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SITTING DAYS—2014

<table>
<thead>
<tr>
<th>Month</th>
<th>Date</th>
</tr>
</thead>
<tbody>
<tr>
<td>February</td>
<td>11, 12, 13, 24, 25, 26, 27</td>
</tr>
<tr>
<td>March</td>
<td>3, 4, 5, 6, 17, 18, 19, 20, 24, 25, 26, 27</td>
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<td>May</td>
<td>13, 14, 15, 26, 27, 28, 29</td>
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<td>June</td>
<td>2, 3, 4, 5, 16, 17, 18, 19, 23, 24, 25, 26</td>
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<td>July</td>
<td>14, 15, 16, 17</td>
</tr>
<tr>
<td>August</td>
<td>26, 27, 28</td>
</tr>
<tr>
<td>September</td>
<td>1, 2, 3, 4, 22, 23, 24, 25, 30</td>
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<tr>
<td>October</td>
<td>1, 2, 20, 21, 22, 23, 27, 28, 29, 30</td>
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<tr>
<td>November</td>
<td>24, 25, 26, 27</td>
</tr>
<tr>
<td>December</td>
<td>1, 2, 3, 4</td>
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<table>
<thead>
<tr>
<th>City</th>
<th>Frequency</th>
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<tbody>
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<td>747AM</td>
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<td>PERTH</td>
<td>585AM</td>
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<td>SYDNEY</td>
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FORTY-FOURTH PARLIAMENT
FIRST SESSION—THIRD 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
Members of the Speaker’s Panel—Mrs Karen Lesley Andrews MP,
Mr Russell Evan Broadbent MP, Mr Alexander George Hawke MP,
Mr Ian Reginald Goodenough MP, Mrs Natasha Louise Griggs MP,
Mr Ewen Thomas Jones MP, Mr Craig Kelly MP, Hon. Charles Christian Porter MP,
Mr Donald James Randall MP, Mr Ross Xavier Vasta MP, Mr Brett David Whiteley 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—Hon. Philip Maxwell Ruddock MP
Government Whips—Mr Scott Buchholz MP 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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<table>
<thead>
<tr>
<th>Members</th>
<th>Division</th>
<th>Party</th>
</tr>
</thead>
<tbody>
<tr>
<td>Abbott, The Hon. Anthony John</td>
<td>Warringah, NSW</td>
<td>LP</td>
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<td>Albanese, The Hon. Anthony Norman</td>
<td>Grayndler, NSW</td>
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<td>Melbourne, VIC</td>
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<td>Dunkley, VIC</td>
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<td>Cunningham, NSW</td>
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<td>McMahan, NSW</td>
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<td>Gippsland, VIC</td>
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<td>Bendigo, VIC</td>
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<td>Franklin, TAS</td>
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<td>Melbourne Ports, VIC</td>
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<td>Solomon, NT</td>
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<td>Shortland, NSW</td>
<td>ALP</td>
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<td>Cowper, NSW</td>
<td>NATS</td>
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<td>Mitchell, NSW</td>
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<td>Fowler, NSW</td>
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<td>North Sydney, NSW</td>
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<td>NATS</td>
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<td>Petrie, QLD</td>
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<td>Flinders, VIC</td>
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<td>Lyons, TAS</td>
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<td>Swan, WA</td>
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<td>Tangney, WA</td>
<td>LP</td>
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<td>New England, NSW</td>
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<td>Hughes, NSW</td>
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<td>Ballarat, VIC</td>
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<td>Cook, NSW</td>
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<td>Blair, QLD</td>
<td>ALP</td>
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<td>Flynn, QLD</td>
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<td>Division</td>
<td>Party</td>
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<tr>
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<td>ALP</td>
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<td>Owens, Ms Julie</td>
<td>Parramatta, NSW</td>
<td>ALP</td>
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<td>Palmer, Mr Clive Federick</td>
<td>Fairfax QLD</td>
<td>PUP</td>
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<td>Parke, The Hon. Melissa</td>
<td>Fremantle, WA</td>
<td>ALP</td>
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<tr>
<td>Pasin, Mr Antony</td>
<td>Barker, SA</td>
<td>LP</td>
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<td>Perrett, Mr Graham Douglas</td>
<td>Moreton, QLD</td>
<td>ALP</td>
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<td>Pitt, Mr Keith John</td>
<td>Hinkler, QLD</td>
<td>NATS</td>
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<td>Sydney, NSW</td>
<td>ALP</td>
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<td>Porter, The Hon. Charles Christian</td>
<td>Pearce, WA</td>
<td>LP</td>
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<td>Prentice, Mrs Jane</td>
<td>Ryan, QLD</td>
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<td>Price, Ms Melissa Lee</td>
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<td>Ramsey, Mr Rowan Eric</td>
<td>Grey, SA</td>
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<td>Casey, VIC</td>
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<td>Boothby, SA</td>
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<td>Murray, VIC</td>
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<td>Gilmore, NSW</td>
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<td>Vamvakinou, Ms Maria</td>
<td>Calwell, VIC</td>
<td>ALP</td>
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<tr>
<td>van Manen, Mr Albertus Johannes</td>
<td>Forde, QLD</td>
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<tr>
<td>Varvaris, Mr Nickolas</td>
<td>Barton, NSW</td>
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<tr>
<td>Vasta, Mr Ross Xavier</td>
<td>Bonner, QLD</td>
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<tr>
<td>Watts, Mr Timothy Graham</td>
<td>Gellibrand, VIC</td>
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<tr>
<td>Whiteley, Mr Brett David</td>
<td>Braddon, TAS</td>
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<tr>
<td>Wicks, Mrs Lucy Elizabeth</td>
<td>Robertson, NSW</td>
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</tbody>
</table>
### Members of the House of Representatives

<table>
<thead>
<tr>
<th>Members</th>
<th>Division</th>
<th>Party</th>
</tr>
</thead>
<tbody>
<tr>
<td>Wilkie, Mr Andrew Damien</td>
<td>Denison, TAS</td>
<td>IND.</td>
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<tr>
<td>Williams, Mr Matthew</td>
<td>Hindmarsh, SA</td>
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<tr>
<td>Wilson, Mr Richard James</td>
<td>O'Connor, WA</td>
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<tr>
<td>Wood, Mr Jason Peter</td>
<td>La Trobe, VIC</td>
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<tr>
<td>Wyatt, Mr Kenneth George AM</td>
<td>Hasluck, WA</td>
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<tr>
<td>Zappia, Mr Antonio</td>
<td>Makin, SA</td>
<td>ALP</td>
</tr>
</tbody>
</table>

### PARTY ABBREVIATIONS

ALP—Australian Labor Party; LP—Liberal Party of Australia; NATS—The Nationals; IND—Independent; NATSWA—The Nationals WA; CLP—Country Liberal Party; AUS—Katters Australia Party; AG—Australian Greens; PUP—Palmer United Party

### Heads of Parliamentary Departments

Clerk of the Senate—R Laing  
Clerk of the House of Representatives—D Elder  
Secretary, Department of Parliamentary Services—C Mills  
Parliamentary Budget Officer—P Bowen
<table>
<thead>
<tr>
<th>Title</th>
<th>Minister</th>
</tr>
</thead>
<tbody>
<tr>
<td>Prime Minister</td>
<td>The Hon. Tony Abbott MP</td>
</tr>
<tr>
<td>Minister for Indigenous Affairs</td>
<td>Senator the Hon. Nigel Scullion</td>
</tr>
<tr>
<td>Minister Assisting the Prime Minister for the Public Service</td>
<td>Senator the Hon. Eric Abetz</td>
</tr>
<tr>
<td>Minister Assisting the Prime Minister for Women</td>
<td>Senator the Hon. Michaelia Cash</td>
</tr>
<tr>
<td>Parliamentary Secretary to the Prime Minister</td>
<td>The Hon. Josh Frydenberg MP</td>
</tr>
<tr>
<td>Parliamentary Secretary to the Prime Minister</td>
<td>The Hon. Alan Tudge MP</td>
</tr>
<tr>
<td>Minister for Infrastructure and Regional Development (Deputy Prime</td>
<td>The Hon. Warren Truss MP</td>
</tr>
<tr>
<td>Minister)</td>
<td></td>
</tr>
<tr>
<td>Assistant Minister for Infrastructure and Regional Development</td>
<td>The Hon. Jamie Briggs MP</td>
</tr>
<tr>
<td>Minister for Foreign Affairs</td>
<td>The Hon. Julie Bishop MP</td>
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<tr>
<td>Minister for Trade and Investment</td>
<td>The Hon. Andrew Robb AO MP</td>
</tr>
<tr>
<td>Parliamentary Secretary to the Minister for Foreign Affairs</td>
<td>Senator the Hon. Brett Mason</td>
</tr>
<tr>
<td>Minister for Employment (Leader of the Government in the Senate)</td>
<td>Senator the Hon. Eric Abetz</td>
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<tr>
<td>Assistant Minister for Employment (Deputy Leader of the House)</td>
<td>The Hon. Luke Hartsuyker MP</td>
</tr>
<tr>
<td>Attorney-General</td>
<td></td>
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<tr>
<td>Minister for the Arts (Vice-President of the Executive Council)</td>
<td>Senator the Hon. George Brandis QC</td>
</tr>
<tr>
<td>(Deputy Leader of the Government in the Senate)</td>
<td>Senator the Hon. George Brandis QC</td>
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<tr>
<td>Minister for Justice</td>
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<tr>
<td>Treasurer</td>
<td>The Hon. Joe Hockey MP</td>
</tr>
<tr>
<td>Minister for Small Business</td>
<td>The Hon. Bruce Billson MP</td>
</tr>
<tr>
<td>Acting Assistant Treasurer</td>
<td>Senator the Hon Mathias CormIan</td>
</tr>
<tr>
<td>Parliamentary Secretary to the Treasurer</td>
<td>The Hon. Steven Ciobo MP</td>
</tr>
<tr>
<td>Minister for Agriculture</td>
<td>The Hon. Barnaby Joyce MP</td>
</tr>
<tr>
<td>Parliamentary Secretary to the Minister for Agriculture</td>
<td>Senator the Hon. Richard Colbeck</td>
</tr>
<tr>
<td>Minister for Education (Leader of the House)</td>
<td>The Hon. Christopher Pyne MP</td>
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<tr>
<td>Assistant Minister for Education</td>
<td>The Hon. Sussan Ley MP</td>
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<tr>
<td>Parliamentary Secretary to the Minister for Education</td>
<td>Senator the Hon. Scott Ryan</td>
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<tr>
<td>Minister for Industry</td>
<td>The Hon. Ian Macfarlane MP</td>
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<tr>
<td>Parliamentary Secretary to the Minister for Industry</td>
<td>The Hon. Bob Baldwin MP</td>
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<tr>
<td>Minister for Social Services</td>
<td>The Hon. Kevin Andrews MP</td>
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<tr>
<td>Assistant Minister for Social Services</td>
<td>Senator the Hon. Mitch Fifield</td>
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<tr>
<td>(Manager of Government Business in the Senate)</td>
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<tr>
<td>Minister for Human Services</td>
<td>Senator the Hon. Marise Payne</td>
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<tr>
<td>Parliamentary Secretary to the Minister for Social Services</td>
<td>Senator the Hon. Concetta Fierravanti-Wells</td>
</tr>
<tr>
<td>Minister for Communications</td>
<td>The Hon. Malcolm Turnbull MP</td>
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<tr>
<td>Parliamentary Secretary to the Minister for Communications</td>
<td>The Hon. Paul Fletcher MP</td>
</tr>
<tr>
<td>Minister for Health</td>
<td>The Hon. Peter Dutton MP</td>
</tr>
<tr>
<td>Minister for Sport</td>
<td>The Hon. Peter Dutton MP</td>
</tr>
<tr>
<td>Assistant Minister for Health</td>
<td>Senator the Hon. Fiona Nash</td>
</tr>
<tr>
<td>Title</td>
<td>Minister</td>
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<tr>
<td><strong>Minister for Defence</strong></td>
<td>Senator the Hon. David Johnston</td>
</tr>
<tr>
<td>Minister for Veterans’ Affairs</td>
<td>Senator the Hon. Michael Ronaldson</td>
</tr>
<tr>
<td>Minister Assisting the Prime Minister for the Centenary of ANZAC</td>
<td>Senator the Hon. Michael Ronaldson</td>
</tr>
<tr>
<td>Assistant Minister for Defence</td>
<td>The Hon. Stuart Robert MP</td>
</tr>
<tr>
<td>Parliamentary Secretary to the Minister for Defence</td>
<td>The Hon. Darren Chester MP</td>
</tr>
<tr>
<td><strong>Minister for the Environment</strong></td>
<td>The Hon. Greg Hunt MP</td>
</tr>
<tr>
<td>Parliamentary Secretary to the Minister for the Environment</td>
<td>Senator the Hon. Simon Birmingham</td>
</tr>
<tr>
<td><strong>Minister for Immigration and Border Protection</strong></td>
<td>The Hon. Scott Morrison MP</td>
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<tr>
<td>Assistant Minister for Immigration and Border Protection</td>
<td>Senator the Hon. Michaelia Cash</td>
</tr>
<tr>
<td><strong>Minister for Finance</strong></td>
<td>Senator the Hon. Mathias Cormann</td>
</tr>
<tr>
<td>Special Minister of State</td>
<td>Senator the Hon. Michael Ronaldson</td>
</tr>
<tr>
<td>Parliamentary Secretary to the Minister for Finance</td>
<td>The Hon. Michael McCormack MP</td>
</tr>
</tbody>
</table>

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.
## Shadow Ministry

<table>
<thead>
<tr>
<th>Title</th>
<th>Shadow Minister</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Leader of the Opposition</strong></td>
<td>Hon Bill Shorten MP</td>
</tr>
<tr>
<td><strong>Shadow Minister Assisting the Leader for Science</strong></td>
<td>Senator the Hon Kim Carr</td>
</tr>
<tr>
<td>Shadow Minister Assisting the Leader for Small Business</td>
<td>Hon Bernie Ripoll MP</td>
</tr>
<tr>
<td><strong>Shadow Parliamentary Secretary for Small Business</strong></td>
<td>Julie Owens MP</td>
</tr>
<tr>
<td><strong>Shadow Cabinet Secretary</strong></td>
<td>Senator the Hon Jacinta Collins</td>
</tr>
<tr>
<td><strong>Shadow Parliamentary Secretary to the Leader of the Opposition</strong></td>
<td>Hon Michael Danby MP</td>
</tr>
<tr>
<td><strong>Shadow Parliamentary Secretary to the Leader of the Opposition</strong></td>
<td>Dr Jim Chalmers MP</td>
</tr>
<tr>
<td><strong>Deputy Leader of the Opposition</strong></td>
<td>Hon Tanya Plibersek MP</td>
</tr>
<tr>
<td><strong>Shadow Minister for Foreign Affairs and International Development</strong></td>
<td></td>
</tr>
<tr>
<td>Shadow Minister for Women</td>
<td>Senator Claire Moore</td>
</tr>
<tr>
<td>Manager of Opposition Business (Senate)</td>
<td></td>
</tr>
<tr>
<td>Shadow Minister for the Centenary of ANZAC</td>
<td>Senator the Hon Don Farrell</td>
</tr>
<tr>
<td><strong>Shadow Parliamentary Secretary for Foreign Affairs</strong></td>
<td>Hon Matt Thistlethwaite MP</td>
</tr>
<tr>
<td><strong>Leader of the Opposition in the Senate</strong></td>
<td>Senator the Hon Penny Wong</td>
</tr>
<tr>
<td><strong>Shadow Minister for Trade and Investment</strong></td>
<td>Dr Jim Chalmers MP</td>
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<tr>
<td><strong>Deputy Leader of the Opposition in the Senate</strong></td>
<td>Senator the Hon Stephen Conroy</td>
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<tr>
<td><strong>Shadow Minister for Defence</strong></td>
<td></td>
</tr>
<tr>
<td>Shadow Assistant Minister for Defence</td>
<td>Hon David Feeney MP</td>
</tr>
<tr>
<td>Shadow Minister for Veterans’ Affairs</td>
<td>Senator the Hon Don Farrell</td>
</tr>
<tr>
<td><strong>Shadow Parliamentary Secretary for Defence</strong></td>
<td>Gai Brodtmann MP</td>
</tr>
<tr>
<td><strong>Shadow Minister for Infrastructure and Transport</strong></td>
<td>Hon Anthony Albanese MP</td>
</tr>
<tr>
<td><strong>Shadow Minister for Tourism</strong></td>
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<tr>
<td>Shadow Minister for Regional Development and Local Government</td>
<td>Hon Julie Collins MP</td>
</tr>
<tr>
<td><strong>Shadow Parliamentary Secretary for Regional Development and Infrastructure</strong></td>
<td>Allanah MacTiernan MP</td>
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<tr>
<td><strong>Shadow Parliamentary Secretary for Western Australia</strong></td>
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<tr>
<td><strong>Shadow Parliamentary Secretary for External Territories</strong></td>
<td>Hon Warren Snowdon MP</td>
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<tr>
<td><strong>Shadow Treasurer</strong></td>
<td>Hon Chris Bowen MP</td>
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<tr>
<td>Shadow Assistant Treasurer</td>
<td>Hon Dr Andrew Leigh MP</td>
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<tr>
<td>Shadow Minister for Competition</td>
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<tr>
<td>Shadow Minister for Financial Services and Superannuation</td>
<td>Hon Bernie Ripoll MP</td>
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<tr>
<td><strong>Shadow Parliamentary Secretary to the Shadow Treasurer</strong></td>
<td>Hon Ed Husic MP</td>
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<td><strong>Shadow Minister for Environment, Climate Change and Water</strong></td>
<td>Hon Mark Butler MP</td>
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<tr>
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<td>Senator Louise Pratt</td>
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<tr>
<td><strong>Shadow Minister for Higher Education, Research, Innovation and Industry</strong></td>
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<tr>
<td>Shadow Minister for Vocational Education</td>
<td>Hon Sharon Bird MP</td>
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<td><strong>Shadow Parliamentary Secretary for Manufacturing</strong></td>
<td>Tony Zappia MP</td>
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<tr>
<td>Title</td>
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<td>Shadow Minister for Communications</td>
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<td>Hon Mark Dreyfus QC MP</td>
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<td>Senator the Hon Lisa Singh</td>
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<td>Hon Michael Danby MP</td>
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<td>Shadow Minister for Early Childhood</td>
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<tr>
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<td>Hon Gary Gray AO MP</td>
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<td>Stephen Jones MP</td>
</tr>
<tr>
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<td>Senator Hon Jan McLucas</td>
</tr>
<tr>
<td>Shadow Minister for Sport</td>
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</tr>
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</tr>
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<td>Hon Jenny Macklin MP</td>
</tr>
<tr>
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</tr>
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<td>Shadow Minister for Housing and Homelessness</td>
<td>Senator the Hon Jan McLucas</td>
</tr>
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<td>Shadow Parliamentary Secretary for Families and Payments</td>
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<td>Hon Richard Marles MP</td>
</tr>
<tr>
<td>Shadow Minister for Citizenship and Multiculturalism</td>
<td>Michelle Rowland MP</td>
</tr>
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<td>Shadow Parliamentary Secretary for Immigration</td>
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<td>Hon Shayne Neumann MP</td>
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<td>Shadow Parliamentary Secretary for Indigenous Affairs</td>
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<td>Shadow Parliamentary Secretary for Aged Care</td>
<td>Senator Helen Polley</td>
</tr>
<tr>
<td>Shadow Minister for Employment and Workplace Relations</td>
<td>Hon Brendan O’Connor MP</td>
</tr>
<tr>
<td>Shadow Minister for Employment Services</td>
<td>Hon Julie Collins MP</td>
</tr>
</tbody>
</table>
CONTENTS

