.

The SPEAKER: I did indeed.
The member for Isaacs then left the chamber.

Mr SHORTEN: My question is to the Prime Minister. With regard to his previous answer, which ministers—and can he name them—have actually seen this legislation? Who are the relevant ministers?

Mr ABBOTT (Warringah—Prime Minister) (14:40): The Minister for Immigration and Border Protection and the Attorney-General.

Honourable members interjecting—

The SPEAKER: There will be silence.

National Security: Citizenship

Mr SIMPKINS (Cowan) (14:40): My question is to the Minister for—

Honourable members interjecting—

The SPEAKER: The member for Cowan will cease. I know it is Thursday, I know there was a ball last night, but there seem to be many members who are anxious to leave the chamber, and I am ready and willing to accommodate them. The member for Cowan has the call. I will not tolerate a wall of noise.

Mr SIMPKINS: My question is to the Minister for Immigration and Border Protection. Will the minister update the House on action the government is taking to counter the threat posed by extremists returning to Australia?

Mr DUTTON (Dickson—Minister for Immigration and Border Protection) (14:41): I thank the member for Cowan for his question. He has served his country in uniform and he does a great job in this chamber on behalf of the people from his electorate.

As we have said in this place before, and as the intelligence agencies have pointed out, our country faces an unprecedented threat from terrorism. It is a sad reality. We have seen in the United States action by extremists again overnight. We have seen a number of cases on our television screens across recent months, in Western democracies, of actions which have threatened the peace and good harmony within societies. As a country, we ourselves, sadly, have experienced this in Sydney and Melbourne. ASIO advise that there are 400 high-priority cases that they are dealing with at the moment, and we have 110 people who are fighting in the Middle East and, we believe, 150 here in Australia who are supporting in different ways those that might be overseas or are preparing for acts themselves.

That is why this government has expressed its absolute determination, and a consistency in that determination, to stare down this threat. We have said for a long period of time that we believe that we should look at what other nations are doing, including the United Kingdom, where since 2006 they have been able to take citizenship away—whilst not rendering people stateless—from 28 individuals, stopping those people returning to the United Kingdom, because those people, having been further radicalised and coming back into the United Kingdom, would have presented a great threat to those people who want to go about their lives in a free way in the United Kingdom.

What have we done in this country? We have worked very hard with the intelligence agencies and with the law enforcement agencies to come up with the best approach possible to try and keep the Australian people safe. We believe very strongly that, if people are
terrorists, are dual nationals and are fighting overseas, they should not come back to this country. We have been clear and determined in that focus.

As the Prime Minister referred to earlier, I was completely amazed by the contribution from the member opposite, the shadow Attorney-General, in the press this morning, because the Leader of the Opposition, when given the opportunity in this place only several sitting days ago, claimed that this approach was a dog whistle. That is the response. He said that he regretted those words and he stepped away from them to say that he would support the bill—the proposal—that the government is putting forward. But then, in a remarkable turn of events this morning, Mr Dreyfus has been out to say somehow that it is a good idea to bring these terrorists back to our country.

Mr Champion interjecting—

The SPEAKER: The member for Wakefield will leave under 94(a).

Mr DUTTON: It is not. It is not a good idea in any circumstance to bring these people back to our country. As we have said repeatedly, if you cannot—

Mr Albanese: Madam Speaker, I rise on a point of order. For the benefit of members of parliament, including his own ministerial colleagues who have not seen this legislation: will he table it so that we know what he is talking about?

The SPEAKER: The member is entering into argument and will resume his seat. The minister has finished his answer.

National Security: Citizenship

Mr SHORTEN (Maribyrnong—Leader of the Opposition) (14:44): My question is to the Prime Minister. I refer to his previous two answers: when will the Deputy Prime Minister and the foreign minister be shown the legislation?

Mr Perrett: After The Daily Telegraph!

The SPEAKER: The member for Moreton can join the member for Wakefield under 94(a)!

Mr ABBOTT (Warringah—Prime Minister) (14:45): Everyone who has watched The Killing Season knows that members opposite have no comprehension whatsoever of how a proper Westminster cabinet process works. No comprehension whatsoever!

For the benefit—

Mr Conroy: That is ridiculous!

The SPEAKER: There will be silence from the member for Charlton or he will leave!

Mr ABBOTT: Westminster government 101: the cabinet determines the policy of the government based on a submission from the relevant minister. The relevant minister goes off to draft whatever legislation or regulations might be necessary. It then goes into the parliament, where it may or may not be examined by a committee and it is dealt with by the parliament. That is how our system of government works.

In the case of the government's absolute clear determination to strip citizenship from terrorists who are dual nationals, this decision was made by the National Security Committee.
of the cabinet. It did not need to go to the full cabinet under the Cabinet Handbook. But nevertheless, in the interests of good and open government it did go to the cabinet. The cabinet endorsed it and it was overwhelmingly supported by the party room. The legislation brief will go before our party room next week and the legislation will go into the parliament next Wednesday. The matter may or may not, depending upon what this parliament wishes, be referred to the Joint Standing Committee on Intelligence and Security. And after the committee has reported, the legislation will be dealt with by the parliament. It is all absolutely normal; it is all absolutely in accordance with the standard conventions of this parliament.

This government knows exactly what it is doing. What does the opposition want here?

When we made a decision—

Opposition members interjecting—

The SPEAKER: The Prime Minister will resume his seat. I have said that I will not tolerate a wall of noise! Now: if several more of you wish to leave early, so be it.

Mr ABBOTT: The government's position is that terrorists who have dual citizenship should be stripped of their Australian citizenship. We will strip citizenship from terrorists who are dual nationals. That is the government's position.

The opposition's position, first of all, was that this was 'dog whistling'. Then it was 'support in principle' and now it is opposition, because terrorists should be brought back to Australia. That is what the shadow Attorney-General said. If the leader of the opposition does not support that position he should tell us now.

National Security

Mr ALEXANDER (Bennelong) (14:48): My question is to the Minister for Justice and the Minister Assisting the Prime Minister on Counter-Terrorism. Will the minister advise the House of the steps the government is taking to effectively combat the insidious threat of terrorism and protect Australians? What challenges does the government face?

Mr KEENAN (Stirling—Minister for Justice and Minister Assisting the Prime Minister on Counter-Terrorism) (14:49): I thank the member the Bennelong for that question. He is one of the members on this side of the House who will never waver in their determination to protect the security of the Australian people.

When we came to office we found that our law enforcement and security agencies were under-resourced and pleading with us for the legislative changes they needed to do their jobs. In response, we have boosted counterterrorism funding for our law enforcement, intelligence and security agencies by over $1.3 billion, including $6 million provided by the Treasurer in the most recent budget. We have secured passage of four tranches of legislation to strengthen our agencies' ability to investigate, monitor, arrest and prosecute home-grown violent extremists and returning foreign fighters.

This morning we had the shadow Attorney-General out there, claiming that the former Rudd-Gillard-Rudd governments have a similarly impressive record on national security. But we know that you can never believe what they say; you need to look at what they did to set the record straight.

Mr Conroy: Where's the bill?

The SPEAKER: The member for Charlton is warned!
Mr KEENAN: The reality is that when they were in government they systematically degraded Australia’s law enforcement and intelligence capabilities. They reduced resourcing to our law enforcement and intelligence agencies, they cut their staff and they reduced vital screening at our borders. In fact, when the Howard government left office in 2007, counterterrorism funding was $790 million. When we came to office in 2013 it was $523 million—

Mr Bowen interjecting—

The SPEAKER: The member for McMahon is warned!

Mr KEENAN: a reduction of one-third during the Rudd-Gillard-Rudd years.

They also stripped $125 million from ASIO to fund measures unrelated to its core business. ASIO was also forced to absorb $57 million in costs for new activities. They cut $128 million from the Australian Federal Police, cut almost 1,000 members of staff from the Customs and Border Protection Service and they cut the budget and personnel of the Australian Crime Commission, Australia’s most powerful law enforcement agency, by one-third whilst they were in office.

Labor also deprived our security agencies of the vital legislative reform that they needed to do their job. Despite the growing terror threats, the member for Isaacs, as Attorney-General, did not pass one national security law in his tenure. This is despite the fact that we had agencies pleading for legislative reform, including publicly to the Parliamentary Joint Committee on Intelligence and Security on data retention, when ASIO, the AFP and the ACC joined together to say that if data retention did not proceed every security, intelligence and serious crime investigation undertaken by them would be affected.

We take national security seriously on this side of the House. The Labor government for six years never did!

National Security: Citizenship

Mr MARLES (Corio) (14:52): My question is to the Prime Minister. This week the Independent National Security Legislation Monitor completely refuted the Prime Minister’s claim the citizenship proposal is consistent with his advice saying:

… my report does not provide a justification for what they intend to do … I am saying the opposite.

Why has the Prime Minister Miss regret misrepresented the independent monitor and ignored his report?

Mr ABBOTT (Waringah—Prime Minister) (14:52): I cannot speak for what has happened to the Independent National Security Legislation Monitor or the former monitor’s position since he prepared his last report to the government, but last March when he presented a report to the government he recommended:

Consideration should be given to the introduction of a power for the Minister of Immigration to revoke the citizenship of Australians … where the Minister is satisfied that the person has engaged in acts prejudicial to Australia’s security.

The former monitor is entitled to change his mind and obviously he has changed his mind, but back in March last year, when he made a recommendation to the government, the recommendation was ‘a power for the Minister of Immigration to revoke the citizenship of Australians … where the Minister is satisfied that the person has engaged in acts prejudicial
to Australia's security. There was no mention of conviction—no mention of conviction but
revocation 'where the Minister is satisfied that the person has engaged in acts prejudicial to
Australia's security'.

I know it is news to members opposite but terrorism is prejudicial to Australia's security
and where people have engaged terrorist activities, their citizenship should be stripped when
they are dual nationals.

**Pensions**

Mr RANDALL (Canning) (14:54): My question is to the Minister for Social Services Services. Will the minister inform the House of action the government is taking to ensure a
fairer and more sustainable pension system?

The SPEAKER: I call the Minister for Social Services and the member for Jagajaga will
desist.

Mr MORRISON (Cook—Minister for Social Services) (14:54): I thank the member for
Canning for his question because he believes in a fairer, more sustainable pension. That is
exactly what this government has introduced. Those in this place will no that the measures the
government has introduced into this place, and with the support of the Greens will pass the
other place, were based on extensive stakeholder consultation with groups like ACOSS,
COTA and others. In fact, the whole structure of the arrangement we put forward was based
on a model put forward by ACOSS, who also believe in a fairer and more sustainable pension.

Why it is fairer is that it increases the pension for the most vulnerable pensioners by $30
per fortnight—$30 per fortnight for 170,000 pensioners who are the most vulnerable
pensioners in the system. More than 90 per cent of pensioners will not be affected by these
changes or they will actually have an increase of their pension. Those who have assets of less
than around $290,000 in addition to the family home will get an increase in the pension.
Those who are couples who own their own home and have assets of less than $450,000 will
get an increase in their pension.

Those opposite are going to vote against a pension increase for the most vulnerable
pensioners in the pension system. Not only are they going to do that but also they are going to
vote to give the pension to and ensure that its days with those who have $1 million in assets
and the family home. In addition to that, they are going to vote against a change that will re-
introduce the taper rate introduced by the Keating government. You have to ask yourself:
what has become of the Labor Party and they turn their backs on the reforms of the Keating
government and they turn their backs on the most vulnerable pensioners in the pension
system?

If they are serious about the position they hold, they should do this. The member for
McMahon or the Leader of the Opposition should commit in this place to reverse the measure
which, with the support of the Greens, will pass the Senate. If they do not do that, we will
know one thing. We will know that they are not prepared to come up with the $4 billion worth
of safe savings that would be necessary to fund that reversal at the time of the next election.
We would know another thing. We would know that once again the Leader of the Opposition
has given a hollow commitment—from a hollow man, who hollowed out his own party with
the sorts of things it was built on. He has left a policy vacuum, which is being filled by the
Greens. The Greens have walked into a policy vacuum left open by this hollow man who sits opposite.

**Asylum Seekers**

**Mr MARLES** (Corio) (14:57): My question is to the Prime Minister. Yohanes Humiang, the captain of a asylum seeker boat, is reported in the media as saying, 'As captain I got $6,000, the five crew got $5,000 each.' When will the Prime Minister send a clear and unambiguous message to people smugglers that Australian vessels are not floating ATMs?

**Mr ABBOTT** (Warringah—Prime Minister) (14:58): The clear and unambiguous message from Australia to people smugglers is, 'Do not come; you will never get here,' because we will use whatever means are possible within the law to stop them, as we have. The message from members opposite to the people smugglers was, 'Come on over!' There are some complaints from members opposite that apparently some payments may have been made. I am not going to comment on any operational security matters. I never do and I never would.

I did read in one of the papers that when members opposite were in government, they sought and were given $21 million to pay to people smugglers and to other people in Indonesia; $21 million, it was said in the newspapers, were sought by the Rudd government to disrupt people smugglers' operations. It did not work. I heard the former Prime Minister saying very sanctimoniously last night, 'We never made any payments to people smugglers to secure turnbacks. They never did a turnback. They never did a single Turnbull. They promised to do turnbacks; they never did them.'

**Opposition members interjecting**—

**The SPEAKER:** There will be silence on my left.

**Mr Burke:** Madam Speaker, I rise on a point of order to point out that he is the one who did a Turnbull.

**The SPEAKER:** Do not try my patience. The Prime Minister has the call.

**Mr ABBOTT:** They always laugh when they are embarrassed. They do not know where they stand on turnbacks. They do not know where they stand on securing our country against terrorists. They do not know where they stand on fiscal responsibility. This is a Labor opposition that does not know where it stands on anything. It cannot be trusted with border security, it cannot be trusted with national security and it cannot be trusted with budget security either.

**Dr Chalmers interjecting**—

**The SPEAKER:** The member for Rankin seems eager to leave.

**Workplace Relations**

**Mr BROADBENT** (McMillan) (15:01): My question is to the Assistant Minister for Employment. Will the minister update the House on action the government is taking to ensure safe and fair workplaces for all Australians. What obstacles are there to this vital reform?

**Mr HARTSUYKER** (Cowper—Deputy Leader of the House and Assistant Minister for Employment) (15:01): I thank the honourable member for his question and I must say that we
on this side of the House are committed to fair and safe workplaces. A feature of a fair workplace is transparent representation. And that is why we introduced into the House legislation to establish the Registered Organisations Commission. This commission will improve the conduct of unions to the benefit of their members. In fact, people will be actually able to determine whether they are a member of a union or not.

I am asked are there any obstacles that the government faces? I can say as always there are lots of obstacles over there. Because every day we see more evidence of—

Mr Thistlethwaite interjecting—

The SPEAKER: The member for Kingsford Smith will desist or leave.

Mr HARTSUYKER: the fact that many unions care only about unions and not about their membership. The evidence is emerging that some unions do not like the idea of people joining a union of their own free will.

I was interested to see a press release back in 2005 entitled Netball stars join AWU. In 2005, the good Leader of the Opposition was national secretary of the AWU. I really put the question: how many of those netballers actually knew they were members of the union? I will quote the Leader of the Opposition. He said: The AWU's experience in representing other elite sportspeople such as horseracing jockeys will help us to better represent the interests of some of the most talented women in Australian sport. But I regret to advise the House there seems to be a bit of horsey business happening here because despite the fact that there were dozens and dozens of Victorian jockeys allegedly as members of the AWU—

Mr Bowen interjecting—

The SPEAKER: The member for McMahon has been warned and will desist.

Mr HARTSUYKER: the Australian Jockey Association knew nothing about it.

Ms Chesters interjecting—

The SPEAKER: The member for Bendigo is warned.

Mr HARTSUYKER: I will quote evidence to the royal commission which stated: In the time that I have been the Chief Executive Officer of the AJA, I am not aware of any jockey in Victoria or elsewhere in Australia becoming a member of the AWU. So what did the Leader of the Opposition do to help jockeys?

Mr Thistlethwaite interjecting—

The SPEAKER: The member for Kingsford Smith will leave under standing order 94(a).

Mr HARTSUYKER: Can the Leader of the Opposition tell us whether Black Caviar, Makybe Diva or Phar Lap are members of the AWU? And what assistance did the Leader of the Opposition provide to them if they were members of the union?

The member for Kingsford Smith then left the chamber.

Renewable Energy

Mr BUTLER (Port Adelaide) (15:04): My question is to the Prime Minister.

Opposition members interjecting—
The SPEAKER: Resume your seat. All I can say is I think those who stayed out late last night and only had Berocca should have taken something else as well.

Mr BUTLER (Port Adelaide) (15:05): I refer to the Prime Minister's statements last week about health impacts from wind turbines. Given the National Health and Medical Research Council has found no evidence of a human health impact, was the Prime Minister perhaps referring to claimed animal health impacts contained in Sydney University report including: dancing cattle, exploding bat lungs, chickens laying eggs without yolks and highly-strung sheep?

Honourable members interjecting—

The SPEAKER: There will be silence on both sides. The Prime Minister has the call.

Mr ABBOTT (Warringah—Prime Minister) (15:05): And they made that president. That is Bill Shorten's latest boss. It just shows how little control the Leader of the Opposition has over his own party.

Manufacturing

Mr WILLIAMS (Hindmarsh) (15:06): My question is to the Minister for Industry and Science. Will the minister update the House on the policies and programs the government has in place to assist traditional manufacturers as they transition to new sectors and look to export new competitive and high-value products?

Mr IAN MACFARLANE (Groom—Minister for Industry and Science) (15:06): I thank the member for Hindmarsh for his question and thank him also for the hard work he is doing in his electorate in the seat of Hindmarsh in Adelaide and the assistance he is providing at a personal level to encourage businesses to make the transition to the period after the car the industry ceases manufacturing vehicles in Adelaide.

We all know what a difficult period this is going to be. We all know the size of the challenge, but on this side of the House we are actually getting in there and doing something about it. Last week the member for Hindmarsh took me to a number of businesses in his electorate, all of whom are prepared to take on that challenge. Precision Components in Adelaide have a fantastic reputation in manufacturing components for the auto industry. They make bonnets and hoods, floor pans and all sorts of parts for Holden, Ford and Toyota. In fact they make parts for Holden cheaper than the country of origin, Korea, makes parts for the Cruze. They are a company that has made every post a winner, but they realise that they must change their business base if they are to survive after the car industry goes. Not only are they a great example of a successful business in Adelaide, but they are a great example of a business that is prepared to use science to transition that change.

And who are they using? They are using the CSIRO. That esteemed organisation has provided them with technology—along with the federal government, who has provided them with $1 million—to produce a heliostat that is going to be installed in Japan. Here we have a company using technology developed by the CSIRO to actually build renewable energy projects in Japan with technology that is better than anything the Japanese can produce. This is in fact the second time that this technology that was developed by CSIRO has been used overseas.
What this shows is that, if you are determined, if you are not a doomsayer like that side of the house, if you are prepared to take on the challenge, if you are prepared to put science at the centre of industry policy, you can overcome the challenges of what will be one of the biggest transitions in Australian manufacturing history. We are prepared to do it; we are prepared to work with science and industry. Industry is prepared to work with science, and the government has got behind this company with $1 million to make sure it happens.

Mr Abbott: I ask that further questions be placed on the Notice Paper.

COMMITTEES

Selection Committee

Report

The SPEAKER (15:10): I present the amended report of the Selection Committee: Report No. 28 relating to the consideration of committee and delegation reports and private members' business on Monday, 22 June 2015, as amended. Copies of the report have been placed on the table. I give the call to the member for Hunter.

QUESTIONS TO THE SPEAKER

Chamber Procedures

Mr FITZGIBBON (Hunter) (15:10): Madam Speaker, I have question of you. I am advised that just as the Federation Chamber was adjourning prior to question time, the Minister for Agriculture attempted to seek the call to, as I understand it, correct something he had said, possibly in the Federation Chamber, last night. I was wondering whether you would consider granting him leave to provide that explanation or correction in the chamber now. Unfortunately, because of your intervention, he has now left the chamber, but hopefully he will be advised of my intervention and might care to come back to the chamber and do what he sought to do in the Federation Chamber just prior to question time.

The SPEAKER (15:11): If there was something that had transpired in the Federation Chamber, it is perfectly in order for a member to deal with that matter in the Federation Chamber. I am not sure whether the Federation Chamber is sitting again at this time. It is perfectly in order for the minister to make a statement in the Federation Chamber but, should he seek leave in this chamber, that would be in order as well.

Mr Fitzgibbon: With your indulgence, Madam Speaker, I remind through you the minister of his obligation to correct the record at the first possible opportunity, and one would expect him to do so in this place this afternoon.

The SPEAKER: I am sure the minister is perfectly well aware of that. I really do not require a lecture from the member for Hunter.

STATEMENT BY THE SPEAKER

Chamber Procedures

The SPEAKER (15:12): Earlier in the week in the Federation Chamber, the member for Grayndler raised questions about the allocation of the call during consideration in detail of the main appropriation bill, Appropriation Bill (No. 1). There have been issues raised about this matter over some time, although as a general practice it has now evolved that a question and answer format is generally used, rather than a general debate. However, there are valid issues
to be raised about how best to deal with the consideration in detail of the appropriation bills. With this in mind, I have spoken to the Chair of the Standing Committee on Procedure and asked that that committee examine the way in which we deal with the consideration in detail of Appropriation Bill (No. 1) to see if we can work out a more satisfactory way that is consistent, because different deputy chairs can give the call in different ways. I think it is much better that we ask the procedure committee to have a look at it and report back to me, and then we can deal with it and discuss with the Leader of the House and with the Manager of Opposition Business what is the best way to proceed. The member for Grayndler?

Mr Albanese: With your indulgence, Madam Speaker—

The SPEAKER: Are you rising on a point of order, or what?

Mr Albanese: I am seeking indulgence.

The SPEAKER: I do not propose to debate what I have just said.

Mr Albanese: I am not debating it.

The SPEAKER: Then what are you doing?

Mr Albanese: I am just raising the issue, as I am the person who has raised it, in terms of what the problems and issues are.

The SPEAKER: There is no indulgence given. I am perfectly well aware of what problems are. I call the honourable the Minister for Agriculture.

STATEMENTS ON INDULGENCE

Agriculture

Mr Joyce (New England—Minister for Agriculture) (15:14): Yesterday in the Federation Chamber the member for Hunter was asking some questions about the government's concessional loans scheme in agriculture. I said that I would get back to him with what the allocations were. I now table that.

DOCUMENTS

Presentation

Mr Pyne (Sturt—Leader of the House and Minister for Education and Training) (15:15): Documents are tabled in accordance with the list circulated to honourable members earlier today. Details of the documents will be recorded in the Votes and Proceedings.

MATTERS OF PUBLIC IMPORTANCE

Budget

The SPEAKER (15:15): I have received a letter from the honourable the Leader of the Opposition proposing that a definite matter of public importance be submitted to the House for discussion, namely:

The Government hitting the household budgets of middle Australia

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 SHORTEN (Maribyrnong—Leader of the Opposition) (15:15): The Abbott government will never do the right thing by Australian families. They simply do not get it. Barely a month ago we saw the second Hockey-Abbott budget, containing all the old unfairness of the first budget—rebranded, rebadged, repackaged. It had a new paint job and a new slogan, but it could not hide the harm that this budget will do to millions of Australian families. This is one of those budgets which is best described as: the further away you are from it, the better it looks, and the closer you get to it, the uglier it looks.

John Howard had core promises and non-core promises, if we remember. The non-core promises were the ones, obviously, that he never wanted to keep. But Tony Abbott has now updated the core/non-core promise falsity with pre-election/post-election promises. Pre-election, it is all things to all people; post-election, it is, 'Will you leave me alone? I'm just too busy putting the boot into you.' Of course he has broken pre-election promises, but now he has started to break his post-election promises. It is a lazy second budget because it passes the heavy lifting of reforming the Australian economy onto the states. We see $50 billion in cuts to hospitals. Families get sick, families need hospitals. They are taking the money away from the states and they are basically discharging their own responsibility to stand up for Australian families.

This $50 billion cut from hospitals, which Labor will articulate to every hospital in the coming weeks and months, is matched by a $30 billion cut to schools. What happens with the school cuts is that they cut opportunities for families as well. But their broken promises that are hurting families are not just $50 billion from hospitals and $30 billion from schools. There are 8.4 million Australians who are having their superannuation increases frozen—not once, not twice but three times by this government. It is stomach-churning to listen to this government say they will never do anything adverse to superannuation. It is the epitome of the big lie to get a lecture from people who have never fought to increase superannuation, never tried to improve people's conditions. They have simply frozen superannuation at 9½ per cent. Every year this government is in power, every year they freeze superannuation, they are damaging the retirement incomes of millions of Australians.

Not only have they broken their promises with their lazy budget and passed all the pain onto the states, in hospitals and in schools, and not only have they frozen the superannuation of 8.4 million Australians, but what is the mechanism that these unscrupulous operators in the government have adopted? They are using the Greens political party to implement their wishes. They are working with the Greens political party. I do not necessarily give all the blame to the government. The Greens political party obviously were so pleased that they could have a meeting with Tony Abbott—or maybe they did not even get to meet with him; maybe they had Eric Abetz and George Brandis inflicted on them, although it does defy logic that they could convince anyone—they were rewarded by having the time in which people can write submissions to the taxation review extended by six weeks. They could not believe their luck. Someone was talking to the Greens and they were so grateful, they said, 'Where do we sign?'