WEDNESDAY, 25 JUNE 2014

Chamber
COMMITTEES—
Joint Select Committee on Northern Australia—
Reporting Date ........................................................................................................ 7269
BUSINESS—
Rearrangement ..................................................................................................... 7269
Suspension of Standing and Sessional Orders ...................................................... 7274
BILLS—
Migration Amendment (Protection and Other Measures) Bill 2014—
First Reading ......................................................................................................... 7278
Second Reading .................................................................................................... 7278
Family Assistance Legislation Amendment (Child Care Measures) Bill (No. 2) 2014—
First Reading ......................................................................................................... 7282
Second Reading .................................................................................................... 7282
Meteorology Amendment (Online Advertising) Bill 2014—
First Reading ......................................................................................................... 7285
Second Reading .................................................................................................... 7285
Public Governance, Performance and Accountability (Consequential and
Transitional Provisions) Bill 2014—
Public Governance, Performance and Accountability (Consequential Modifications
of Appropriation Acts (No. 1), (No. 3) and (No. 5)) Bill 2014—
Public Governance, Performance and Accountability (Consequential Modifications
of Appropriation Acts (No. 2), (No. 4) and (No. 6)) Bill 2014—
Public Governance, Performance and Accountability (Consequential Modifications
of Appropriation Acts (Parliamentary Departments)) Bill 2014—
Second Reading .................................................................................................... 7286
Consideration in Detail ......................................................................................... 7303
Third Reading ........................................................................................................ 7309
Excise Tariff Amendment (Fuel Indexation) Bill 2014—
Customs Tariff Amendment (Fuel Indexation) Bill 2014—
Fuel Indexation (Road Funding) Bill 2014—
Fuel Indexation (Road Funding) Special Account Bill 2014—
Second Reading .................................................................................................... 7309
STATEMENTS BY MEMBERS—
Fraser Electorate: CSIRO .................................................................................... 7331
Capricornia Electorate: Health ............................................................................. 7331
Greste, Mr Peter .................................................................................................... 7332
Greste, Mr Peter .................................................................................................... 7332
Perth Electorate: Budget ....................................................................................... 7333
Racial Discrimination .......................................................................................... 7333
Budget ................................................................................................................... 7333
Barker Electorate: Queen's Birthday .................................................................... 7334
CONTENTS—continued

Newcastle Electorate: Deadly Choices ................................................................. 7335
Solomon Electorate: NT Thunder ........................................................................ 7335
Kingsford Smith Electorate: Suicide Prevention .............................................. 7335
Deakin Electorate: beyondblue Cup ................................................................. 7336
Indigenous Health ............................................................................................... 7336
Pearce Electorate: Road Funding ....................................................................... 7337
Bubup Wilam for Early Learning Aboriginal Children and Family Centre .......... 7337
Soccer .................................................................................................................... 7338
Canberra Electorate: Asbestos ........................................................................... 7338
Hume Electorate: Infrastructure Funding ......................................................... 7339
Micah Challenge .................................................................................................. 7339
New Colombo Plan .............................................................................................. 7339

CONDOLENCES—
Kent, Mr Lewis .................................................................................................... 7340

QUESTIONS WITHOUT NOTICE—
Fuel Prices .......................................................................................................... 7340
Carbon Pricing .................................................................................................... 7341
Budget ................................................................................................................. 7342
Carbon Pricing .................................................................................................... 7343
Budget ................................................................................................................. 7344
Agriculture ........................................................................................................... 7346
Age Pension ......................................................................................................... 7347
Dairy Industry ..................................................................................................... 7347
Budget ................................................................................................................. 7349
Budget ................................................................................................................. 7350
Budget ................................................................................................................. 7351
Pensions and Benefits ......................................................................................... 7352
Higher Education ................................................................................................. 7353

DISTINGUISHED VISITORS ............................................................................. 7354

QUESTIONS WITHOUT NOTICE—
Budget ................................................................................................................. 7354
National Security ................................................................................................. 7355
Cost of Living ....................................................................................................... 7356
Asylum Seekers ................................................................................................... 7357
Budget ................................................................................................................. 7358
National Broadband Network .......................................................................... 7359

COMMITTEES—
Selection Committee—
Report ............................................................................................................... 7360

AUDITOR-GENERAL’S REPORTS—
Report No. 51 of 2013-14 .................................................................................. 7366
Report No. 52 of 2013-14 .................................................................................. 7366

DOCUMENTS—
Presentation ......................................................................................................... 7366

STATEMENTS ON INDULGENCE—
Moffat, Mr Howard .............................................................................................. 7367
CONTENTS—continued

MATTERS OF PUBLIC IMPORTANCE—
Future of Financial Advice ................................................................. 7367

BILLS—
Student Identifiers Bill 2014—
Export Legislation Amendment Bill 2014—
Export Inspection (Quantity Charge) Amendment Bill 2014—
Export Inspection (Service Charge) Amendment Bill 2014—
Export Inspection (Establishment Registration Charges) Amendment Bill 2014—
Family Trust Distribution Tax (Primary Liability) Amendment (Temporary Budget Repair Levy) Bill 2014—
Fringe Benefits Tax Amendment (Temporary Budget Repair Levy) Bill 2014—
Assent .................................................................................................. 7382
Appropriation Bill (No. 1) 2014-2015—
Appropriation Bill (No. 2) 2014-2015—
Appropriation (Parliamentary Departments) Bill (No. 1) 2014-2015—
Appropriation Bill (No. 5) 2013-2014—
Appropriation Bill (No. 6) 2013-2014—
Returned from Senate ......................................................................... 7383

COMMITTEES—
Human Rights Committee—
Report .................................................................................................. 7383

BILLS—
Customs Tariff Amendment (Fuel Indexation) Bill 2014—
Excise Tariff Amendment (Fuel Indexation) Bill 2014—
Fuel Indexation (Road Funding) Bill 2014—
Fuel Indexation (Road Funding) Special Account Bill 2014—
Second Reading .................................................................................. 7384
Consideration in Detail ....................................................................... 7395
Third Reading .................................................................................... 7401
Carbon Farming Initiative Amendment Bill 2014—
Second Reading .................................................................................. 7401
Third Reading .................................................................................... 7421
Fair Work (Registered Organisations) Amendment Bill 2014—
Second Reading .................................................................................. 7424

ADJOURNMENT—
Farrell, Senator Don ........................................................................... 7432
Bonner Electorate ................................................................................ 7434
Farrell, Senator Don ........................................................................... 7435
Water .................................................................................................. 7436
Gillard, the Hon. Julia .......................................................................... 7438
Tarkine National Coalition .................................................................... 7439

NOTICES ............................................................................................. 7440
CONTENTS—continued

Federation Chamber
CONSTITUENCY STATEMENTS—
  Scullin Electorate: Budget................................................................. 7442
  Petition: Community Pharmacy at Valla ........................................... 7443
  Live Animal Exports ........................................................................ 7444
  Exports ............................................................................................ 7445
  Racial Discrimination Act 1975 .......................................................... 7446
  O'Connor Electorate: Agriculture ......................................................... 7447
  Child Care ......................................................................................... 7449
  La Trobe Electorate: Emerald Secondary College ............................... 7450
  Budget ............................................................................................. 7451
  Boothby Electorate: Brighton Rugby Club ................................ .......... 7451
  Corio Electorate: Geelong .................................................................. 7452
  Deakin Electorate: Central Ringwood Community Centre ............... 7453
  Micah Challenge ............................................................................... 7454
  Ashworth, Father Brian ..................................................................... 7454
  Indi Electorate: Agriculture ............................................................... 7455
  Northern Rivers Children's Health Fund .......................................... 7455
  Budget ............................................................................................. 7456
  Robertson Electorate: Trade With Japan ............................................ 7457
  Poverty .............................................................................................. 7458
  St George Hospital ............................................................................ 7459

Questions In Writing
  Social Services—(Question No. 158) .................................................. 7461
The SPEAKER (Hon. Bronwyn Bishop) took the chair at 9:00, made an acknowledgement of country and read prayers.

COMMITTEES

Joint Select Committee on Northern Australia

Reporting Date

Mr PYNE (Sturt—Leader of the House and Minister for Education) (09:01): I move:

That the time for the Joint Select Committee on Northern Australia to present its final report and recommendations be extended to 1 September 2014.

I understand that the committee have required an extension of time in order to complete some public hearings in the electorate of Lingiari. The government, in wanting to facilitate a bipartisan approach to this important issue of developing Northern Australia, has chosen to extend the reporting time to the beginning of September. I think it will be a good move for the committee and for the parliament.

Mr BURKE (Watson—Manager of Opposition Business) (09:02): Each day there is a moment when the Leader of the House is constructive in the chamber; this is that moment for today.

Question agreed to.

BUSINESS

Rearrangement

Mr PYNE (Sturt—Leader of the House and Minister for Education) (09:02): I move:

That, in relation to proceedings on the Public Governance, Performance and Accountability (Consequential and Transitional Provisions) Bill 2014, the Public Governance, Performance and Accountability (Consequential Modifications of Appropriation Acts (No. 1), (No. 3) and (No. 5)) Bill 2014, the Public Governance, Performance and Accountability (Consequential Modifications of Appropriation Acts (No. 2), (No. 4) and (No. 6)) Bill 2014, and the Public Governance, Performance and Accountability (Consequential Modifications of Appropriation Acts (Parliamentary Departments)) Bill 2014, so much of the standing orders be suspended as would prevent the following from occurring:

(1) the resumption of debate on the second readings of the bills being called on together;

(2) at the conclusion of the second reading debate, not including a Minister speaking in reply, or 60 minutes after the resumption of the second reading debate, whichever is the earlier, a Minister being called to sum up the second reading debate and then without delay, (a) one question being put on any amendments moved to motions for the second readings by opposition Members, (b) any necessary questions being put on amendments moved by any other Member, and (c) one question being put on the second readings of the bills together;

(3) if the second readings of the bills have been agreed to, messages from the Governor-General recommending appropriations for the bills being announced together;

(4) the consideration in detail stages, if required, on the bills being taken together for a period not exceeding 20 minutes at which time any questions necessary to complete the detail stage being put;

(5) at the conclusion of the detail stage, one question being put on the third readings of the bills together; and
(6) any variation to this arrangement to be made only by a motion moved by a Minister.

In speaking to this debate management motion I wish to acknowledge that it is the usual practice of the parliament to introduce bills and have them sit on the table for a relatively short period of time—often four days, sometimes longer—while the opposition has the opportunity to consider the bills that the government has asked the parliament to pass. That is the usual practice. That is the practice that I prefer. The original advice with respect to this bill was that that would be allowed to occur and the bill would be introduced and did not necessarily need to be passed in a short time frame. Things do not always work out as you would like, and on this occasion it has not. The bill, I am now advised, must be passed as soon as possible and certainly before the end of the financial year. Therefore, the government is moving this debate management motion, not because we get any particular enjoyment out of it but because as Leader of the House my responsibilities are to ensure that the governance of the nation is efficient and effective and my advice is that this bill must be passed. Therefore, we are moving this debate management motion. I will understand if the opposition is disappointed by that. This might be the second part of the day, where less acrimony from this side of the House at least is visited into the parliament.

Mr BURKE (Watson—Manager of Opposition Business) (09:04): Once again, we find that debate in this chamber is being gagged. Yesterday we had what must have been close to a record number of gag resolutions put through this chamber. We start today and we are back with more.

This is one where there is no excuse on the part of the government for this bill having been introduced so late. While the Leader of the House has clearly been given advice that there was a view that the legislation might not have to be put in before 1 July, it has actually always been the case that this legislation would have to be ready to be fully enacted by 1 July this year. Even the Minister for Finance's department's website had stated as early as 30 May this year that the bills would be introduced to parliament in the week of 2 June. Had they been introduced in that week, all the ordinary processes would have been able to take place for the opposition to be able to work through the bills and for parliament to be able to have a sensible debate on this legislation. At one level when you are dealing with public governance and performance accountability it is often viewed as very much a beltway political issue and technical detail of governance, but there is also a lot riding on getting this right. There has been a lot of work done by both the previous government and this government on this piece of legislation. For the operation and governance measures of our departments and agencies, a lot rides on getting the detail of this legislation right.

I do not think anyone can pretend that a bill that was introduced yesterday and that is now going to be rammed through with the government using its numbers today is going to have any of the scrutiny that this parliament is here to provide. Members of this parliament on both sides have been elected and put here to actually provide that level of scrutiny. People can do speed reading, they can flick through the words of it as quickly as they want, but let's not pretend that anyone is going to be across this. The effect of this is that we have deferred our role as legislators entirely to the public servants who have been working on this. I have good faith in the public servants who have been working on this, but I do not think that gives us an excuse to give up our role as legislators.
It was on the website that this bill had to be introduced in the week of 2 June. It was not. And we now find that, as part of the grand strategy this week of spending a whole lot of time dealing with as much as possible so that there is a distraction from the budget, this bill gets tied up in it. And what's the bill about? Governance. The bill itself is actually about making sure that you have due process. And the process that we are being left with in this parliament really is a disgrace for any bill to go through it. There are times when there is genuine emergency, but this bill ought never to have arrived so late. We should not have been put in the situation where whoever was doing the checks and balances to try to get the bill in its best possible form before it was introduced to parliament decided that their job was more important than our job as legislators to work through the legislation.

I agree that this bill needs to have been fully dealt with by 1 July. I think the handling of this bill by the government has been absolutely appalling. I do not blame the Leader of the House for this one. I will blame him for most atrocities that happen in this room—

An opposition member interjecting—

Mr BURKE: Accurate, true! I will not blame him for this one because we have all been put in an impossible situation by the minister who has responsibility for this legislation. It is not just a matter of the gravity of this bill dealing with governance; let's also look at the complexity of what it does. Over 250 different acts of parliament are amended by this bill but we are now going to be a position of offering no effective level of scrutiny. There are over 500 pages of amendments in the bill and they deserve a lot more scrutiny than we can give in this situation.

Ministers have a responsibility not to wait for the brief to arrive. There will be times when the Public Service, in good faith, is working diligently through something and wants it to be perfect before it comes up. But if the price of a minister just taking a back seat and saying, 'I'll deal with it whenever it's ready,' is that we effectively cut the legislature—the House of Representatives and the Senate—out of effective scrutiny, then what on earth is the parliament for? And, as I said before, of all the bills to do it on, to do it on one that is about governance! The parliament should be given the opportunity to ensure these bills actually give effect to their intended purpose. There are occasions when, no matter how much work has gone into a bill, errors are found by the parliament itself. Only this week we had to deal with the fact that an amendment had to be moved to an appropriations bill because nearly $1 billion had been forgotten about in the schedule. That sort of scrutiny is what the parliament is here to provide. That sort of scrutiny is now not being offered to these bills, yet for something that is actually—except for one part of it—not particularly controversial across the parliament, that sort of scrutiny would have been a constructive thing, and in the interests, I might add, of the government. There is nothing to be gained for the government in mistakes being made in governance legislation, because when those mistakes end up being made we know who gets the blame, and it becomes no excuse to say, 'Oh, but the bill was rushed through parliament.'

There is, of course, one further issue which is a part of these bills that the opposition has a very strong view about and which the opposition wants to have extended debate about. This goes to the effect of these bills on people who are employed as cleaners. Through these bills the government is seeking to cut the pay of some of Australia's lowest paid workers. It is not the primary purpose of these bills, but it is caught up within them. There is no shortage of
members of parliament who have strong views on the pay being cut to some of Australia’s lowest paid workers. There is no shortage of people on this side of the House who have dedicated a good part of their professional life to defending the rights of some of Australia’s lowest paid workers. No matter how many times some of those opposite want us to somehow feel that that is something to be anything but proud of, people on this side are proud of the fact that they have defended some of Australia’s lowest paid workers, and they want the chance now to be a voice for them in the parliament, a voice that is being taken away by the motion that is in front of us.

The Prime Minister at the dispatch box, last Monday week, said:
I want to make it absolutely crystal clear that no cleaner’s pay is reduced.
That is now challenged by the legislation that the parliament is going to debate. It is no surprise that that gets caught up in a debate that the government seeks to gag. The Prime Minister then said:
This government has not reduced the pay of any cleaner full stop, end of story. This government has not reduced the pay of any cleaner.
Well, a pay rate under the Cleaning Services Guidelines of $22 an hour to the rate of the award of $17.49 an hour is a reduction. I am not sure what those opposite think. We have had arguments this week where they have argued that 550 is bigger than 6,000. Today, for cleaners’ wages, we are getting an argument that $17.49 is bigger than $22.02. If that is the argument they want to make, I reckon let us have a long debate on that issue. It is only one of the issues within these bills; it is not the only one.

Most of this is bipartisan, but the fact that a bill is bipartisan does not mean it should be excused from scrutiny, which is the role of the parliament. That role is being ignored because of the actions, I presume, of a single minister either not pushing for the brief to be given to him and for him to work through the legislation in time for it to be presented in an orderly way to the parliament, or, in the alternative, actually not bothering to deal with it when it did arrive on the minister’s desk. I do not know which of them it was, but ultimately the minister ends up responsible.

The minister has made a decision that puts every single member of parliament here at a disadvantage. It is not simply opposition members. It may be only opposition members who want to stand up for the rights of low-paid cleaners. But, on the issue of general scrutiny and general governance, it is of the interest and the responsibility of every single member of this place. The timing of this bill has precluded members of parliament from doing their job and the motion, which has now been moved by the Leader of the House, guarantees and enforces that members of parliament are cut out of the effective legislative process. The House should not stand for it.

The SPEAKER: The question is that the motion be agreed to.
The House divided. [09:18]
(The Speaker—Hon. Bronwyn Bishop)

Ayes ................. 83
Noes ................. 52
Majority ............. 31

CHAMBER
### AYES

- Alexander, JG
- Andrews, KL
- Billson, BF
- Briggs, JE
- Broadbent, RE
- Buchholz, S (teller)
- Christensen, GR
- Coleman, DB
- Dutton, PC
- Fletcher, PW
- Gambaro, T
- Goodenough, IR
- Hartsuyker, L
- Henderson, SM
- Hogan, KJ
- Hutchinson, ER
- Jensen, DG
- Joyce, BT
- Kelly, C
- Landry, ML
- Ley, SP
- Marino, NB
- McCormack, MF
- Morrison, SJ
- O'Dowd, KD
- Pasin, A
- Porter, CC
- Price, ML
- Ramsey, RE
- Robert, SR
- Ruddock, PM
- Scott, FM
- Smith, ADH
- Stone, SN
- Sukkar, MS
- Tehan, DT
- Tudge, AE
- Van Manen, AJ
- Vasta, RX
- Wicks, LE
- Wilson, RJ
- Wyatt, KG
- Andrews, KJ
- Baldwin, RC
- Bishop, JI
- Broad, AJ
- Brough, MT
- Chester, D
- Ciobo, SM
- Coulton, M (teller)
- Entsch, WG
- Frydenberg, JA
- Gillespie, DA
- Griggs, NL
- Hawke, AG
- Hendy, PW
- Howarth, LR
- Irons, SJ
- Jones, ET
- Keenan, M
- Laming, A
- Laundy, C
- Macfarlane, IE
- Matheson, RG
- McNamara, KJ
- Nikolic, AA
- O'Dwyer, KM
- Pitt, KJ
- Prentice, J
- Pyne, CM
- Randall, DJ
- Roy, WB
- Scott, BC
- Simpkins, LXL
- Southcott, AJ
- Sudmalis, AE
- Taylor, AJ
- Truss, WE
- Turnbull, MB
- Varvaris, N
- Whiteley, BD
- Williams, MP
- Wood, JP

### NOES

- Albanese, AN
- Bird, SL
- Brodtmann, G
- Burke, AS
- Butler, TM
- Chalmers, JE
- Chesters, LM
- Collins, JM
- Bandt, AP
- Bowen, CE
- Burke, AE
- Butler, MC
- Byrne, AM
- Champion, ND
- Claydon, SC
- Conroy, PM
Question agreed to.

**Suspension of Standing and Sessional Orders**

Mr PYNE (Sturt—Leader of the House and Minister for Education) (09:23): I move:

That, in relation to proceedings on the Excise Tariff Amendment (Fuel Indexation) Bill 2014, the Customs Tariff Amendment (Fuel Indexation) Bill 2014, the Fuel Indexation (Road Funding) Bill 2014, and the Fuel Indexation (Road Funding) Special Account Bill 2014, so much of the standing orders be suspended as would prevent the following from occurring:

1. the resumption of debate on the second readings of the bills being called on together;
2. at the conclusion of the second reading debate, not including a minister speaking in reply, or two hours after the resumption of the second reading debate, whichever is the earlier, a minister being called to sum up the second reading debate and then without delay, (a) one question being put on any amendments moved to motions for the second readings by opposition members, (b) any necessary questions being put on amendments moved by any other member, and (c) one question being put on the second readings of the bills together;
3. if the second readings of the bills have been agreed to, any messages from the Governor-General recommending appropriations for the bills being announced together;
4. the consideration in detail stages, if required, on the bills being taken together for a period not exceeding 30 minutes at which time any questions necessary to complete the detail stage being put;
5. at the conclusion of the detail stage, one question being put on the third readings of the bills together; and
6. any variation to this arrangement to be made only by a motion moved by a minister.

He is really missing it, isn't he, the poor old member for Grayndler. He had a brief shining moment of power but it has flickered out!

This debate management motion will ensure that the Fuel Indexation (Road Funding) Bill 2014 can be passed today. There is ample time for debate put aside for the bills today. This is an important measure that the government wants passed as part of our budget, to repair the damage that Labor left with their debt and deficit legacy. I commend the motion to the House.
Mr BOWEN (McMahon) (09:24): Has there ever been a government which has wanted to talk about its budget less than this one? Has there ever been a government which is so determined to gag debate on its own budget? It is not something that this side of the House is proposing. It is the government's centrepiece policy and it does not want to talk about it. We will oppose this protection racket for its policies. Why? Because we want to provide plenty of time for the members of the National Party to explain to their electorates why they are voting—

Mr PYNE (Sturt—Leader of the House and Minister for Education) (09:25): I had expected some methodical, calm and sensible contribution, but, as we have not had one, I move:

That the question be now put.

The SPEAKER: The question is that the question be now put.

The House divided. [09:26]

(The Speaker—Hon. Bronwyn Bishop)

AYES

Alexander, JG
Andrews, KJ
Andrews, KL
Baldwin, RC
Bishop, JI
Brough, MT
Chester, D
Cioobo, SM
Coleman, DB
Dutton, PC
Fletcher, PW
Gambaro, T
Goodenough, IR
Hartsuyker, L
Henderson, SM
Hogan, KJ
Hutchinson, ER
Jensen, DG
Joyce, BT
Kelly, C
Landry, ML
Ley, SP
Marino, NB
McAteer, MF
Morrison, SJ
O'Dowd, KD
Pasin, A
Porter, CC
Price, ML
Ramsey, RE
Robert, SR
Ruddock, PM
Scott, FM

Noes ...................... 53

Majority.................. 31
AYES

Simpkins, LXL
Southcott, AJ
Sudmalis, AE
Taylor, AJ
Truss, WE
Turnbull, MB
Varvaris, N
Whiteley, BD
Williams, MP
Wood, JP

Smith, ADH
Stone, SN
Sukkar, MS
Tehan, DT
Tudge, AE
Van Manen, AJ
Vasta, RX
Wicks, LE
Wilson, RJ
Wyatt, KG

NOES

Albanese, AN
Bandt, AP
Bird, SL
Bowen, CE
Brodmann, G
Burke, AE
Burke, AS
Butler, MC
Byrne, AM
Chalmers, JE
Champion, ND
Chesters, LM
Clare, JD
Claydon, SC
Collins, JM
Conroy, PM
Danby, M
Dreyfias, MA
Elliot, MJ
Ellis, KM
Feeney, D
Ferguson, LDT
Fitzgibbon, JA
Giles, AJ
Griffin, AP
Hall, JG (teller)
Hayes, CP
Husic, EN
Jones, SP
King, CF
MacTiernan, AJGC
McGowan, C
Mitchell, RG
Neumann, SK
O'Conner, BPJ
O'Neil, CE
Owens, J
Parke, M
Perrett, GD
Pilibereck, TJ
Ripoll, BF
Rishworth, AL
Rowland, MA
Ryan, JC (teller)
Snowdon, WE
Swan, WM
Thistlethwaite, MJ
Thomson, KJ
Vamvakrounou, M
Watts, TG
Wilkie, AD

Zappia, A

Question agreed to.

The SPEAKER: The question is that the motion be agreed to.

The House divided. [09:30]

(The Speaker—Hon. Bronwyn Bishop)

Ayes ..................84
Noes ..................54
Majority ...............30
AYES

Alexander, JG
Andrews, KL
Billson, BF
Briggs, JE
Broadbent, RE
Buchholz, S (teller)
Christensen, GR
Cobb, JK
Coulton, M (teller)
Entsch, WG
Frydenberg, JA
Gillespie, DA
Griggs, NL
Hawke, AG
Hendy, PW
Howarth, LR
Irons, SJ
Jones, ET
Keenan, M
Laming, A
Laundy, C
Macfarlane, IE
Matheson, RG
McNamara, KJ
Nikolic, AA
O'Dwyer, KM
Pitt, KJ
Prentice, J
Pyne, CM
Randall, DJ
Roy, WB
Scott, BC
Simpkins, LXL
Southcott, AJ
Sudmalis, AE
Taylor, AJ
Truss, WE
Turnbull, MB
Varvaris, N
Whiteley, BD
Williams, MP
Wood, JP

ANDREW, KJ
Baldwin, RC
Bishop, JI
Broad, AJ
Brough, MT
Chester, D
Ciobo, SM
Coleman, DB
Dutton, PC
Fletcher, PW
Gambaro, T
Goodenough, IR
Hartseyker, L
Henderson, SM
Hogan, KJ
Hutchinson, ER
Jensen, DG
Joyce, BT
Kelly, C
Landry, ML
Ley, SP
Marino, NB
McCormack, MF
Morrison, SJ
O'Dowd, KD
Pasin, A
Porter, CC
Price, ML
Ramsey, RE
Robert, SR
Ruddock, PM
Scott, FM
Smith, ADH
Stone, SN
Sukkar, MS
Tehan, DT
Tudge, AE
Van Manen, AJ
Vasta, RX
Wicks, LE
Wilson, RJ
Wyatt, KG

NOES

Albanese, AN
Bird, SL
Brodman, G
Burke, AS
Butler, TM
Chalmers, JE
Chesters, LM
Claydon, SC

Bandt, AP
Bowen, CE
Burke, AE
Butler, MC
Byrne, AM
Champion, ND
Clare, JD
Collins, JM
Question agreed to.

BILLS

Migration Amendment (Protection and Other Measures) Bill 2014

First Reading

Bill and explanatory memorandum presented by Mr Morrison.

Bill read a first time.

Second Reading

Mr MORRISON (Cook—Minister for Immigration and Border Protection) (09:32): I move:

That this bill be now read a second time.

The Migration Amendment (Protection and Other Measures) Bill 2014 amends the Migration Act to make changes to the way asylum seekers are assessed, irrespective of their mode of arrival. These are necessary changes required to effectively respond to the evolving challenges in the asylum seeker caseload arising from recent judicial decisions and management of the backlog of illegal maritime arrivals. These changes will enable the Australian public to have confidence in the Australian government's capacity to assess all asylum seekers in Australia using enhanced integrity measures and increased processing efficiency consistent with our election commitments.

These changes to the current protection determination system will improve the integrity of decision making. Australians need to be confident that those who are found to be refugees are in fact who they say they are. If asylum seekers do not cooperate with the government to establish their identity they should not be given the benefit of a protection visa. These amendments will make it clearly the responsibility of a person who comes to this country seeking protection to establish their own claims to be a refugee and to do so at the beginning.
of the process. It is also time to stop compromising the overall integrity of the visa system by allowing exploitation of the merits review system by applicants who are not genuinely pursuing a protection claim but only interested in extending their time in Australia.

Schedule 1 of the bill improves integrity within the protection status determination process, starting with an amendment which sends a clear message that the ultimate responsibility lies with the asylum seeker to establish their claims for protection and to provide sufficient evidence to support those claims. The bill makes it clear that it is not the responsibility of the department or the Refugee Review Tribunal (the RRT) to make a case for protection on behalf of an asylum seeker. This change will put Australia on a par with like-minded countries including the United States, New Zealand and the United Kingdom. This responsibility will apply to any asylum seeker making claims for protection regardless of whether it is for the purposes of an application for a protection visa or for the purposes of an assessment undertaken as part of an administrative process such as a request for me to consider the exercise of my public interest powers. This responsibility will apply to any asylum seeker making claims for protection regardless of whether it is for the purposes of an application for a protection visa or for the purposes of an assessment undertaken as part of an administrative process such as a request for me to consider the exercise of my public interest powers.

Notwithstanding this amendment, the government acknowledges that there will always be a small number of vulnerable individuals including unaccompanied minors who may not be able to clearly present their claims without assistance. The government will continue to have arrangements in place in order to assist these specific individuals.

In tandem with this, the government is introducing a provision to allow the RRT to draw an adverse inference about the credibility of a protection claim, where an asylum seeker raises a claim or provides evidence at the RRT for the first time, without having a reasonable explanation about why the claims or evidence were not raised before the primary protection visa decision was made. This provision makes it clear that asylum seekers must have a reasonable explanation for presenting claims and evidence during the review process which they could and should have provided earlier. The goal is for all claims to be presented at the earliest opportunity to enable timely, efficient and quality protection outcomes, and to limit any unnecessary delays in finalising assessments. This change will not prevent asylum seekers raising late claims where there were good reasons why they could not do so earlier. What this amendment seeks to prevent are those non-genuine asylum seekers who attempt to exploit the independent merits review process by presenting new claims or evidence to bolster their original unsuccessful claims only after they learn why they were not found to be refugees by the department. In the past, this behaviour has led to considerable delay while new claims are explored. To make it clear, the purpose of this amendment is to ensure that any claim that can be presented at the initial application stage is presented at that stage.

Establishing an applicant's identity is a keystone of making a decision to grant or refuse any visa. This is especially the case for protection visa applicants because their identity, nationality or citizenship can have a direct bearing on whether they engage Australia’s protection obligations. Identity in the global age is increasingly complex to determine and many people hold dual or multiple nationalities or seek an advantage from not disclosing their genuine identity. This bill introduces amendments that enhance the process of establishing
identity for protection visa applicants, and addresses the ways in which that process has been frustrated in the past. Changes to section 91W of the Migration Act, and the introduction of a new section 91WA, introduce a power to refuse the grant of a protection visa unless the applicant provides documentary evidence of their identity, nationality or citizenship when requested to do so, or has taken reasonable steps to do so. Presenting bogus documents for the purpose of establishing identity will result in refusal of a protection visa application unless the applicant has a reasonable explanation for presenting them and either provides documentary evidence of their identity, nationality or citizenship, or has taken reasonable steps to do so. The same applies to an applicant who has destroyed or discarded identity documents, which has been a common practice of those who have entered Australia illegally, or has caused that to happen at the hands of another person such as a people smuggler.

It is appropriate to refuse a protection visa where an applicant fails or refuses to comply with a request to establish their identity, where it is in fact possible for them to do this. These measures make it clear that Australians expect protection visa applications to be made in good faith, and with full disclosure of identity. However, the proposed changes also respect the fact that in some circumstances, including some cases where a person is stateless, it may not be possible for a protection visa applicant to provide documentary evidence of their identity, nationality or citizenship, even if they want to and have taken all reasonable steps to do so. These changes understand and respect that position. Cooperation in these matters is the key in these cases.

This bill will also repeal the 90-day rule, which has been in effect since 12 December 2005. The amendment will remove both the 90-day time limit for deciding a protection visa application before the department and the RRT, as well as associated requirements for reports to be tabled in parliament giving explanations for those decisions which were not made within the prescribed period.

The bill also inserts section 91WB into the Migration Act. This section puts beyond doubt that an applicant for a protection visa, who is a member of the same family unit of an existing protection visa holder, cannot be granted a protection visa simply on the basis of being a member of the same family. It clarifies, for example, that a person who marries a protection visa holder years after the time they were granted their visa, will not, and should not, be granted that same visa. Family migration is the appropriate pathway in that case. The change also discourages family members of protection visa holders from arriving in Australia, particularly illegally, expecting to be granted a protection visa on the basis of being a family member. This amendment does not change the definition of a 'member of the same family unit'. Nor does it affect the existing ability of a member of the same family unit to apply together with, or have their application combined with, the eventual holder of a protection visa when they are present in Australia at the same time. This amendment simply encourages members of the same family unit of a protection visa holder to use established pathways for family reunion.

This government remains committed to ensuring it abides by the non-refoulement obligations under the Convention Against Torture and Other Cruel, Inhuman or Degrading Treatment or Punishment and the International Covenant on Civil and Political Rights (the ICCPR) and schedule 2 of the bill contains amendments to clarify the threshold for assessing Australia's non-refoulement obligations under these treaties. In Minister for Immigration and
Citizenship v SZQRB [2013] FCAFC 33 the full Federal Court found that the threshold for assessing complementary protection claims is whether there is a 'real chance' of significant harm, the same low threshold that applies to the assessment of claims under the Refugee Convention. A 'real chance' can be as low as a 10 per cent chance of harm occurring. It is the government's position that the risk threshold applicable to the non-refoulement obligations under the Convention Against Torture and the ICCPR is 'more likely than not'. 'More likely than not' means that there would be a greater than 50 per cent chance that a person would suffer significant harm in the country they are returned to.

Accordingly, this bill inserts a new section 6A into the Migration Act which makes it clear that this higher threshold is required to engage Australia's non-refoulement obligations. This is an acceptable position which is open to Australia under international law and reflects the government's interpretation of Australia's obligations. This new threshold applies to all assessments of complementary claims related to the Convention Against Torture and the ICCPR. The threshold will also be reflected in the complementary protection provisions under section 36(2)(aa) of the Migration Act until such time as the Migration Amendment (Regaining Control Over Australia's Protection Obligations) Bill 2013 is passed by the parliament. The bill also ensures that all complementary protection assessments are made with regard to a country of return that is relevant to the person seeking protection.

Schedule 3 of the bill will introduce amendments to streamline the operation of the current statutory bars placed on illegal maritime arrivals. It is inefficient and administratively complex for a person to be subject at different times to different provisions that prevent them from making a valid application for a visa when one would suffice. These amendments will significantly reduce complexity without impacting on the practical effect of the existing arrangements. Statutory bars are an essential mechanism which supports the orderly management of applications from illegal arrivals.