We have seen their attack on family payments and the chaos of the hour before question time. That is an hour in the life of the nation we will never get back. Again this government steals time from Australians with their own inadequate plans. We have offered to work with the government on some of the savings propositions, but this government said 'no' to our
shadow minister, because the Pavlovian response of the Minister for Social Services—who is so busy polishing his credentials for leadership—he cannot even see someone smarter than him, or deal with it—

**Mr Nikolic:** Look behind you, Bill!

**Mr SHORTEN:** Talking about 'smart', I would not say anything, Member for Bass! I am sorry; please come back! They are precious over there, aren't they? So what happens today is that 'ScoMo' comes back with a plan which our person suggested to him the other day. But the real problem is not their chaos; it is their broken promises. It is what the Prime Minister still says. There is one thing I admire about this Prime Minister: he sticks to his line no matter what is happening. Actually, he doesn't, does he; I take that back. I was just thinking about paid parental leave then. He says, 'We the coalition government are not going to repair our budget this year at the expense of your family budget.' None other than T. Abbott, member for Warringah, leader of Her Majesty's government in Australia, said, 'We the coalition government are not going to repair our budget this year at the expense of your family budget.' That is a lie and it remains a grievous lie.

This coalition government are out there claiming the budget is good news for families. If they think this is good news, I would hate to see what they think bad news is. NATSEM analysis shows that nearly one in two Australian families will be worse off. That is 1.4 million working families. We put it on the record and we challenge the government to contradict it—although, this is a party who does not like windmills, so I do not know what evidence they will ever rely upon!

**Mr Nikolic interjecting—**

**Mr SHORTEN:** I'll tell you what NATSEM says, Sunshine: eight out 10 families with children, earning below $75,000 will lose out overall. Understand the verb I used there was 'earning'. This is a government who likes to blame everyone on a pension as some sort of welfare cheat.

*An honourable member interjecting—*

**Mr SHORTEN:** I would say they are the friends of the people who are earning. How can this be the case if eight out of 10 families earning less than $75,000 lose out overall? Before some of the people in the government start protesting about these facts, let me tell you the people that we are describing: carers, teachers, police, firefighters, paramedics, social workers. So Labor's message to Australian families is clear: Joe Hockey might think that you don't have good jobs—a good job being enough to buy a house in Sydney. Scott Morrison might choose to denigrate you. But what we can promise you is that Labor will not denigrate the people who are working hard. We value what you do and we think you deserve support for the extra costs of raising a child. Slashing family budgets for Australians already in work is not an incentive. It is not a plan for the future. It is punishment. It is a betrayal of people doing their best to raise children, build community, pay taxes and make ends meet.

I turn to some of the families who are so affected and the detailed matters. Families with newborns: what is happening is that 90,000 women are having reduced support through parental leave changes that this government is now advocating. This means 90,000 Australian women will lose up to $11½ thousand that they would otherwise get, because of this government's changes; 45,000 women will lose part of their paid parental leave; and 34,000...
women will lose the entire $11½ thousand. But it does not stop with families and newborns. There are families with toddlers. The government's childcare changes will push some families out of the childcare system altogether. Analysis by Goodstart Early Learning shows that as many as 100,000 children will be worse off. These are the numbers which Labor are concerned about. Families will be up to $4,600 a year worse off. Yet the government is willing to spend the equivalent of $22,000 a day on advertising before parents see any change in their childcare subsidy from this government. Then, of course, there are families with children at school. A family on a single income of $65,000 will be $6,000 a year worse off by 2018-19. A single mum with an income of $55,000 and two children will be $6,000 a year worse off by 2018-19. The family with two children and on a dual income of $60,000 will be nearly $4,000 a year worse off. What I promise the families of Australia is that you will not be the forgotten families of Australia under a Labor government. We will make families an issue. We will demonstrate to this government and we will carry the message every day between now and the election that the Australian people know an out-of-touch government when they see it. They don't like to be patronised. They don't like to be lied to. And they certainly don't like the attacks on families by this government.

Mr FRYDENBERG (Kooyong—Assistant Treasurer) (15:25): It has been a very bad week for this unpopular marginalised, fractured Labor Party—the party who, when they were in government, ripped $15 billion out of family tax benefits. The Leader of the Opposition was then the minister for employment when he took 60,000 single parents off the parenting payment. That is the record of the Labor Party when it comes to families. Our record in government is one of delivering more jobs, a higher standard of living, more infrastructure and getting the budget back under control.

We are very, very proud of this budget because this budget has delivered for families, it has delivered for small businesses and it has delivered for all Australians. Let us take the first key theme in this budget, which is around small business and jobs. What we have done by giving a tax cut to some two million small businesses, some 96 per cent of all businesses in Australia, is that we have set them off on a pathway to further growth and job creation. When we add that together with the tax cuts and also with what we have done with the instant asset write-off, we have seen business and consumer confidence substantially lift since the announcement of the budget.

The other point about our small business and jobs package, which was some $5.5 billion, is that we have focused on those young people who are neither in employment nor in education. We have partnered with important groups like the Brotherhood of St Laurence. We have put a $200 million package in play which will allow young people to work with an organisation such as the Brotherhood of St Laurence and help develop their skills so that they can get in front of an employer. If you look at youth unemployment it is over double what it is for unemployment in the rest of the nation. If you go to parts of Tasmania, you can have youth unemployment above 20 per cent. In parts of Queensland it is just below that. In parts of South Australia it can be above that. We want to target those younger people who are neither in education nor in employment and help them get a job.

We have come up with a work experience program where people on income support can get up to 25 hours a week for four weeks of work experience where the employer will be incentivised by the government. We have not forgotten those mature workers, those over the
age of 50 who may be out of work and on income support. The Restart program will provide a $1,000 bonus—and we have accelerated the payment of that amount—to an employer where the employer will get an incentive to employ someone who has been out of work and is over the age of 50. This Restart program is all designed to stimulate job creation. When you look at our record on jobs and small businesses and compare that to the record of those opposite, when more than 500,000 jobs were lost in small business under the Labor Party’s term in office, and they had a rotating ministerial line of small business ministers, some six ministers, and five in just 18 months.

Then you have also got our second key theme in this budget, which is about child care and families. What we have done is focus on the Productivity Commission’s report into child care, which said that the focus should be on middle and lower income earners—because they are the ones who are going to be most sensitive to the level of support that they get from the government for child care—in order to help them get back into the workforce. If we as a country can lift the number of women in the workforce to where Canada is at, which is some six points up from where we are today, we will see a $25 billion productivity dividend to the Australian economy. Some low- and middle-income families can get up to 85 per cent of their childcare costs met in terms of support from the government, and it is a sliding scale depending on their income. We believe some 240,000 Australian families will either enter the workforce for the first time or spend more time in the workforce due to the greater access they will get to childcare payments.

Then there is our nannies program, which is designed to help people who may not have traditional hours of work—nurses, police officers, people who work in emergency services and people who work in our fire brigades. They can access the nannies support program during the trial period and some 10,000 children will get ahead. We were able to finance universal access for four-year-olds in kindergarten. Labor never funded that project going forward. It is we who are helping Australian families through job creation in small business and our other employment schemes and through our big $3.5 billion childcare package.

Then there is the critical piece in this budget—getting the budget back into the black. If you can get the budget back into the black, you can spend less money on the interest payments on your debt and spend more money where it counts—on infrastructure, hospitals, schools and roads. Through the measures in this budget we have reduced government spending from some 3.5 per cent per annum, which we inherited—real spending growth—to some 1.5 per cent per annum going forward. We have been able to reduce the $48 billion budget deficit we inherited to some $35 billion this year, some $7 billion in three years time and hopefully a budget surplus over that. We believe we have got our budget forecasts in exactly the right position where they are consistent with where the Reserve Bank of Australia is also at. By virtue of those measures designed to get the budget back into the black we can start paying back Labor’s debt. Debt under us will be some $110 billion less over the next decade than it would otherwise have been under Labor. That is very significant.

We were also able to find money in this budget for the PBS. There is more than $1.2 billion extra for new drugs, including cancer drugs, on the PBS. We were able to find more than $1 billion of new money for our national security agencies and for our defence forces as we try to fight the scourge of terrorism. We have put great emphasis on developing northern Australia. We saw an announcement this week but in the budget there were some $5 billion
worth of concessional loans designed to build the infrastructure in our north so it can become
the food bowl of Asia, create jobs and capitalise on the wonderful three free trade agreements
that this government has been able to conclude, when the previous government was
unsuccessful.

Let us look at the record in this budget of small business and job creation, of helping
families through child care and of supporting the budget repair job. You can also add the
important measure that we have concluded an agreement with the Greens on—to get the
pension on a more sustainable footing. Some $2.4 billion worth of savings have been
achieved. The Labor Party have become irrelevant to the negotiations because they did not
want to touch the pension even though some 170,000 pensioners will be $30 a fortnight better
off. I wonder if the member for Sydney and the member for Jagajaga will tell the pensioners
in their electorates how they have said no to a $30 a fortnight increase in the pension. I
wonder if the member for Sydney, the member for Jagajaga and the member for Bendigo,
who is sitting quietly behind, will tell the people in their electorates of their shameful record
in government of job losses, of higher debt and the fact that Australia fell behind the rest of
the world. Will they tell the Australian people and the people in their electorates about their
plan to raid their hard-

This government is extremely proud of what it has been able to achieve in its time in
office. We have got the budget back on track and we have improved the livelihoods of
Australian families, but there is still so much more to do.

Ms PLIBERSEK (Sydney—Deputy Leader of the Opposition) (15:35): That was actually
one of the most delusional speeches I have heard in this place. This MPI debate is a great
opportunity to talk about how this government has undermined conditions for families. At
every stage of their lifecycle Australians have missed out. Literally from cradle to grave
Australians are missing out because of the two budgets this government has brought down.

Think about paid parental leave. First the Prime Minister said, 'Over my dead body,' and
then he came up with the most generous scheme that gives the highest amounts to people on
the highest incomes. Now he has gone back to a scheme that has a maximum, a cap, of
$18,000, rather than a minimum, as it was under Labor.

Let us look at the cuts to preschools and child care. Families are pitted against one another.
One family is told that for them to benefit the family next door has to miss out. Kids will miss
out because the most vulnerable kids will have their hours cut when it comes to child care.
Schools: a $30 billion cut from schools. Our plan for fairer funding for schools that lifted the
standard of all schools making every school in Australia a great school is gone. Thirty billion
dollars has been taken out of schools across Australia; millions taken out of every school
across Australia. The previous speaker spoke about jobs for young people. We have youth
unemployment at a 16-year high, and successful programs like Youth Connections, which
used to operate in all of the electorates of the members sitting opposite, keeping people in
employment or education, are gone. Gone! The previous speaker was boasting about these
terrific new programs—they are not new programs, and it is not new money. Jobs for young people are a real problem.

If you are lucky enough to be clever, work hard and go to university, what then? You will have a $100,000 university degree. One hundred thousand dollar university degrees are hitting at the same time as housing prices, which the Treasurer of Australia ignores warnings about and says are perfectly affordable—you just need a good job and a good income. Well, tough if you are a nurse, teacher, firefighter or have any of those 'good jobs' that do not pay the sort of money that you are required to have if you want to buy a house in the Sydney housing market. At the same time that all of these cuts are being made to families we actually have flat wages. So costs are going up, family tax benefit is being ripped away from families, the cost of visiting a doctor is going up, the cost of medicines are going up, wages are flat and there is higher unemployment. How does this government imagine that families can balance their family budgets in the face of cuts to support, higher costs, flat wages and with the threat of increasing unemployment floating above their heads?

All of this is happening at a time when the Assistant Treasurer is boasting about what a great job they are doing managing the budget. We have the highest rate of tax since the Howard government and a higher deficit—double the deficit in one year from $17.1 billion to $35.1 billion on their own figures and their time in government. They have nobody to blame but themselves for doubling the deficit. Debt has increased. They did a dirty deal with the Greens to do debt unlimited and they are using that to its full extent. At the same time as this poor economic management with higher tax, higher unemployment, higher debt and higher deficit we now have the final insult of telling hardworking part pensioners that they are welfare bludgers, that all of the years they have worked contributing to the tax system when they have done exactly what successive governments have asked them to do—that is, save hard, put some money into super and put a little bit of cash away for a rainy day, and now they are being attacked by this government. We saved full-rate pensioners from the cuts this government proposed, and now the government is going after part pensioners who are on as little as whole assets of $289,500. It means all of your super, it means your car, it means your caravan if you have one, it means your jewellery, it means all of your household effects, it means the paid-out value of life insurance policies—(Time expired)

Mr PORTER (Pearce—Parliamentary Secretary to the Prime Minister) (15:40): There was a very interesting moment in the recent UK general election that occurred on 30 April 2015. It was on a television program called Question Time, which I understand has a large viewership over there. Ed Miliband, the then leader of the Labor Party and seeking at that point to become Prime Minister, was asked a question by an audience member. The question was a very simple and straightforward question: do you accept that when Labor was in government it overspent? It was a very good, simple, crisp and straightforward question and it was a question that, to Mr Miliband’s credit, he answered in equally crisp, simple and clear terms. He simply said, 'No'. Many of the commentators during the UK election saw this as a completely pivotal moment in the election because what Mr Miliband was in effect doing was defending the completely indefensible. There was not a rational person who did not consider that when Labor was previously in government the UK had spent too much money. So he was either acting irrationally, which does not bode well for a potential prime minister, or he actually believed that Labor was somehow blameless in the debt and deficit situation that was
inherited in the UK. He dodged the question when it was re-asked a couple of times. At the end, the same fellow who put the question simply said to him, 'If I get to the end of the week and I cannot afford to buy a pint then I have overspent.' This was a completely pivotal moment. What I find absolutely fascinating about members opposite is that their rhetoric is around two major complaints: they simultaneously complain against almost every item of expenditure restraint that this government engages in—

Ms Macklin: That is not true.

Ms Collins: That is not true.

Mr PORTER: Yes, well, let me then put this to the floor—

Ms Collins: Even in the bill you gagged today.

Mr PORTER: The most significant piece of expenditure restraint in the last couple of days which has passed through the Senate is that in respect of pensions. Now I fully understand that you have no support whatsoever for that piece of expenditure restraint.

Ms Macklin: That is simply not true. What you are saying is—

Mr PORTER: That is very interesting. Well you simply did not support it in the Senate.

The DEPUTY SPEAKER (Hon. BC Scott): The member for Jagajaga!

Mr PORTER: Miraculously, it is one of those pieces of legislation that you support—

Ms Macklin interjecting—

The DEPUTY SPEAKER: The member for Jagajaga!

Mr PORTER: in theory but not when it comes to the vote in parliament. It is that sort of support.

Ms Macklin: You don't even listen.

Ms Collins: You actually do not know what happened.

The DEPUTY SPEAKER: The member for Franklin and the member for Jagajaga, if you want to remain in this place, you will remain quiet.

Mr PORTER: In fact, member for Jagajaga, in failing to support that piece of legislation what you are supporting is a situation where a home-owning couple who are at pension accessibility age can have a home of unlimited value and have liquid assets of $1.15 million and still collect a part pension. What you say by your votes in the other place is that somehow that is a fair outcome. So what you complained about is reasonable, fair expenditure restraint such as that which also allows for 170,000 pensioners to receive more money each fortnight. They are not the pensioners with large, valuable family homes or massive amounts of liquid assets. These are the things that you oppose

You oppose rational expenditure restraint and simultaneously complain that the return to surplus is not swift enough. That just does not make any sense. You are living in the 'somewhere' world, where the money will come from 'somewhere' completely unknown to you, in your grand wisdom, and certainly unknown to the public of Australia, because you have never told them. But, somehow or other, on that side of the House there is a miracle pot of money that will return the nation swiftly to surplus, without any difficult decisions around expenditure restraint. That is the pivot position that you have exhibited in the media, in the
House, in matters of public importance discussions like this. With matters of public importance like this, you are putting yourself in a position which is absolutely irrational.

We can go back to that central question that was asked of Mr Miliband: did you spend too much money when you were last in government?

Mr Champion: Did we avoid a recession?

Mr PORTER: Maybe we could just ask the first question and answer the first question.

The DEPUTY SPEAKER (Hon. BC Scott): The member for Wakefield has just returned from a detention!

Mr PORTER: In asking a second question, you are just dodging the question again. What I find completely fascinating is this notion that comes out publicly that you set yourself a target that expenditure growth would not exceed two per cent a year, when in fact it was 3.6. And it was only ever under 3.6 when you took out all the massive expenditure. So Labor meet their expenditure targets when they do not count their massive expenditure. (Time expired)

Ms MACKLIN (Jagajaga) (15:46): It is extraordinary, isn't it? We know the Liberals want to hit families and pensioners with very severe cuts to their cost of living. We also know that they will let off millionaires. They might have up to $10 million in their superannuation balances, but, no, they are not going to have their tax concessions cut, not under a Liberal government. We understand how important it is to be fiscally responsible, but we also know that you have to be socially just, that you have to make sure that those who are paying their contributions into the budget are those who can afford to do so: those who have these huge superannuation balances, who, under Labor will see those tax concessions reduced.

We know how important it is to make sure that multinational corporations pay their fair share, but we are not going to take that money out of the pockets of families. That is what this Liberal-National Party want to do. Remember before the last election the Prime Minister said, 'No change to pensions,' and 'Families will be better off'—both complete and utter fabrications. We know the truth of what is going to happen if your legislation gets through the parliament. A family on $65,000, a single-income family with two children at school—lots of them in Bass, lots of them in Hindmarsh—is going to be $6,000 a year worse off. The government are going to protect those at the top—those with $10 million in superannuation balances—but, for a family on $65,000 with two children at school, the member for Hindmarsh and the member for Bass have already voted to cut that family's income by $6,000 a year, each and every year. That is exactly what those opposite will do.

Just so we have got an idea about how many families are affected: the Prime Minister and each and every member of the Liberal and National parties want to kick around 570,000 families off family tax benefit B when their youngest child turns six. Which family thinks that children cost less once they turn six? How out of touch can the government possibly be? All those 570,000 families will be worse off.

Mr Nikolic interjecting—

Ms MACKLIN: The analysis that the Leader of the Opposition was talking about today shows that 1.4 million families in total will be worse off because of the government's cuts to family tax benefits and to child care. We hear the member for Bass over there making a lot of noise. We know there are a lot of struggling families in Bass, and he is going to have to face the wrath of all the families in Bass because he is going to take $6,000 out of the pockets of
single-income families where they are doing it hard already. I suppose you could not be surprised by this, from a Treasurer who says that poor people do not drive cars and, if housing were unaffordable, nobody would be buying it. That is the sort of Treasurer that this country has.

We have seen today that the government want to gag the debate on pensions. They do not want to face the wrath of pensioners. They want to get this debate out of the parliament as quickly as possible—gag everyone, make sure nobody is actually facing up to the anger that pensioners have. Three hundred and thirty thousand pensioners are going to have their pensions cut. Pensioners who are single are going to lose up to $8,000 each year. For pensioners who are in couples, it is $14,000 each year. That is what all of you are doing.

(Time expired)

Mr NIKOLIC (Bass—Government Whip) (15:51): What we see in this cynical matter of public importance from the Leader of the Opposition is a weird juxtaposition of what Labor says and what Labor does. It is about household budgets, he says, but how do you help Australian families by raiding their superannuation and by treating it as a piggy bank? You heard the sheer hypocrisy of the member for Sydney talking about putting a few dollars aside for your superannuation. How do you help people by using their superannuation as a piggy bank? How do you help them by bringing back the carbon tax? I just wonder where the logic of the Labor Party's position on that is.

The member for Jagajaga takes a mask and gun approach to public policy. She talks about helping Australian families; how did Labor do that by cutting $15 billion from family tax benefit when the Leader of the Opposition was the minister for employment? How did they do that by booting 60,000 single parents off parenting payment? The Leader of the Opposition quotes NATSEM modelling. He is very fond of NATSEM modelling, but he omits to say how much value he places on the value of a job, on the dignity of work and on moving people from welfare to work— all important things if you really are serious about addressing the pressures on Australian families.

The matter of public importance submitted by the Leader of the Opposition is cynical because it ignores a fundamental reality when it comes to household budgets for everyday Australians. We often talk about centres of gravity; well, there is an important centre of gravity that ensures that Australian families can address pressures in their household budgets. It is astonishing and disturbing to me to see members opposite engaged in this latest frenzy of complaint without acknowledging that essential centre of gravity. It is very simple: it is a job—it is about getting the unemployment rate down. In my home state of Tasmania, when those opposite left government it had an ’8’ in front of it. Now, it has a ’7’ in front of it. It is still too high—there is no doubt about that—but it is moving in the right direction.

Yesterday the Treasurer acknowledged an email from Rod Patterson of Autobarn in Launceston, who said that the policies of this government and the policies of the Hodgman government in Tasmania had collectively incentivised him to put on another employee. It just so happens that this employee is a 52-year-old man who is thrilled to bits to have a job with Autobarn in Launceston. Rod Patterson attributes that to the policies of this government.

I am astonished that the essential truth escapes the opposition leader: to get more local jobs in communities like mine requires a strong economy. It means getting government spending under control, it means eliminating waste, it means getting the best possible return on every
taxpayer dollar, it means incentivising innovation and investment—all the things that we did not see during 16 years of Labor and Labor-Greens government in Hobart, and six years of Labor and Labor-Greens government here in Canberra.

With the change of government in both Canberra and Hobart we are seeing some green shoots of recovery. There are strong increases in building approvals. Indeed, in the 12 months to April 2015, which is the latest data available, building approvals in Tasmania are 42.9 per cent higher than in the previous 12 months. Dwelling approvals are flowing into residential construction activity. The number of private dwellings under construction grew by 17.3 per cent since the 2013 election. Residential construction activity is up; the real value of total construction work in Tasmania in the last year is up by 14.5 per cent. Those green shoots of recovery do not come from a tax-and-spend approach and they do not come from the poisonous, dysfunctional culture that we see on the ABC program The Killing Season. Those green shoots of recovery come from the sensible policies of the Abbott and Hodgman governments. They spring from policies that are focused on building a strong and prosperous economy and a safe and secure Australia. They spring from the $203 million for the Tasmanian Freight Equalisation Scheme, the $60 million for new irrigation schemes, and the trifecta of free trade agreements that the trade minister has secured for our country allowing Tasmanian companies to grow and prosper—and they will continue to grow and prosper under the Abbott government and the Hodgman government in Tasmania.

Mr CHAMPION (Wakefield) (14:50): This MPI just proves the fact that this government has been dedicated, since coming to office, to smashing into working- and middle-class families, and their communities. We all remember their little booklet—you do not see this much anymore, you do not see it referred to much anymore, Our Plan—Real Solutions for all Australians. I always love The direction, values and policy priorities of the next coalition government. It bears no resemblance to what they have done in the 2014 or 2015 budgets. This flimsy pack of lies was their election platform, this flimsy pack of lies that they took to the people at the last election. The member for Hindmarsh, the member for Bass and other members took that flimsy pack of lies to their electorate and solemnly said, 'This is what we will do if we are elected,' and what did we get when they came to government? We got the 2014 budget, and what did the 2014 budget do?

Mr Frydenberg interjecting—

The DEPUTY SPEAKER: The member for Wakefield will resume his seat.

Mr Frydenberg interjecting—

The DEPUTY SPEAKER: Order! Parliamentary Secretary, that is not a point of order. That was grossly disorderly. As the Parliamentary Secretary you should know better than to just stand like that without the call. The member for Wakefield has the call.

Mr CHAMPION: Thank you Deputy Speaker. I am grateful for your protection and your good judgement in the chair. We can only hope that you get more of a go in the chair in the future. We all know what was in the 2014 budget—a miserable attack on pensions. That is what they would have done—ripped $23 billion out of pensions over the next 10 years. The only reason it has not happened is that the Labor Party stopped the government from implementing their 2014 budget. It is the same with the GP tax; they have now had to resort, as Brian Owler says, to a co-payment by stealth, pushing up the cost of GP trips by hacking
into the rebates that doctors get. What will that result in? An $8 per visit GP tax every time you go to a waiting room. What we have got is their 2014 attacks by stealth. What do we find in this budget? A $2.5 billion attack on part pensioners, with 90,000 people losing all of their pension. Never mind what plans they had for the future. Never mind that is how they structured their finances, given what the government said, given the commitments the government had made in this miserable pack of lies that was their election manifesto. We know that there are pensioners out there who are doing it tough, and we know that none of them believe your spin and lies.

What do we find with families? Six thousand dollars ripped out of some families' budgets—no consideration, no notice; just a brutal attack on families.

What do we find in my electorate? The member for Bass was talking about jobs. I can tell you what is happening to jobs in South Australia. We have one of the worst unemployment rates now of all of Australia. Do you know why? It is because this government turned its back on investment in Holdens. This government turned its back on investment in Holdens and put 10,000 people into unemployment. And the great tragedy of that is that the dollar was US$1.06 at the time. It is now at US77c, when we would have been exporting police cars to the United States. That is the brutal reality.

What have they done on superannuation? You hear them saying, 'Oh, we're going to get stuck into people's superannuation.' What was the first thing they did when they came to government? They got rid of the tax offsets for low-income workers. They put up taxation on superannuation for workers, while they are protecting millionaires—multimillionaires—super's tax concession in this budget. And that is really the parallel that they want.

This is a miserable government with a miserable record of spin and lies, twists and turns. But we will not let you get away with it. If you think that you are going to go down there to Hindmarsh with all of those hardworking Greek-Australians who have now retired and are about to lose their part-pensions, if you think you are going to get away with that at the next election, you have another think coming. People will see through your spin and lies.

Mr TONY SMITH (Casey) (16:01): I was about to say—

Mr Champion interjecting—

Mr TONY SMITH: It sounds like the member opposite has not finished his contribution.

Mr Champion interjecting—

The DEPUTY SPEAKER (Mr Whiteley): Order!

Mr TONY SMITH: I know the member opposite gets very excited. I was about to say to the member opposite that, in debating terms, it is always good to follow him, but then I realised that it is so rare that he is here after question time on a Thursday. But it is very interesting that the conduct of this debate has once again displayed the hypocrisy of those opposite. It is very interesting who is here and who is not, and I will tell you why. We have obviously seen this week what those opposite really think of each other, courtesy of the ABC.

Mr Champion interjecting—

Mr TONY SMITH: We have the member opposite with uncontrollable interjections. We cannot understand him over here when he speaks that fast. He needs a translator. Work that out with the member behind you.
It is very interesting who is here and who is not. We had the Assistant Treasurer here, but I just thought, as the Assistant Treasurer was speaking, that there was no-one from Labor's economic team. There was no shadow Treasurer. He might be busy.

Mr Champion: We had our leader!

Mr TONY SMITH: No, just listen and you will learn something. There was no shadow finance minister and no shadow assistant minister. Now, it takes a bit to keep the shadow Assistant Treasurer away; I will say that. It takes a bit, so there must be a reason. I will tell you what the reason is.

The reason was revealed by David Crowe earlier this week in a very prescient article under the headline 'Labor doubts grow over Shorten's strategy'. It addressed the very subject of this MPI. It addressed the very substance of the MPI. The first paragraph and a few other selected quotes are worth reading to the House.

Mr Perrett interjecting—

The DEPUTY SPEAKER: Order! Settle down. Settle down.

Mr TONY SMITH: I quote:

Bill Shorten has sparked doubts within the Labor caucus over his decision to vote against a $2.4 billion pension reform as Tony Abbott accuses him of looking after the wealthy rather than ordinary workers.

If you go further down the article, it is very interesting:

Labor caucus members said—

Ms Chesters interjecting—

Mr TONY SMITH: You will get a chance to talk in a second. I will give you an opportunity because I am a fair guy. I am well known for that in this place. It said:

Labor caucus members said the issue could easily turn against Mr Shorten …

Back earlier in the article it was quite interesting about the shadow finance minister, who is not here:

With the legislation now sure of Senate approval, opposition finance spokesman Tony Burke would not say whether a Labor government would restore the rules — the key test of Labor's objections to the changes.

Labor appears set to accept the changes at the next election rather than pledge to overturn them …

That is something that a very experienced journalist says.

They have gone quiet now. Can you answer the question? It is very interesting, on their matter of public interest. Can you answer the question: at the next election, will you pledge to overturn this legislation?

A government member: Simple!

Mr TONY SMITH: Sh! Sh! I will address it—

Mr Champion: The answer is: we're on about 55 per cent in your seat!

Mr TONY SMITH: Very interesting—no commitment from those opposite. There is no commitment from those opposite to overturn the changes. In other words, this is confected outrage.

The shadow Treasurer buckled on some tax legislation, just over the weekend. His reason for buckling on that tax legislation was, he said, the necessity to contribute to the fiscal task.
We have no doubt that the shadow Treasurer and the shadow finance minister do not support what these members on this MPI are doing. They do not support the Leader of the Opposition's strategy. And the previous speaker—well, no deficit was big enough for him! No deficit was big enough for him.

Mr Champion interjecting—

Mr TONY SMITH: As he continues his uncontrollable interjections, let me just, in the final 30 seconds, deal with some of the hypocrisy we have heard about their love for working families. Aren't we seeing the love for working families in some of the allegations before the royal commission? Aren't we? Do you endorse those agreements? Do you endorse those agreements?

Mr Champion interjecting—

Mr TONY SMITH: No, I am not coming to South Australia. Just answer the question: do you endorse—

The DEPUTY SPEAKER: Order!

Mr TONY SMITH: Very interesting.

The DEPUTY SPEAKER: I would ask the honourable member to direct his questions through the chair. And, while I am at it, I would also remind the member for Bendigo that she is on a warning. It might be a carryover one, but it is real.

Mr PERRETT (Moreton) (16:06): The matter of public importance before the chamber about the government hitting the household budgets of Middle Australia is a great opportunity to explore what is at the heart of the coalition government, because we have seen, with their last two demonstrations of what they think about the Australian people—budget 2014 and budget 2015—that they are hollow at their core. If we look at the curve of Australian history, a movement from colonies to Federation to cooperative federalism, we suddenly see that progression of history stop on 8 September 2013, and we move from cooperative federalism to this uncooperative Tonyism, where suddenly we see the middle class attacked, we see the poorest of Australia attacked and we see the tradition of looking after our pensioners attacked.

We saw for a year—

Mrs Sudmalis: Rubbish!

Mr PERRETT: I have an interjection of 'Rubbish!' from the member opposite. We remember last year's pension changes, where she voted to decrease the payment to pensioners. For a year she defended that, and then finally, when the political pressure go so much and the pensioners were lining up to tell the member for Bass, 'We're going to kick you to billyo,' and the members in these marginal seats lined up to say, 'You will be gone at the next election,' they suddenly changed. So we had a 2015 budget that was less cruel. That is the best you could say about it: less cruel. That is about the biggest praise I could put on it: '2015, coming at you less cruel than the year before.' But it is still on that bedrock of cruelty, with $50 billion cut from hospitals and $30 billion cut from schools, and freezing the super of 8.4 million workers and then cutting the pension for families.

And who is impacted most when you cut funds for education and schools? Middle-class families and the poor, because education is the opportunity to get a job. That is if you have an
industry, and I heard the member for Wakefield's brilliant exposition about the government forgetting the jobs in Adelaide.

_Mr Nikolic interjecting—_

**Mr PERRETT:** We had laughter from the member for Bass about 10,000 people losing their work. Go to the streets of Salisbury and tell them about how good it is to lose their job. We saw—

_Honourable members interjecting—_

**The DEPUTY SPEAKER (Mr Whiteley):** Order! Is there a point of order, Member for Bass?

_Mr Nikolic:_ Mr Deputy Speaker, I am being appallingly misrepresented. My comment was that the speech from the member for Wakefield was not brilliant.

**The DEPUTY SPEAKER:** I give the call back to the member for Moreton.

**Mr PERRETT:** We see where their intentions are with the fair and sustainable pensions bill. Remember, if you are watching politics, whenever you hear a piece of legislation called 'fair and sustainable', you know you are in trouble. George Orwell comes to town. That is the intention of Winston Smith reading 'doubleplusgood' into the atmosphere, because you know that with fair and sustainable pensions it is a problem.

Look at the speaking list on this piece of legislation—the list of coalition government members. They will be going out to Bass and saying, 'Guess what we're doing to you, pensioners!' They will be going out to Hindmarsh and saying, 'Hey, guess what I'm going to do to you, pensioners, part pensioners and 50-year-olds who have started to prepare for your retirement!' They will not be telling them that. I do not see a great list of speakers lining up to tell them that. Do not worry—we will be doing it. We will make sure we tell your constituents.

_Mr Nikolic interjecting—_

**Mr PERRETT:** I would not waste your time yelling in here, Member for Bass. You should enjoy the limited time you have left in this chamber. You have a chance to reinvent your character, because at the moment the Australian people see you as a very unsavoury member of the House—very unsavoury.

_Mr Nikolic interjecting—_

**The DEPUTY SPEAKER:** Order, both members!

**Mr PERRETT:** He stands up at every opportunity to intervene.

**The DEPUTY SPEAKER:** Order!

**Mr PERRETT:** Sorry, Deputy Speaker. I did not hear you.

**The DEPUTY SPEAKER:** I would ask all members to take their seats. Those sorts of comments are not acceptable when you are referring to a person's character, and I would ask you to stay on subject. It is your MPI, and I urge you to continue on where you should be.

**Mr PERRETT:** I withdraw.

**The DEPUTY SPEAKER:** Order! There is a point of order still from the member for Bass.
Mr Nikolic: Mr Deputy Speaker, I want that withdrawn.

The DEPUTY SPEAKER: The member for Bass has asked the member for Moreton to withdraw the comments, which were, I think, of a really delicate character.

Mr PERRETT: I withdrew, Deputy Speaker.

The DEPUTY SPEAKER: Thank you. We will move on with the debate. The member for Moreton can move on with the debate.

Mr PERRETT: I did say that he was one to object, and he objected to me withdrawing when I had already withdrawn.

The DEPUTY SPEAKER: I do not think anyone heard you.

Mr PERRETT: All right. So we return to this budget—this 2015 budget based on a platform of unfairness. The people of Australia will condemn them. (Time expired)

Mrs SUDMALIS (Gilmore) (16:11): I speak in this House and take the opportunity to commend on the short vision that was introduced as a matter of public importance today. The last budget brought forward great initiatives to help Australia prosper not just for now but also into the future of our nation. Over recent months I have learned that some members opposite have the same passion for Australians and their welfare as I do. However, to my deep disappointment, they are not in the majority, and political manipulation is the order of the day.

As recent events have unfolded in this House, I have been appalled that we are not working as one to protect and support the most vulnerable or to inspire people to get ahead. Instead, we on this side stand alone to work for the benefit of current and future Australians.

Small businesses in Australia represent a pretty hefty sector of middle Australia, the majority owned by families. In the run-up to the 2013 election, I saw the economic damage that the carbon tax, brought in by Labor, did to small businesses and families, pushing electricity bills through the roof, pushing the cost of refrigerant to levels quadruple the original cost before the carbon tax, and adding to running costs and grocery bills. But Labor knew they were going to affect everyday Australians—middle Australians—because they gave them a compensation payment. Yes, I said that: a compensation payment, because that policy was harmful to those very Australians they pretend to be supporting, as suggested by the matter of public importance today. I used to think that Labor identified with social justice issues—at least that is the impression they try to make.

Growing opportunities for business is the best way to benefit middle Australians—in fact, all Australians. Reducing the taxable part of the income of small businesses who are sole traders or family partnerships actually adds money into their consumer pockets. This helps families, entrepreneurs and our future. Straight after the budget, I had the opportunity to visit hundreds of local retailers. Many are planning to spend their $20,000 instant asset write-off in the next financial year, but overwhelmingly the business owners felt that financially the government was taking notice of their needs right now. Some businesses are purchasing from other businesses. It is having a great domino effect. It is putting money into the community and into the pockets of middle Australia. The jobs package into regions like mine in Gilmore has been warmly welcomed. It is already inspiring businesses to employ people. Young people have been given employment following Work for the Dole experiences. These people are from middle Australia. One of the members opposite makes critical remarks about our so-
called cuts and then says we have rebranded and re-funded programs like these. You cannot have it both ways. Either we got rid of them or we kept them.

Yesterday in the House, I was disappointed to hear a question relating to the changes in pensions, and they are going on about it today. The changes are a serious attempt to keep pensions viable as an income support and to improve them for those in the most difficult of circumstances. The new structure is based on the recommendations from the ACOSS organisation and other like advocacy bodies after significant consultation. More than 170,000 individuals stand to gain $30 a fortnight. These are the most vulnerable in our society. I am stunned, actually, that those opposite do not see this as being really important and a great way to help them. Frankly, I am appalled by the rhetoric. In fact—dare I say it—it is 'stomach turning', to quote the Leader of the Opposition. Those opposite continually quote cuts to education and health. We are not spending the dollars of la-la land from Labor because they simply do not exist. We are, however, increasing funding to both the portfolio areas, based on real dollars and not imaginary dollars.

I listen right now in horror as the opposition quotes figures from an analysis that assumed no-one gets a job and that employment does not increase. Seriously? Benefits are put in place to assist those who have no access to income at all to support them—as we should, morally—not support those who can support themselves. Somehow, we have forgotten that Australian families are the best in the world. They have resilience and resistance; they actually do not want to be supported by government. They actually want to stand on their own two feet so they can support others who are less well-off than they are.

They do, however, want to know that if their system falls over—if something happens to their family—that the government can actually support them. We have a logical and consistent government and all the members on this side are gaining a strong economy for our future. (Time expired)

The DEPUTY SPEAKER (Mr Hutchinson): The time allotted for this discussion has now expired. I thank members for their contributions. Mr Rudd—I understand you are seeking the call?

Mr Ruddock: That is 'Rudd-ock', the member for Berowra!

The DEPUTY SPEAKER: Sorry, yes! It is the afternoon. The member for Berowra! There has been too much television watching—

Mr Ruddock: I know that there have been other programs attracting people's attention—

The DEPUTY SPEAKER: Yes, I think we will move on from that very quickly!

COMMITTEES
Parliamentary Joint Committee on Human Rights
Report

Mr RUDDOCK (Berowra) (16:16): I present the committee's 23rd report of the 44th Parliament, entitled Human rights scrutiny report.

In accordance with standing order 39(e) the report was made a parliamentary paper.

Mr RUDDOCK: by leave—I am told that it is very necessary to continue to use the time and so I take this opportunity simply to say that the joint committee seems to be very busy when I report that this is the 23rd report of this parliament.
The report provides the joint committee's view on the compatibility with human rights of bills introduced into the parliament, and it does so in relation to those introduced from 11 May to 4 June 2015. But we also have the responsibility to examine legislative instruments, and the committee has had the opportunity to examine instruments received between 10 April and 14 May 2015. The committee also has legislation previously deferred which remains before it and this report also includes the committee's consideration of responses arising from some previous reports.

The report that I have just presented outlines the committee's examination of the compatibility of these bills and instruments with a number of our human rights obligations. I am sure that members know that these are identified international instruments—treaties to which we are a party which deal with human rights questions, such as the treaty on civil and political rights. The numbers do not include all treaties, but where it is felt that the parliament would benefit from advice this committee is asked to engage in a dialogue with ministers to ensure that, where possible, the intent of the human rights instruments that we are party to are the subject of consideration. The dialogue with ministers is to help the committee understand the intent of legislation, but it is also intended to be a two-way street, if I can put it that way. It is to ensure that ministers and officials identify and explore questions of human rights compatibility.

Sometimes this is not an easy task. Sometimes there are competing interests. I often cite the fact that we are asked at times to consider the place of the right to life. If you are dealing with terrorism issues you might also think that that is important, and you have to weigh that up against people's right to privacy. Now, I do not know what right to privacy terrorists have in relation to planning terrorist acts, but—

Mr Champion: None!

Mr RUDDOCK: Well, some would argue that this issue has to be examined, weighed and taken into account. This is what this committee is endeavouring to do for you and for other members, to ensure that we are better informed. We try to look at the jurisprudence—the way in which these matters have been looked at by courts, sometimes in jurisdictions well away from ourselves—and we find that there is no end of experts who want to assist us with suggestions as to how they think these human rights instruments should be applied.

Interestingly—

Dr Hendy: You need one minute.

Mr RUDDOCK: One minute left. Thank you for that, because I was trying to fill in all the time! Let me just go on, because I need to make sure that all the relevant points are raised.

Of the 44 bills considered in this report, 42 have been assessed as not raising human rights concerns. I must say that I think that is a suggestion that perhaps we are getting somewhere in having an understanding of these matters. Two raise matters requiring further correspondence, so we are writing to ministers and inviting them to address further the matters that we think might be relevant.

I should inform you more adequately by saying that the committee has deferred its consideration of three bills and a number of instruments, including some which had previously been deferred. The committee is dealing with some of these complex issues. When you have a meeting of minds there can be different views that have to be entertained and I
will speak about that in a moment. The committee has concluded its examination of seven bills and three legislative instruments. This report includes consideration of the response to the committee's initial inquiries in relation to the Fair Work Amendment (Bargaining Processes) Bill 2014. This is one area where—and this may not surprise members—among the committee there were different views expressed on the compatibility of this legislation with human rights.

Assessments of the compatibility of legislation by the committee involve an analytical framework first. We try to identify if a measure engages a human right—that is, whether in the broadest sense the measure may interact with such a right; secondly, we identify whether a measure limits any right that is engaged; and thirdly, we assess whether any limitation is justified in the law—that is, pursues a legitimate objective, is rationally connected to that objective and is proportionate. I think it is the proportionality issues that often pose very significant challenges to committee members and we have been working these matters through.

The committee has a particular approach to apply the above analytical framework in undertaking its examination of legislation and the committee is looking at whether that approach should be further addressed in its own consideration. It is important to recognise that these are areas to which committee members may come with legitimately different views on matters of compatibility and where our human rights obligations might take us. In that context, the discussions the committee is having are proving somewhat challenging because the committee is a cross-party committee with members not only from the government and the opposition but we also have an Independent member and a represent of the Greens. So a perspective can at times be brought to some of these issues which can, at times, be quite different.

The committee's consideration of the response to the aforementioned Fair Work Amendment (Bargaining Processes) Bill 2014 is one such example where legitimate differences of view are expressed by committee members on the question of the proportionality of the measures.

The ultimate purpose of the committee is to inform debates of the parliament on the merits of the legislation which we are asked to consider, and it is in that spirit that I invite members and others to examine the committee's report, as I am sure it may help them in their consideration of proposed legislation.

As I indicated during the course of this report, the way in which we deal with these issues is very demanding. We are given a relatively small amount of time and I would hope that the government might, in its programming of legislation, try to include time for more adequate and timely examination of human rights issues when legislation is coming before us. There are a number of delicate issues that are still before the committee, particularly in relation to migration legislation where sometimes these issues are very sensitive. I simply apologise to members if they are interested in this particular field that it is taking time to give the parliament a full and adequate briefing and to explore some of these areas of contestability. The committee is very conscientious about the approach it is taking. The meetings can be quite arduous and I complement my colleagues for the amount of time and the interest they take in preparing these reports because I am sure debates will be better informed by the work which has been done.
With these comments, I commend to the House the committee's 23rd report of the 44th parliament.

**BILLS**

**Customs Amendment (Australian Trusted Trader Programme) Bill 2015**

**Tax and Superannuation Laws Amendment (Medicare Levy and Medicare Levy Surcharge) Bill 2015**

**Superannuation Guarantee (Administration) Amendment Bill 2015**

**Private Health Insurance (National Joint Replacement Register Levy) Amendment Bill 2015**

**Crimes Legislation Amendment (Penalty Unit) Bill 2015**

**Personal Property Securities Amendment (Deregulatory Measures) Bill 2014**

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

**Social Services Legislation Amendment (Youth Employment and Other Measures) Bill 2015**

Second Reading

Debate resumed on the motion:

That this bill be now read a second time.

Mr CHAMPION (Wakefield) (16:28): Speaking in continuation—I have six or seven minutes remaining—as we have now only one minute left, I am sure those opposite will not mind me filling in the time by talking about how much I admire the member for Berowra and what a contribution he makes to the parliament. I noticed today that he had a photo up on Twitter of himself in a safari suit. I would recommend it to those members of the House who want to flash back to the 1970s or perhaps even further back to have a look at it. It is a very important contribution. Do you know the Twitterverse—to see a bit of history from the member for Berowra?

I look forward to seeing pictures of Madam Speaker from the era. I think they would be glowing.

Debate interrupted.

**ADJOURNMENT**

The SPEAKER (16:29): I propose the question:

That the House do now adjourn.

**Abbott Government**

**Blair Electorate: Health**

Mr NEUMANN (Blair) (16:29): Today marks 650 days since the election of the Abbott government on 7 September 2013. While we do not know the date of the next election, we do know this parliament has passed its halfway mark. What have we learned in those days? We have seen a government that promised not to break promises, break them again and again. We have learned the government claims to be a low-taxing government yet it has increased its tax
receipts over every year of the forward estimates. We have seen a government that promised to reduce the deficit, double it in one year. We have seen action on many of the crucial challenges and opportunities facing the nation deferred, undone or abandoned. Action on the challenge and opportunity of our ageing population has been deferred. Action on needs-based school funding has been undone. Action on climate change has been abandoned.

Today I want to reflect on how the Abbott government has made an impact in my electorate of Blair in South-East Queensland, how its cuts and broken promises have impacted on hospitals, homes and infrastructure in my community. I will begin with health.

Last year West Moreton-Oxley Medicare Local, or WMOML as it is colloquially called, an excellent Medicare Local that served my electorate, the electorate of Wright, and parts of Ryan and Oxley electorates, produced its 2014-15 comprehensive needs assessment report. This report, the CNA, is the most complete assessment of the health needs of the Ipswich and Somerset Region ever undertaken. The CNA reports we are a fast growing community. Our population is projected to increase by more than 90 per cent by 2031. It reports our relative social disadvantage and its link to our generally poor preventable health outcomes—it is a sobering read.

But what action has the Abbott government taken to address the challenges? Nothing but cuts and cuts. Ninety-two per cent of my electorate are bulk billed yet the government has chosen to inflict a GP tax by stealth on those people. Despite promising no cuts to health, the government in its 2014-15 budget cut $57 billion from Australia's public hospitals over the 10 years to 2024-25.

In Blair, these cuts hit the West Moreton Hospital and Health Service, which provides primary health services to the bulk of my electorate, most notably from Ipswich Hospital. By 2017-18, the government's cuts will see funding to the West Moreton Hospital and Health Service reduced by $6.79 million. However, between 2017-18 and 2024-25, the local health and hospital service will suffer a funding shortfall of $803 million. In that same period, the Metro North Hospital and Health Service that services the Kilcoy region to my north faces a $2.3 billion funding shortfall. That is 8,337 jobs for doctors, nurses and health practitioners removed from the Queensland health system by 2024-25, according to the Brisbane Times on 30 May this year. There will be fewer hospital beds, fewer doctors, fewer nurses and fewer allied health professionals. And this budget cut another $2 billion. There will be cuts to the child dental benefits schedules, cuts to child health assessments and cuts to veterans' dental funding.

Having said that it would not get rid of the Medicare Locals, they Abbott government got rid of all the Medicare Locals and WMOML did not get the funding for the new primary health network. Instead, it has been contracted out to Darling Downs Health, ignoring the needs of the local health services. With the proven track record that WMOML has, it is a disgrace that this government did not give the primary health network contract to WMOML. We will see families in my electorate, according to the University of Canberra, worse off by $406 per year from the 2014 budget. On top of that they will have to pay about $100,000 to go to the University of Southern Queensland. The Abbott government cut $2 billion from skills and training programs when the unemployment rate in Ipswich and Somerset is 7.7 per cent and 17.2 per cent for youth unemployment. Over 15,000 pensioners will be adversely affected by the legislation before the chamber and 5,120 part pensioners. This is a disgrace.
This is a government out of control, full of broken promises and those broken promises have absolutely adversely affected the people of Blair.

**Macarthur Electorate: Queen's Birthday Honours List**

Mr MATHESON (Macarthur) (16:34): I rise today to congratulate six residents from my electorate of Macarthur who have been honoured in the Queen's Birthday Honours List. In many ways, we are all beneficiaries of the Australian honours system because formally recognising meritorious service to the community reminds us and reaffirms how compassionate and considerate we are as a nation and as a people.

The recipients of these awards are more often than not ordinary people who achieve extraordinary things that touch and improve the lives of others. They come from all walks of life but they have all made a significant contribution to the community and today I would like to pay tribute to these exceptional people from Macarthur. Steve Wisbey, Faye Rae and Rodney O'Donnell were awarded the Order of Australia Medals.

Steve Wisbey, or Wis as he is well known, is a highly respected local radio announcer and MC who has been involved in charitable work for more than 20 years. Steve is director of the Daystar Foundation and has made a significant contribution to several local charitable events including the DA Global CF Swim Macarthur. Steve is also particularly dedicated to a South African organisation that supports children whose lives are affected by AIDS and HIV.

Fay is also a widely known and loved member of the Camden community and also received an Order of Australia Medal for her lifelong and untiring service to numerous Camden service clubs and volunteer groups. From 1975 to 2000 Fay volunteered for the Camden Hospital Auxiliary. Fay is a foundation and life member of the Camden Lioness Club as well as being a member of Mother's Union and Pink Ladies, which helps provide meals for the elderly at Carrington Centennial Care. And in 2014 Fay was named Camden Citizen of the Year, an award she is very proud of.

Rodney O'Donnell from St Helens Park received the prestigious Order of Australia Medal for his contribution to the Campbelltown Rainbow Club and St. John Ambulance. Since 2001 Rodney has been the president, secretary and treasurer of the Campbelltown Rainbow Club, which is a non-profit organisation which offers swimming lessons for roughly 45 children with a disability at Eagle Vale Central Aquatic and Fitness Centre—fantastic work. Rodney has also been a St John Ambulance volunteer for the last 25 years and was heavily involved in establishing a program to teach primary school children first aid and awareness.

Professor Annemarie Hennessy and my good friend, the former federal member for Macarthur, Pat Farmer, were awarded the Member of the Order of Australia. Pat has long supported various charitable organisations by fundraising through his ultramarathon running. Pat was the first person to run from the North Pole to the South Pole, a distance of 20,919 kilometres, to raise awareness and money for the Red Cross, a charity he has been ambassador for many years.

Professor Hennessy, Dean of the Faculty of Medicine at UWS at Campbelltown, was awarded the Member of the Order of Australia for her significant service to tertiary education and to medical research, particularly in the area of clinical hypertension and maternal health. As has been reported recently, Professor Hennessy's relationship with Campbelltown is set to
get even stronger, with the university seeking to build a $16 million medical school next to Campbelltown Hospital.

Finally, Dr Peter Gould of Kearns was awarded a Public Service Medal for his outstanding public service to education, particularly mathematics. Dr Gould started teaching mathematics to high school students in Western Sydney 40 years ago and climbed the ranks to become chief education officer in mathematics at the New South Wales Department of Education and Training, with state responsibility for supporting the teaching of mathematics.