The amendments will broaden the statutory bar in section 46A of the Migration Act so it will apply to unauthorised maritime arrivals who hold bridging visas or other prescribed temporary visas in addition to unauthorised maritime arrivals, as they are known within the act, who are unlawful. The amendments will also ensure that where section 46A of the act applies to an unauthorised maritime arrival, section 91K of the act will no longer apply.

Finally, the amendments in this schedule make the statutory bar in section 46B of the Migration Act, which applies to transitory persons, consistent with the amended bar in section 46A, to ensure that transitory persons are treated consistently with unauthorised maritime arrivals.

Schedule 4 of the bill contains amendments to improve processing and administration of both the RRT and the Migration Review Tribunal. The principal member will be able to issue practice directions to applicants at review and their representatives, including migration agents and legal practitioners, regarding the procedures and processing practices to be followed for reviews. The principal member will also be able to issue guidance decisions to tribunal members to reduce inconsistencies across decisions. The tribunal must comply with the guidance decisions unless a tribunal member is satisfied that the facts or circumstances of the decision under review are clearly distinguishable from the facts or circumstances in the guidance decision. The tribunals will also have a discretionary power to make an oral statement of reasons where there is an oral decision without the need for a written statement...
of reasons. This change has the potential to significantly reduce the administrative burden on the tribunals. However, a review applicant may, within a specified period, request a written statement of reasons to be provided to them.

The tribunals will also be able to dismiss an application where an applicant fails to appear before the tribunal after being invited to do so. This will stop applicants from using the merits review process to delay their departure from Australia. However, the government recognises that a review applicant may have a genuine reason for not attending a hearing and the tribunals will have the power to reinstate an application that has been dismissed for non-attendance where the tribunal considers it appropriate to do so, in the circumstances where the applicant has applied to the tribunal for reinstatement of the application within seven days after receiving notice of the decision to dismiss the application.

I note that in relation to the 90-day rule, which I referred to earlier, it was the intention of the government to bring that forward in this bill. I note, though, that that proposal has been postponed and that matter will not be addressed in this bill. But the government will be returning to consider that matter after reviewing the High Court decision of last week, and leaves the option open to pursue that change in a subsequent piece of legislation that we would seek to bring before this House.

This bill deserves the support of all parties. We need the tools to ensure public confidence in Australia's capacity to assess claims for asylum in the interests of this country, and against the interests of those who show bad faith. These changes uphold the importance of integrity, the establishment of identity, and increased efficiency in our protection processing system. This bill acts on the commitments that this government, when in opposition, made to ensure that those who destroy documents and those who do not engage in good faith of their identity will not be able to gain entry to our system.

I commend the bill to the House.

Debate adjourned.

Family Assistance Legislation Amendment (Child Care Measures) Bill (No. 2) 2014

First Reading

Bill and explanatory memorandum presented by Ms Ley.
Bill read a first time.

Second Reading

Ms LEY (Farrer—Assistant Minister for Education) (09:48): I move:

That this bill be now read a second time.

Today I am introducing the Family Assistance Legislation Amendment (Child Care Measures) Bill (No. 2) 2014 which will maintain the Child Care Benefit income thresholds for three years. This measure will apply from 1 July 2014 for three years, to 30 June 2017.

This measure was previously contained in the Family Assistance Legislation Amendment (Child Care Measures) Bill 2014 (the former bill) which also included a measure to extend the cap on Child Care Rebate at $7,500 per year, per child for a further three years.
The Senate Education and Employment Legislation Committee looked into that bill and noted that ‘… the committee is persuaded that these measures are limited, well targeted and for a finite period of time, and are a necessary part of the broader government agenda of repairing the budget and strengthening the economy,’ (p5). The measures in that first bill were moderate and necessary. This government is making decisions that will prepare Australia for the long-term challenges and opportunities that confront us.

Yet, the Labor Party has made it clear that it will not support both measures of the previous bill. The government, therefore, accepted the opposition amendment to remove the childcare benefit component of the former bill in order to secure passage of the childcare rebate component, a 2013-2014 savings measure of the former Labor government. However, we made it clear that we would not back down from the childcare benefit measure. We do not waver on our commitment with regard to the childcare benefit measure because it is an important 2014-15 budget measure that aims to help fix the budget mess left by Labor. Labor will not take responsibility for its budget mess, so this government has to; the government is, therefore, it now reintroducing the childcare benefit measure contained in the former bill in this bill.

It is fiscally responsible for this government to maintain—not cut, as the opposition would have you believe, but maintain—the current childcare benefit income thresholds pending the outcome of the Productivity Commission's inquiry into child care and early learning, due to report in October 2014.

Childcare benefit is a means-tested payment based on a family's income. The childcare benefit provides assistance to families with childcare costs. The amount of childcare benefit a family receives depends on the family's income, the type of care used, the hours of care and the number of children in care, as well as the parents’ work, training or study commitments.

The childcare benefit measure in this bill is a 2014-15 budget measure, and is one element of the government's broader measure to maintain eligibility thresholds for Australian government payments for three years. Maintaining the childcare benefit income thresholds will provide an estimated saving of $230 million over the forward estimates. Childcare benefit eligibility requirements will remain unchanged. I want to really emphasise this, because families need to be aware that despite the broad brush accusations of the opposition, the government will continue to index—that is, increase—the childcare benefit standard hourly rate, the minimum hourly amount and the multiple-child loadings by the consumer price index on 1 July each year.

During debate on the previous bill, speaker after speaker from the opposition wrongly characterised these changes as 'cuts'. As I have just explained, they are not cuts; it is disingenuous, it is misleading and it is scaremongering to the parents of Australia to describe something that pauses a threshold as a 'cut' when it simply is not. If a family's income and circumstances do not change from one financial year to the next there should be no negative impact on their assistance. In fact, since the government is increasing the childcare benefit hourly rate, many families will see an increase in their childcare benefit payment. As with all means-tested payments, a change to your circumstances—for example, a pay rise—can change what you are able to receive. This is not new.

It is important to note that the out-of-pocket costs incurred by families because of this childcare benefit measure will, in most cases, be partially offset by the childcare rebate, which
is not income tested and which covers up to 50 per cent of out-of-pocket childcare costs up to $7,500 per child per year.

This measure will not impact on families with incomes below $41,902, which is the lower income threshold for childcare benefit. These families will continue to receive the maximum rate of childcare benefit. Families above this amount will continue to receive childcare benefit, which tapers off to zero as income increases. The amount of childcare benefit a family receives tapers to zero as their income increases to the relevant maximum income limit. For example, a family with three children in child care for 50 hours a week with an income of up to $170,404 is currently eligible to receive some childcare benefit, as well as up to $7,500 childcare rebate per child per year.

The upper income threshold of $97,632 referred to in the legislation is a mechanism for the very complex way in which childcare benefit is calculated and tapered depending on a family's income, the number of children in care, the type of care and hours used. This is a level of complexity that has been raised by families and service providers alike in the course of the government's Productivity Commission inquiry. Overall, this government is increasing childcare assistance to $28½ billion over the next four years to assist around a million families each year through the childcare benefit and childcare rebate.

This childcare benefit measure does not in any way pre-empt the Productivity Commission inquiry into child care and early childhood learning, a holistic review which is designed to establish the childcare system that works for the next generation not just the next few years. The terms of reference for this broad-ranging inquiry include consideration of rebates and subsidies for child care. The Productivity Commission's draft report will give us the first insight into their proposed reforms, and is due next month. It becomes increasingly evident every day that this Productivity Commission inquiry is vital to the future of the childcare system and the families who use it.

I note that on 22 June the National Centre for Social and Economic Modelling, NATSEM, released their Income and Wealth Report, Issue 35, Childcare affordability in Australia. This report highlighted Labor's failure to address the issue of child care during their six years in government. The NATSEM report states:

Government subsidies help to keep a lid on families' out-of-pocket child care costs, but it is hard to escape the conclusion they have also helped drive up prices and the cost to government. The higher prices go, the more financial assistance families will require and so the cycle continues. Labor failed to do the work needed to fix child care and even refused to undertake a Productivity Commission inquiry when they were in government despite calls from us in opposition. Instead, they kept topping up child care on the nation's credit card and, in line with the NATSEM report, helped drive up prices and the cost to government. When you consider that childcare fees skyrocketed 53 per cent under Labor and out-of-pocket costs increased by up to 40 per cent for families in Labor's last four years, it is abundantly clear that the current situation is unsustainable for families and for government, making it critically important that we shape new policy for the next generation.

I look forward to the Productivity Commission's draft report in July, but for now for this bill we cannot, as I repeatedly stated in the debate for the previous bill, forget the context in which we are all operating today. Labor delivered six budget deficits. They left $123 billion in cumulative deficits ahead and their debt is costing Australians $1 billion a month in
interest—effectively, dead money. It gives us no pleasure to have inherited the debt and deficit that we have from Labor. We make no apologies, once again, for addressing the urgent need to manage the nation's finances responsibly and live within our means. The $230 million in savings we seek over four years via this legislation pales into insignificance when compared to the wasted $1 billion in Labor's interest payments that Australian taxpayers have no choice but to pay every month.

Despite Labor's opposition to this government's efforts to clean up their budget mess, this bill, now a stand-alone measure on the childcare benefit, is an important part of that action. We will do the right thing by the Australian people in order to deliver a strong and more prosperous economy. I thank the House.

Debate adjourned.

Meteorology Amendment (Online Advertising) Bill 2014

First Reading

Bill and explanatory memorandum presented by Mr McCormack.

Bill read a first time.

Second Reading

Mr McCormack (Riverina—Parliamentary Secretary to the Minister for Finance) (09:58): I move:

That this bill be now read a second time.

The Meteorology Amendment (Online Advertising) Bill 2014 (the Bill) amends the Meteorology Act 1955 to provide certainty in relation to the Director of Meteorology's powers to include advertising in connection with the Bureau of Meteorology's services and determine the types of advertising that the bureau displays.

The Bureau of Meteorology is relied upon every day by the Australian community to deliver accurate and timely information particularly during events where life and property are at risk. The introduction of online advertising followed the 2011 Munro review of the bureau's capacity to respond to future extreme weather and natural disaster events and to provide seasonal forecasting services. The review recommended that options be explored to obtain revenue from advertising on the bureau's highly popular website.

Advertising on the bureau's website was trialled for 12 months in 2012-13 and became a permanent measure from 1 July 2013 after being announced in the 2013-14 budget.

This amendment to the Meteorology Act will remove any doubt to make it explicitly clear that the Bureau of Meteorology can accept paid advertising, allowing the bureau to further diversify its sources of funding.

It will also require the Director of Meteorology to develop and publish guidelines on the types of advertising that the bureau will display. This will allow the director to prohibit advertising that is considered to not be in the Commonwealth's or the bureau's interests. It is expected that the director's guidelines will be based on the bureau's existing Online Advertising Policy, which was developed and published during the advertising trial and is founded on existing industry advertising laws, regulations and codes of conduct.

Debate adjourned.
Public Governance, Performance and Accountability (Consequential and Transitional Provisions) Bill 2014

Public Governance, Performance and Accountability (Consequential Modifications of Appropriation Acts (No. 1), (No. 3) and (No. 5)) Bill 2014

Public Governance, Performance and Accountability (Consequential Modifications of Appropriation Acts (No. 2), (No. 4) and (No. 6)) Bill 2014

Public Governance, Performance and Accountability (Consequential Modifications of Appropriation Acts (Parliamentary Departments)) Bill 2014

Second Reading

Cognate debate.

Debate resumed on the motion:

That this bill be now read a second time.

Mr BURKE (Watson—Manager of Opposition Business) (10:01): This is a joke! We have legislation that is probably meant to be bipartisan. This was handed to the parliament at 4.30 yesterday, which, at more than 500 pages, in the words of the second reading speech:

… from the sheer size of the legislative package the effect of these amendments goes across all of government and is essential to effective implementation of a new resource and governance framework.

The legislation affects every portfolio, covering amendments ranging from the Auditor-General Act to the Water Act and many in between.

So for this being handed to us for the first time and to the parliament for the first time at 4.30 yesterday we are now meant to be in this chamber on a gagged debate to have a formalised position on it right away! This is the worst sort of governance. Let us make no mistake, there is a reason why this has occurred. If you go to the minister's web page, it was made clear that this legislation was meant to be ready from the beginning of this month, to be introduced in the week of 2 June. Why did it happen? Why do we have a situation where there is a minister who is so overloaded that we end up with legislation of this gravity and of this reach in a rush to the parliament in the final days which was actually meant to be largely bipartisan? A lot of the work on this was commenced when Senator Wong was Australia's finance minister. There is a simple reason: we have a finance minister who is currently doing the job of two people.

This is the direct consequence of Arthur Sinodinos as Assistant Treasurer having stood aside and not being replaced for so many months. The outcome is you have got one person with a workload that he cannot handle and, as a result, the parliament gets completely bypassed on a piece of legislation that covers and affects every portfolio and agency. The reason we are in the situation of the opposition being expected to have a position on all of this when we only got it at 4.30 yesterday is a direct consequence of this government not been willing to make a decision on whether or not they have an Assistant Treasurer, because what has happened is that the finance minister has been dealing with the budget issues and at the same time has been dealing with the superannuation advice issues—the FoFA legislation—and this got put in the back drawer. So even though the department had every belief that this was going to be introduced to the parliament in the first week of this month, the fact that we have not had an Assistant Treasurer, the fact that this government cannot make up its mind on the future of Senator Sinodinos, has put us in a situation where we have a finance minister...
who cannot carry the load. The outcome of the finance minister not being able to carry the load is very simple: this parliament gets bypassed.

We cannot have a situation where this legislation does not make its way through both houses by 1 July. There are deeply significant outcomes for government if this legislation has not made its way through both houses of parliament by 1 July. The opposition will be responsible on that. The opposition will play a responsible role in making sure that we deal with these issues in a more responsible way than the government has. But no-one should be in any doubt. It is not that Senator Cormann does not have the capacity to deal with legislation like this—I presume he does; the problem that we have is that we have not had an Assistant Treasurer for so long now that we have got one person with an inbox that is meant to be there for two and the outcome is work that is meant to have been done is falling apart. And, of all things, what is it about? Public governance! The thing that they cannot actually have any orderly system for is something that is about public governance, performance and accountability.

This parliament should not be in a situation where a decision by the Prime Minister to be one down in his ministry while the inquiries are going on in New South Wales—and I make no reflection on any of those inquiries or the likely outcome of them—results in a policy outcome that we are facing right now and the policy outcome we are facing right now is that we have a finance minister trying to also be an Assistant Treasurer and not keeping up. As a result of that, the opposition is put in this position. I am not going to pretend to the parliament as I make a speech on this bill that I have been able to read and work through with all the different 250 acts that it intersects with, checking all the cross-references, as I normally would, as any responsible member of parliament already would. I do not know this for a fact, but I suspect the member of the executive responsible for introducing this legislation was not afforded that opportunity either.

I expect we have a situation where even the executive member of this House who introduced the legislation had not been given the opportunity to go through, clause by clause, what he was introducing. That is an appalling situation for this parliament to be in, an absolutely appalling situation. Normally, on any bill, we have a circumstance where there is an opportunity for scrutiny, and it is frequently the case that the government play a very constructive role with the opposition. If we have not been able to answer all the questions, having read through legislation, they will then afford us a briefing with senior public servants to work through the detail. If there are questions that we still have not had answered and a bill is up for discussion, it is not uncommon at all for ministers to play a responsible, decent, cooperative role—as we did when we were in government—and say, 'Okay; we'll put that bill back for a little bit longer.' No-one has that option now, because the Minister for Finance has been overloaded with too much work, because of the circumstances of Senator Sinodinos, and we end up with a circumstance where the parliament is now debating legislation where the truth is that none of us are sure what is in it.

Mr Ewen Jones: You drafted the legislation!

Mr BURKE: The drafting of this legislation—no doubt, a lot of the work on this was done when Senator Wong was finance minister.

Mr Ewen Jones interjecting—
Mr BURKE: I said that minutes ago, if you were listening. Keep up; you’ll do fine. When Senator Wong was finance minister, a lot of work was done on this. The extent to which what is in front of us is a direct reflection of that, no member of parliament knows. There will be members of the Public Service who have gone through this in a lot of detail. That is good and that is their role. Members of parliament have a role too. That is why we are elected; that is why we are here; that is why Australia is not a country where the public servants simply make executive decisions and can change the law. Constitutionally, that responsibility rests with us.

We have a circumstance where not one of the 150 members of this House is going to be across the detail of what is in this bill beyond what we were told in the second reading speech by the member of the executive when it was introduced. That is all we are going to have to go on. I am not reflecting on the second reading speech. It would have been given in completely good faith. But every member of this parliament has been placed in an impossible situation, and no member of this parliament, in dealing with this bill, is going to be able to properly exercise our own constitutional responsibilities—not one of us. This is not a problem unique to members of the opposition; it is members of the government as well, and it will go all the way to the person who introduced the bill.

There are occasions—and many of us have been in these circumstances—where we have, during the debate, found holes, gaps, in legislation. Earlier this week, the government itself, on one of the bills that gets the maximum level of scrutiny, an appropriations bill, discovered that there was nearly $1 billion missing because a schedule had been omitted. A cursory check of the legislation showed that there were meant to be two schedules, and only one was included. These errors do occur and, during the debate, they get worked through and fixed. That does not mean that we will not still have policy differences across them and political differences—of course we will—but there is also a straight scrutiny role that is played by this parliament. The mismanagement, the chaotic management, by this government means there will not be a single member of the House of Representatives who knows the contents of this legislation when we vote—not one of the 150.

Mr Ewen Jones interjecting—

Mr BURKE: Those opposite who are interjecting from time to time might be comfortable with that, but those who have been in this place a little bit longer, including you, Deputy Speaker Randall, have been in circumstances where legislation has significantly benefited from the scrutiny that is offered within this chamber. None of that is going to occur on this bill. There will be a significant debate on one one part of it, because one part of it involves a direct broken promise that does not even date all the way back to before the election; it actually dates back to Monday. On Monday we were given guarantees by the Prime Minister about the pay for cleaners. We know that, in this bill, that is going to get undone. Be in no doubt that the opposition will be moving amendments to take those provisions out that affect cleaners. Be in no doubt that we will be doing that. If those amendments fail here in the House of Representatives, we will still support the legislation. We will not be voting against the legislation if our amendments fail here, because there are deep problems for probity in governance if the rest of the legislation does not get through. But, if our amendments protecting the wages of cleaners are successful in the Senate, be in no doubt that we will insist on those amendments. The onus will then be put back on the government to decide whether or
not they too want to play a role as responsible as the role that the opposition is prepared to play on this.

The minister's second reading speech went through the extraordinary scope of the legislation in front of us. Normally the quick way to work out what is in legislation is to pick up the explanatory memorandum. This one is bound. It is not a little stapled document; it is bound. What we have here is far-reaching legislation. I hope there are not errors in it. But the truth is: if there are errors in it, they are not going to be worked out during a gag debate within the House of Representatives. If there are errors here—mistakes that will then have significant consequences for governance and probity—it will be found out after the event, when something has gone wrong, because there will be no parliamentary process capable of properly bringing it to light.

The act commences operation on 1 July. It will replace the two significant governance acts that we have been dealing with for a long time in this House. Anyone who has been engaged in committee work or roles in the executive has a working knowledge, at least, of the differences between the Financial Management and Accountability Act, known as the FMA Act, and the Commonwealth Authorities and Companies Act, the CAC Act. Whenever you deal with an agency, as a member of the executive, your first question is always, 'Is it an FMA or a CAC Act agency?' because that then determines a whole lot of governance processes that go with it. That entire model and that framework gets replaced by what is before us now.

This goes to the heart of the entire way that the Commonwealth is governed. It goes to the heart of the rules around the probity requirements for the Commonwealth public servants we have and the framework within which they operate. Effectively, this legislation is the gateway between the parliament doing something and the Public Service implementing it. That is what is in front of us. This is no small side piece of legislation that happens to have been rushed through; this is actually at the core.

I can understand that there are circumstances when the Public Service will want to check and go through details and will take longer in getting a brief up to a minister. The truth is, though, that the web page had made clear that the Public Service believed that this legislation was going to be ready to be introduced on 2 June, and there seems to be no doubt at all that the blockage has been because we have a Minister for Finance who is doing the job of two people. If anyone thought, 'Let's just get Senator Sinodinos to stand aside, and we'll sort it all out later on; we'll just park the position; Senator Cormann can carry the load of both, and it won't be a problem,' well, it is a problem. The problem is that we now have 150 members of the House of Representatives, none of whom are able to do their job properly on this bill, and it is a bill that affects the full range of Commonwealth departments and agencies.

The act which was one element of Commonwealth financial accountability review reforms, which was undertaken when we were in government, will consolidate in one piece of legislation all the governance, performance and accountability requirements for Commonwealth government entities. The act aims to improve transparency and consistency across Commonwealth operations. Whether the act does that as intended, I cannot tell the parliament, and no member of this parliament can either, because none of us are across it because none of us have had time. The act is also designed as an evolution of the existing financial framework, so it builds from the base that we are already at, containing new elements which are designed to improve the quality of public financial management in the
Commonwealth. The act itself was subject to a two-year-long consultation and consideration process prior to being passed by the parliament last year. The act sets out the principles of a coherent financial framework for all Commonwealth entities. The act aims to create a financial framework where Commonwealth entities have the flexibility and incentives to adopt appropriate systems and processes that help them achieve their objectives efficiently and effectively.

We in the opposition recognise that the amendments contained within these bills are for the purpose of facilitating the transition from the existing framework to the new framework under the new act. We know that that is what they are there to facilitate, but none of us knows whether they do it effectively. All we can say—and all any member of parliament can say—in this debate, because of the circumstance which has been forced upon us, is that we know what the bill intends to do. I do not presume any ill will from the government in terms of the intention behind this, but I do presume a complete, appalling failure on the part of the government to properly manage this process, where they thought they could get away with pretending that one minister was not there for a while and letting the Minister for Finance do the Assistant Treasurer's job as well. All of that has now fallen in a heap, and the parliament is the loser as a result.

The main bill, the Public Governance, Performance and Accountability (Consequential and Transitional Provisions) Bill 2014, is meant to have the effect of replacing references to the FMA and CAC acts with the equivalent provisions in the Public Governance, Performance and Accountability Act. It is intended to simplify enabling legislation where provisions of the act cover a matter which had previously been dealt with in the enabling legislation. It is intended to amend enabling legislation to clarify which matters, and to what extent, are covered by the Public Governance, Performance and Accountability Act and which matters, and to what extent, are covered by the enabling legislation. Examples of this are things like disclosure-of-interest arrangements. The main bill also has provisions to provide clarity in relation to provisions in the Public Governance, Performance and Accountability Act which would commence after 1 July this year and provisions within the existing financial framework which would continue to operate beyond 1 July.

There are other bills that are associated with this bill. As well as this one, we have this one, another one here and another one here. Not a single member of parliament, not one of us, has read all of these, but they are all here and they are all being debated right now. We are all meant to vote on them and decide whether they should be the law of Australia on the basis that we know what they are intended to say, but none of us are actually sure what they do say.

These extra bills—the Public Governance, Performance and Accountability (Consequential Modifications of Appropriation Acts (No. 1), (No. 3) and (No. 5)) Bill 2014, the Public Governance, Performance and Accountability (Consequential Modifications of Appropriation Acts (No. 2), (No. 4) and (No. 6)) Bill 2014, and the Public Governance, Performance and Accountability (Consequential Modifications of Appropriation Acts (Parliamentary Departments)) Bill 2014—relate to amendments to appropriations bills to ensure that Commonwealth entities have access to the funding that has been approved by the parliament. All of the detail of this seems pretty mundane, in that it is not something that is going to be part of mainstream public debate on these issues, but the whole work of our Public Service actually hinges on them and hinges on the detail of this being right. The amendments in the
bills being debated should ensure that we get a smooth transition to a new financial framework, which had largely been developed when we were in government. The new government has continued with that, I believe, in good faith. As I say once again, I do not presume any ill will, but I do presume a fair degree of incompetence in the way that this has ended up before us.

The amendment which we will not be supporting is that part of it that relates to cleaners. Some of us will remember the bonfire that became the fizzer that was known as repeal day. One of those amendments stipulated that the owner of a mule or bullock required for naval or military purposes shall furnish it for such purposes and that the owner may have to register it from time to time. There was another one removing the hyphen from the word 'e-mail' and changing the wording from 'facsimile transmission' to 'fax'—all changes which I am sure small business were hanging on because it would make a fundamental difference to the red tape they had to deal with! But, in the middle of those relatively harmless changes, there was one substantial change. This was the move to abolish the Commonwealth Cleaning Services Guidelines under the guise of red tape.

The Commonwealth Cleaning Services Guidelines have been important and they have affected the take-home pay of some of the people on the most modest wages in our country. They have a very direct impact on their take-home pay. The Prime Minister gave a guarantee on Monday that their pay would not be cut. Let us have a look at what this bill does and how we have a Prime Minister who we used to think could not make his election promises last a few months, from before the election till after, but we now discover cannot make his promises even see out the week.

The Prime Minister's red tape stunt to axe the Commonwealth Cleaning Services Guidelines, which regulate the minimum pay and conditions for cleaners, will provide real pain for some of Australia's lowest paid workers. It is a cruel and callous move and it is totally unjustified. The government tried to bury the attack on minimum conditions for cleaners among some other 8,000 regulatory changes. Not only did it come without any warning from the government but it came this week after a guarantee from the Prime Minister that it would not occur. I would love to believe that this has slipped through because of the way it has been rushed, but I reckon this is the one clause that they did know about. I reckon on this one the government knows exactly what it is doing.

Before the election we were told that the Prime Minister would not touch workers' pay and conditions. There is no way of reading this part of the bill without seeing it as an attack on pay and conditions. Cleaners stand to lose up to $344 a week. We have a Prime Minister who has been talking ad nauseam about the impact of $550 a year that is fully compensated. Here is an impact of up to $344 a week for some of our lowest paid workers—a cut from the Clean Start rate of $22.02 to the award rate of $17.49. As I said in the debate on gagging this legislation, how do you argue that that is anything other than a cut? How does anyone argue that that is anything other than a cut? The Clean Start rate under the guidelines is $22.02 an hour and the award rate is $17.49 an hour. If those opposite can argue that the $17 figure is higher than the $22 figure, good on them—it will make them eligible for the top job because they can give similar answers during question time.

This is a cut. This is a broken promise from the election. It is a broken promise from Monday. On Monday we were given a guarantee by the Prime Minister during question time
and by Wednesday we have legislation in the parliament providing a hit to the take-home pay of cleaners employed by the Commonwealth. This is under the guise, of all things, of removing red tape. I do not think there is a single low-paid worker who believes that their wage is red tape. We already know the way the government’s first budget acted to hurt many low- to middle-income Australians. Now through these bills the government is seeking to cut the pay of some of Australia’s lowest paid workers. The Prime Minister said on Monday:
I want to make it absolutely crystal clear that no cleaner’s pay is reduced.

And:
This government has not reduced the pay of any cleaner full stop, end of story. This government has not reduced the pay of any cleaner.

The second quote was actually true on Monday. They had not—they waited until Wednesday to do it. But, after this has been voted on and proclaimed, the guidelines will be ditched and we will have a situation where cleaners’ pay gets cut. The second quote was true at the time but the first one was an absolute broken promise, which did not even last 48 hours:
I want to make it absolutely crystal clear that no cleaner’s pay is reduced.

The Prime Minister stood there and gave a guarantee to some of our lowest paid workers but 48 hours later he is cutting their pay.

Labor opposes the government’s decision to abolish the guidelines that apply to cleaners working for Australian government agencies and contractors. We will do everything we can to block this move. When we have the debate here we will move amendments to take this out. If the Prime Minister's word means anything, the government will support those amendments and then we can all support this legislation, presuming what we think is in it is in fact there. If our amendments are defeated in the House, we will still not oppose the legislation for the very simple reason that our entire governance framework for the Commonwealth will be at risk if these bills are not in place by 1 July and we are not going to behave irresponsibly. But we will then move those amendments in the Senate if they still do not form part of the bill. If our amendments are successful in the Senate, be in no doubt that we will insist on them. We will not be resiling from the fact that we do not want to see the circumstance where Australia’s lowest paid workers have their pay cut.

The government can make up its own mind as to whether it believes the Prime Minister's word should last a week and as to whether it believes the Prime Minister's word is worth anything. We were all here. We might not know what is in this bill, but we all know what the Prime Minister said on Monday and we know that this bill does not reflect it.

The revocation of the guidelines is not the only thing that should be concerning Australian workers. We have a series of issues that have come here. We have comments from Senator Abetz with respect to individual flexibility arrangements, the spectre of AWAs and now what they are doing with the budget with the increase in the retirement age. We all know the physical toll that jobs that involve physical labour—not white-collar jobs like we enjoy in this House—take on people. What is a perfect example of that? Cleaners—people who will take a direct hit with an increase in the retirement age and the pension age going out to 70. The government, with that move, is causing real pain. Labor will have none of it. We will fight it here in this House; if not successful, we will allow the bills through and fight it again in the Senate, where I hope our amendments will be successful. I hope they are successful here. If
the Prime Minister meant what he said on Monday he will be voting for them—but we have seen a record of how long this Prime Minister's word lasts.

We will be fighting that part of it, but I do not want to underestimate the importance of the legislation as a whole. The legislation that is before us is critical to the entire governance framework of the Public Service. Australia has a very proud record of a highly professional Commonwealth public service. The good governance arrangements within which it operates have been a feature of that. There is goodwill from both sides of the House to improve the governance framework and move to this new model. To get the transition right, the detail of this legislation needs to be right. We have the embarrassing situation where, because this government has failed to make a decision about the future of Senator Sinodinos, every member of the House of Representatives is now forced to vote for legislation when the truth is not one of us has had a chance to read this since it was introduced at 4.30 pm yesterday—not one of us. We will have 150 members of the House of Representatives voting on this legislation as a leap of faith because none of us are sure what it says.

Mr LAMING (Bowman) (10:31): There is somewhat of a parliamentary tradition, isn't there, that each year, at the end of the financial year, governments with an agenda rush to get critical legislation through before 30 June. You can definitely understand a first-term government with plenty of legislation on its books doing just that. I certainly recall that, in previous years, even Labor governments in complete disarray managed to find themselves with legislation stacked up and needing to be passed by 30 June. What makes this very different is that we did not write this original legislation. This was legislation written by the Labor Party, and we are finishing their work for them. This legislation has Labor fingerprints all over it. They drafted it. They even passed it, in July last year, with the intention of it coming into force on 30 June this year. So to claim they have never seen this document before is a masterful waste of 30 minutes of parliamentary time. I have to commend the member for Watson. Many of his frontbench colleagues struggle to see out their time talking about their own portfolios, reading word for word from notes diligently prepared by staffers. Here is a man who can speak for 30 minutes about absolutely nothing. He did it with aplomb. He went on for 30 minutes, complaining that he did not know what cross-references had been changed in the two acts and that he would normally read the entire bill. He could have read the bill in the time he gave that speech. In that 30 minutes he could have turned his attention to the hundreds of cross-references that were omitted by his own drafters in the Labor Party this time last year. Let us be honest: we are just fixing up someone else's mess. Doesn't that ring a familiar bell—fixing up someone else's mess?

We are finishing a reform process that Labor started, making sure there is a new PGPA Act that will take the place of those two very important pieces of parliamentary architecture, the FMA Act and the CAC Act. But we know that a number of acts will be rendered completely ineffective if we do not make these changes. Apologies that it is being done late, but I think a first-term, first-year, first-six-months government has a perfect reason for having a large amount of legislative material to pass through these two chambers between budget and 30 June.

The bills are all about accountability and red tape. They do four things which should be broadly supported. They certainly do the things Australians would expect. What would they expect? They would expect that statutory bodies that operate under federal legislation report
closely to parliament on their achievements compared to their objectives. That makes complete sense. They would hope that those who run these entities are responsible for risk management and the performance and sustainability of their departments. That makes perfect sense. You would hope that officers working within those departments also ensure that any funding they expend is expended for a proper purpose and, lastly, that red tape is never imposed unnecessarily. They are the very familiar tenets on which the coalition government was elected last year.

This is a bill that can hardly be a surprise. It is almost impossible for the opposition to claim they have been ambushed by this bill. I could understand if this was a newly created, freshly minted bill which the opposition had not had a chance to look at—but this is Labor Party material, Labor Party documentation and Labor Party legislation, scrutinised by both sides of this parliament as recently as the middle of last year, with changes that effectively amount to little more than cross-referencing. That is right: we realised, through diligent and iterative consultation with the respective authorities, that in many cases the footnoting and cross-referencing did not transfer correctly from the FMA Act and the CAC Act into the new PGPA Act.

This is a thoroughly reasonable proposition. It is vitally important. It has some connections to the Williams High Court decision, interestingly enough, and this bill will be needed by 1 July. But to hear the opposition with so little to say about a bill that is so obviously of their conception—one that is so thoroughly non-controversial—and for someone as senior as the member for Watson to come before this chamber and claim that MPs have not read every word in the bill, stimulates me to highlight all the little pieces of cross-referencing that have been added in which were omitted originally and which made this bill ineffective, because that is all the member for Watson needs to read. If he really needs someone to do it for him, I am sure he can find someone and we can highlight the footnotes. Do we need to detain the chamber for half an hour to argue about that? It is pretty disappointing. There are some far bigger agenda items facing this country than the waste of that 30 minutes by the previous Labor speaker.

I will commend anything that reduces red tape. We are all passionate, on both sides of this chamber, about governance and probity reforms. To say this is an ambush of the Labor Party by the coalition is a complete fabrication. We support these laws. We support these amendments. We support these tiny changes which make this bill work and we support their introduction before 30 June.

Mr BRENDAN O’CONNOR (Gorton) (10:37): I rise to speak to the Public Governance, Performance and Accountability (Consequential and Transitional Provisions) Bill 2014 and also indicate that the opposition has concerns with not only parts of the substance of the bill but also the way in which the government has sought to make potentially wide-scale changes to legislation. The member for Watson was absolutely right that if you have a bill of 500 or more pages introduced the day before and at the same time you seek to gag the debate on these matters then, clearly, due process is not being entertained. It is quite ironic that the bill itself is entitled ‘public governance’. This is about governance and governing, yet the government itself does not want to have proper consideration of matters that will impact on 250 or thereabouts pieces of legislation and countless Commonwealth regulations.

Ms Brodtmann interjecting—
Mr BRENDAN O'CONNOR: And, indeed, they go back for some time, as the member for Canberra has indicated. The fact is that the government's conduct here is that they do not want to provide due diligence in these matters and they do not want to illustrate the capacity to govern effectively. The other reference I would like to make to the title of the bill is accountability—'public governance, performance and accountability' is the name of the bill, yet what accountability is the government showing to the people of Australia by gagging this debate and not allowing examination of these matters?

It is quite ridiculous and absurd of the previous speaker to suggest that the opposition has had enough time—or, for that matter, that government members have had enough time—to absorb the contents of this bill. In fact, you would have to be reading a page about every three seconds to absorb the scale of the bill in question. That is the point the member for Watson was making, that if you believe you need to make these changes, that is all well and good, that is what the government should be proposing perhaps, but to deny the parliament the opportunity to examine the motives of the executive is not consistent with due process, it is not consistent with the Westminster system of accountability and it is certainly not in keeping with a good parliament by not allowing for that examination. So the opposition have grave concerns about the way in which this matter is being dealt with by the government and for that reason we strongly argue against the gag and reserve our rights to reflect upon much of the provisions of the legislation.