I would like to congratulate these remarkable people who have been named in the Queen's Birthday Honours List. They are a testament to the great virtue and compassion that is part of the fabric of our community and makes each and every one of us proud to call Macarthur home. They are truly wonderful people who are cherished by the Macarthur community.

**Cunningham Electorate: Surf Life Saving Awards**

Ms BIRD (Cunningham) (16:39): I was able to attend a fabulous event in Parliament House this morning, in which I joined you, Madam Speaker, for a great opportunity to recognise the volunteer work of some of our surf life saving clubs. I might just share with the House that Madam Speaker was there with North Narrabeen Surf Life Saving Club, and the member for Wentworth was there with the club from his electorate, North Bondi. So each of the three of us had clubs who had won the Rescue of the Month award, and we were there to join them in celebrating and presenting those awards.

I should share with the house that the New South Wales branch of Surf Life Saving Australia have put out a media release. I would like to quote it:

Continuing on from the Blues' State of Origin victory last night, three New South Wales clubs were presented with national Rescue of the Month awards at Parliament House, Canberra, this morning. So it was, indeed, a blue evening and morning around this place.

I want to take the opportunity to put on the record on behalf of our community my great appreciation of Towradgi Surf Life Saving Club, who, with assistance from the Fairy Meadow Surf Life Saving Club, were awarded the Rescue of the Month for January. It was performed by a group of people who I want to acknowledge: Craig Zullian, Sonia Zullian, Don Allan and Richard Walsh from Towradgi, and Nathan McKnight and Konrad Robertson from Fairy Meadow. It was a harrowing rescue. We heard how on that occasion Craig Zullian took the boat out to rescue a surfer who had disappeared off the beach further south. It was dark; night was coming on; it was extraordinarily rough, with high seas that he had to navigate. It took a number of attempts to get through. By sheer good luck, really, combined with his determination, as he stopped and turned the engine off he saw what he thought was perhaps a shark or something in the water—some movement in the water. He looked over and it was actually the hand up from the young man who was in the water. He went over and grabbed him and said, 'Can you hold onto the boat?' He said, 'No, I can't' and basically passed out. So he was obviously only a very short time from not being able to sustain himself in the water. Craig reported that he pulled him up onto his back and said to him, 'How old are you, mate?' trying to keep him aware. He said, 'I'm 15.' Craig has daughters the same age, and he said, 'I was just determined to get him in to the beach.' And he did. It was an extraordinary effort by all who coordinated it and by Craig with his absolute Herculean effort on that occasion. My sincere congratulations to the whole team for winning that award, but
particularly to Craig, for whom it was an exhausting and very determined effort to achieve what he did.

It is also an opportunity to report to the House that I have a richness and abundance of excellent surf life saving clubs in my area, as many of us who have coastal seats do. I have enjoyed some recent award nights. I have been to the Bellambi Surf Life Saving Club awards night and presented the national metals to Pat Keefe, Les Nicholls and Darren Heath, a devotion of duty award to member Craig Kershaw and most outstanding patrol person of the year to Gina Crick. I want to tell the House that Craig Kershaw has started a swim and surf safety program with the local community there, in particular working with one of our refugee support groups in the area, because we, sadly, lost a young child when a refugee family lost their son on one of our beaches. Craig and the Bellambi club have started up a really good surf awareness program, which I particularly want to commend them for.

Only last weekend I was at Woonona Surf Life Saving Club presentation night, hosted by Captain Rachel Dixon, who has an outstanding team that she works with on the beaches there, and President Stacey Paddon. We celebrated the patrol member of the year, Ben Clarke, the fact that they had no lives lost on the beach—that has been a consistent record for that club—and also the fact that they had such a huge rollcall of members who had 100 per cent patrol attendance. If you are the captain, I am sure you are pleased with that, but it reflects their absolute determination. This comes on the back of September last year when Sandon Point Surf Life Saving Club in my area received the Rescue of the Month award at the national Parliamentary Friends of Surf Life Saving organisation. It is a tremendous volunteer effort across all our beaches.

**Bowel Cancer**

**Broadband**

Mr PITT (Hinkler) (16:44): Yesterday, on Red Apple Day, Nationals MPs Barnaby Joyce, David Gillespie and I joined forces with Bowel Cancer Australia to encourage people to screen themselves for bowel cancer. During an ad break in last month’s State of Origin game, the three of us got talking about men’s health and realised we were all long overdue for a check-up. It is an uncomfortable issue that we do not like to talk about, let alone get tested for.

Bowel cancer is the second biggest cancer killer of Australians, despite it being one of the very few preventable cancers. About 90 per cent of bowel cancer cases can be treated successfully if found early, but unfortunately fewer than 40 per cent are detected early. Most people think it only impacts men over the age of 50, but the fact is that bowel cancer affects men and women, young and old.

Medical guidelines recommend screening from age 50 every one to two years. At present, at the ages of 50, 55, 60, 65, 70 and 74, people can access screening via the Australian government’s free program. Everyone else needs to see their GP or pharmacist for a BowelScreen Australia test. The coalition government is investing an additional $95.9 million to ensure Australians aged 50 to 74 receive a free, at-home bowel cancer screening kit every two years by 2020. Those people who experience symptoms such as blood in the bowel movement, unexplained weight loss or abdominal pain need to see their doctor for a colonoscopy.
Bowel Cancer Australia CEO, Julien Wiggins, has welcomed the coalition government's listing of important bowel cancer treatments on the Pharmaceutical Benefits Scheme. Erbitux and Avastin are now available as first-line and second-line treatment options for patients with metastatic bowel cancer. The availability of these treatments, combined with greater access to screening, will help improve bowel cancer survival rates. I encourage everyone to support the important work of Bowel Cancer Australia during Bowel Cancer Awareness Month. Talk about the issue and get yourself tested.

While I am on the topic of health, I would like to highlight an example of medical innovation in my electorate. Best Practice Software was founded in Bundaberg in 2004 by Dr Frank Pyefinch. Dr Pyefinch was a local GP who was concerned there was no data retrieval program for GPs' desktops. Best Practice Software develops, markets and supports quality software products for Australasian medical practices. Best Practice has remained true to its founding principles of supporting doctors and evolving to meet the changing needs within Australasian health care.

Having experienced exponential growth over its lifetime, the company now has offices in Sydney, Brisbane and Hamilton in New Zealand. They employ 80 people, 56 of whom are based in their purpose-built head office in Bundaberg. Wherever possible, they like to provide opportunities and help develop the skills of young local people who have recently graduated from high school or Central Queensland University, depending on the role. Their headquarters, or 'nerve centre', was built in 2013 to provide the ideal environment for their highly skilled team to work on research, development and customer support. They are committed to regional Australia and positive about their potential for future expansion in the Bundaberg area. They are just one of the local companies I know of that will benefit significantly from the rollout of the National Broadband Network in my electorate.

I would like to take this opportunity to provide the House with an update of the NBN rollout. The build has commenced on the fibre-to-the-node in Ashfield, Avenell Heights, Bundaberg Central, Bundaberg East, Bundaberg North, Bundaberg South, Bundaberg West, Gooburrum, Kalkie, Kensington, Kepnock, Millbank, Norville, Rubyanna, Svensson Heights, Thabeban and Walkervale. That is 24,600 premises where the build is underway.

With regards to wireless NBN, nine towers have been activated. Residents and businesses in Apple Tree Creek, Burrum River, Childers, Cordalba, Doolbi, Howard West, Redridge North, Redridge West and Torbanlea North can now contact their telecommunications providers to get connected. These nine towers cover more than 2,300 premises. A further nine wireless NBN towers are under construction, either in or bordering on the Hinkler electorate. Five of them will go live in coming weeks. They are Alloway, Buxton West, Gooburrum, Sharon and South Bingera.

I recognise there are some suburbs in my electorate which are not included on the current roll-out plan. I continue to make representations to Minister Turnbull and NBN Co on behalf of residents in suburbs like Avoca, Burnett Heads and Urangan, where the service is particularly poor. In fact, I have a meeting scheduled with them tomorrow to request that these suburbs be considered a priority in future plans.

Labor had six years in office and delivered almost nothing for regional and rural Australia. They promised the world to residents in my electorate, but their handling of the NBN was a slow train wreck. The rollout is happening faster than ever since the Coalition Government
took office. Our changes to the NBN rollout will see upgrades delivered four years sooner than under Labor and will avoid internet retail bills increasing by up to 80 per cent. It will also save the federal budget $32 billion. I look forward to seeing families, farmers, businesses and health providers in my electorate benefit from super fast internet.

**Innovation**

**Telecommunications**

Mr HUSIC (Chifley) (16:49): We are living at a great time of economic liberalisation where the way we live and work is being transformed largely through the internet. It is seeing the way that we produce and distribute goods and services in our economy alter right before our eyes, and this is a good thing. It presents challenges. Obviously a lot of the jobs of today will not be present tomorrow, and we need to get ready for that, but it is providing opportunities particularly for our young who want to be able to change the way that we live.

I got to see some of this earlier this week in Sydney at a forum that was held by PwC on capital markets and innovation which looked at how we can support greater innovation in this country. There was a lot of energy in the room, a lot of terrific people across the private and public sectors, very focused on start-ups, digital disruption, improving the links between superannuation and venture capital to drive further innovation. It was a terrific effort and I want to commend, in particular, Jan McCahey and PwC for hosting that forum.

The forum was one of the reasons why I could not participate in a debate that was occurring in this place in relation to the government's proposed reforms on copyright which will propose site blocking. I consider that that bill reflects an ethos that tries to limit the liberalising force of the internet to the extent that it tries to skew benefit to producers, rights holders and certain entrenched interests at the expense of others. On the surface, it aims to tackle piracy; you cannot argue with that. But, in the wider context, it demonstrates an absence of commitment by this government to having a coherent approach to dealing with piracy. To paraphrase an expression, it is tough on piracy and not on the causes of piracy. For years, consumers of content have been forced to accept that content later than overseas consumers, at higher prices. It is a business model that helps to prop up profits of rights holders, and consumers have been cynically forced to accept a business model that simply fleeces them.

Technology has been able to apply a vice-like amount of pressure on this model, and we have all seen what established interests have done to respond. It has been a massive resistance against change. That has been best reflected in site blocking legislation debated in this place. I do not like it, I did not like it and I fought against it. I lost this round but I view it as a battle that is part of a broader campaign for change that will be championed by younger generations of MPs who will accept what the community does, which is what they want to see changed. I am not against the bill per se. I am against a lopsided attempt to deal with piracy—one that attempts to clamp down on piracy and not deal with a business model that is broken and that is in part being used by some improperly to download pirated material in a way that is inappropriate but does not deal with the way of getting that content to people by much more efficient means.

What this bill does is get government to help business to keep fleecing consumers or to support that type of ethos. You have not once heard a rights holder say that if they get major...
gains in reducing piracy this will flow through to better prices and better accessible content. I
dare them to actually say it. They will not do it. They will not respond to consumers. They
will spend their time lobbying for legal responses to market failure, and the legislation reflects
a government attitude and an attitude of extreme rights holder attitudes that will not respect
that consumers, when they are given choice with content, will pay for content and will pay for
better content.

If this government are pro consumer and pro liberalisation, why haven't they responded to
the Australian Law Reform Commission's report titled Copyright and the digital economy,
delivered a year ago—no response. Nearly two years ago, the House of Representatives
Standing Committee on Infrastructure and Communication delivered its report into IT pricing.
No government response. This week we moved amendments to the legislation to get the
government to act on these two matters. They voted against it. The concern is that the bill
itself will in time prohibit the use of VPNs and that this could block the use of VPNs for
consumers to get access to content. It has ignored calls to lock down those protections on
VPNs. It has added to ISP costs. Rights holders need to accept that a globalised market should
work just as much to benefit consumers as it does producers. We cannot remain insular
by imposing a quasi form of protectionism to prop up profits at the expense of consumers. This
should be fair for all, not for some.

South Australia: Budget

Mr WILLIAMS (Hindmarsh) (16:54): Today is budget day for South Australia. This
should be a day of great expectation and great hope for South Australians. Thankfully, the
state government has finally done something about the taxes in South Australia and taken
away the levy for the River Murray. But there are more taxes and levies that they need to
reduce, which have been far too high for far too long. Unfortunately, South Australia has been
let down by a series of state Labor treasurers. The current treasurer, Tom Koutsantonis, again
promises a surplus in the future, but as we have seen from Labor in federal parliament: who
would believe they could deliver surpluses? I doubt the budget being delivered shortly will
ensure the return of the state's AAA credit rating, which results in higher interest payments on
the sizeable state government debt. But I do know that it means the state government will be
unable to meet its promise to create 100,000 jobs by 2016. This is very disappointing.

South Australia has not had very much good news from the state government lately, and
the jobs figures released last week show that South Australia has the highest unemployment
rate in the country, and this is in spite of a fall in the unemployment rate nationally due to
many of the job creating policies of the coalition government. These policies are helping jobs
growth, helping families and helping the country. The good news is that we can turn around
the South Australian economy as well, in spite of the high business taxes we face from the
state government.

The other good news is that the coalition government will pick up the slack with our pro
jobs policies, which include the $20,000 instant asset write-off. There are some two million
Australian small businesses that are eligible to benefit from this initiative. The great news for
these two million small businesses is that this week the Senate has passed the legislation for
this initiative, which means that small businesses can go out and invest with confidence.
Given that 96 per cent of businesses have a turnover of less than $2 million, these businesses
will benefit from a 1.5 per cent tax cut from 1 July 2015. This is the lowest tax rate delivered
to small business since 1967. For South Australia, this is particularly important as we are a small business state.

However, we are not focused on only one area. The federal government has announced five Industry Growth Centres, which, when established, will help drive growth around Australia where we have competitive advantages. They include advanced manufacturing; food and agribusiness; medical technologies and pharmaceuticals; mining equipment, technology and services; and oil, gas and energy resources. Close to $200 million has been provided to these sectors to lift competitiveness and productivity by focusing on areas of competitive strength. Each of these sectors has specific goals. For example, the Advanced Manufacturing Growth Centre will support collaboration between Australian manufacturers and research organisations, and help SMEs to diversify into new high-value products and services.

Over the last year I have visited Thermo Fisher in the Burbridge business park and Scantech in my electorate. Both manufacture advanced equipment, which is used by many of the world's largest resource companies. The Food and Agribusiness Growth Centre will help us to work together in the sectors where we have already got a stronghold. With the Northern Australia Plan, launched today—a great initiative—companies like Philmac and Clarke Energy, who undertake a significant amount of business in Northern Australia, will be particularly excited about the opportunities going forward. Philmac recently received a government grant of $2.4 million to help the future of their company. Also as part of the good news stories for companies, Gaganis Bros, a great South Australian family business, announced 50 new jobs this week. The Medical Technologies and Pharmaceuticals Growth Centre will develop and implement a roadmap to ensure that we successfully commercialise research into profitable products and services. We have the medical health research fund. SAMHRI, the South Australian Health and Medical Research Institute, employs thousands of people and is doing some important and serious research.

In terms of mining equipment, technology and services, I visited Robin James Engineering, a great South Australian company. I thank Dean Cook and several of his staff for the good that they are doing and the ambitious growth plans they have. There are several ways in which a government can help an economy, including by encouraging innovation like the growth centres but also by encouraging entrepreneurs—entrepreneurs like Tammy May from MyBudget and Anthony Kittel from Redarc—to have skin in the game. That is why the employee share ownership scheme is such a great initiative.

Yesterday, we had the signing of the China-Australia Free Trade Agreement—the third major trade agreement signed with one of our biggest trading partners. Importantly, the trade agreement will create jobs. There are 178,000 more jobs expected to be created and $17 billion worth of goods. By 2035, Australian households will be an extra $4,500 better off. We are a small market, but we have to take advantage of these international opportunities from free trade agreements. Take education. We had Minister Pyne today talk about the growth in student numbers. In South Australia, there are 8,000 full-time equivalent jobs in education. There are great opportunities and a great future for our state and our country.

House adjourned at 17:00

NOTICES

The following notices were given:
Mr McCormack: 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: Multi-User Barge Ramp Facility—East Arm Darwin, Northern Territory.

Mr McCormack: 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: Residential accommodation and staff amenities at the Australian Embassy, Kabul, Afghanistan.

Mr McCormack: 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: The Cox Peninsula Remediation Project.

Mr McCormack: 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: OneSKY Perth Air Traffic Services Centre—Modernisation Works.

Mr McCormack: 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: Campbell Barracks Redevelopment Project, Swanbourne, Western Australia.
CONSTITUENCY STATEMENTS

Renewable Energy

Ms PARKE (Fremantle) (09:29): Today I am speaking on behalf of a special constituent, a whirling white giant, whose tireless work provides more than a third of all the electricity needed at Rottnest Island, one of WA’s principal tourism and holiday destinations. Of course it does so without generating carbon emissions, or pollution, or diesel particulates, or contamination of the water supply.

I am taking this opportunity to speak in defence of the Rottnest Island wind turbine, which has been verbally by the Prime Minister as ugly and noisy and slandered by the Prime Minister in making his claim that wind turbines cause negative health impacts—a claim for which there is no plausible evidence. Ugly and noisy—I guess that is a matter of personal judgement but I cannot imagine there would be many people who would join the PM in making that judgement about wind turbines as compared to say coal fired power stations, diesel generators, or massive and unnecessary new roads like Roe 8 and the Perth Freight Link.

Unfortunately, the Prime Minister's pride in the fact that the recent diminution of the renewable energy target has, in his own words, stopped 'an explosion of these things right around our country' goes to the heart of his government's dangerous irrationality when it comes to climate change and renewable energy. It is interesting to note that in the past five years alone the Liberal Party has backed 10 separate inquiries into wind power, including a current Senate investigation, while showing little interest in the health and environmental costs of coal fired power stations, exporting uranium or gas fracking. There is no doubt that the A-class reserve of Rottnest Island would be a much dirtier, noisier and unhealthier place if the diesel generators that preceded the current wind turbine were returned as the primary power source once again.

Since its installation in 2004, the Rottnest Island wind turbine has generated almost 40 per cent of the island's power. Each year this stops around 430,000 litres of diesel fuel from being transported and burned on the island and it reduces the emission of greenhouse gases by approximately 1,100 tonnes. It also powers the island's desalination plant providing fresh water that is essential to the island's self-sufficiency. There are 500,000 visitors to Rottnest Island each year, and it is my understanding that the wind turbine has not generated a single complaint.

In *The West Australian* on Monday, self-declared Liberal voter Gail Jenkins said, 'On this topic Abbott speaks irrational rubbish.' Indeed, Ms Jenkins said she would like to see a second turbine next to the first. And Peter Martin of *The Age* wrote last week in relation to numerous findings by the National Health and Medical Research Council that:

… there was "no consistent evidence that wind farms cause adverse health effects".

… … …

Never mind that there are other forms of power generation that actually do damage health about which we do nothing.
We can forgive the addled but well-meaning and noble Don Quixote for tilting at windmills, but the Prime Minister should know better. The Rottnest Island wind turbine is a beautiful thing, and we need more of them.

**Hinkler Electorate: Toogoom and District RSL Club**

Mr PITT (Hinkler) (09:32): On Saturday last week, I attended the official opening of the Toogoom and District RSL Sub Branch. I was joined by state president of the Queensland RSL Terry Meehan, the Wide Bay and Burnett subbranch district president Bill Taylor, as well as Toogoom's own subbranch president Ken Higgins—a well-known donkey whisperer: a gentleman that actually takes a donkey and World War I regalia around to schools and explains to the children the role they used to play. I was also joined by the Fraser Coast Mayor Gerard O'Connell and councillors Rolf Light and Robert Garland.

It is absolutely impressive when you think the organisation started with a small group of passionate locals erecting a stone monument for military and emergency service personnel. They established a veteran's corner at the Toogoom community hall. From those humble beginnings, the Toogoom and District RSL Sub Branch was born. While many of the smaller grassroots RSL sub branches are struggling to remain viable, Toogoom is going from strength to strength. It is a tribute to the men and women of this tight-knit community.

I could talk about what the Returned Services League does for veterans and their families or what it means to be part of such a family, but it is something that most Australian's already recognise. It is why the Toogoom volunteers poured so much of their time and effort into making this happen.

I visited the site in December last year. Construction was well underway with plenty of work left to do, but the building clearly had a lot of potential. It has come so very far. I would like to congratulate everyone involved including Lieutenant Colonel Amanda Johnston and her team of engineers for bringing the building up to such a high standard.

My office has helped secure about half-a-dozen of these disused army sheds for Hinkler community groups. Previously stored at the Wallangarra army base in south-east Queensland where they sat gathering dust, would you believe, many of the sheds were used as food halls during the Vietnam War. I think it is vitally important that assets, which are no longer of use to Defence, can continue to serve the Australian community in another capacity. To that end, Ken Higgins has made a very public request for an Iroquois helicopter and an armed personnel carrier, or APC, from the Vietnam War era—things that they can display in the RSL grounds as part of the council's new military heritage trail for tourists. I explained to the crowd that I did have a flag for them to display but I could not quite fit a helicopter or an APC in my back pocket on that particular visit. However, the Toogoom RSL do have a retired helicopter fitter in their ranks, who assembled these aircraft during the Vietnam War, so they are happy to take one in any condition. There were suggestions by the local veterans of a few locations where these pieces of equipment may well be found.

My electorate has a larger than average veteran community, and it was great to see many of them at Saturday's event. I believe it is their strong commitment to service that keeps our local community strong. Their efforts during wartime and at home since their retirement are inspiring. I pay tribute to our veterans and the work that they have done for the Toogoom RSL sub-branch, and I wish all their new recruits all the best.
Holt Electorate: Afghan community

Mr Byrne (Holt) (09:35): Last Friday night I was honoured to attend a local Afghan community meeting at the John Pandazopoulos Hall in Doveton, which was organised by the Afghan Islamic Centre and Omar Farooq Mosque. I thank and commend the mosque committee, as the principal organiser of this. I thank Assistant Commissioner Luke Cornelius and Superintendent Russell Barrett of Victoria Police and Mr Wayne Miller from the Community Resilience Unit of the Department of Premier and Cabinet for taking their time to attend this important meeting. This meeting followed on from two other meetings that have been quite pivotal in our efforts to counter radical extremism in our area. One was a luncheon that I hosted with the American ambassador, Ambassador Berry, on 3 February 2015. The other was a meeting held at the Casey city council on 30 April that was attended by our Muslim community leaders, representatives from the Attorney-General's office, representatives from the Australian Federal Police and representatives from Victoria Police. In these two gatherings leading to this third gathering, we came together to talk about how we can deal with the threat of Islamic State propaganda and Islamic State radicalisation of young people at risk in our community.

That ties into the meeting on Friday night, which was attended by over 200 people, many of them community members, some of whom had been affected by the recent police raids in my area. I am very heartened by the attitude of the Afghan community, who have been wonderful contributors to our community for some period of time, in their resilience and their resolve to deal with this menace. They wish to work with the government, with security agencies, with us and with me as a partner to ensure that we can deal with this menace—because this menace, particularly in the south-eastern suburbs of Melbourne, is a massive challenge to us. We have seen the incident on 23 September last year and the recent Anzac Day arrests. We have a community that has been profoundly affected by this radicalisation. I want to emphasise to this chamber and to any media listening that the community wants to be part of the solution; it is not the problem. So we are working collaboratively with the federal government, with the Countering Violent Extremism section of the Attorney-General's Department, to try to find and fund programs that will work to stop the pipeline of radicalisation. In particular I also want to put on the record my resolve to remove, by legislation or otherwise, radical imams who preach a message of hate in our country. They have no place in this country. They are not supported by their community. We must deal with them and we must remove them from our shores.

Macquarie Electorate: Tom Quilty Gold Cup

Mrs Markus (Macquarie) (09:38): The 50th anniversary of the Tom Quilty Gold Cup endurance ride was held in the Hawkesbury region earlier this month, near Wisemans Ferry. I was delighted to attend the presentation of the gold cup at Del Rio resort in Wisemans Ferry on Sunday 7 June. The presentation concluded the annual ride, which attracted almost 350 competitors, and their horses, from across this great country and internationally. In a test of athletic ability, commitment and trust between horse and rider, competitors were required to navigate and complete a set course of 160 kilometres in 24 hours. For most, just completing the course was considered a win. The ride commenced at midnight on Friday 5 June and wound through national park trails, rural roads and private properties. The winner, Ben
Hudson from Mudgee in central New South Wales on his chestnut stallion Cap Braveheart, crossed the finish line after riding for 10 hours, 16 minutes and 34 seconds.

The first gold cup event was held in the Hawkesbury in 1966 and signified the beginning of endurance riding in Australia. The ride was the idea of the late respected Australian bushman RM Williams. Inspired by the idea of a long-distance competitive horse ride, Williams wrote to his friend Tom Quilty, a great horseman who lived in the Kimberley area of Western Australia. In the letter he asked for Quilty's support for beginning a 100-mile ride. Quilty agreed and donated $1,000. This was used to make a gold cup, the prize for the winner of the event, which was presented at the award presentation on the Sunday. The ride was also named after him. The Hawkesbury region was chosen to host the first ride 50 years ago due to its central location. The ride was held there for about 20 years before rotating across other states.

I particularly acknowledge all the volunteers and the team for their generosity and commitment to ensuring that such a prestigious event celebrated its 50th milestone in the region where it first began. Of special mention are Ron and Val Males of Wheeny Creek, who have been involved since the beginning. Mr Males, who has competed in the event 22 times, was inducted into the Tom Quilty Hall of Fame at this year's event. Events such as these which attract international attention provide a fantastic boost for tourism in our beautiful region in the electorate of Macquarie.