One thing that the member for Watson did highlight that has been of concern to the opposition for some time and has been the subject of answers by the Prime Minister in question time has been the potential to impact adversely on the wages of cleaners that are under Commonwealth contracts. Members would recall that questions were put to the Prime Minister in relation to the Clean Start rates, that is, the Commonwealth Cleaning Services Guidelines, which are regulated in a way that ensures a standard of conditions of employment and wages for cleaners, the people who clean our offices and undertake the provision of services under Commonwealth contracts. In answer to a question about whether cleaners would be adversely impacted by the abolition of these guidelines, the Prime Minister said there would not be cleaners who would suffer losses to wages. Unfortunately, wilfully or otherwise, the Prime Minister is wrong.

If this bill is enacted, the Commonwealth Cleaning Services Guidelines which regulate the minimum pay and conditions for cleaners will effectively wipe the floor with some of Australia's lowest paid workers. The impact of the abolition would mean that future contracts that may be tendered would be tendered on the basis that those contractors could employ workers not on the minimum rate pursuant to this regulation but on the minimum rate pursuant to the award. The effect of that would be that cleaners would stand to lose up to $344 a week because of this government's decision, with a cut from the Clean Start rate of $22.02 to the award rate of $17.49. That is a cut of almost $5 per hour for cleaners who are under Commonwealth contracts, yet we have had the Prime Minister stand at the dispatch box here and, in answer to a question in question time, argue that cleaners' conditions of employment will not be reduced. This is symptomatic of a Prime Minister that does not know his own budget, that does not know his own legislation and that does not care about the adverse impact his decisions will have upon hardworking Australians. Indeed, it is also
consistent with the intentions of this government to go further in changing conditions of employment for millions of Australian workers, I would contend.

So, firstly, we argue that the process by which this bill has been introduced is unreasonable. It has not allowed the opposition to properly consider these matters. It is being rammed through the parliament without proper consideration. And so far as the provision with respect to Commonwealth cleaning guidelines is concerned, we say that this decision, under the so-called guise of red tape, is a cruel and callous decision which is totally unjustified. It was clear from the outset that the government tried to bury this attack on minimum conditions for cleaners among some 8,000 regulatory changes. They came without any warning from the government. Now, with the introduction of these bills, we see how these guidelines will be abolished.

Mr Deputy Speaker Mitchell, you may recall—as you were, of course, a successful candidate in the last election—that before the election Tony Abbott said he would not touch workers' pay and conditions. He promised he would not cut wages or penalty rates. We know, however, that cleaners stand to lose $344 a week, as I said. We have concerns that there are other nasty provisions in this bill, and yet we have not been given the opportunity to examine the scale of the impact of this legislation upon other pieces of legislation and other regulations. We therefore caution the government on its approach; indeed, we criticise the government for its approach in ramming this bill through the parliament.

We have not only had denials from the Prime Minister in relation to the potential reduction in rates of pay for cleaners; we have also had denials from the Minister for Employment, Senator Abetz, who has argued that there will be no changes to cleaners' rates of pay—patently untrue. The minister is also introducing legislation to broaden the scope of individual flexibility arrangements, essentially heading back to those dark days of WorkChoices. We are seeing the beginning, I would contend, of an agenda on industrial relations buried within this massive bill, which has not been given sufficient time for proper examination.

We, therefore, have grave reservations about the impact of this bill. I foreshadow that Labor will be moving an amendment to the bill at the consideration in detail stage of the debate to ensure that these guidelines remain operative. It will be, in the end, as always, Labor that will stand up for hardworking Australians and their conditions of employment. It will be the Labor Party that will stand between the government and hardworking Australians to prevent this government ripping away those conditions of employment. I will certainly be moving an amendment in the consideration in detail stage to do just that.

Ms CHESTERS (Bendigo) (10:47): I rise today to continue on from the contribution from the shadow minister and member for Gorton about how the Public Governance, Performance and Accountability (Consequential and Transitional Provisions) Bill 2014 seeks to abolish the cleaning guidelines. These guidelines currently are enabled by regulation 7B of the Finance Management and Accountability Regulations 1997, which in turn enables section 64 of the Finance Management and Accountability Act 1997. This bill seeks to repeal section 64 of the act and, therefore, would render these cleaning guidelines inoperative. The section clearly states:

The regulations may authorise a Minister to issue guidelines …

I want to take a moment to let the House know what the impact of abolishing these cleaning guidelines will be on the lowest paid yet hardest working Commonwealth workers: the
cleaners. As the shadow minister has outlined, cleaners stand to lose $344 a week because of this government's decision. Buried in the pages and pages of the document before us is this cruel measure to abolish the cleaning guidelines. It means a cut in the take-home pay of so many people working so hard in government buildings. There will be a cut in the Clean Start rate, which is $22 an hour currently, back to the award rate of $17.49. That is a pay cut of $5 per hour to people on very low wages. This hit to cleaners, who, as we know, are some of the lowest paid workers, just shows how ideologically driven this government is. Labor opposes the decision to abolish the guidelines that apply to the hardworking cleaners of Australian government agencies and their contractors. We will do everything we can to ensure this move is blocked.

Let us just take a moment to reflect on who these cleaners are, because it is very easy in this place to pretend that they are a section or rule in a bill before us and forget about the faces and the actual people. On International Cleaners Day, which was recognised only a few weeks ago, we acknowledged the people who are quite often forgotten—the people who came out of the basements to be remembered and recognised. The government, it appears, need to be reminded every day about these hardworking Australian cleaners, who keep their workplaces clean. They include Chris Wagland and Carlos Pavez, two people who live here in the ACT and in Queanbeyan, just outside the ACT. I remind you that Queanbeyan is part of the marginal electorate of Eden-Monaro. They are two people in the direct line of attack who will face the potential of having wages cut if these changes go through. The repeal of the Commonwealth Cleaning Services Guidelines means that people like Chris and Carlos could face the loss of $340 per week.

Chris is the President of the ACT branch of United Voice and is the cleaner of a government building. She has worked in government buildings and in cleaning for almost 30 years. Her story is a direct reflection of decisions that are made here in this House. Thirty years ago, Chris started cleaning a Defence building. At the time, she was directly employed by the government, only for that contract to be outsourced and put out for private tender. While she has taken on many other jobs, she continues to work in cleaning. In 2006, she lost that contract in Defence. She refused to sign an Australian workplace agreement that was dropped on the cleaners in her workplace as a result of Work Choices legislation, so she lost her Department of Defence cleaning job. Today, she is back there, after a battle and after a cleaning contractor who was not introducing AWAs and who was a signatory to the Clean Start guidelines won the contract. Today she has proper wages and conditions. But from 1 July this could change again.

As I mentioned, Chris lives in Queanbeyan. She leaves to go to work in Canberra every day at 3 am, to start at 4. She is the proud mother of three sons, and her youngest is still at school. She said that one of the benefits of starting early is that she gets to be at home to help with caring duties. She has strong Christian values, and that is what has motivated her to fight. She has spent her working life standing up to say that cleaners deserve respect and decency—particularly our cleaners working in Commonwealth buildings. Every single other public servant is paid much more than our cleaners. Yet the government seems determined to go after its cleaners' wages. And how? By these amendments in this bill today and by abolishing the cleaning guidelines.
Carlos is a refugee from Chile who arrived in Australia in 1974. He is almost due to retire. He has been cleaning in Canberra's institutions for over 35 years. At the moment, one of the places where he cleans is the department of forestry building. He is a family man with four sons and 10 grandchildren. He is a community leader. He is passionate about his soccer, and I am sure he is spending many nights at the moment staying up and, if he is not working, watching the World Cup.

Why I tell these stories is to remind the House that decisions they make affect real people—ordinary people doing a job that most of us would choose not to do, but doing it to support their family. The workers that work in these government buildings are being punished as a result of this bill. Their campaign to ensure that they had decent rates of pay will be undermined and undercut as a result of decisions made by this government on red tape repeal day and today with this bill. These are some of the lowest paid workers. It is so rich coming from this government, which talks about pay parity, that it has forgotten about them or is trying to hide what it is doing to them in this legislation today.

The PM and his ministers constantly stand up, campaign and rant about the need for pay parity when it comes to paid parental leave. They stand up and say that women in the private sector should have the same benefits as women working in the public sector, and that is why they are pushing for a very generous paid parental leave system which would see the government subsidise private sector workers—women—to the tune of $50,000. Yet here today we have seen the government do the complete opposite and backflip. Today they are seeking to introduce guidelines that could see the cleaners' wages cut so that they would not have pay parity with their fellow workers in the private sector.

As we speak, cleaners working in the private sector in Melbourne doing similar work to this—cleaning offices, working in big buildings in the CBD, working in big corporate offices—are paid in accordance with the Clean Start rates, the Clean Start agreement and, therefore, these cleaning guidelines. Yet we are seeing this government make the push to see its cleaners be pushed back to the award. And that is what really stinks about this—a government that is willing to push for pay parity for the private sector in a paid parental leave scheme but, in another bill before the House, push its cleaners back to the award. It is not interested in pay parity for our lowest paid cleaners. It is not interested in ensuring that cleaners can actually afford to put food on their table.

Let's be honest about what it is like to live on the award today. You can work full time as a cleaner with a pay rate as little as $17 an hour, and you do not have enough money in your budget to pay the bills. One of the motivations for putting my hand up to run for the seat of Bendigo was a conversation that I had with cleaners in Bendigo at the Bendigo shopping centre. We were sitting around talking about what would be a fair pay rise to ask the boss for. They laughed and said, 'Lisa, we couldn't ask for the price that we need to help pay our bills.' They say that they are always one bill away from disaster. The award is too low. There is something simply not right when someone working full time cannot pay the bills. Yet that is the destiny that this government is trying to force these cleaners onto. It is trying to force its cleaners in government buildings back to those poverty wages currently experienced by people working on the award.

What is also clear is that this government does not understand how cleaners working in government buildings will end up on the award. It is clear that the PM, with his comments
before the House, does not understand how the contracting system works and the nature of competitive contracting. Wages are a core component of contracting. Eighty per cent of the cost of a cleaning contract is wages. So, if you can tender on the award rate of $17.49 against a company on the Clean Start rate of $22 per hour, you are $5 an hour cheaper than the company that is paying the cleaners in accordance with the Clean Start rates. That is why the Prime Minister's statement 'I want to make it absolutely crystal clear that no cleaner's pay is reduced' is either a demonstration that he does not understand how contracting works or he has misled this parliament, because, when the cleaning contract for this place—or for other government buildings—goes out to tender, there will be a company that currently has a contract tendering on the Clean Start rates of $22 an hour base rate competing against a company on the award, which is $17.50 an hour. That is what this government has done. It has reintroduced competition based upon price, not quality. So that company has the choice, if it wants to continue that contract, to either bust its cleaners back to the award, costing those cleaners $344 a week, or lose the contract to a company paying the award.

The fact that the government is gagging debate on this bill highlights how little care or regard this government has for its lowest paid workers and how little understanding they have for how some of the measures in this bill will hurt working people.

The fact that the government is trying to hide that it will abolish cleaning services guidelines is another demonstration of the twisted priorities of this government. These guidelines will enable companies to compete for government contracts on the award, directly undercutting the wages of hardworking cleaners—cleaners working in government buildings. As I have said, these are already some of our lowest paid workers. They worked hard, they campaigned and they got themselves a decent pay rise. There were protections in place to ensure that they got a decent rate of pay, yet one of the first acts of this government has been to delete the very instrument that ensures that they continue to get these rates.

We are all for competitive tendering, as long as it is a fair competitive tendering process. This bill takes away the fairness. This bill will see companies which respect their cleaners and pay them at a decent rate having to compete with companies paying the award. Ultimately, it will result in a $5-an-hour pay cut. That is why the words of the Prime Minister are so disingenuous when he stands up and says, 'I want to make it absolutely crystal clear that no cleaner's pay will be reduced.'

Mr McCormack (Riverina—Parliamentary Secretary to the Minister for Finance) (11:01): The Public Governance, Performance and Accountability Act 2013—the PGPA Act—is scheduled to replace the Financial Management and Accountability Act 1997—FMA Act—and the Commonwealth Authorities and Companies Act 1997—the CAC Act—from 1 July 2014, as the main legislation covering the financial operations of entities across the Commonwealth. It is important legislation.

To support this change the Public Governance, Performance and Accountability (Consequential and Transitional Provisions) Bill 2014—the PGPA(C and TP) Bill—has been introduced into parliament to repeal the CAC Act and to substantially reduce the number of operative provisions within the FMA Act, as it is now known. The PGPA amendment bill generally makes necessary technical amendments to the PGPA Act that had become apparent over the past 12 months as a result of the development of the supporting rules, as well as
some amendments which are needed to properly implement the operation of the supporting PGPA rules to be proposed to parliament.

This bill also addresses—this is important—some drafting errors in the PGPA Act that were not noticed during its drafting. We heard the member for Watson talk about the fact that Labor was, indeed, the party which, when in government, introduced this bill. But they did not get it right. How often have we heard that Labor did not quite get something right? They missed by that much!

Mr Morrison interjecting—

Mr McCormack: I hear the Minister for Immigration and Border Protection chuckling. He might well chuckle, because Labor missed out by just that much when it came to border security. There were 55,000 people arriving on hundreds of boats but that all stopped when the coalition put in place its new border protection regime. They put in place a minister who actually knew how to stop the boats. But I digress.

The PGPA (Consequential and Transitional Provisions) Bill will make amendments to around 250 pieces of legislation as a result of the PGPA Act's introduction. The amendments include technical changes to replace reference to the FMA and CAC acts with references to the PGPA act; repealing or amending provisions in enabling legislation where the PGPA provisions will operate in future, or where they operate together, such as with corporate planning and annual reports; application provisions to specify when provisions in the PGPA Act apply, such as in relation to annual reports; savings and transitional provisions for various provisions in the FMA Act and CAC Act to allow for an effective transfer from those arrangements to the PGPA Act.

We heard the member for Watson earlier in this debate overregging the issue when he was talking about what a huge thing this was. It is important but the member for Watson did overegg the issue, when some of these matters are just cross-referencing in this legislation.

The Australian Constitution provides that amounts for the ordinary annual services of government and amounts for other purposes cannot be presented to the parliament in the same bill. As a result, the bills are being presented in three separate bills. I will go through them: the ordinary annual services of government bills numbered 1, 3 or 5; amounts for other purposes bills, numbered 2, 4, and 6; and amounts for the parliamentary departments.

We heard the member for Watson talk about the necessity to push these through. Yes, there is a necessity to get them through before 1 July 2014. The member for Watson, the Manager of Opposition Business, made out that the necessity to get something through in a quick and timely fashion was something that had never occurred since Federation. Certainly under his watch as water minister, Labor tried to get through the Water Act such that the Murray Darling Basin Plan could be implemented.

We saw 8,000 people turn out to a protest rally at Griffith. In fact, it did not start as a protest rally. It actually started as an information session by the Murray Darling Basin Authority to—

Mr Brendan O'Connor: Get back to the bill.

Mr McCormack: I will get back there, Member for Gorton, but this is important. Those on the Labor side of the chamber claim that it is unusual for this parliament to be rushing through timely legislation but when the member for Watson was in charge of water he
attempted to rush through legislation which affected hundreds of thousands of people who grow food on behalf of this nation.

If this bill's passage is delayed it will have consequences for payments continuing to be made under the provisions of the FMA Act and the CAC Act. The delay would have consequences for the amendment of 250 acts across the Commonwealth to support the implementation of the Public Governance Performance and Accountability Act 2013 and the development of related PGPA rules and instruments.

While these amendments to enabling legislation are typically difficult to quantify in monetary terms, it is expected that simplification of these regulatory requirements will contribute to long-term efficiencies in terms of achieving improved governance, and transparency and accountability arrangements for Commonwealth entities, including non-corporate Commonwealth entities and Commonwealth entities within the Australian government.

It is important that we get this legislation through before 1 July 2014. I look forward to seeing what the amendments will be from the other side. We heard the member for Watson complaining about gag motions. There were gag motions placed on what was called the clean energy legislation. We called it the carbon tax. All Australians called it the carbon tax. There were gag motions placed on Gonski.

Ms Owens interjecting—

Mr McCormack: There actually was, Member for Parramatta, a gag motion on Gonski. I was lined up to talk about some of the important things in Gonski but was prevented from doing so, by a gag motion, from the then Labor government. There were gag motions placed on so many other important pieces of legislation we wanted to have a say on, when we were in opposition, but we were prevented from doing so, because Labor wanted to rush them through.

We heard the member for Watson using terms such as chaos, incompetence and broken election promises, all of which were writ large when he and his party were in government over the last six years. Chaos and incompetence. He should not come into this chamber and utter those words when we recall the sheer chaos and incompetence we had from Labor.

The other side talk about the Public Service. Our public servants do a good job; let us be honest. The member for Fraser, who has just joined us, would agree with me that the public servants of Australia do a good job. From what the member for Watson said, we would think that the only friends of public servants in this country are those on the other side.

The APS employed 167,257 staff on 30 June last year. This was 907 fewer than a year earlier. It was the biggest decline in 14 years. The federal bureaucracy, under Labor, copped its largest staff cut since the late 1990s, according to the then latest State of the Service report. Labor are no friends of the Public Service.

We realise this bill before us is important. We know it was introduced by Labor in the last days of the last parliament. We heard the member for Bowman eloquently say that the changes we are making, through this legislation, were omitted by Labor's own drafters in the last parliament. It is important to remember that we are merely finishing a reform process started under Labor.
A core piece of legislation—the PGPA Act—was passed in June 2013 and is due to come into effect on 1 July 2014. It has to. We were left to do the difficult work of putting meat on the bones left to us by those opposite.

Ms Owens: Ha ha!

Mr McCormack: I will repeat that for the member for Parramatta. We were left to deal with the difficult work of putting the meat on the bones left to us by those opposite. More than 250 other acts make reference to the two predecessor bodies of financial-framework legislation and many of these would be rendered ineffective if consequential legislation were not enacted to align those 250-plus acts to the main PGPA Act before it comes into effect.

Many of the amendments in the consequential bills merely—that is an important word to consider, in the context of this sentence—insert cross-references to the PGPA Act in substitution for all references to the Financial Management and Accountability Act 1997 and the Commonwealth Authorities and Companies Act 1997. 'References and cross-references to the FMA and CAC acts required rigorous checking before the bills could be finalised for introduction.'—they did not get that rigorous checking when Labor pushed it through by 1 July 2013.