**Arts Funding**

Ms MacTIERNAN (Perth) (09:41): There is grave concern in the arts community in Western Australia about the changes to the arts budget. It is pretty symptomatic of what we are seeing happening in the arts area across the board with this government. We have more and more resources being allocated to an elite and less and less resources and focus being spread around the community. There is grave concern that the $104 million which has been stripped from the Australia Council for the Arts funding is going to have a huge impact. The Australia Council has been very successful in putting in place a program which ensures that small organisations receive funding, and from that we see a groundswell of creativity. The minister's idea that he is going to pull this money out of the Australia Council and he himself, through his department, make the allocations to promote excellence in the arts is, in our view, a pretty thin veneer for wanting to concentrate funding for those organisations that are seen to be culturally elite. But in fact the real dynamism in the arts world so often comes from the smaller areas.

The Barking Gecko theatre, the Yirra Yaakin Aboriginal theatre group, the Blue Room Theatre, Strut Dance and PICA are just a few examples of the organisations that provide major contributions to individual artists and small programs that go on to partner with the international arts festivals, WA Ballet and the Sydney Theatre Company. It is these organisations that are providing that groundswell. Funding for these organisations, we are told by WA arts groups, is now under threat. We also see that Aboriginal organisations that have been taking arts into schools. Places like Narrogin and Kellerberrin have seen massive improvement in school retention and students' engagement with school. These sorts of programs, these community based arts programs are now under very real threat because of this decision. *(Time expired)*
Australia Post

Mr WILLIAMS (Hindmarsh) (09:45): For over 200 years Australia Post has been trusted by Australians to provide postal service stamps and parcels. Every day, your local postie provides a great national service. However, with the evolution of online transactions and the communications digital revolution, combined with the major decline in letter volumes and the rise in parcel deliveries, the local post office is having to evolve and adapt to remain viable. No longer is the post office just a place to buy a stamp or send a letter. It is much more. It is a community hub providing other goods and services.

Australian Post has itself become one of the biggest logistics businesses in the country thanks to the increase in parcel deliveries and the digital revolution. The digital revolution has caused this to become such a complex issue. However, in my opinion the argument is simple: the local post office is a vital part of the community and as leaders we must do what we can to ensure the local post office is able to continue to provide a service to the community.

Over the last year, I have met and talked to a number of Licensed Post Offices in my electorate about the challenges they face, including with Australia Post. My South Australian Liberal colleague, Senator Anne Ruston, who keeps an eye on all things in South Australian, has also been engaging with the local post offices. Last week, I sat down with Senator Ruston and post office licensees from across my electorate, including a director of the LPO group, Paul Desteno, and LPO operators such as Steven Jones and Rob Tregoweth, among others, to discuss this matter. It was pleasing to have an open discussion about the number of issues franchisees and managers are seeing and to hear their thoughts on a number of changes that will be implemented as a result of recommendations made by the Senate committee inquiry, chaired by Senator Ruston, which was established to assess postal network performance and what Australia Post could do better to support the local post offices.

The inquiry found many issues were contributing to difficulties in the relationship between Australia Post and the network, including the local post offices. It is pleasing to hear, in line with recommendations of the Senate inquiry, licenced post offices and community postal agencies will receive a $51.4 million boost in payments from Australia Post. Australia Post will also establish a new post office support plan, which will increase the minimum annual payment to almost 1,000 smaller post offices in regional, rural and remote communities and increase the street carded parcel rate, benefitting more than 1,800 LPOs.

In addition, to counteract the decline in letter volumes and the increase in parcel volumes, Australia Post will move to increase the parcel handling payments from 60c to $1.60, which will greatly assist in improving the sustainability of the LPOs.

I acknowledge that there are many challenges ahead and there are still outstanding issues for LPOs, but some progress has been made. I know the LPO managers work hard and are committed to the success of their business. I congratulate all stakeholders on this outcome and thank the representatives from the local post offices in Hindmarsh for attending my recent forum.

Human Rights

Mr GRIFFIN (Bruce) (09:48): I rise today to highlight a tour that is currently underway by Lorena Pizarro, a human rights activist from Chile. Ms Pizarro is President of the Association of Relatives of the Detained and Disappeared in Chile. She is the daughter of
Waldo Pizarro Molina, detained and disappeared since 15 December 1976. His daughter-in-law Jane Bernarto Abdinano has been detained and disappeared since 5 May 1976.

The Association of Relatives of the Detained and Disappeared in Chile began as a group of women who came together in the 1970s. These women would go to the places where they thought that their loved ones had been detained at the time of the military dictatorship that began in 1973. They would go to places such as the national soccer stadium, where thousands of political prisoners were held, as well as hospitals in order to obtain any information they could about their family members. During those early years, they began to go together to these places to feel safer, because during the dictatorship anyone could be arrested and subsequently disappeared.

One of the main reasons for the formation of this group was to find the whereabouts of loved ones. Today its members seek to find justice for all human rights violations that took place at that time. They also campaign for those who are responsible for committing these crimes to pay for what they have done by being imprisoned. Once the dictatorship had ended in 1990, the association continued its work to seek justice for those who have disappeared. The association is an important voice for those families who have had a family member disappeared and also an important voice in righting the wrongs of the past in Chile.

In particular, one of the issues which are being highlighted by Lorena Pizarro on her visit is the campaign to extradite Adriana Rivas. Adriana Rivas is a Chilean national who has been living in Australia and who is facing charges in Chile with respect to torture. In March last year the ABC's *Foreign Correspondent* program revealed that Ms Rivas was living in Sydney's eastern suburbs and working as a nanny. She had been in Australia 1978 and was arrested while on a trip to back to Chile in 2006. This is a unique case in that extradition is sought after criminal proceedings were fully underway. Ms Rivas fled Chile in 2010 while on bail, awaiting trial. She is a fugitive from justice. It is alleged in the criminal proceedings in Chile that Ms Rivas was involved in the interrogation and immensely cruel torture of at least 12 victims of the Pinochet regime by its secret police. There is no doubt that these matters need to be brought to the attention of the government and there is no doubt that the request with respect to an extradition, which I understand is in place and has been in place for well over 12 months, needs to be acted upon. The fact is, particularly in a situation where Ms Rivas was actually midway through criminal proceedings in Chile when she absconded, there is no doubt that she should be returned. I call upon the government to consider this as a matter of urgency and to ensure that Adriana Rivas is returned to Chile in order to face a court and a jury of her peers.

**Cowan Electorate: Broadband**

Mr SIMPKINS (Cowan) (09:51): This is the 500th speech I have made since the people of Cowan first elected me to represent them in federal parliament in November 2007. My three predecessors in Cowan between them made 467 speeches between 1985 and 2007. But today I chose to mark this occasion by again raising an issue that affects many in my electorate, the issue of Internet connectivity. Being a father of two daughters, I understand the place internet has in a modern family home in Australia and how it has become such a necessity for each household and individual. Although a majority of my electorate registers above or around the national average for internet connectivity, there remain a number of areas in which connectivity is poor. In Cowan no two areas are the same in terms of telecommunications.
issues. In well-established suburbs such as Greenwood and parts of Kingsley, a number of residents live too far from the Hamersley exchange and as a result are limited to broadband wi-fi connectivity, which is expensive and can drop out on occasion. Meanwhile, the Wanneroo area is one of the fastest growing regions in Australia and often lacks the infrastructure required to keep up with the growing demand for port availability in the area. In the eastern and southern suburbs of my electorate, this is a factor for a number of individual cases which affect individual connectivity.

Regardless of the causes which prompt residents to contact me and my office, action has been and will continue to be taken so that our local community gets the best results possible. To date I have met with the Minister for Communications and his office on several occasions, and the Prime Minister's office as well, to highlight the issues facing Cowan, and make our case for the extension of the NBN to the electorate. These meetings are underpinned by my interaction with relevant stakeholders in Telstra, Optus and NBN company, and the need to increase infrastructure investment in the area. Next week I will be meeting with the Malaga and Districts Business Association and the communications minister's office in order to present the needs of the business communities in Cowan.

For six years our opponents talked about the NBN and did not deliver for Cowan. I have made seven speeches regarding the NBN or broadband, I have met with the minister and there has been much correspondence about the overall issues and a great deal about the problems of individuals and businesses. On a number of occasions, with the assistance of Telstra and the Minister for Communications, I am pleased to say that I have successfully alleviated a number of telecommunications issues within Cowan. I am also very happy that the government has made reforms to the NBN that will allow it to be delivered sooner, at less expense to taxpayers, and more affordably for consumers. Already nearly 10,000 premises in Cowan have been listed on NBN's national rollout plan, which serves as a good starting point for more work to be done. I welcome the fact that, in the month of July this year, NBN will release an indicative three-year construction schedule, which will give a forecast of the rollout through to 2018 and give more certainty to businesses and homeowners.

In conclusion, I wish to thank the people of my electorate for affording me the opportunity to represent them and speak for them on 500 separate occasions. I will continue to put their best interests and needs first.

Gellibrand Electorate: Williamstown Shipyard

Mr WATTS (Gellibrand) (09:54): It is a bleak day in Canberra today and it is a bleak day back at my electorate at the Williamstown shipyards in Melbourne's west. Since the election of the Abbott Government, the future of the Williamstown shipyards and the more than 1,000 jobs at the site has hung in the balance. When I was elected there were around 1,400 jobs at this shipyard—jobs of the future; jobs that even the Treasurer would call 'good' jobs; high-skilled jobs in an area of high demand in Australia. Indeed, if the shipyards could survive the immediate shortfall in work that they confronted, the so-called valley of death, there would be sufficient work for decades of work at the shipyards as we build the upcoming Future Frigate project—the ships we need as an island nation in an increasingly insecure region.

Instead of a comprehensive vision for a viable future for the shipbuilding industry in Australia, we have been again confronted by indecision and callousness from a government with complete disregard for Australian workers. Last month, BAE Systems announced that it
needed to cut 80 jobs from the shipyard in Williamstown. This was not a surprise to anyone who had bothered to pay attention. In February 2014, BAE Systems Australia Chief Executive David Allott said that if more work was not provided in the short term:

…we will have to start laying people off again at the end of this quarter and close the shipyard at the end of 2015.

Since then, despite warnings from the industry, unions, workers and the company itself, nothing has been done to accelerate future projects or to put in place a structured Defence procurement strategy for the shipyards.

On Monday of this week, our worst fears were realised. BAE announced it would not be taking part in the government’s request for tender for the replacement of the Pacific patrol boats contracts. BAE cited the government’s lack of expediency as the biggest challenge facing the maritime business and stated that waiting until 2017 for the outcome of the tender process would leave the shipyards without work for 18 months. Without new contracts between now and the construction of the Pacific patrol boats, BAE Systems cannot continue to carry its current workforce. This government is killing yet another industry in my electorate.

The reality of this announcement means that shipyards which have been in operation in my electorate in some way since Ned Kelly was in a prison hulk on the bay will be closing under the Abbott government. Shortly after coming to power, the Abbott government allowed the car manufacturing industry to collapse and now 2,500 people at the Toyota plant in Altona will also lose their jobs. Now they are standing by idly while the shipbuilding industry also goes under.

In October last year, I stood in this chamber and congratulated shipbuilders on being awarded a contract to build three more blocks of the air warfare destroyer. At the time, I said that it was then the time to ensure that short-term work for the shipbuilders was secured and that a long-term plan for the future of the shipyards and Defence procurement in general was established. Unfortunately, the government failed to act at that time. Despite this, even the government’s chief of the Commission of Audit made an impassioned plea to the government to build the next generation of naval ships and submarines in Australia. However, the government’s negligence continues and we are going to lose the industry and the jobs that go with it.

Lindsay Electorate: Illicit Drugs

Ms SCOTT (Lindsay) (09:57): In my adjournment debate on 17 March this year, I addressed parliament about the scourge of ice right across our communities and what it is doing to devastate families all across Australia. Sadly, as I highlighted in that speech, the uptake of ice in Western Sydney is outstripping uptake in other areas of the country. Increases in ice related crimes in St Marys LAC alone are seeing an arrest every week and the increase of crime in the Penrith local government area is up eight percentage points on the New South Wales state average. As I said in that speech, we cannot stand idly by and watch our community drift into an ice haze.

I stand here today representing a community that I am incredibly proud of. After that speech, I had over 100 service providers representing 30 organisations attend a community forum at Werrington, where we went through an extensive phase of focus groups to identify
the problem for our community and how we could work together to solve this issue. The community came up with a report which we called the *Ice Meltdown*. In the *Ice Meltdown* report, we looked at six key areas. These were the awareness and understanding of the issue of ice; how we can prevent people from using ice; treatment and what is needed; post rehabilitation services so people do not go back to using ice; policing and justice; and then, of course, the integration of services where, in many ways, siloing between state and federal jurisdictions, philanthropic causes and local government has meant that service providers are not necessarily working together as well as they could.

On 29 May, we presented this report to the National Ice Taskforce and to the Prime Minister. I would like to thank Detective Superintendent Tony Cooke, commander of the New South Wales Police Drug Squad, for attending our forum to then re-present this report back to the community. This report is the work of the people of Western Sydney and the people of Lindsay, whom I represent.

I would like to thank people like Maria Murray from Sarina Russo Job Access, who agreed, saying that the solution is a collaboration between all community stakeholders. Merinda Voight from Barnardos simply said 'thank you'. The point is that the solution was partly reached because everybody was working together. Further, the success of the report is fully owed to Laura Barr from Break Thru Family Mental Health Support Services, June from Southern Aftercare, Glenn Hughes from the Western Sydney Local Health District, Joanna Dennis from the Nepean Blue Mountains Primary Health District, Liz Ray from the Nepean Blue Mountains Primary Health District, John Magee from the New South Wales Police Force and Joy, Impiombato from the Nepean Community Neighbourhood Centre. (Time expired)

**The DEPUTY SPEAKER (Mr Randall):** In accordance with standing order 193 the time for constituency statements has concluded.

**BILLS**

**Appropriation Bill (No. 1) 2015-2016**

**Consideration in Detail**

Debate resumed.

**Treasury Portfolio**

Proposed expenditure: $4,458,888,000

**Mr FRYDENBERG (Kooyong—Assistant Treasurer) (10:01):** In the absence of my good friend and colleague the indefatigable member for Dunkley, the Minister for Small Business, Bruce Billson, it is left to me to tell the chamber and the Australian people why this budget was a winner for them. This budget delivered on the government's promise to pay back Labor's debt and to lay the framework and the foundation for further growth and job creation in the Australian economy. It essentially had three key themes.

The first theme was to support small business and jobs. The fact that we were able to deliver a tax cut for 96 per cent of all businesses in Australia—some two million businesses—was the reason this budget was so well received. If you were an incorporated business, you got a 1.5 per cent tax cut. If you were an unincorporated business, you got a discount of up to five per cent up to $1,000. This was a great boost to the small businesses of Australia. You
got accelerated depreciation of $20,000. We saw businesses in Australia like car yards, cafes, restaurants, small businesses like pubs and clubs, and financial planners, who are sitting in this room, benefit from the fact that we supported small business. And we cut red tape as well, which is also extremely significant. A lot of it was due to the great work of my colleague who has now entered this place, the member for Dunkley.

The other key element of the small business and jobs package in this budget was the fact that we partnered with groups like the Brotherhood of St Lawrence in a $200 million plus program to help get people, particularly young people who were neither in work nor in education, an opportunity to get the skills to get in front of an employer. We had a work experience program, where a person could work for up to 25 hours a week for four weeks and the employer would get supported. We had a program called Restart, where we have now accelerated the payment to the employer, who can get up to $10,000 to take on someone over the age of 50 who is on income support. That is because we recognise, particularly with an ageing population, how important it is to keep people in work and to get people in work. So that was the first theme.

The second theme was about families and particularly child care, with a $3.5 billion package, on top of the $5.5 billion for jobs and small business, which is based on the work of the Productivity Commission, which is all designed to get more people into the workforce, particularly women. If we can get an increase in the number of women in our workforce to where Canada is—let's say an extra six points—that is worth $25 billion to our economy.

The third key theme was about the integrity of our tax system, and particularly going after those multinationals who may be engaged in transfer pricing and profit shifting. We have not only extended the GST to the importation of intangibles, like Netflix, but we have also strengthened part IVA of the anti-avoidance provision of the tax act. I think that is an important legacy.

We have also found money to go into national security. We have our people overseas fighting to support freedom and security around the world, as well as back here at home; we have found an extra $1.2 billion. We have found more than an extra $1 billion for the PBS. It will go on the Pharmaceutical Benefits Scheme for important anti-cancer drugs and the like. And we have done all of this while paying back Labor's debt. We inherited a budget deficit of $48 billion. We have got it down to $35 billion next year. In three years time it will be $7 billion and then we will eventually get into surplus. The message is: our debt will be $110 billion lower over the next decade than it would otherwise be under the Labor Party. This was a great budget, and the fact that small business has received such a big support, the fact that consumer confidence and business confidence is up is due to the hard work of the Prime Minister, the Treasurer, the Minister for Small Business and the entire backbench and frontbench of the coalition.

Mr RIPOLL (Oxley) (10:06): My question is to the Assistant Treasurer. I ask the Assistant Treasurer: what commitment did the Prime Minister give, or the Assistant Treasurer, give to the Greens party to secure their support for changes to the pension? I also ask: did this commitment by the government include a comprehensive review that considers all of the components of the retirement income system, including tax and superannuation? Further to that: the coalition has cut the pension by $2.4 billion, which will see single pensioners lose more than $8,000 a year and will see 325,000 retirees lose some or all of their
pension in 2017, and yet the Prime Minister has said, as recently as yesterday, that the coalition has no plans, not now or ever, to make any changes to superannuation. Why is it that this government is quite happy to take money from pensioners who have planned carefully for their retirement while making no changes for wealthy Australians with significant accumulated superannuation savings?

**Mr FRYDENBERG** (Kooyong—Assistant Treasurer) (10:07): What a hide the member for Oxley has asking that question! He has led with his chin. The Labor Party has become irrelevant in the negotiations to save the Australian taxpayer billions of dollars. We have reached an agreement with the Greens because the Labor Party refused to come to the table to negotiate an important reform to ensure the sustainability of the pension. The fact is, all of those questions you have asked are there for people to plainly see in the press releases, which make it very clear that we have reached an agreement that will ensure a saving to the taxpayer of $2.4 billion over the forward estimates. Some 170,000 people on the pension, including, I am sure, some in the great electorates of those on this side of the House, will get, on average, an extra $30 a fortnight. I would like to know this: would the member for Chifley, would the member for Fraser, would the member for Oxley and would the member for Hotham like to go to the members of their electorates who are on the pension and say to them, 'I didn't even participate in a negotiation that would have led to an increase of $30 a fortnight in the pension'? Just so you understand: 170,000 pensioners will now get, on average, an extra $30 a fortnight; some 50,000 pensioners who are on the part-pension will now get onto the full pension; and the Australian taxpayer will save $2.4 billion over the forward estimates.

The member for Cook, the Minister for Social Services, deserves a lot of credit for the way he has gone about negotiating this very practical and successful agreement with the Greens, because the Labor party has decided to be a party of objection, a party of no ideas and a party that has failed to come up with any of its own savings.

The key question that the member for Oxley raises is: what have we decided to do about superannuation? The key answer to that is that we have said we have no plans to change the taxation concessions on superannuation because we took to the Australian people at the last election a commitment to make no adverse or unexpected changes to super.

**Mr Van Manen interjecting—**

**Mr FRYDENBERG**: I am asked here by my good friend the member for Forde, the Beattie killer: what was our commitment? I said no adverse or unexpected changes to super. What was the Labor Party's commitment? On the eve of the 2007 election, one Kevin Rudd stood up and told the Australian people that he would not change superannuation one jot or one tittle. And what happened? The member for Forde knows all too well. What happened there was that the Labor Party introduced 12 adverse changes and it produced some $9 billion of additional taxes. Then the Labor Party was so ashamed of its position on super that the member for McMahon, as the Treasurer of Australia, rushed out a press release in 2013 and said to the people of Canning, the people of Forde, the people of Dunkley, the people of Reid—and I have just met with the people of Reid and I wish all of them well—and the people of Lyons and the people for Eden-Monaro: 'We will not make any changes to super for five years.' That lasted all of 48 hours!

Now we have the member for Fraser, who once called for the abolition of negative gearing, the member for McMahon, the shadow Treasurer in this country, and the member for
Maribyrnong, the Leader of the Opposition, all saying they support two additional taxes on super, both on the contributions and on the earnings phase. This will hit at least 425,000 Australians—that is from the Parliamentary Budget Office. It is more than two times the estimate of the number of people affected given by the Labor Party. The Labor Party have a budget black hole approaching $60 billion, with savings measures of ours they do not support in the Senate and additional spending measures of theirs. What have they decided to do? They have decided to raid the hard-earned savings of ordinary Australians in superannuation. Shame on the Labor Party!

Mr LAUNDY (Reid) (10:12): The strange thing, as a marginal federal member of this place, is that you come to this place and you consider the macro-economic picture, but when you go back to your electorate you very much consider the micro-economic picture. It really is an unusual dichotomy, especially when you come not from a political background but from a micro-economic family business background. The exciting part is that, on behalf of the people of Reid, I can pass on an unashamed message that they send: 'Thank you. Thank you for the budget and the measures in it with relevance to small business.'

In that vein, I want to pass on a particular story. There is a club at Drummoyne rowers. When I was growing up it had magnificent dollar drinks on Sunday afternoons and you could not move in the place. The club went broke some 15 or 20 years ago. It has been empty ever since and there is a perennial sign on Henley Marine Drive: 'for lease.' I was driving by there about three weeks ago, and you just assume that is going to still say 'for lease' but they have put a sticker on saying 'leased', after years and years. I could not help myself—I looked up the agent's number, rang the agent, introduced myself and said, 'Would you know who has leased that place? I do not expect you to pass on their details to me, but would you please pass my details on to that person?'

Within about 10 minutes, I get a phone call from a Mr Pino Salerno. Pino, as it turns out, runs restaurants in other parts of Sydney and he has leased that building. He had leased it just prior to the budget with a strategic plan to open it over the next two to three years in a staged way and he ultimately hoped to employ around 30 local people.

He then rang me back—I had made a friend, obviously, in Pino—after the budget. He said to me, 'Craig, I want to thank you. Would you please pass on my thanks to the minister, because I'll tell you what I'm going to do. With the changes you have made in the budget, instead of doing this in a staged way that will take three years, my partners and I have decided to accelerate the procedure and to bring it to a level where we will employ 30 local young people—predominantly through hospitality, which is my background—who are either studying for a degree or looking for start in the industry.' Every bit of equipment that he had planned out over the next three years to purchase in a measured fashion has been brought forward.

That is the real difference. That is at the coalface—the microeconomic impact of your measures, Minister, and our government's measures in this federal budget—

Mr Frydenberg: Tax reform is on the agenda.

Mr LAUNDY: funny: and the Assistant Treasurer's measures. You probably would not be surprised to know that he was actually a big fan of the tax cut as well—it was remiss of me not to say that. I could reel off example after example. In the last five or six weeks, the
feedback in the electorate of Reid—and my colleagues tell me the same anecdotes in Forde, Eden-Monaro and Lyons. I am sure the Assistant Treasurer has had his door beaten down, and all for good reasons.

The feedback has been so overwhelmingly positive, and I know the minister has been everywhere—all around the country—with media commitments. His profile has risen through the roof. I know he has answered this question. I fear that I may be indeed risking asking him to do something today that he will do another nine or 10 times but that does not matter, because I want to hear it. My question is simple, Minister: would you tell the people of Reid how the package that we have in this budget for small business will improve the national economy and why the government's budget is so responsible?

Mr BILLSON (Dunkley—Minister for Small Business) (10:17): What a great example of what we are trying to achieve through this budget. We are about energising enterprise—that is what we are about. We know that personal endeavour and private enterprise paved the way for this country's greatness. It created living standards that are the envy of the world, and that is what we need to re-engage with and provide the right entrepreneurial ecosystem. So a big shout out to Pino Salerno on Henley Marine Drive. What a great story: there was an economic asset sitting floundering in the electorate of Reid and, with the energy and the perspicacity of the local member, he knew what was needed to turn that capacity into real action.

Mr Ripoll interjecting—

Mr BILLSON: It is the story of what the government is trying to achieve—yes, it is a world of delicious opportunities; I thank the member for Oxley for the goodwill and the fact that he is getting on the energise enterprise Kool-Aid. It is fantastic to see you embracing the positivity that percolates through this side of the parliament. For the government and the coalition members not only does positivity and optimism percolate through us, look at this team: a veritable boy band of private enterprise and entrepreneurship where private endeavour, small business and family enterprise runs through their veins. How could we not appreciate and embrace this story that is so much a part of so many of the Liberal and National party members?

These are our stories. They are stories of Pino and others like Pino who just want the opportunity to seize economic potential and turn it into investment—into jobs. That is the story of how you grow economies. It is also the story of why small business policy is now at the heart of the Treasury portfolio. There was some conversation earlier about government's role. The introduction of the member of Reid shows his great insight. It is not enough just to sit back and look at the macro numbers. You need to dig a bit deeper. What is it that takes a person with a sparkle in their eye, fire in their belly and an idea that they think might create economic opportunities for themselves and others to go and follow through? That is what we need to do: get those conditions right. I commend the work of Treasury and its officials, who have really stepped up to involve themselves in that real-life decision-making process. What does it take for a person to go and mortgage their house to have a go to create a business, to grow a business, to provide for a livelihood for themselves and others? That is what we need to understand. That is what good policy is all about. That is why this budget package has so hit the right spot—because we have done the work, engaging with small business men and women and with family and farming enterprises for years.
There is not a revolving door of spokespeople as we saw under Labor, when we saw six ministers in six years—five in 15 months. You could not even pick who it was. I will not embarrass the Labor minister at the time but I was having a conversation with one of them and they could not even remember who their minister was. I said, 'Just wait for a little while and everyone will get a chance.' Everyone was going to get a chance.

**Mr Frydenberg:** Who is it now?

**Mr BILLSON:** I am not sure who it is. Hang on—

**Mr Frydenberg:** A dollar for anyone who knows who it is now.

**The DEPUTY SPEAKER (Mr Randall):** The Assistant Treasurer is not helping.

**Mr BILLSON:** What we have done is one of the excellent pieces of communication and information that supported this budget. The document we have put out not only recognises that 96 per cent of all businesses in Australia are small businesses supported by our package, recognises and pays respect to the 4½ million livelihood opportunities that small businesses make possible in this economy and pays tribute to the $330 billion of economic activity but also says, 'What else can we do to take those ideas and turn them into economic action?'. What is in this package? In Pino's case, he has identified a couple of opportunities. We need to restore reward and incentive. That is why the tax cuts for small business are so important.

A government member interjecting—

**Mr BILLSON:** It could be. Tax cuts are coming. Jobs growth is happening. The economic conditions are improving. But we have more work to do. In this package members will see that tax cut. I would love to talk more about the specifics. It is a cut to the tax paid on small business incomes—not just incorporated small businesses, which seem to be the fixation of Labor, ignoring the two-thirds that are not incorporated. There is instant asset write-off, encouragement for business formation and transformation in structures where that is necessary, and accelerated depreciation for our primary industries. There is so much in this package to talk about. Having set the scene, I look forward to explaining it more and getting some questions from those opposite.

**Dr LEIGH (Fraser) (10:23):** I hope it will be possible to move this consideration in detail away from argument and towards accountability; away from preaching and towards parliamentary responsiveness. My questions are to the Assistant Treasurer and focus on some issues relating to the goods and services tax. On Boxing Day last year, Australians awoke to find the Assistant Treasurer splashed over the media, talking about his big plans to extend the GST to services like Netflix and to get rid of the low-value threshold exemption for overseas goods. As with many things the member for Kooyong does, it generated a little more heat than light—for example, the centrepiece of the member for Kooyong's first red-tape repeal day was to include scrapping the Australian Charities and Not-for-profits Commission, thankfully still up and running; and getting rid of the Future of Financial Advice reforms, thankfully blocked by the Senate.

Question (1): does the member for Kooyong still believe, as he wrote in *The Australian*:

It is not fair to taxpayers, or to retailers or their many employees, to exempt overseas online retailers from the GST, even if some consumers are enjoying the ride.

Question (2): is he still of the view that local Australian retailers are operating 'with one hand tied behind their backs' because of the exemption for goods worth under $1,000? Question
(3): if it is the case that the Assistant Treasurer still stands by these comments, why has he made no move to do something about the low-value threshold in this year's budget?

Turning to the budget measure and applying the GST to digital products and services, the exposure draft of the amending legislation does not give cause for concern. Question (4): can the government explain why I can purchase a DVD box set of *M*A*S*H* through Amazon that would be exempt from the GST under the low value threshold, but if I purchase those same 240 glorious *M*A*S*H* episodes on a digital format through Netflix, I will, under the government's proposal, pay GST on those? The government says it is for lower, fairer, simpler taxes, but how does creating two kinds of tax treatment for essentially the same product meet that criteria? I turn now to the question of what imported services may look like. Question (5): will companies like Uber, Airbnb and Spinlister be covered by this measure?

Turning to the particular costings—unlike the government's multinational tax package, there are actual revenue estimates for this one—question (6): what assumptions were plugged into that costing to arrive at a revenue figure of $350 million over four years and what data or modelling is this based on the volume of goods and services currently being imported GST-free? Question (7): how many companies providing digital products and services are estimated to become GST liable as a result of this change? Question (8): did Treasury or the government consult with significant international providers of digital products and services for introducing this measure, and, if so, which ones? Question (9): is the revenue estimate provided in the budget papers the same as the revenue estimate in the costings prepared by Treasury? Question (10): how will the government collect GST from the offshore companies that are captured by this measure? Question (11): what enforcement mechanisms will exist for offshore companies that fail to meet their GST obligations under the new measure? Question (12): what is the estimated GST compliance cost for the ATO in enforcing this measure? Question (13): why was 1 July 2017 chosen as the start date? And question (14): Minister, when will you finally see sense and back Labor's multinational tax package to properly crack down on multinational profit shifting, a package that would raise 60 times more revenue than the one you announced in the budget?

Mr FRYDENBERG (Kooyong—Assistant Treasurer) (10:27): I came here expecting a boxing match, a 'thrilla in Manila' here in the Federation Chamber, but what have I been hit with? A very wet sponge.

Mr Billson interjecting—

Mr FRYDENBERG: I need the turn of phrase of the member for Dunkley, because this is a lettuce I would like to buy many times over. I am so pleased that the member for Fraser has been reading my op eds, because I have been reading his, and I just want to share with you a couple of them.

Mr Billson interjecting—

Mr FRYDENBERG: I want to read you one from The Australian on 27 January this year. It was titled 'In defence of the carbon and mining taxes'. It stated that with these two taxes: … the budget would be comfortably back in surplus in 2017-18.

I am pleased that the member for Fraser read my article about the GST, which I will talk about in one sec, but I have read his articles and he thinks that the carbon and mining taxes
would bring the budget back into surplus. That was nearly as good as Chris Bowen's speech on ABC's Radio National when he said:

… Government has returned the Budget to surplus three years ahead of schedule and ahead of any other major advanced economy …

On the issue of the online threshold for the GST, as I wrote in my article in *The Australian* and as I said numerous times on radio, Australia is out of sync with the rest of the world as to where our threshold is. The fact that we have a $1,000 threshold compared to the United Kingdom, which has a 15 pound threshold, Canada, which has a Can$20 threshold and the United States, which applies a GST or the VAT equivalent to all online purchases from overseas, means that I do believe that there is a need for reform in this area. As the member for Fraser knows, both the Treasurer and the member for Dunkley—the Minister for Small Business—have also made similar comments.

But with the GST the money is going to the states and all the states have to agree. Premiers like Mike Baird have called very openly and publicly for a reduction in the threshold. Labor's own Treasurer in South Australia has called openly for a reduction in the threshold. Lara Giddings, the former Labor Tasmanian Premier, has called openly for a reduction in the threshold and now we see the Labor government in Victoria being much more open to the idea. One of the governments that have been holding back is the Liberal government in Western Australia under Colin Barnett, because they rightly feel that the 30c in the GST dollar that they get is very much below what they deserve. But we are hopeful that the states can come to an agreement and that that would be supported by the Labor opposition.

As you know, none of that money would go to the federal government. All that money would go to the state governments. I think it would be good for jobs. I think it would be good for jobs in the retail sector because if you buy something here on High Street for under $1,000 there is a GST but if you buy it from overseas, and it is under $1,000, there is not. So I am hopeful there will be reform.

I am asked by the member for Fraser about multinational tax. He should be ashamed of his own policy because both the BCA and the Australian Chamber of Commerce and Industry have come out and slammed it and said it will cost jobs in Australia. As you know, we have lifted the resourcing of the international division of the ATO to higher than it ever was under the Labor Party to deal with this issue. We have changed the thin capitalisation rules, which are very strong, and the ATO commissioner, Chris Jordan, is leading international efforts.

**Mr VAN MANEN** (Forde) (10:32): My question is to the Minister for Small Business. I think it is very enlightening that those opposite, who have this professed love of small business, are yet to ask the minister a question. Before I get to the question, I might make some observations and comments about how well this small business package has been received in the electorate of Forde.

**Dr Leigh interjecting—**

**The DEPUTY SPEAKER (Ms Henderson):** I would ask the member to desist from interrupting the member asking the question.

**Mr VAN MANEN:** I am pleased to say that this small business package has been extraordinarily well received. When we have a look at the components in this small business package—such as the instant asset write-off, the tax reduction for corporate small businesses
and the tax rebate for those unincorporated entities—as usual the coalition policy covers the gamut of small business, whereas in the Leader of the Opposition's budget-in-reply speech he forgot about two-thirds of small business. He only touched on the one-third that are incorporated.

When we look at small business in this country, 96 per cent of businesses in this country employ 43 to 45 per cent of our workforce. They are the ones that take the risk every single day to open their doors. They mortgage their houses and they put their entire livelihoods on the line every single day. We should be very proud of the fact that this government has taken the opportunity and has the vision and the foresight to step out onto their playing field and to support them in what they do, because they are the ones that have the capacity to grow and develop our economy for the future. The innovators and the entrepreneurs reside in that small business sector. They start off with one or two people in partnership, or maybe a single person, with an idea. Over time, from a home based business, they grow from that home office to a small office to a larger office and they grow bigger and bigger.

They are the people we should be looking to encourage and support. It is not only this small business package that is in the budget, but also our employee share ownership measures to encourage those businesses as they grow to bring people into the business and, if they do not have the capacity to pay them significant wages, they can give them an ownership share in the business so they have a genuine economic interest in the business in which they are working. Again, that builds the national wealth of this country. It is not just through the accumulating of super, which is an extraordinarily important part of our national savings plan—and, again, this government has been very positive in that regard—but, more importantly, we look to other avenues of creating wealth through small business growth and employee share ownership. Equally, I think it is important that this budget package not only look after small business in the urban part of Australia but also look after and recognise small business more generally in the rural sector of our economy, because they also employ people in those rural communities and they produce tremendous wealth for this country that sometimes gets forgotten. I think it is incredibly important that we focus on helping them as well, which we have done through this budget.

What we see with this budget is a comprehensive plan for business across a broad spectrum in Australia. Frequently when we talk about small business we think about the local bakery or cafe, but equally we have the rural supply shop out in our country towns and the small licensed post office or the small diesel fitter or mechanic out in those country areas as well. I am proud to say the budget has been very well received in the electorate of Forde. As we look forward to the introduction of these measures, can I ask the minister to please outline how the measures designed and articulated in the budget will help business in Forde and around the country.

Mr BILLSON (Dunkley—Minister for Small Business) (10:37): I thank the member for Forde on so many levels. He chairs the coalition backbench policy committee for small business, he has lived the life of small business, he has been an adviser and an advocate for small business all of his professional career. Guess what, he is still doing that in an exemplary way here in the nation's parliament. I sincerely want to thank you but also put on the record that we are not twins—there has been some suggestion of confusion there. Member for Forde, thank you.
The $5.5 billion Jobs and Small Business package has a number of elements to it. We have spoken briefly about the small business company tax cut. That tax cut will see incorporated small businesses attracting the lowest company tax rate in almost 50 years—1967 was the last time the small business company tax rate was lower than what we are doing now, and that was when Sadie (The cleaning lady) was the number one hit. So there have been a couple of generations since we have had that kind of incentive but it is back. We also know that two-thirds of small businesses are not structured as companies. Unlike Labor, we have not forgotten about those enterprising men and women. There is a five per cent discount on their tax liability for turnovers under $2 million up to $1,000 worth of benefit. In proportionate terms, that is commensurate with the small business company tax cut, but what is significant is that it captures the two-thirds of small businesses that are not incorporated. They are your tradies, your self-employed, your sole traders, those operating through partnerships—and it is for each partner that is actively contributing in the business, so that is $1,000 for those active contributors—and also those operating through trusts. That is a great measure, a really terrific measure.

That is not all that is there. There is the asset write-off provision—that is, for a business-related asset purchase that would otherwise have to be depreciated through asset pooling arrangements and the like. Previously that was $1,000; that has been raised to $20,000. That was the message we were hearing: 'Put it at a level where there could be an investment in new productive capacity within these businesses.' It has been great for a number of electorates, and great for me to accompany great colleagues like the member for Eden-Monaro to hear firsthand how businesses are taking advantage of that. I remember Scott at the metal fabrication business talking about a new piece of metal fabrication equipment he will be buying that will boost his efficiency and help his business delight more customers in the greater Canberra and Eden-Monaro region. There are some of the examples.

The member for Forde moved into the primary industry sector. If small business is the engine room of our economy—and it is—it is fair to say, though, that farmers are the heart of our identity. We have not forgotten about the great contribution they make or the challenges that they face. One hundred and fifteen thousand businesses report agriculture as their main business activity. There are a further 13,900 that report agriculture as a secondary activity of their enterprises. We have recognised and celebrated that in the budget. Not only are they entitled to access the broader small business and jobs package benefits but there are particular measures for primary producers. We have said since budget night that capital expenditures on water facilities and fencing will be expensable in the year in which they were incurred. That includes this financial year because that measure takes effect from budget night.

The area of food and fodder storage assets is very important as rural producers and their businesses contend with drought and variety in the climate. Having water storage infrastructure and investment is important to the sustainability of their business, as is the area of fodder storage and food for livestock. That is ordinarily depreciable over about 30 years. That will be accelerated so it is a three-year depreciation. They are key parts of the package.

Beyond that, we have also recognised that, just as the population is ageing, the ownership profile of small business is also changing. I celebrate that more women than blokes are starting small businesses right now. I am thrilled about that. It shows the entrepreneurship of women and their preparedness to take their ideas and insights and turn them into economic
opportunities for home based and microbusinesses, in some cases juggling those dual priorities in their lives of family and economic security. Being self-employed and an entrepreneur is a great step forward.

Using new technology is another part of it. But it is also about looking at ageing and succession planning. In here we are ensuring that, when a business does not change ownership but has to change its structure to better respond to its future ambitions and needs, that does not trigger a capital gains tax event. That is very important in our primary industries as we look to the future and want to support that next generation of primary producers.

Mr HUSIC (Chifley) (10:42): My questions are to the Assistant Treasurer. They relate primarily to the Assistant Treasurer, but I always take the opportunity to talk with and ask questions of the Minister for Small Business. At this point I would not mind pursuing the matter that the Assistant Treasurer knows I have an interest in which relates to the transferral of functions from the Private Health Insurance Administration Council to APRA. APRA’s job, as people are well aware, is fairly significant, covering the banking and financial system through to superannuation and general insurance. It will be tasked from 1 July with the responsibility of being responsible for taking over PHIAC's core responsibilities.

At the moment, PHIAC is basically overseeing the jobs of 34 different private health insurers providing over 40,000 products and 6.4 million policies covering 13 million Australians. On top of APRA's fairly significant workload, it will now be required to give effect to the oversight of private health insurance regulation in this country. It is a fairly big task. APRA already has a big amount of work on its plate, having to be cognisant of what is being proposed in the Murray inquiry, what is coming from overseas, financial regulation and the impact on the banks here, particularly through potentially increased capital requirements.

APRA is also potentially responsible through the Council of Financial Regulators for introducing a variety of macroprudential tools within the lending market, particularly for housing—both owner occupied and investor lending. Given that is of deep interest to me in Sydney and given the pace of growth in that market, the way in which APRA manages that is of deep concern.

Having a set of functions responsible for the health insurance of 13 million people is something that is pretty serious. What I am interested in finding out from the Assistant Treasurer is how many people in PHIAC are currently responsible, or being brought on within that regulator, to manage these functions? How many will be expected to be responsible in this space, post the merger? How many people within APRA will be dedicated to this process of regulation—in this new process for APRA—and what amount of money has been set aside for it?

I understand industry consultation has been undertaken to help in the transition. Can the Assistant Treasurer detail how many meetings have been held and where in the country they have occurred, or have they just been concentrated in two capital cities? What concerns have been raised by industry and have these been addressed?

APRA says it has met with various participants and I would be interested to know who those participants were—other than the actual companies themselves? There has also been an indication that formal meetings have been held with boards. Have all boards been met with—and if not, why not? Is the Assistant Treasurer confident that APRA will be able to provide
robust, regulatory oversight into the future, or is this simply a cover for a funding cut that will weaken the quality of oversight? And can he also explain the regulatory arrangements?

I have had fruitful discussions with the Minister for Small Business in relation to the potential introduction of a framework for equity crowdfunding in this country. We are—as the minister knows—very keen to see this framework brought in as quickly as possible. I know he has a very similar degree of interest in seeing the framework introduced to support innovation in this country. From memory, I note that $7.8 million has been dedicated to the development of a disclosure template that would be provided to ASIC. To the Minister for Small Business: I am interested in the development of that framework and when it will commence, given the draft legislation is not in place. I do not necessarily see that one has to follow the other, but it would be interesting to know where the process is up to. Have consultations begun between ASIC and stakeholders? Which stakeholders have been targeted? Is a formal consultation process being observed, and how is that being implemented?

Mr FRYDENBERG (Kooyong—Assistant Treasurer) (10:47): The member for Chifley asked an important question and I know he has asked similar questions in the House.

As you know, we had a commission of audit which was led by Tony Shepherd, with a distinguished group of former public servants and a former minister, Amanda Vanstone. It recommended a series of measures to consolidate the functions of government in order to derive important efficiencies and, ultimately, better consumer outcomes. As a result, this government has undertaken a number of reforms to reduce substantially the number of statutory bodies, agencies and committees. Where we have been able to consolidate the back-office functions of various agencies, we have done that. Where we have been able to integrate various functions within existing departments, we have done that. This has led to hundreds of millions of dollars of savings to the taxpayer.

One of the sensible reforms in this vein that we have continued with is moving PHIAC into APRA. It just makes sense, because PHIAC is responsible for—as the member for Chifley said—health insurance regulation and APRA is responsible for life insurance and general insurance regulation. Therefore, there are a lot of similarities that can be derived by bringing those two bodies together. We have engaged in extensive consultation—not just with the stakeholders but also more broadly—and as a result we have an important set of reforms which could lead over time to lower costs to the industry which, hopefully, will be passed on in the form of lower premiums.

I was asked about the number of people within APRA who do this function, and we are very satisfied that APRA does have the right number of people. As I have been advised, up to 80 per cent of the people working in PHIAC will be moving across to APRA in the first instance, and this will ensure a level of continuity. The member for Chifley can be reassured that the Minister for Health still retains the ultimate responsibility when it comes to the premium accountability, but the regulatory functions and prudential functions can be very effectively carried out by APRA in this case.

Mr HUTCHINSON (Lyons) (10:50): My question is to the Minister for Small Business, and I thank him for the opportunity today. Particularly, I would like him to explore the savings that this government has made around red tape reduction. I stand on the education and employment committee. We are holding an inquiry at the moment, and we had a presentation the other day from the peak body representing new migrants to Australia. I was reflecting
after the committee hearing about the wonderful story that is migrants who came to this country after the Second World War, the businesses they started and the opportunities they had. I think particularly of a takeaway shop in Brighton in my own electorate. There is a Greek lady there. With respect to her, I struggle to understand her, but I am damn sure she still has the first dollar she ever made. She has employed people over the journey. But I wonder whether or not as a country we have strangled ourselves to death with red tape and whether those new Australians that come here and are looking to make lives for themselves are impeded by the red tape that we put on there and the impediments that we have to starting small businesses.

The other question I have relates to agriculture. While I know it is not the minister's primary responsibility, many of the businesses in my electorate are small businesses that are farming businesses as well. I thank him for the visit many years ago to the Mitre 10 True Value Hardware store, a rural suppliers business in Westbury, which trades as Westbury Rural Services. It is a member of the Australian Independent Rural Retailers association and a family owned business. I ask the minister about his recollection of that visit there and any reflections about the opportunities for farmers and businesses such as that, particularly around irrigation infrastructure, within this year's budget.

Mr BILLSON (Dunkley—Minister for Small Business) (10:52): I want to thank the member for Lyon too. It has been great to visit the member for Lyon on a number of occasions, both prior to his election and subsequently, and to see how engaged he is with his local community. I vividly remember the visit to Westbury. In fact, some could say I remember it better than some others. It was great to be with the member for Lyon hearing about what the Meander Dam was doing for that region and its opportunity to provide a sustainable water system to support agriculture and export opportunities.

It was great to see the Westbury Mitre 10 True Value Hardware and farming supply business. The kit that was available in there was spectacular, and I remember I had to drag the member for Lyon away from some of the all-terrain vehicles that had him—

Mr Hutchinson: Lyons.

Mr BILLSON: Lyons—look, it has even multiplied! Isn't it great? There is so much going on in his part of the world. It was an interesting conversation. I remembered saying at that point that Tasmania is heralded for the magnificence of its ecosystem in a natural systems sense, an environmental sense, but that we need to make sure that its entrepreneurial ecosystem is nurtured and cared for with the same kind of vigour. We saw a connection between those things, because the export opportunities, particularly into North Asia with those spectacular free trade agreements that Andrew Robb and the team have delivered—and I am sad that the member for Oxley is not here—open up that delicious world of opportunities. The cherry production in Tasmania that is now enchanting those North Asian markets is an extraordinary opportunity, along with other clean, green premium produce, all the way down to some of the abalone—50 per cent of the world's export abalone comes out of Australia, the vast bulk of it out of Tasmania.

I was in China talking to the seven-star restaurant owners in the seven-star hotels, where they want the absolute premium. Guess where they were sourcing that from? Tasmania. People think Tasmania has an abundance of water. It may have a hearty amount of rainfall, but because of that the water storage infrastructure in Tasmania is perhaps not as deep and
well developed as it is in other parts of our economy. That is why the asset write-off measure around water investment in the budget is so important. But go a bit further. I think the CSIRO have developed is some technology to remotely diagnose the moisture content in the soils in Tasmania. I am trying to remember the—

Mr Hutchinson: Sense-T

Mr BILLSON: Sense-T. The member for Lyons is on fire! Sense-T is another example. There is the capacity to remotely diagnose, through telemetry, the soil conditions, to make sure just the right amount of moisture is there. If you were running one of those farm businesses and irrigation related businesses in Tasmania and you provided your staff with one of these pieces of technology, one is FBT-free. But, if someone went along and provided a tablet to be able to monitor those soil conditions, you risk an FBT event. The Jobs and Small Business package says that we need to be technologically engaged. Say you provide your staff with any number of these devices—perhaps mounted in an all-terrain vehicle—that you purchase from Westbury Mitre 10, taking advantage of the asset write-off, and you have got a tablet fitted into the kit. Or you happen to be out near Meander Dam looking at the flows, and you are using this to do your remote telemetry. Why should that trigger an FBT event, when it is such a tool of doing business? We are opening the door for opportunities for irrigation related produce in Tasmania, and we are providing the platform for what Tasmania does as well as anyone in the world—that is, premium, clean, green, food secure, spectacularly enchanting and delightful food, produce and beverages. We have talked about the whisky that is coming out of the area in the electorate of the member for Lyons. We have talked about the cottage beers and the cheese. This is a great opportunity, and the budget is all about supporting those things.

Another measure that is of great interest is that relating to the encouragement to recruit. I know in some areas of Tasmania there is a need for incentives to bring people back into the workforce and to give them that chance. The budget also provides for that. There are so many great things going on in the budget to support the member for Lyons, to make the entrepreneurial ecosystem in Tasmania as delightful as the environmental ecosystem. To build from that base, to have a government that is interested in creating jobs and getting behind private endeavour—what a great story. Member for Lyons, thank you for bringing your contribution to that, to make sure our measures were responding to the needs of your community and energising enterprise in the southern island. I am pumped about that, and I know you are too, Sir.

Mr HUSIC (Chifley) (10:57): The Minister for Small Business earlier heard a series of questions asked in relation to equity crowdfunding. I was wondering if he would take the opportunity and the time remaining to possibly answer those.

Mr BILLSON (Dunkley—Minister for Small Business) (10:58): I want to thank the member for Chifley; we have had a good, constructive, collaborative engagement on getting something done that we need done for our economy—that is, getting in place a crowd-sourced equity funding framework. Why are we doing that? Because that is part of getting the conditions right to drive economic growth. It is also about supporting innovation and the challenge that many small and growth businesses face in getting funding to support their growth.
Debt finance might be attractive, but you have got to pay it back. At a time when you are putting your resources into the growth and development of your business, that is not always the best formula. Equity can be that answer. You might find a venture partner; you might find an angel investor. But that might not be for you. You might want to go out to the masses and say, ‘Here is an idea; you might want to get behind it’—a few thousand dollars crowd-funded, using the technology platforms of today, pitching that business idea, right-sizing the regulatory environment, but also letting investors know that here is a chance to be a part of either a start-up or a growth phase of that business.

We made the commitment in our Industry Innovation and Competitiveness Agenda to get this framework in place. In the budget, as the member for Chifley rightly identifies, there is $7.8 million to support ASIC’s work in that regard.

What does that work look like?

These platforms require an intermediary, and that intermediary or the host of the technology platform—for example, in the equity dating service matching the proponents and those that may invest—needs to license and make sure they are fit for purpose. There is also a need to make sure that we understand what sort of disclosure is reasonable for investors, who might not be experienced investors or wholesale investors. This might be their first investment because they have been taken by the idea of a new online publication called ‘The New Parliamentarian’. They are really interested in that and they want to put some money into it because they love public policy and public life. It is their first time and we need to make sure they get the right information. So what we have done is put out a discussion paper, which has been well responded to. That was released in December, if my memory serves me correctly. We then had a number of roundtables with industry stakeholders in Melbourne and Sydney.

We have heard about the experience in New Zealand—its benefits and its shortcomings. One shortcoming I would mention is there is no relief for public companies in terms of their reporting and governance arrangements, and that is thought to be a barrier. Also, the New Zealand model does not reach into closely held proprietary limited companies, yet from our consultations we have heard we have to make sure it has that utility. So that work continues.