As the member for Watson himself seemed to acknowledge, this has been a complex and time-consuming task. It has. We are fixing up the mess left by Labor. I am sure the Minister for Immigration and Border Protection, sitting here beside me, would know all about fixing up messes left by Labor. He and he alone has probably had the biggest mess to fix up. Most critically, if the PGPA Act cannot commence without these consequential amendments also being made, all current appropriation acts would be rendered ineffective.

The provisions contained in the PGPA Act and bolstered by these amending bills seek to modernise the Commonwealth's current financial accountability performance and reporting framework, by shifting from a prescriptive compliance based approach to a broad principles based approach based on uniform duties, stronger accountability, better reporting and a focus on risk. That is something we all want to see, as legislators. Traditionally, the high level of scrutiny placed on the work of the Commonwealth public sector and the low level of tolerance for failure has created a culture that limits the ability to engage positively with risk.

These issues have been a frequent point of criticism from the commercial and third sectors when they find themselves joined, in some way, with Commonwealth entities. These reforms acknowledge that acceptance of some risk is necessary to improve performance, allow for more effective joining up with others and reduce unnecessary administrative burden. An increased focus on risk management and better dialogue on risk issues within government and the parliament will lead to more informed strategic and operational decision making within the public sector.

We heard the member for Watson criticising the Minister for Finance, Senator Cormann. I agree, in some part, with the member for Watson that the Minister for Finance has had a big job to do; a very onerous task. Most of it is concerned with fixing up the debt and deficit legacy left by Labor: $123 billion of deficit; $667 billion worth of debt, if left unchecked. It is not being left unchecked, because the Minister for Finance, the Treasurer, Mr Hockey, and the rest of the Liberal-Nationals coalition are getting on with the job of fixing the mess left by Labor.
Dr Leigh: By increasing the deficit!

Ms Owens: After you've doubled it!

Mr Brendan O'Connor interjecting—

Ms Rishworth interjecting—

Mr McCormack: They can cry out all they like, because these four opposite were some of the people who created that mess. We are getting on with the job of fixing it. An increased focus on risk management and better dialogue within the parliament will lead to better decision making. The amendments contained within these bills go to supporting a better way for the Commonwealth to do its business. We all want that. That is something I had understood Labor would support. It was, after all, the government that introduced the PGPA Act in the first place. It was the party that introduced it, in the last days of the last parliament. I look forward to hearing and reading the Labor amendments. With that, I commend the bills.

Question agreed to.

Bills read a second time.

Messages from the Governor-General recommending appropriation announced.

Consideration in Detail

Bills—by leave—taken as a whole.

Mr Brendan O'Connor (Gorton) (11:17): I move the opposition amendment to the Public Governance, Performance and Accountability (Consequential and Transitional Provisions) Bill 2014, as circulated under my name:

(1) Schedule 2, page 28 (after line 15), after item 58, insert:

58A Guidelines

The amendments to section 65 of the FMA Act made by this Schedule do not affect the continuity of the Commonwealth Cleaning Services Guidelines 2012, as in force immediately before the commencement time.

As I said earlier in my contribution to the debate on these bills, the opposition has grave concerns about the impact of the Commonwealth Cleaning Services Guidelines and their potential impact upon cleaners' rates of pay going forward. In this place we had the Prime Minister, when questions were put to him on this matter during question time, give an unqualified guarantee that cleaners who work under Commonwealth contracts would not lose any payment or suffer any loss to or reductions of their hourly rate of pay. If this amendment is not supported by the government, those unqualified statements will be found to be untrue.

The only issue is whether the Prime Minister intentionally misled this parliament by answering as he did the questions asked of him about the impact on cleaners under Commonwealth contracts.

As the member for Watson and the member for Bendigo have said in this debate, the repeal of this guideline will mean that, when future contracts are tendered, those tendering will be able—if they are successful—to reduce the rates of pay for cleaners under that contract by almost $5 an hour. That is what would happen to cleaners as a result of the provision contained within this bill. For that reason, and so that we can ensure that the Prime Minister did not mislead this place in question time when asked about this matter, we would expect the government to support this amendment. Clearly, if the Prime Minister and his government...
have no intention to cut that hourly rate upon the tendering of Commonwealth contracts to do with cleaning, then the government and the Prime Minister will support what we are putting in this amendment.

The contrary of course is also the case. If the government vote down or seek to oppose this amendment in this place when it is put, then clearly the intention of the government is utterly opposite to the commitment and guarantee the Prime Minister gave at the dispatch box a little while ago, a few weeks ago, when cleaners that are actually under those contracts were in the gallery. He would have effectively lied to their faces. So the government have to consider whether they want to make a liar of the Prime Minister or whether in fact they support the opposition and remove the provision that will expose cleaners on Commonwealth contracts. That is what we are now debating—whether you can trust the Prime Minister when he makes a commitment in this place when asked a question in question time.

We already know that there is a litany of broken promises insofar as what the Prime Minister said before the election and what he has done after the election—it is writ large in the budget—but here is a simple provision, the effect of which has a dire impact upon the conditions of employment for low-paid workers in this country. He has an opportunity, as does the government, to make clear that they have no intention to cut the rates of hardworking Australians under Commonwealth contracts. As the member for Bendigo said, the Prime Minister wants to argue for his Paid Parental Leave as ensuring that private sector employees receive conditions of employment commensurate with those of public sector employees. And yet with the stroke of a pen on this provision the government will be cutting conditions of employment for those who perform public contracts on behalf of the Commonwealth. That is now the question that is before us. There is an opportunity here for the government to make sure they do not make a liar of the Prime Minister, voting up this amendment and ensuring that that guideline is not repealed. I ask the government to entertain that view.

Ms OWENS (Parramatta) (11:22): We are back on irony again today. We have a government making amendments to a bill called the Public Governance, Performance and Accountability Bill 2014, and they are doing it by introducing it yesterday at 4:30 and giving it one hour of debate today before they gag it. It is supposed to be about public governance, performance and accountability, and what we are seeing here is a government that does not want scrutiny or transparency in any way. That meant, if we have an hour of debate, that the debates by the members of the government today were very important because they were the first real opportunity that the public of Australia, public servants and many members on this side get to understand what is actually in this bill. They did not have many speakers—I think they had one—but they also spent their time not talking about the bill but talking about us. One person spoke on this and he spent the whole time talking about us rather than this bill, so it is very difficult to get a sense of the detail in this bill. We had the member for Bowman saying we were making a fuss about nothing and it was just cross-referencing, minor amendments, nothing serious, basically our bill, really nothing to worry about, nothing to see here. Then we had the minister saying our bill was a disaster and they had to put the flesh on the bones, which means they had to fill it up and change it. We have had since 4.30 yesterday afternoon to get our heads around which of those is true and what those changes are and one hour to debate it today. Basically, the government
is forcing through a bill that has not been scrutinised and that, in the words of the minister, should be because they have added considerable flesh to the bones.

We on this side do know of one major change in this bill compared to the original bill last year, and it is one that I am not surprised the government does not want to talk about. In fact, the Prime Minister in the House last week denied that there would be serious changes attached to the abolition of the Commonwealth Cleaning Services Guidelines, but this bill abolishes protections for cleaners who work in government departments. That is quite a savage change. For the benefit of the member for Bowman: I would not call that cross-referencing. You cannot call abolishing protections for cleaners something as simple as 'cross-references' and get away with that. Nor would I call it flesh on the bones. In fact, for the cleaners it is probably more like flesh off the bone. In fact, we know that cleaners stand to lose $344 a week because of this government's decision—a cut from the Clean Start rate of $22.02 to the award rate of $17.49. It is a really quite savage act hidden in what is a very large bill pushed through this parliament without the opportunity for any real scrutiny.

Like much of the government's budget, it will hit the lowest paid workers in Australia. This hit to cleaners, who we already know are Australia's lowest paid workers, is being pushed through under the guise of removing red tape and shows just how ideologically driven this government actually is. We know that this government is not really willing or happy to talk about their budget very much, so it is again not surprising that they have not mentioned this at all in any of the speeches that were made today.

Last Monday we heard the Prime Minister stand at the despatch box and say that there would be no cuts to cleaners' pay. He said:

I want to make it absolutely crystal clear that no cleaner's pay is reduced.

He went on:

This government has not reduced the pay of any cleaner full stop, end of story. This government has not reduced the pay of any cleaner.

He might be able to get away with that because he said it on Monday, but this bill that the government is pushing through today without appropriate scrutiny does exactly that. It is a savage attack on some of the lowest paid workers, and we have moved amendments to the bill in the consideration in detail stage to ensure that these changes can be debated in a reasonable way.

If the government wants to make the story of this government about a lack of transparency and arrogance then this is the way to do it—to introduce at 4:30 one afternoon a bill that has things hidden in it that it is not prepared to concede: nasty cuts to some of the lowest paid workers. Hide it in a bill, introduce it at 4:30 in the afternoon, gag debate, give it an hour the next day and then fail to mention it. Hope no-one notices. 'Maybe no-one will notice.' Well they will. The cleaners of Australia who suddenly find themselves over $300 a week worse off are going to notice, and they will remember this day when you pushed it through without appropriate scrutiny. (Time expired)

Dr LEIGH (Fraser) (11:27): The context in which we are debating this bill is a context in which inequality has been rising for a generation. Since 1975 earnings in the top 10 per cent have gone up 59 per cent after inflation. Earnings in the bottom 10 per cent have gone up 15 per cent after inflation. So we have had a generation in which earnings have risen three times
faster for financial dealers and anaesthetists than they have for checkout workers and cleaners. To put it another way: if cleaners had enjoyed the same wage growth over the last generation as people in the top of the earnings distribution, they would be $14,000 a year better off.

And so it was in that environment that Labor put in place the Clean Start agreements. This was an approach, very much in the spirit of living wage cases in the United States, in which the government said we thought it was reasonable for those who clean Commonwealth offices to be paid a reasonable rate of pay. That is not a rate of pay that would be regarded as overly generous right through the labour force. What we said was that cleaners would be paid a Clean Start rate of $22.02 an hour, above the award rate of $17.49 an hour. But the government have decided to backtrack on that. After a generation of rising inequality, as part of their so-called 'red tape repeal day' they tried to sneak in this repeal of the Clean Start agreement.

Red tape repeal day would have been nothing but the removal of the hyphen from the word 'e-mail' and changing 'fax' to 'facsimile', or the other way around—I can never remember which way we changed it. That is all it would have been but the three big things the government has slipped into it. First of all they announced the removal of financial protections from pensioners—great for bankers at the top of the distribution; not so good for those like the victims of Trio, Storm and Timbercorp. They have pressed the pause button for the time being on their FoFA changes, but if they go ahead with them they will hurt the most vulnerable. Then they put in the repeal of the Charities Commission, a body supported by four out of five charities and by the vast majority of Australian donors, who get protection from an agency that is there to look after their interests. Then there was the removal of this Clean Start agreement. As the members for Bendigo and Gorton have so articulately pointed out, as the member for Parramatta highlighted, this is a mean and a tricky deal. As a result of the removal of this protection cleaners stand to lose up to $344 a week, nearly $5 an hour being lost from cleaners' pay as a result of the cessation of the Clean Start agreement.

The Prime Minister stood at the dispatch box opposite with cleaners in the gallery and he said, 'No cleaner's pay is reduced.' What he meant by that was that it wasn't going to be his fault if, after the expiry of the Clean Start agreement, another tenderer was to come forward and instead of paying the Clean Start rate of $22.02 was to pay the award rate of $17.49. He would wash his hands of that dirty deal that would affect cleaners. But he knew full well as he said those words that those words were a mistruth at best—that cleaners would lose $5 an hour, because when you open it up to the market, how is a tenderer who pays the Clean Start rate of $22.02 an hour going to compete against someone who undercuts them paying $17.49 an hour? The Prime Minister knew full well the practical effect of ripping away this protection from cleaners would be that cleaners' pay would be reduced.

That is the great failure of the government—the failure of imagination; the inability to put themselves, with their salaries that place them comfortably in the top one per cent of the earnings distribution, in the shoes of cleaners, whose salaries place them in the bottom 10 per cent of the income distribution. Five dollars an hour probably isn't much on the government benches—or, let's be honest, for anyone with the privilege to serve in this House—but $5 an hour for a cleaner is the difference between being able to pay for a school excursion for your kids, being able to get a new set of tyres on the car, being able to make ends meet when there
is a health emergency. This is a mean and tricky deal which will hurt some of the most vulnerable in the Australian community.

Ms CHESTERS (Bendigo) (11:33): I too rise in this section of the debate to ask a few questions and to speak in favour of the amendment moved by the member for Gorton. My questions to the parliamentary secretary quite simply go to the heart of what we are debating right now: does the parliamentary secretary think that it is fair that cleaners working in government buildings should take a pay cut? Does the government agree with the Prime Minister's statement before the House that:

I want to make it absolutely crystal clear that no cleaner's pay is reduced.

If he agrees with that statement, what guarantees will the government put in place to ensure that cleaners' pay is not cut if this bill is approved today? Will the government ensure that cleaning contractors will compete on quality and not on price that could see cleaners face a pay cut of $340 a week?

My next question to the parliamentary secretary is: why is the government prioritising a $50,000 per year Paid Parental Leave scheme for some of our highest paid workers instead of prioritising the pay and conditions of the lowest paid workers—the cleaners? Further, if the government is so concerned about pay parity between private sector and public sector workers, why is it not doing more to support and ensure that cleaners' pay in government buildings continues to be at a pay parity rate with cleaners working in the private sector?

We have heard that this bill is being rushed through. There has been a gag motion placed to stop the opposition being able to ask these questions, to have the proper scrutiny in relation to many measures outlined in this very large bill today. The one that we have highlighted is that buried in this bill is an attack on cleaners' wages. These cleaners are some of our lowest paid workers in our community and this government seeks through this measure to ensure that their wages could be cut by as much as $5 an hour. The government, by passing this bill, will demonstrate that either the Prime Minister has lied in this chamber, does not understand how contracting works he is simply behind the times when it comes to what his government is doing. It is not fair to stand up and say, with cleaners in the gallery, that their pay will not reduce and then a few weeks later introduce a bill that seeks to do exactly that. Contracting, by its nature, as we have seen, if you are competing against companies that pay the award, will go to the lowest price; it will not go to the quality with cleaners.

So my questions to the government go to the heart of contracting. Are they going to stand by and watch cleaning companies competing on the award undercut cleaning companies currently paying the Clean Start rate, currently paying in accordance with the cleaning guidelines that this government seeks to abolish? This is purely and simply about fairness. This is about making sure that some of our lowest paid people working in the Commonwealth sector continue to see decent rates of pay—that they have pay parity with people working in other office environments, cleaning in other offices for other major corporates and businesses in our CBD and in Canberra. It is not fair for somebody cleaning a government department to be paid $5 an hour less than someone cleaning BHP head office. It is the same work. Yet what we have seen from this government in this bill— (Time expired)

The DEPUTY SPEAKER (Mr Broadbent): The question is that the amendment be agreed to.

CHAMBER
The House divided. [11:42]

(The Deputy Speaker—Mr Broadbent)

Ayes .................55
Noes ..................82
Majority.............27

AYES

Albanese, AN
Bird, SL
Brodmann, G
Burke, AS
Butler, TM
Chalmers, JE
Chasters, LM
Claydon, SC
Conroy, PM
Dreyfias, MA
Ellis, KM
Fitzgibbon, JA
Griffin, AP
Hayes, CP
Jones, SP
Leigh, AK
MacTiernan, AJGC
Neumann, SK
O’Neil, CE
Parke, M
Plibersek, TJ
Rishworth, AL
Ryan, JC (teller)
Swan, WM
Thomson, KJ
Watts, TG
Zappia, A

Bandt, AP
Bowen, CE
Burke, AE
Byrne, AM
Champion, ND
Clare, JD
Collins, JM
Danby, M
Elliot, MJ
Ferguson, LDT
Giles, AJ
Hall, JG (teller)
Husie, EN
King, CF
Macklin, JL
Marles, RD
Mitchell, RG
O’Connor, BPJ
Owens, J
Perrett, GD
Ripoll, BF
Rowland, MA
Snowdon, WE
Thistlethwaite, MJ
Vamvakou, M
Wilkie, AD

NOES

Alexander, JG
Andrews, KL
Billson, BF
Broad, AJ
Buchholz, S (teller)
Christensen, GR
Cobb, JK
Coulton, M (teller)
Entsch, WG
Frydenberg, JA
Gillespie, DA
Griggs, NL
Hawke, AG
Hendy, PW
Howarth, LR
Hutchinson, ER

Andrews, KJ
Baldwin, RC
Briggs, JE
Brough, MT
Chester, D
Cioho, SM
Coleman, DB
Dutton, PC
Fletcher, PW
Gambaro, T
Goodenough, IR
Hartuquier, L
Henderson, SM
Hogan, KJ
Hunt, GA
Irons, SJ

CHAMBER
Question negatived.
Bills agreed to.

Third Reading

The DEPUTY SPEAKER (Mr Broadbent) (11:47): The question is that these bills be now read a third time.

Question agreed to.
Bills read a third time.

Excise Tariff Amendment (Fuel Indexation) Bill 2014
Customs Tariff Amendment (Fuel Indexation) Bill 2014
Fuel Indexation (Road Funding) Bill 2014
Fuel Indexation (Road Funding) Special Account Bill 2014

Second Reading

Debate resumed on the motion:
That these bills be now read a second time.

Dr LEIGH (Fraser) (11:49): I begin my speech on the government's big new tax on fuel with a couple of quotes:
Fuel tax is a tax on distance. If ever there was a country that should not aggressively tax fuel, it is a vast country like Australia. It is a tax on doing business outside of the capital cities. It is a tax on farming in the distant parts of our nation. It is a tax on living and setting up a business in a country town.

Who said that? None other than the Deputy Prime Minister, the same Deputy Prime Minister who is now standing with the Prime Minister supporting higher fuel taxes. Here is another quote, from the former member for McEwen, Fran Bailey:

I have always believed that the fuel excise system lacks equity, because those who live and work outside metropolitan areas pay a disproportionate amount of the excise simply because they need more vehicles per household, they use more fuel and they do not have access to regular public transport.