I respect and value the insights and the shared commitment I have with the member for Chifley and I look forward to working with him to get this done and open this option for fundraising and access to finance for the start-up community and those in a growth phase. We are aiming to get legislation in during the spring session. I will be honest with you: that is going to require a lot of work, particularly on the closely held proprietary companies because that is not where others have gone, yet the feedback says we need to turn our minds to that as well.

Proposed expenditure agreed to.

**Infrastructure and Regional Development Portfolio**

Proposed expenditure, $1,529,107,000

Mr BRIGGS (Mayo—Assistant Minister for Infrastructure and Regional Development) (11:02): Madam Acting Deputy Speaker Henderson, as you know, our infrastructure program is benefiting constituencies right across Australia. Even the member for Bendigo, who is here, would be one of the first to endorse the Stronger Regions program because she benefited so much from it in the first round, with $5 million for the Bendigo airport. As I have made very
clear to her, the $5 million that she got for the Bendigo airport will do a lot for Bendigo and its region, particularly around Kyneton and Malmsbury, which is so close to my heart.

But there have been some disappointments and you know about them more than most. The Victorian government's decision not to proceed with the East West Link will damage Geelong and damage Corangamite, in that they will not get the economic benefit they would have received had the East West Link gone ahead. That is why the Abbott government will always have $3 billion locked away, ready for a government to build the East West Link, to ensure Melbourne can achieve what we want it to in the future.

It is very much related to what we see from the Infrastructure Australia audit as a major challenge for our country, which is congestion. Congestion has got worse over the last few years with a lack of coordinated action by governments, particularly in cities, in metropolitan areas. There has been a lot of talk about infrastructure but not a lot of action. What we are seeing from this government is actual delivery.

I can report that since the last time we had this debate 12 months ago some 85 projects have begun construction, with another 98 projects in preconstruction. That is, 85 projects are under construction, with another 98 projects in preconstruction. These are projects that the Abbott government is driving. The Abbott government is announcing, doing the work and delivering upon these projects. I can name a few the Abbott government is delivering for people across Australia.

We have the WestConnex stage 2, which would not be happening as quickly as it is if it were not for the Abbott government's $2 billion concessional loan—the first concessional loan ever used by a federal government for a road project. It is about to get underway. The King Georges Road interchange is a massive bottleneck in Sydney and work is about to get underway.

The issue here, of course, is not just that we have a federal government committed to infrastructure in New South Wales but also that we have Australia's most popular man, the Premier of New South Wales, delivering on what he promised. The most popular man in infrastructure—

Mr Albanese: No more popular than—

Mr BRIGGS: I know the member for Grayndler wants to think that he himself is the most popular man in infrastructure. He is the most popular man in the Labor Party, we know that! But the most popular man in Australia is delivering on infrastructure, with WestConnex stage 1, WestConnex stage 2 and the Western Sydney plan, which is underway of course. We have road projects actually happening on the ground in Western Sydney like the Bringelly Road upgrade. The member for Grayndler welcomed this commitment the other day in his speech on the Western Sydney Airport legislation and we welcome that.

Mr Albanese: I did, I am a fair man!

Mr BRIGGS: He is occasionally a fair man, there is no doubt about that! But across the country we have the Perth freight link. Just 15 minutes ago there was another attack on the Perth freight link by the member for Perth, who has the longest title of anyone in the history of opposition. The actual title of her portfolio responsibilities is longer than one page; she needs at least two pages for each media release because of that.
We have the North-South Corridor in my home town of Adelaide in my home state of South Australia. We have two projects actually happening on the North-South Corridor, which would not have happened under the previous government. There will be more to say about this in the coming weeks. We have the Toowoomba bypass, Madam Deputy Speaker Landry, in your home state of Queensland, which would not have happened but for the Deputy Prime Minister and the Minister for Industry and Science and their dogged pursuit of the importance of this project with the Queensland government.

Of course, we have so much more to do. We are very proudly part of the Sydney Metro project. The biggest contribution that a federal government has ever made to public transport was by the Abbott government. There will be more money spent on public transport than by any previous federal government because of the Abbott government and the Asset Recycling Initiative. This is a government that does not talk about infrastructure. It does not put infrastructure money into pink batts or overpriced school roads, but it puts it into roads, into rail and into building a stronger Australia. That is why we will get a stronger economy.

Mr ALBANESE (Grayndler) (11:07): The problem for this government is that it is all talk and rhetoric and no build when it comes to infrastructure, and this budget has just shown that. The background, of course, to the budget has been a 17.3 per cent fall in public infrastructure investment if you compare the December quarter 2014 with just 12 months earlier—an 11.2 per cent fall in the infrastructure and regional development portfolio spending over the budget. That is the media release from the Infrastructure Partnerships Australia organisation. That is what the sector is saying about this government's approach.

There has been over $2 billion has been cut out of federal infrastructure funding to the states and territories over this year and the next financial year compared with the government's own budget papers in 2014. There was $802 million less spent this year than was promised in the 2014 budget, and $1,199 million less next year than was promised in the 2014 budget. If anyone doubts it, they just need to refer to table 2.9 in Budget Paper No. 3 of the 2014 budget at page 60 and compare with the same table on page 51 of the 2015 budget. That includes $613 million cut from Queensland, including $93 million cut next year from the Bruce Highway: $812 million cut from Victoria; $318 million cut from South Australia; and $31 million cut from Tasmania. Victoria has received just eight per cent of infrastructure spending, despite having 25 per cent of the population.

Then you go to specific programs: the business renewal program was promised $60 million this year and now zero dollars will be spent on what is, I acknowledge, a coalition program, and no extra money for next year.

The Heavy Vehicle Safety and Productivity Program has a cut of $28 million over two years. Even the government's so-called new investments program has been cut by over $300 million for this year and next. Of course, there has been the absurd, stupid and dangerous $1 million cut to the regional bus seatbelts program. What sort of government does something like that? What sort of government does that? Infrastructure Australia funding is cut from $15 million this year to $8 million in future years. Transport security spending falls from $79 million next year to $74 million over the forward estimates.

This is a budget that, for the first time, has no major new projects in it. Every year on budget night you produce a glossy booklet. The problem, of course, for the government last year was that they did produce a booklet, and it was pretty easy to compare it with the
previous year's booklet because a lot of it was just a cut-and-paste job on projects, such as projects on the Pacific Highway and projects on the Bruce Highway. They were just re-announcing projects. I must say that on their magical infrastructure re-announcement tour they are creative from time to time. The member for Bradfield thinks that NorthConnex is a different road from the F3 to the M2, which was funded by the former government, because it has a new name. A new name does not make it a new project. It was an agreement done between the Commonwealth and the state.

Of course, we have the failure to produce the 2014 State of Australian Cities report. It has been printed, it is there, but they will not distribute it. The 200 copies have been printed and are sitting, gathering dust, as the secretary of the department said.

*Government members interjecting—*

**Mr ALBANESE:** It is precisely what he said at Senate estimates.

*Government members interjecting—*

**Mr ALBANESE:** Yes, that is precisely the term that he used at Senate estimates. Not once, but you will find that he said it twice at Senate estimates just to make it clear, because the minister will not allow it to be released. How embarrassing is it that we have a government that does not believe there is any Commonwealth role in our cities?

**Mr TRUSS** (Wide Bay—Deputy Prime Minister and Minister for Infrastructure and Regional Development) (11:12): Let me say that, as infrastructure minister, I am proud to be a part of government that are delivering the biggest infrastructure program in our nation's history. We have provided $50 billion for infrastructure projects across the country. Frankly, I have been staggered by statements by the shadow minister that, somehow or other, this $50 billion is less than the expenditure in previous years. Never forget that Labor's expenditure on road and rail infrastructure in its last year in office was less than what the Howard government spent in its last year. So Labor's own record is not particularly good, and then to make claims that, somehow, that there are cuts in the budget is an absolute nonsense.

If you go to budget paper No. 1 and table 15 it is absolutely clear that expenditure is increasing. The budget papers show that expenditure on road will go from $4.214 billion to $8.401 billion over the next three budgets. That is doubling, essentially, over a period of around four years. If you look at rail, the story is the same. It increases from $740 million in 2014-15 up to $1.3 billion in 2016-17. To talk about cuts is absolute nonsense. We hear these statements that somehow there are no new projects in this budget. The reality is that in the last budget we announced a five-year program that included many new projects. So, we are honouring and delivering the second stage of the last budget with the projects that were announced. That includes exciting things like the Toowoomba Range development that Labor has opposed, both at state and federal level, over the years, but now it is actually going to happen. All the money that is required to complete the Pacific Highway four-laning is in this year's budget. That would never have happened under the other side's policy. It would be a decade away.

I have also listened with amazement to the claim that somehow or other only eight per cent of the funding will be going to Victoria. The reality is that the budget forecasts 19 per cent of the funding going to Victoria, not eight per cent. The figure will fall because of the Victorian government's decision not to build the East West Link. That means it falls to about 12 per cent
of the total. But that is a self-inflicted pain for Victoria. That is what Labor did to the program. Labor took away the biggest project in Victoria and there is nothing in the short-term to replace it. We will negotiate with Victoria—

An honourable member interjecting—

Mr TRUSS: It is not ready. It will not be ready for three years. So why would you be putting money in this year's budget for a project that cannot be built for three years? We are looking around for other projects in cooperation with the Victorian government so that there can be some construction activity in that state. We want there to be jobs created in Victoria. Even though they walked away from the best project, we will look at other work that can be done, particularly shovel-ready projects so that there can be jobs and expenditure in Victoria.

Any fall in the reduction of expenditure in Victoria is not the fault of the federal government; it is the fault of the state government which chose not to build the project that had been agreed by its predecessors and which are part of the agreed five-year program. Labor walked away from it and so Labor has got to take full responsibility for any reductions in funding in that particular area.

Let me go to another issue raised by the honourable member opposite—that is, the school bus seatbelts program. The reality is that it is now in all of the mainland states compulsory to fit seatbelts to school buses. Labor itself had not provided any money beyond that year for the school bus seatbelts program. There was no money in Labor's forward estimates for the program. They had decided to terminate it. Incidentally, it was introduced by the Howard government. I have heard Labor trying to claim it was their program but it was put in place by the Howard government and it has served its purpose.

The DEPUTY SPEAKER (Ms Landry): I call the member for Eden-Monaro.

Mr Albanese: Madam Deputy Speaker Landry, I rise on a point of order. The member for Franklin was on her feet. In terms of the process of order, I refer you to House of Representatives Practice page 503, which says:

Although the allocation of the call is a matter for the discretion of the Chair, it is usual, as a principle, to call Members from each side of the House, government and non-government, alternately.

The DEPUTY SPEAKER: Okay, I call the member for Franklin.

Ms COLLINS (Franklin) (11:18): Thank you, Deputy Speaker Landry. It is good to get an opportunity to speak on the consideration in detail of the Appropriation Bill (No. 1) 2015-2016, the infrastructure and regional development budget. We heard from the previous speaker on this side about the cuts to infrastructure in the budget. We have also not seen in this budget the restoration of the indexation of the Financial Assistance Grant program that is hurting local government, particularly in rural and regional Australia. The cut to the Financial Assistance Grant program is almost a billion dollars over the budget. Local governments are now starting to grapple with what they are going to do in the face of the Financial Assistance Grant program cut that they got in last year's budget that continues in this budget and they were given no notice.

It was interesting when we finally got a response to one of the questions on notice in relation to the number of councils that have written to the minister in relation to the Financial Assistance Grant program. More than 100 councils around Australia that have been upset enough about the Financial Assistance Grant program cut to actually write to the minister and
put the minister on notice that they are unhappy about these cuts because of the way that they are actually affecting councils, particularly in rural and regional Australia. The Financial Assistance Grant program cuts that were in last year’s budget continue in this year’s budget.

In this budget we have got some new money. We have got the Building Stronger Communities Fund, which is about $150,000 an electorate, I understand, for two years. We have heard from the government that it is going to work along the lines of the Anzac grants. But, given that the money is for this year and next year, I am wondering whether one of the ministers can let us know the process and guidelines for local members for the Stronger Communities fund, confirm that senators will not have a role in this, and explain a bit about what the role might be for local members as to how this money will be allocated and—given that we are already about to embark on the next financial year—when local members can expect to be in a position to talk to their communities about this fund.

I am also interested in the Community Development Grants Fund. This is the money—uncontracted RDAF 3, 4 and 5, that was pulled together by the government and allocated. Members might recall that a large majority of it went to coalition-held seats. Indeed, most of the election commitments from the then opposition, now government, were funded through this program. Around 80 per cent of the money went to coalition-held seats. That program had about $7 million left in it. In this budget, I notice, they have allocated another $50 million to the program. In estimates the department said that this is essentially funding government commitments and there is not a competitive assessment process. Given that there is now $57 million sitting in this grants program, that there does not appear to be a way to apply for it and that the government has actually already allocated a grant to it, I think the minister should come clean with the parliament about how this program is going to work and how other members—for instance, members from this side of the House—can access this grants program. It appears to be a bucket of money that the government can just decide to give to any program. I understand that there is some assessment by the department but I would like to know what criteria the department is assessing it against. What are the criteria for the Community Development Grants Fund, which now has $57 million in it, no way for people to apply to it and absolutely no competitive process? It does seem absurd that you would have a bucket of money sitting there called the Community Development Grants Fund and no way to apply. It just seems extraordinary that we can have a situation where this is occurring.

Another thing I would like to address is the cuts to infrastructure in my home state of Tasmania. Minister Briggs came down to Tasmania and talked about the Midlands Highway and the $400 million. Unfortunately for Minister Briggs, we had $500 million for the Midlands Highway, so it has been cut by $100 million.

Mr Briggs interjecting—

Ms COLLINS: We will get to the irrigation in a moment, Mr Briggs.

Mr Briggs interjecting—

Ms COLLINS: No, we are not. The issue is that $100 million has been cut from the Midlands Highway and half of the money that was there for freight rail has been cut. We understand from the department that it has been cut and put into the irrigation schemes. So the irrigation money is not new money and in fact has been cut from freight rail in Tasmania. We have had $100 million cut from the Midlands Highway and we have had $60 million cut from
freight rail and put into irrigation instead. Tasmania has had cuts from this federal government when it comes to infrastructure. They should be delivering for Tasmanians. They are not.

**Dr HENDY** (Eden-Monaro) (11:23): I address my comments to the Assistant Minister for Infrastructure and Regional Development. Over recent weeks I have been conducting a lot of listening posts. They have been in towns like Bega, Cooma, Jindabyne, Thredbo, Bredbo, Jerangle, Tathra, Narooma, Moruya, Pambula, Gundillim and Frogs Hollow. Across those areas, in the discussions that have ensued, road funding and infrastructure funding in respect of either NBN rollout or other matters like ports or airports have been top of mind. They are the issues that have been raised. I was very pleased to be able to respond to my constituents by noting that this government has a $50 billion infrastructure rollout plan, the biggest in Australia's history. I was able to tell them, for example, that in our electorate of Eden-Monaro we are rolling out a $10 million plan for the upgrade of the port of Eden.

With regard to roads, we have had a magnificent promise to roll out $25 million to match that of the New South Wales government for the Queanbeyan bypass. With Roads to Recovery moneys and Black Spot Program moneys we have been able to allocate money for the upgrade of Princes Highway and also the Kings Highway, which is very important to my constituents in Eden-Monaro. In the upgrade of bridges policy, we have been able to promise money for upgrades of a bridge in Broulee and a bridge in Bombala—all very important.

On behalf of my constituents, I am also pushing for other infrastructure spending. For example, the Merimbula airport and the Moruya airport: these things are not quite there yet in relation to government promises, but on behalf of my constituents I am pushing for additional money to upgrade these important pieces of economic infrastructure in my electorate. Why that then comes to you, Assistant Minister, is because you, along with the cabinet minister, are responsible for the National Stronger Regions Fund. There was recently an announcement, on budget day, of a whole range of projects. I know there is a second round coming up, and so my question to you, Assistant Minister, is: could you explain to the House the arrangements for this second round of the National Stronger Regions Fund policy, how it will proceed and what prospects there are not only for people in my electorate but also for people across the whole of Australia to get more of that really needed in infrastructure.

**Ms CHESTERS** (Bendigo) (11:26): There are a couple of points that I want to pick up on and ask questions about of both the ministers that we have present. Before I get to the Stronger Regions Fund or follow up on other comments that have been made, I want to seek some clarification about the allocated funding for Ravenswood Interchange as an infrastructure project. It first appeared in the MYEFO budget with $45 million allocated to the Ravenswood upgrade. A commitment was made by both sides of politics during the election campaign to fund this particular project on the Calder Highway in my electorate. However, while it was first allocated in the 2013-14 MYEFO, what we have seen since is Senator Bridget McKenzie, whose office in my electorate, continually reannouncing this project. As recently as 12 May, she said she was 'wrapped to announce new funding, more funding for Ravenswood'. I am seeking a point of clarification via a question to the minister: is this in fact new money coming to Ravenswood or is it just the same money reannounced? Is the government just reannouncing funding for Ravenswood? This is just another example demonstrating how this government continues to reannounce projects that are already...
committed to. What is it, Minister: is it new money that the senator has promised Bendigo, or is it the money that was allocated in MYEFO back in 2013-14?

Ravenswood is not the only project that the area is seeking help for in terms of infrastructure upgrades. I would also like to know if the minister is considering further rail projects in my state of Victoria. It was great to see you there at the ribbon-cutting for the Regional Rail Link—a vital infrastructure project that will help people from the regions and in the west get into Melbourne on time. The uncoupling of the metropolitan rail and the Regional Rail Link, making sure we get an extra 54,000 people into Melbourne on time—is there going to be a consideration by this government to put the funding back into Melbourne Metro? As we have heard, this was prioritised by Infrastructure Australia; it is a priority of the current state Labor government. It was also a priority of the former state government and the former federal Labor government.

My next question I have addresses the area of the Stronger Regions Fund. While $5 million—not $10 million, but $5 million—was allocated to the Bendigo Airport project, which was something the area welcomed, there were a number of other projects that did miss out on funding. They are seeking information about how they can reach the guidelines. When is the minister going to release that extra information on those projects? There were something like an extra nine projects in the feedback they are seeking—nine projects in the Bendigo electorate that applied for funding and were not successful. When will they receive the feedback? They are looking to resubmit the projects as we speak.

Linked to that, of course, are a number of local governments in my area that have written to you personally, Minister, upset about the freezing of the financial assistance grants. They are the City of Greater Bendigo, Mount Alexander Shire and the Macedon Ranges Shire. All are asking this government to reverse its decision around the indexation of financial assistance grants. These are the same councils that have already been hit by changes from the ARTF program to Stronger Regions. They had a number of projects that were committed to funding in round 5A that they did the work of under ARTF. Not these projects. These were local government projects under 5A—vital small infrastructure projects that they put forward that were approved and they had started the planning on. These are local government areas that have been hit several times by this government. They want to know if the government is going to listen to their calls. They are three of the many councils that have written to this government, saying those financial assistance grants are vital to ensuring our regional communities continue to build the infrastructure that they need. If we are serious about having stronger regions then we need to support our local government in building these projects.

My final question is to back up what the member for Franklin has said, and that is getting information about how the stronger communities fund will actually work and how the government sees that rolling out. I already have lots of community groups and local governments saying: 'Who will have access to this funding? How will we actually do it?' The government has suggested that this could help upgrades of pools and so on and so forth.

Mrs. Truss interjecting—

Ms CHESTERS: To be fair, Deputy Prime Minister, it is unlikely that this funding of $150,000 can go anywhere near helping local communities upgrade their pools. It is just not possible.
Mr VAN MANEN (Forde) (11:32): It is always a pleasure to stand in this place and speak about infrastructure, because infrastructure provides the lifeblood to our economy for it to operate and grow. My question will be to the Deputy Prime Minister, but I would like to make a few comments before I get to that.

It is pleasing to see in this budget a record spend on infrastructure for this nation—some $50 billion. Equally, to bring this more locally to my electorate of Forde, I am pleased to see that there is some $13 million of Roads to Recovery funding between the Logan and Gold Coast city councils. I represent an area that covers parts of both of those councils, which are growing rapidly with satellite cities and infill development, and it is critically important that these councils are provided that funding so that they can continue to upgrade the local road networks for the businesspeople of our community, whom we touched on in an earlier session. As we fund and grow the ability of small business to grow and develop, we see—we are already seeing anecdotally—increases in purchases of new utes and all sorts of other equipment as a result of the instant asset write-off provisions that we introduced in the budget on budget night. All of those tradespeople and businesspeople who are buying the equipment can as a result of our budget changes in the small business sector. They need the roads and infrastructure to be able to productively grow their business. The last thing they need is to be sitting in traffic at six o'clock in the morning or even during the day, trying to get from one job to another.

Certainly in my electorate there is a high number of self-employed small business people who are tradespeople, electricians, plumbers and carpenters. They are frequently travelling the roads of our great cities, and these infrastructure investments will be greatly appreciated—none more so than exit 54 at Upper Coomera. In thanking the Deputy Prime Minister, I would also like to thank the assistant minister for visiting the electorate 12 months or so ago and hosting a meeting with interested stakeholders. Interestingly, it was the first time all the stakeholders had been in the one room at the one time to discuss this vital project for Upper Coomera.

I would like to thank the assistant minister and the Deputy Prime Minister for being able to work with them to secure $10 million of funding for the upgrade of this vital interchange at Upper Coomera. It will lead to an increase in jobs as a result of the capacity of Westfield and QIC to build the Coomera Town Centre, which will be a tremendous boon to the local economy in creating jobs and building activity. We have a small industrial area in Upper Coomera which houses a lot of small to medium businesses. One of the things they have spoken frequently to me about is the amount of time they have to sit at roundabouts to get from one side of the highway to the other. They are no longer coping with the traffic volumes as a result of the development in Upper Coomera.

Not only will that initiative lead to new jobs and new development, but it will also increase productivity and more profitable businesses as they service other areas of the greater Gold Coast or areas where they do business. I am very proud of the fact that we as a government recognise the importance of infrastructure and creating the opportunities for our business sector to grow. Parents who have to get kids to and from school in that local area—we have five schools very close together—frequently get frustrated at the amount of time they have to spend sitting in traffic jams.
My question to the Deputy Prime Minister is: could he please outline how continuing to build infrastructure in Australia is going to benefit, not only the broader national economy, but also our local economies in and around electorates such as Forde?

Ms MacTIERNAN (Perth) (11:36): I do have some questions I would actually like the minister to answer as I am intrigued. As you know, the largest project that you are funding in Western Australia is the Perth Freight Link. First of all, I would like you to describe to me what your view is about building such a large project into a port that is going to have to be moved in the next 10 years? That is the first part of my question. Probably the bigger question is seeking to understand why it is that we have been, in the past year, unable to access any documents in relation to this project. We have sought through freedom of information applications. We have sought documents from your office. Your office tells us it has only got two emails: one from main roads saying 'what on earth is going on here' and your office responding that you want to do an event. That is the only documentation, apparently in your office, about a $1.6 billion project.

We have gone to the department to seek information. They have demanded $2,500 to access any documentation. They have finally provided us with a list of documents, and each of those documents that are not already in the public domain are listed as being exempt. The justification given for the exemption of the vast majority of these documents, including traffic counts, traffic projections—

A government member interjecting—

Ms MacTIERNAN: I know the annoying assistant minister is feeling aggrieved because I am not directing my comments to him; I am going to the organ-grinder, not the monkey. Minister, I seek some clarification as to why it—

Mr Briggs interjecting—

The DEPUTY SPEAKER (Mrs Prentice): The assistant minister will allow the member for Perth to continue.

Ms MacTIERNAN: He is such an annoying prat. It is unbelievable. I am trying to direct some questions—

The DEPUTY SPEAKER: Just a second, member for Perth. Could you please withdraw that. Making that sort of comment really does not help your position.

Ms MacTIERNAN: I withdraw the comment. I am seriously asking the minister the question: why would revealing documents in relation to traffic projections, traffic count, cost estimates damage state-federal relations? That is what I am seeking to understand—why it is that all of the documentation is deemed to be of such a sensitive nature that it cannot be released for fear it is going to damage relationships between the federal and the state government. I am really seeking an explanation of this. What it looks like is that you are very reluctant to have the spotlight of public scrutiny placed on this project. You say you are proud of this project. Tell us why it is, then, that you are not prepared to allow any of the documentation to be released.

Ms SCOTT (Lindsay) (11:40): It is a real privilege to be here today with the two visionary and innovative ministers for infrastructure that represent the Abbott federal government. Western Sydney is under an incredible revolution—an innovation revolution. The University of Western Sydney has done phenomenal work in relation to the innovation
corridor, starting with the integrated health hub down in the Campbelltown-Macarthur region, going up to the Sydney University campus in Camden. Oran Park Town has been accredited as the fastest growing town in Australia, and there is the south-west growth corridor, where 300,000 people will be moving over the next 10 years. In my electorate of Lindsay, there is the Sydney Science Park—a 280 hectare facility that will be home to 12,200 jobs in science and biotech—smart jobs; jobs for the future.

Of course there is the Western Sydney science centre and the Sydney IQ business park which will see 6,000 jobs also in innovation and science. Going out to the north-west growth sector, the north-west growth sector is home to the Sydney Business Park. The Sydney Business Park is going to be the biggest business park in the southern hemisphere. These are some phenomenal achievements and wonderful things. We are seeing an innovation revolution come right across to the people of Western Sydney. My question is going to be very much about how we can support this innovation, how we can support this growth, how we can support jobs of the future. It is great that we have inspirational leaders and business communities that are coming in and investing. The Sydney Science Park alone through the Baiada group is $2.5 billion of private investment over and above the value of the real estate. This will be in Luddenham, which is on the corner of The Northern Road and Elizabeth Drive, which I am sure both ministers are very aware of because it does form part of a $3.6 billion package which will make Western Sydney move.

Greater Western Sydney is home to one in 11 Australians. In fact, greater Western Sydney is the third largest economy in Australia. Greater Western Sydney has 240,000 local businesses. The business incubator, which is part of the Sydney IQ business park and the Werrington Park Corporate Centre, is a partnership with the UWS—federal government investment was in there as well—and now people like Google are coming in to work out how we can create the Googles of tomorrow.

But you cannot just have this wonderful ideas unless we have infrastructure that that links it altogether. But Sydney has been stymied. We had a former Premier in Bob Carr, and I believe he was in another chamber in this place, who is famous for saying 'Sydney is full—there is no more infrastructure, Sydney is full.' But do you know what we have seen? We have seen a gridlock, also known as Parramatta Road. Two-thirds of the people of Western Sydney have to commute every single day, one-third all the way into the city and one-third into Greater Western Sydney. No longer is this good enough. We need jobs in our areas. Previous planning has designed things like dormitory suburbs in outer Western Sydney. We want jobs for our children. We want jobs for the future. By 2020 less than five per cent of manufacturing will exist in my part of Western Sydney. The dream of parents in my community is to see their kids be successful and have a better life than themselves, which is a noble aspiration of every generation, and that is why we need to build infrastructure for the 21st century.

But it is not just about infrastructure, it is also about the jobs of the 21st century and working on these things together. My questions to the ministers are all about this. How can we continue to get New South Wales moving? How can we allow for jobs in Western Sydney to grow and prosper, and get Western Sydney to really lead our country? How can our infrastructure also allow for people in Western Sydney to be able to commute much more efficiently into the city, because right now Parramatta Road is not acceptable. If you live in
my part of Western Sydney, trying to get out through Pennant Hills Road for your Christmas holidays is absolutely diabolical. What if you want to get to the airport? If you are doing it in peak-hour traffic, then try to do it under two hours; in a non-peak hour period it might take you 50 minutes. These things are destroying our country's efficiency, our productivity and our ability to compete. That is why we need the infrastructure of the 21st century and we need ministers with vision to step up and fight for our infrastructure so that the people of Western Sydney can get the jobs they deserve.

Ms COLLINS (Franklin) (11:46): I have some questions in relation to a few projects in my home state of Tasmania that I want to talk about. The government ministers would be aware that the government has announced changes to the Tasmanian Freight Equalisation Scheme. There are going to be two rates for things going across the strait: one for international shipping and one for domestic shipping. I am interested in how the differential between the two pricing structures will work for producers in the state who are trying to get produce out. People are concerned about red tape and about having to apply to the two different programs.

It has also been raised with me that the government has said there will be a six-month limit on applications for TFES under the new program. I understand that the government is going round and doing some consultations in Tasmania about how the program will work. Given it is supposed to start next year, I am keen to understand when the government intends to have a decision on how this will work. I am also keen to know whether or not it is true that the government is considering limiting applications to be made within six months, because I am told that a lot of the smaller exporters are very concerned that they might not be able to get their claims through within the six months. They are saying that at the moment it does sometimes take a bit longer for them because of the paperwork and they are concerned that if there is going to be two lots of paper work, then the red tape will mean it will take longer and they are not going to be able to meet the time frame. I am interested to see whether the government is actually going in imposing tighter time frames on applications as well as where the government is going in terms of the Tasmanian Freight Equalisation Scheme changes. I am also keen to understand where the government got the differential figure from for the different containers. I understand that it is about $850 per domestic container but they are talking about $700 for international, so I am interested to know why there is that differential and how that came about.

I am also wondering if the ministers can answer some questions about the Cadbury money, or if they could get an answer from department officials. People will remember the $16 million for the Cadbury proposal in Tasmania. We were initially told it was in the employment department, then we were told it was in regional development and then we were told it had ended up in tourism area of the Department of Foreign Affairs and Trade. It has been recorded as a saving under the tourism budget this year, and we are told that it still exists somewhere in somebody's budget in the government. So my question to the ministers is: do you have the $16 million? I have asked this a few times—I have asked several departments if they have the $16 million—and at this stage I am beginning to think that it does not exist. We have asked several departments if they have the $16 million, and which projects the $16 million, which we have been guaranteed will remain in Tasmania, is going to fund and which department or agency it might be in. It would be very useful to know because Tasmanians are
very anxious about this money. People will be aware that unemployment in my home state is still very high; it has a seven in front of it. We have now had three months of unemployment figures going up and so Tasmanians are concerned about this money. We have heard Cadbury announce it will be sacking workers in Tasmania, so there is a great need for that money to remain in the state.

I also have some questions around Hobart Airport. Ministers will be aware that Hobart Airport sought some funding for a runway extension—$38 million from the federal government and $2 million from the airport owners. They have recently announced a terminal upgrade of around another $30 million, and I understand the government has only provided about $3 million to date for the planning to get the business case ready. I would appreciate hearing from the government how much in each year of funding there is for the Hobart Airport runway extension. I want to make sure that the money is in the budget going forward, because this project has been supported by everybody in the state, and we want to make sure that this extension occurs.

I also want to raise an issue that has been raised with me by the two councils in Tasmania that have airports in them, and that is about rates-equivalent payments from airports to local government. I understand they are not the only local governments in the country that have raised this issue with the minister, and I understand some of them have actually tried to seek a meeting with the minister and have met with the minister's staff or department officials but have not been able to see the minister about it. My question is: has that occurred yet? What, if anything, can the government do in terms of trying to assist councils with their negotiations with the airports to try and recover some of this funding? For some of the councils, I understand, it is quite substantial. I genuinely ask these things about my home state, in the interests of Tasmania, and I hope that I do get an answer.

The DEPUTY SPEAKER (Mrs Prentice): Thank you, member for Franklin. There are a lot of very good questions relating to Tasmania. The question is that the proposed expenditure be agreed to. I call the honourable member for Capricornia.

Ms LANDRY (Capricornia) (11:51): The future development of northern Australia, from the Tropic of Capricorn upwards, is important to our nation's agriculture and resource future. For the past 18 months I have been fighting hard to ensure that Capricornia and Central Queensland feature on the northern Australian scene. At one point I even declared war on far northern regions like Townsville, Darwin and Cairns, because I believe that, early on, politicians and business leaders in those regions were hijacking the decision-making process.

Today, the federal government released its long-awaited white paper on northern Australia. I was buoyed by comments from the Prime Minister today that he agrees with me that the city of Rockhampton and its surrounding areas need some attention and that he would like to see Rockhampton get some of that attention, particularly around the Tropic of Capricorn. Today's northern Australia white paper release follows the recent announcement in the federal budget that our government is providing a new $5 billion northern Australia infrastructure facility, which is the first major step in developing our North.

During this white paper process, I fought hard for Capricornia to get Central Queensland a recognised representative on the Prime Minister's Northern Australia Taskforce. The representative is CQ University Vice-Chancellor, Scott Bowman. When it comes to northern Australia, in my role representing Capricornia, I will continue to push water infrastructure
projects like the Fitzroy agricultural corridor, Urannah Dam and the Connors River Dam. It is my desire that some of these projects will feature in the white paper on dams that is currently in the pipeline.

Capricornia and the city of Rockhampton, Australia's beef capital, are the gateway of northern Australia. Capricornia is a huge chunk of Central Queensland—in fact, if Central Queensland were its own state, it would be one of the richest states in the nation. Central Queensland produces $40 billion of wealth for Australia every year from a population base of just over 400,000—that is an income per person of more than $100,000, which is double that of Tasmania. Minister, considering the budget announcements and the importance of Capricornia and Central Queensland, can you highlight the federal government's plans for northern Australia, especially with regard to road infrastructure, water and dam infrastructure, and the benefits to Capricornia? Also, how will the government's northern Australia plan unlock jobs and opportunities in Capricornia?

Ms CHESTERS (Bendigo) (11:54): I wanted to ask the ministers here present a few questions in relation to the safe rates and the Road Safety Remuneration Tribunal. I understand that it fits under the portfolio of Minister Abetz, but I do know that Minister Truss is consulted about the proposal around the government's plan to scrap the Road Safety Remuneration Tribunal. We on this side believe that it is vital to keep the safe rates tribunal going, because it is about ensuring safety and safe rates on our roads. It is about ensuring that our drivers, as well as road users, continue to have safe roads.

We already know that 300 people involved in accidents on our major highways lose their lives each year, particularly in the regions where they are involved in accidents with trucks. Within my own electorate, we have already had a few fatalities this year on the Calder and alternate Calder. Tragically, we have already lost a few lives of individuals involved in accidents. We have also heard from truck drivers in the region about the pressures that they are under to get product to port quicker.

Given that this government is claiming to be the government for infrastructure, that they want to invest in our roads and build our roads, is the minister aware whether the government have committed to scrap their plan for the Road Safety Remuneration Tribunal, which is about ensuring that our roads, which are a workplace, are safe and that our drivers are not put under pressure to get product to port. Can the government today rule out scrapping the Road Safety Remuneration Tribunal? Can the minister commit his support to the Road Safety Remuneration Tribunal, which will ensure that our roads continue to be safe, and will become safe workplaces, for the many people involved in the trucking industry?

Mr HOGAN (Page) (11:56): Ministers, I have a question in relation to infrastructure spending on the Pacific Highway. Ministers, you are probably both aware that, for the dual duplication to be completed, it is a program of over $7 billion. I am aware too that in the vicinity of my electorate, between Ballina in the north and Woolgoolga in the South, it is about a $4½ billion program. As I understood it, at the last federal election there was a big distinction between the two major parties, now the coalition government and the opposition. One was that the then Labor government were to take going back to a 50-50 split to complete the dual duplication to the federal election. They then put $3½ billion on the table to complete the dual duplication. We then, as the coalition opposition, put on $5.5 billion—$2 billion more—to complete the dual duplication of the highway. I would like an update on how that is
going. I am aware that recently, with the Deputy Prime Minister, we announced the winning tenderer, Pacific Complete. I would like some information on that process and how they will being doing it a bit differently to how we used to do those tenders. They won the $4.3 billion—around that amount—to complete the section between Ballina and Woolgoolga, so could you give us an update on that?

I am very conscious, and would like to reiterate, that there are a number of reasons why we do this. Dual duplications have been proven and the primary reason for this is to reduce fatalities. The fatalities on the Pacific Highway are falling every year, which is the most important thing. Obviously, the construction of this process will bring jobs and increased economic activity will reside once the dual duplication is completed. Easier transport, et cetera, are just some of the benefits of that as well.

Ms MacTIERNAN (Perth) (11:58): I would like the minister to address the issue of the government's policy of not supporting urban rail projects. I am particularly asking it in the context of Perth. Minister, you would have seen the Infrastructure Australia audit which showed that, by 2030, seven out of the 10 most congested corridors in Australia will be occurring in Perth, so Perth is on track to become the congestion capital of Australia. Over the next 10 years we are going to see congestion rising in Perth to a really quite alarming extent.

Another fact revealed in that audit is that in Perth only five per cent of trips are taken on public transport. This compares with Sydney which I think is 12 per cent and Melbourne which is 15 per cent. Quite clearly in Western Australia, particularly in recent years, there has not been any investment into the upgrade of their public transport network. We have seen as a direct result of your policies that the Barnett government has abandoned various rail projects that it committed to in the 2013 election. It committed to, for example, the MAX light rail project, from the northern suburbs to the western and eastern suburbs south of the river—a very strong project committed to and described as fully funded and fully costed. This was a project that was eligible for the $500 million that federal Labor had placed in the budget. But the minister chose to take that out of the budget and instead replace it with the Perth Freight Link.

Minister, do you accept that Western Australia is a clear example of where your policy of refusing to fund urban rail is changing the behaviour of state governments, seeing them disinvesting in rail projects? We see this so clearly in Western Australia. The government was going to be proceeding with two rail projects. Once you took the money out of the budget and redirected it and demanded that it could only be spent on road, that reoriented states towards road projects, further contributing to that congestion problem. You are quite clearly never going to be able to reduce the levels of congestion without proper investment in public transport. Your policy does not, as you claim it does, free up state governments to spend more money on rail. Rather, it gets the state governments to take their limited infrastructure funds and move them from rail projects onto road projects, as they chase Commonwealth dollars.

All of the projections are that Perth is on target to be the congestion capital of Australia because we have stopped investing in public transport. In the last six years there has been a virtual cessation of investment in the expansion of the public transport network. So, Minister, I want you to clarify for us what your policy is about rail and do you accept that it has this consequence of changing the behaviour of state governments, that it entices them to pull their
money out of rail projects and put it into road projects so they can get matching Commonwealth dollars?

Mr BRUCE SCOTT (Maranoa—Deputy Speaker) (12:03): It is a pleasure to rise here today in this estimates consideration in detail and to put a question to the Deputy Prime Minister, who has on a number of occasions visited my electorate on key infrastructure projects and has taken a very keen interest in making sure that we are able to address some of the deficits in road funding that have occurred under many years of Labor administration in Queensland, and of course during that six-year period when the Labor Party here in Canberra had very little interest in regional and rural Australia. Deputy Prime Minister, I know this coalition government has got a commitment to regional and rural Australia. Are you able to please describe some of the government's infrastructure investment plans for my electorate? I am particularly interested in the Warrego Highway, with the announcement this morning of the Northern Australia white paper. The Warrego Highway is a vital link that runs from Brisbane right through to the west, past the Landsborough Highway, linking with the north-west of Queensland and then the Northern Territory. It is a vital part of the link between the capital cities. I am particularly interested in the section between Chinchilla and Dalby. It is an area that has received a lot of heavy traffic—as well as the rest of the road for that matter—with the development of the coal seam gas industry. There is a section between Chinchilla and Dalby that has had very little attention. Whilst most of it has been reconstructed, there is a section there that has not.

I am also interested—bearing in mind that it is the Queensland Labor government that now has responsibility for the administration of the main roads expenditure in Queensland—in whether there are any plans in the forward estimates for further passing lanes on the Warrego Highway east of Dalby, particularly Dalby to Toowoomba. There have been a number of road accidents with actual fatalities in that part of the electorate along the Warrego Highway.

The other road that I am interested in, Deputy Prime Minister, is the Eight Mile intersection on the New England Highway just north of Warwick. I know that you have visited that site with us—with me, the mayor and the local state member. It is a notorious intersection, and we have seen a number of deaths at that site. Prior to the last federal election, we said that we would have it as a priority black spot but I would be interested to know whether the new government in Queensland—the Labor government—has shown any interest in taking forward that Eight Mile as a priority area for funding between Commonwealth and state. It is an issue that we do need to address, and I would be particularly interested in what plans we may have or, more particularly, whether the new Labor government in Queensland has listed it as a priority road for funding and attention at a Commonwealth and state level. Thank you, and I look forward to your answers, Deputy Prime Minister.

Mr TRUSS (Wide Bay—Deputy Prime Minister and Minister for Infrastructure and Regional Development) (12:06): I thank all those members who have asked questions. I will try to deal with as many of them as I can, as quickly as I can. I do not know whether the Tasmanian member is coming back to hear the answer to her questions, but I do have answers. I might leave those till last then, in the hope that she might come back but if she does not I will still proceed with it.

The member for Bendigo raised a number of issues about, particularly, the Calder Highway-Ravenswood interchange. The total cost of that project is estimated at $86 million,
of which the Commonwealth's contribution is $45 million, and $7 million of that has been allocated in the 2015-16 budget. In other words, there is money there ready for the project to proceed. While I know there has been a change of government in Victoria, I am optimistic that the state government will honour its commitment to its share of the project so it will be able to proceed. Now this is, of course, a bonus for the people in this region, because while Labor may have talked about it they actually did not include any funding for this project prior to the election. It was not in their list of projects to be funded. So the people in the electorate of Bendigo can be grateful that there is a coalition government that was elected and therefore is delivering on that particular project.

A number of the other road projects have been mentioned. While I have it in my mind, the member for Maranoa asked about the Warrego Highway. Yes, we have a major commitment to the Warrego Highway—not just the Toowoomba range project, which is probably the biggest project there has been in regional Australia on the roads, but also the Warrego Highway out to Miles. Something like $600 million is being committed there with the Commonwealth meeting 80 per cent of the cost.

You specifically asked about the Chinchilla to Toowoomba section—

Mr Bruce Scott interjecting—

Mr TRUSS: Chinchilla to Dalby. Yesterday I was pleased to sign off on the project to upgrade Jingi Jingi Creek. Hopefully, the member will have a nice announcement to make about that in the next few days, but there is also work proposed around Brigalow-Chinchilla, the Dalby western access, the Dalby eastern access and, of course, more passing lanes—particularly between Oakey and Dalby—as well as an upgrade of the Acland intersection and the Toowoomba duplication. We have already started work on another 5.6 kilometres of duplication between Toowoomba and Oakey. This is a major work site, and I recognise the heavy volumes of traffic—there are black soil plains and some very difficult areas to build roads—but this should make a real difference in that particular area.

The member also asked about the Eight Mile intersection, and $550,000 has been provided by the Queensland government to develop a business case for that proposal. We expect that we will receive that sometime next year, and then there will be an opportunity for discussions to occur about what timeframe there might be for construction of that project.

The honourable member for Page spoke about the Pacific Highway, and obviously we have made major investments in the Pacific Highway. Our $5.6 billion is completely delivered in this year's budget and it will mean the project can be completed this decade, as we have promised. Because we are committed to an 80-20 funding mix, the project will proceed. Labor was demanding a 50-50 funding mix and, as a result, it would have been at least another decade before the project was completed. So the Pacific Highway is happening because there is a government that is determined to fund it. As the honourable member mentioned, the major final contract, the broad overview contract, was let and announced in his electorate just a few weeks ago.

I will go to the Western Australian issues. Yes, the government is committed to the Perth Freight Link. It is, I think, an important project. I do not think the Fremantle port is likely to close any time soon. In fact, it is going to be a vital piece of Perth infrastructure for a very, very long time. (Extension of time granted)
The reality is that the freedom of information rules are not ours. In fact, the legislation was introduced by the previous government. So the criteria for the release of information and the fee scale were absolutely the responsibility of the previous government.

Ms MacTiernan interjecting—

Mr TRUSS: The other point I would make in response to the member is that I do not make the decision. Under the law, each department is required to have a decision maker appointed and they make their decisions. I just get a brief from the officer telling me what he has done. The reality is, therefore, that they make the decisions on the basis of their judgement. They certainly talk to the states on an issue like this one, because some of the documents involved are in relation to negotiations and discussions with the state. So those kinds of sensitivities are inevitable. Also, a project of this magnitude is going to have commercial issues which should not be in the public domain. So the reality is we are simply administering the laws as they were. I had no personal involvement in the decision. I did not seek to amend it in any way. The information conveyed to the honourable member about the fee scale and about the process is exactly as it was put in place by the previous government.

Her comments in relation to urban rail are simply nonsense. I know that the shadow minister has been saying this sort of thing—that we will not spend money on urban rail. That is complete rubbish. If you look at the projects that have been announced under the asset recycling program, most of them are urban rail, including a project right here in Canberra and some major projects in Sydney. Western Australia has not joined that program yet, but they are of a mind to do so. If they want to put up an urban rail project, I am sure it will be carefully considered by the Treasurer and, on its merits, would be funded.

In addition to that, we are talking to Victoria about their decision to axe the most important project in Melbourne, about where the money might be spent. They are in fact privatising and selling the Port of Melbourne and will certainly be eligible for the asset recycling program if they want to.

In Queensland we had indicated to the previous Newman government that we were happy to support the BaT tunnel in Brisbane. The new government is walking away from that because it does not want to engage in the asset recycling program. But there is no evidence to support a claim that we are not backing urban rail; we are. We are spending significant amounts of money on urban rail and we expect to do that in the future.

Our primary responsibility is obviously to the interstate freight link, and that is where we will be investing significant funds—in things like the Melbourne to Brisbane railway line—but we are spending money on rail systems that will make a difference to urban public transport. I add that a very important part of urban public transport is buses, and buses drive on roads. So we have been building those roads, which otherwise would never have happened. I am more than happy to stand on our record in relation to these issues.

Moving on to the Tasmanian issues—and someone might like to convey this information to the honourable member for Franklin—yes, we have proposed a new, more generous subsidy to the Tasmanian Freight Equalisation Scheme. It will provide funding for exports. It is a flat amount because, when you are sending something on an export ship from Tasmania, clearly, it is a less complex arrangement, and so the fees are different.
Currently, people have two years to make a claim under this scheme. Frankly, we think six months is reasonable. Surely, you can get around to making your claim in six months. When people are so far behind in lodging accounts, the ability to trace and effectively document the trail is all the more difficult. However, we are having consultations about the proposed guidelines at present. If this is an issue for people in Tasmania, I would encourage them to make their views known. Submissions close on 24 June. If it is a major issue, we are certainly prepared to have a look at how best it can be addressed. I will only be another few seconds, Mr Deputy Speaker Irons.

Ms MacTiernan interjecting—

Mr Sukkar: You have asked your questions.

Mr TRUSS: I am dealing now with the Tasmanian issues. The member for Franklin also asked about the funding profile for the Hobart airport. There is a bit over $3 million in 2014-15, $28½ million in 2015-16 and $6½ million in 2016-17. Those numbers are in the budget documents. I can confirm for her that our funding of $38 million is for the runway extension, not for the terminal buildings or other matters that were announced just recently. Those are issues for the airport and for the private sector.

The member for Franklin also raised the question of rates, or the ex-gratia payments in lieu of rates, and that has been an issue in Launceston. Yes, it is true; my department has been talking with them in seeking to find a resolution to the issues. Currently, this matter is in the courts and, as a result, we will have to allow the court processes to run their course. Hopefully, some of the decisions that are made in that court case will provide guidance to the major airport owners right across the nation so that this question of ex-gratia payments is clear and understood by all.

Ms MacTiernan: And the road safety tribunal?

Mr TRUSS: Well, I do not know where the story came from that we were proposing to get rid of it. It is true that it is in the hands of the Minister for Employment, not in mine. It would be well known that, when we were on the other side of the parliament, we were not enthusiastic about its introduction; we thought it was another piece of bureaucracy. I do not think there is any evidence to suggest that it has made any difference, positive or negative, in relation to the road toll. However, I am concerned about the very long periods of time that it is taking the organisation to deal with issues, and that is certainly a matter that has been raised with me by employers—that things are held up for a very long time, way beyond the time limits that are set for the resolution of matters, and I think that is something it ought to look at. We do not have any plans to get rid of it. Even if we did, we would not get it through the parliament. So, the reality is that the organisation will continue to do its job.

Ms MacTiernan: Thank you. That is good news.

Dr SOUTHCOTT (Boothby) (12:19): I would like to ask a question to the Assistant Minister for Infrastructure and Regional Development about the budget funding for the North-South Corridor in Adelaide. In particular, I would like to ask him about the latest plans for the Darlington section of that and what this will mean for commuters using both the Southern Expressway and Main South Road. I would also like to ask the minister for an update on the time frames for preliminary works on Darlington and also when work will actually commence on the Darlington section. Thank you.
Mr BRIGGS (Mayo—Assistant Minister for Infrastructure and Regional Development) (12:20): I might firstly address the Perth Freight Link additionally as the member for Perth, who is obviously not that interested in the questions she asked, leaves. It is a vital project that fixes the mistakes that were made by the former Western Australian government who tried to build over the corridor that was actually protected to build this project in the future as the Deputy Speaker well knows.

The minister who of course approved and did that was in fact the member for Perth, so Perth has got some of the biggest congestion issues across the country, because that person was the planning minister in that state for some eight years. That is exactly why Perth is now dealing with this disastrous situation. The Perth Freight Link is frankly not only just overdue; it is years overdue. It is a disgrace that that member who is now in the federal parliament—

A government member interjecting—The audacity!

Mr BRIGGS: The audacity is the exactly the word—tyring to bring the disaster that she brought to Perth on a national scale. So we will be building the Perth Freight Link absolutely.

There have been some specific questions. I might firstly address the member for Boothby's question about the Darlington project and the North-South Corridor. Of course it is the Abbott government that is funding nearly a billion dollars worth of works on the North-South Corridor—projects that would not have been built under the former Labor government, particularly in Darlington.

The Darlington project in the member for Boothby's electorate would not have been built by the former government and the former minister, who did not like the project—often promised. However, he did at one point: he wanted to build the project back in 2008. The member for Boothby is very familiar with this torrid tale. It took the Abbott government to break through the mess of this on the North-South Corridor to build not only the Torrens to Torrens project—which wasn't a priority of the Labor government until the Darlington project became a priority of the Abbott opposition and then it became a priority of the former government. That is how they did infrastructure in those days.

We do not do it like that anymore; we do it on the basis of good economic information, and the Darlington project is one of those projects that had to go ahead. The whole corridor will be done. The whole corridor, thanks to the infrastructure Prime Minister, will be done in a decade. That is why we paid for the plan which has now been released, albeit not in the organised fashion we had hoped. Now that it has been released, we will be delivering the North-South Corridor and we will shortly have more to say about how we are going to do that. As far as the Darlington project is concerned, there will be work underway this year as promised, committed and delivered under the Abbott government. So the member for Boothby can reassure his constituents that this project will be delivered.

There were also questions in relation to the new Stronger Communities program that was announced in the budget. I can inform the member for Franklin and other members in this House that there will be more detail about this project released in the very, very near future. We will work through the ways to deliver this project in an efficient manner and it looks like we are off to a division.
A division having been called in the House of Representatives—

Sitting suspended from 12:23 to 13:13

Federation Chamber adjourned at 13:13