Or we can quote the member for Gippsland, Mr Chester:

Now we have this fuel tax, which has been presented to the House in the form of this legislation. It will have a direct impact on the cost of living, particularly in regional areas.

That is the member for Gippsland. Is he going to be voting in favour of this big new tax on fuel? We will see when we divide whether he stands on the Labor side or he chooses, like Mr Truss, to put his tail between his legs. And there is Mr John Anderson, the former Leader of the National Party, who said:

There a lot of people in this country—in practical terms, I am one of them—who have to drive a heavy four-wheel drive. Even in my own home village, just filling up a Toyota Landcruiser station wagon the other day cost me $121.50. It is a real issue.

He went on to say:

None of us like to see rises in crude oil prices and none of us like to see people in far-flung regions disadvantaged.

So a plethora of past National Party members and Liberals have spoken out against fuel tax increases.

There are a few, just a precious few, of the current crew who are willing to speak out. The member for Flynn, Ken O'Dowd, has criticised the government's big new tax on fuel, saying that it will put pressure on inflation. He said:

I'm concerned that it does put all the costs up … … It's another tax and I guess it could be a broken promise.

We will come back later to whether or not it could be a broken promise. He said:

Whether it be tomatoes or lettuce, premium beef products … anything that you buy virtually will all go up and [it] will have that inflationary effect on the economy.

That was the member for Flynn speaking to the ABC on 9 May 2014.

Then there is Senator Macdonald—bless him—taking many of his deep concerns with the government's decision to the floor of the other place. He said he will not make a final decision on whether he will support the government's increase in fuel taxation until he receives official advice on how the measure will affect drivers in the bush. I do not recall having seen such modelling put forward and, frankly, I do not ever recall having seen the National Party asking for modelling on how it affects people in the bush. This is a bit strange because certainly a couple of years ago if there had been a measure put in place that would disproportionately hurt rural Australians the National Party would have been screaming blue murder, but now it is just Senator Macdonald standing on his lonesome. The rest of the National Party, with their
tails between their legs, are joining their Liberal Party colleagues. Where has the once great National Party that stood up for the bush gone? Can anyone hear a voice of National Party support? No. The Greens, it appears, are doing more in standing up for the bush than the National Party. It is Bizarro World indeed.

What is the effect of this increase in fuel taxation? During a wide-ranging private conversation with US President Barack Obama, Prime Minister Abbott said: 'I may be against carbon pricing, unlike you, but it is okay, President Obama. I am really with you in spirit because my new fuel tax acts like a carbon price.' That is what he said: a fuel excise acts like a carbon price. As the member for Grayndler has noted, it is just a 'carbon tax on steroids'.

This extraordinary statement might seem out of character. People might say: 'Why would Prime Minister Abbott go into the Oval Office and describe a fuel tax as a carbon tax? It sounds so unlike him. Surely he has been misreported.' You would think that if you had not been listening carefully to Prime Minister Abbott in 2011 when he said:

If you want to put a price on carbon, why not just do it with a simple tax? Why not ask motorists to pay more …

There he was in 2011 saying that an increased fuel tax was just like a carbon tax. It is not surprising that, with a rush of blood to the head standing in the Oval Office, those words of 2011 just came back to Prime Minister Abbott and he just blurted them out. He said: 'It's okay. I'm against an effective, efficient carbon price with household compensation, but really I'm with you in spirit, President Obama. I have put in place my own little carbon tax.' This is the view that has been taken by the Australian Automobile Association. They said that the new change does operate as a backdoor carbon tax. AAA Chief Executive Andrew McKellar told the ABC PM program:

… effectively, it's a backdoor carbon tax, so how it can be rationalised by the Government, that this makes any sense at all, either economically or politically. I think it really leaves many people wondering.

That is the CEO of Australia's chief motoring association. In the context of whether the increased fuel tax is or is not a carbon tax, I do not want to dwell too much on Senator Milne's comments, but as an economist I draw the attention of interested members to a crikey blog post by Alan Davies in which he carefully takes apart Senator Milne's comments on Insiders and really demonstrates the economic illiteracy of the Greens and their misunderstanding still, after nearly a decade of talking about carbon pricing, between income effects and substitution effects. Alan Davies's blog post is recommended reading for those interested in such esoteric matters as the Greens' understanding of economics.

What did the Prime Minister say before the election? Did he leave things open? Did he say: 'When we get into office maybe taxes will have to go up; maybe they will come down. We will just see. It will depend on the budgetary situation. We will see how it goes. No promises now?' I am afraid he did not. I need to take the House through a few of the statements that Mr Abbott made during the last term of parliament. Speaking in parliament on 28 October 2010 he said:

We stand for lower, simpler, fairer taxes, not great big new taxes that damage Australia’s economy, not great big new taxes that are yet another hit on the cost of living of struggling Australian families.

It is hard to see what this change could be but a hit on the cost of living of struggling Australian families. During a speech on 24 November 2010 Tony Abbott said:
We are Liberals who believe in smaller government, lower taxes, greater freedom.
In this House, standing at this very dispatch box, on 10 February 2011 he said:
The one thing that they will never have to suffer under a coalition government is an unnecessary new tax, a tax that could easily be replaced by savings found from the budget.
On 23 February 2011 he said:
We honour the victims of the floods by being a competent parliament and a competent government. We do not honour them by imposing an unnecessary new tax.
The ends, Tony Abbott said, could never justify the means if the means were a new tax. On 10 February 2011 he said:
Why should the Australian people be hit with a levy to meet expenses which a competent, adult, prudent government should be able to cover from the ordinary revenues of government?
Tony Abbott was very clear before the election that, no matter where the money was going, new taxes could never be justified. He did not say it just a few times; he kept on saying it. In his first budget reply speech on 12 May 2011 he said:
People can be confident that spending, debt and taxes will always be lower under a coalition government because we have the record to prove it.

Mr Ewen Jones: Hear, hear!

Dr LEIGH: From Bizarro World opposite I hear a member of the government shouting out, 'Hear, hear,' as though we are not currently debating a bill to put in place increased taxes. You can say, 'hear, hear,' all you like, but the fact is that this is a government which is increasing taxes.
On 10 May 2012. Tony Abbott in his budget reply speech said: 'People who work hard should not be hit with higher taxes'. On 16 August 2011, he said:
A very clear message is going out from the Australian people to this government: there can be no tax collection without an election. If this government had any honesty, any decency, that is what we would have—an election now.
The clear implication of that is that this parliament cannot debate an increase in fuel taxes without a new election. It is very clear that the Prime Minister went to the last election promising lower taxes and, if he is to be held to his own test of no new taxes without an election, then there must surely be an election before we can increase fuel taxes. If not, the Prime Minister would be a liar—and I am sure he would not want to be that.
On 22 August 2011, Mr Abbott said again:
I have often said, and members of this House will no doubt hear me say it again, there should be no new tax collection without an election.
On 14 September 2011, he said:
I say to this Prime Minister: there should be no new tax collection without an election.
Of course, this was at the stage where his speeches were about as interesting as his choice of ties.
On 14 March 2012, Mr Abbott said, 'What you will get under us is tax cuts without new taxes.' That is Tony Abbott again pledging that taxes will be lower. Here we go, 6 August 2013 at a doorstop: 'Taxes will always be lower under a coalition government.' You can bet that, if at that doorstop the journalist had said, 'So taxes will be lower? Does that mean that
you won't be increasing fuel taxes?’, Tony Abbott would naturally have said, yes, he would not be increasing fuel taxes.

On 15 August 2013, in Tasmania, Tony Abbott said, 'I am determined not to increase the overall tax burden on anyone.' When he was speaking to Mark Reilly from 7News—one of his favourite interviewers—Mark Reilly said to Tony Abbott, 'But aren't you going to have to increase taxes yourself?' Tony Abbott replied, 'No.' A one-word answer—very straightforward. And if Mr Abbott had wanted weasel room to say that he was going to increase fuel taxes, he could have given a different answer.

He made all of these promises. I have taken a good chunk of the House's time in outlining Tony Abbott's pre-election promises not to raise taxes. How seriously should we have taken those pledges? What was the test to which Mr Abbott placed himself? Well, interviewed by the doyenne of the press gallery, Michelle Grattan, Tony Abbott just a few days before last year's election said, 'You should move heaven and earth to keep commitments, and only if keeping commitments becomes almost impossible could you ever be justified in not keeping them'.

That is Mr Abbott's view about promise keeping, yet he is breaking promises on fuel taxation as he is on so many other things. In fact, Australians would reasonably think that Mr Abbott has never met a promise that he would not break.

To quote the member for Wentworth, Malcom Turnbull, on the issue of carbon pricing, he said in a beautifully worded blog—and sometimes the best writing is done in cold fury—on 7 December 2009:

Tony himself has, in just four or five months, publicly advocated the blocking of the [emissions trading scheme], the passing of the ETS, the amending of the ETS and, if the amendments were satisfactory, passing it, and now the blocking of it. His only redeeming virtue in this remarkable lack of conviction is that every time he announced a new position to me he would preface it with 'Mate, mate, I know I am a bit of a weathervane on this, but . . . '.

Frankly, this is why I have a bit of a smile on my face every now and then when the Prime Minister stands to his feet during question time and quotes past writings on issues, 'on which I have shifted my view', because if there is one weathervane in this parliament it is the Prime Minister. The Prime Minister is not only breaking a promise, he is not only putting in place a new tax but putting in place a new tax which, as the Leader of The Nationals, or should I say—given that we have the member for New England here—the current Leader of The Nationals is saying, it is a tax on distance.

This is an environment in which the government is imposing investment in public transport. He is doing this not because public transport investments do not meet a strong benefit-cost test but because the government has an ideological predisposition to oppose public transport. As Tony Abbott wrote in Battlelines, 'Public transport is generally slow, expensive, not especially reliable and still a hideous drain on the public purse'. It is like that old conservative view that 'anybody seen on a bus over 30 has been a failure in life'. Those opposite hate public transport. They are not willing to invest in it, so what choice will Australians have but to pay higher fuel taxes every time they get in the car, whether it is popping down to the local grocery store or picking up the kids?

John Howard, when he paused fuel indexation said that it would, 'impose a welcome discipline on future governments.' Well, there is no discipline from this government. This is a
government which has increased the deficit since coming to office. For all its talk about
deficits, the deficit is bigger now than it was when the government came to office. Do not
take Labor's word on that; that is comparing the latest budget with the Pre-Election Economic
and Fiscal Outlook.

Where will the money go? Let's not forget the Prime Minister's oft-stated view that taxes
are never justified regardless of where the money will go, but if we look specifically at where
the money is supposed to go it will go into a special road-funding account. A very special
account. The kind of account that was often favoured in the National Party pork-barrelling
days of yore. Under Labor, we set up strict rules. At Infrastructure Australia we used benefit-
cost analysis in order to determine road funding. But this new road-funding account will be a
slush fund. Given the government's track record on tax-and-spend pork-barrelling, this sort of
a road slush fund is going to be about as useful as a one-way bridge.

The question now is: will The Nationals vote for it? It is a pleasure to have the member for
New England sitting opposite—

Mr Joyce interjecting—

Dr LEIGH: And I am glad that he says the pleasure is mutual! The member for New
England's views were canvassed in a very interesting piece in the AFR Weekend, by Geoff
Kitney, on 18-19 January 2014, in which an anonymous source said:
"Barnaby isn't interested in good policy," ... "He's only interested in what will make him popular in the
bush."
That was of course the view that then Senator Joyce took on many an occasion when he was
in the Senate. He crossed the floor 28 times. Indeed, one floor crossing was on the very issue
of fuel taxation. A somewhat complicated floor crossing took place on 22 June 2006, in
which, on his return to the chamber, Hansard recorded Senator Joyce as saying:
I just went to the bathroom and missed the vote. I record my vote for the ayes to the Democrats' amendment.
That was one of 28 floor crossings by then Senator Joyce. That one was on the issue of fuel
taxation. So the question for the now member for New England is: will he cross the floor on
this one? Will he be willing to vote for higher fuel taxes in the bush or will he stand up for the
interests of rural and regional Australia?

Are we going to be in the situation whereby the only people who are standing up against
higher fuel taxes in this place are the Labor Party and, extraordinarily—if you can believe
them today, because they do vote with the government on a lot of things these days—the
Greens? Will the member for New England stand against fuel taxes or for fuel taxes? If he
followed his record in the Senate, he would be voting with the Labor Party on this. He would
come over to this side of the House, he would sit between the member for Lingiari and me,
and the three of us could have great chat about how we are working together to oppose
increased fuel taxes.

If the member for New England was taking the approach of the now Leader of the
Nationals, who of course everybody knows he will most likely knock off at the next election,
he would take the view that this was going to be a tax on distance and would oppose it.

So there is an opportunity in this debate. The member for New England can stand up and
say that he is going to make it the 29th fuel crossing—
Mr Joyce interjecting—

Dr LEIGH: The member for New England is welcome to ask me a question whenever he likes, but it is a bit hard to kind of follow the steady pace at which he throws questions in. Sometimes he does go a little red in the face, even sitting at the table. But the challenge here for every member of The Nationals in the House, in the Senate, is: will they vote for higher fuel taxes or lower fuel taxes? And if they vote for higher fuel taxes, it does suggest that the National Party is only willing to be a rubber stamp for the Liberal Party. It does suggest that the old days of the National Party standing up and fighting for their constituents are long gone. And it suggests that the ambition of the member for New England, Barnaby Joyce, is not to stand up for his constituents, is not to be willing to cross the floor, but is to do whatever the Liberal Party says and to be a rubber stamp for the Liberal Party.

That is the choice, Member for New England, and we on this side of the House look forward to seeing what you will do.

Mr EWEN JONES (Herbert) (12:10): I rise with great pleasure to speak on the Excise Tariff Amendment (Fuel Indexation) Bill 2014, following on from the member for Fraser. We just sat through 22 minutes where he did absolutely everything, except propose an alternative and say what he would do other than continue to borrow. He is the one who says he is an economist and yet he does not seem to understand that you cannot keep on borrowing and borrowing and borrowing to do the basic work.

The member for Fraser said that the member for New England, who is sitting at the table, should cross the floor and sit between him and the member for Lingiari. I reckon there might be only two people talking there, because I cannot imagine the member for Lingiari spending too much time in deep conversation with the member for Fraser. I would like to see what the member for Lingiari would actually say because, if the Labor Party had their way, there would be a 6.85c per litre carbon tax bill on diesel fuel. If the member for Fraser had his way, the diesel rebate would be taken off all rural fuel, including for mining companies, farmers and fishers. So it would be a great conversation. I reckon they might have a few things to say about that.

The opposition are opposing a 0.4c rise in fuel excise. I like the member for Fraser. He is a reasonable bloke, but I like the way he is prepared to quote people from decades ago, people who are no longer in this place, yet when we quote him, when he has misunderstood or when he has changed his view, he has the temerity to call other people weathervanes. Oh, my goodness! I would say he is still smarming and that he still has a little bit of trouble sitting down from the hiding he copped about having written that stuff originally.

The government were elected to do four things and this bill, in part, plays into one of those. We were elected to axe the carbon tax, stop the boats, build the roads of the 21st century and fix the Labor mess. So the carbon tax was to be, as a matter of course, the very first order of business that the government brought to the House. It sits over there and the Labor Party, in the lead-up to the 2010 election, said they would not bring in a carbon tax but then did. They then went to the 2013 election, saying that they would terminate the carbon tax and now they are fighting for its very survival.

We were elected to stop the boats. Six months without a boat is not a bad effort. It takes eternal vigilance and we are lucky to still have the Chief Government Whip here, Philip
Ruddock, who understands what it is to have eternal vigilance on this matter. We were elected to build the roads of the 21st century. We have announced $50 billion over the next 10 years, the biggest road package in the history of Australia.

Mr Katter: How much for North Queensland?

Mr Ewen Jones: I will get to that, Mate. You will have your chance to tell us what you have delivered for North Queensland in the last 40 years! We will be building the roads of the 21st century. It has to be funded. The final one is to fix Labor's mess and this measure, in part, does that. But we have to start living within our means. This bill reintroduces the biannual indexation of excise customs duty on all fuels, from 1 July 2014. (Quorum formed) The member for Fraser is upset about gagging debates and then calls a quorum. That really shows what he is worth. The excise rate has been locked at 38.143c since the cessation of the indexation in March 2001. In the June quarter 2001, excise represented approximately 41.5 per cent of the price of unleaded fuel. It is now worth about 25 per cent. By the end of the forward estimates, the fuel excise is expected to have risen by 4.1c per litre and, whilst no-one takes any joy in that, it is necessary.

When I was first voting in the 1970s, Malcolm Fraser brought in fuel parity. I was bitterly upset with that. I did not mind paying the fuel parity if the money went to roads, but the money did not go to roads. When Paul Keating brought in the fuel excise, the money did not go to roads. People say to me that they do not mind paying it as long as it goes to roads. That is the biggest gripe that people come to me with. What we will be doing with this money is making sure that it is going to roads.

The funds in this account can only be spent on road infrastructure. That is the trade-off that we have to make here. Reintroducing the fuel excise indexation is forecast to raise over $2.2 billion in the forward estimates, and it will all be spent on roads. In Townsville we have Vantassel Street bypass leading onto the Ring Road already underway. We have Townsville Ring Road, stage 4, to complete the Ring Road, making it easier to get from north to south around our city.

In my city we have announced $20 million for the Dalrymple Road upgrade, something that has been going on for a long, long time and which makes sure that access not just around our city but also across our city is able to be achieved. We have announced that should we be lucky enough to form government after the next election, we will be replacing the Haughton River Bridge—and about time too. It is something that has plagued North Queensland for an awfully long time and anyone who has driven between Townsville and Ayr will know just how dangerous and rough that bridge is. You hold your breath as you go across.

After the next election, should we be lucky enough to be elected, the Bowden Road intersection will be changed to a series of service roads so that when you are coming north across the Black River and try to turn right at the ambulance there, you are actually able to do that. I have only just taken over that part of Townsville. Previously it was in the Kennedy electorate and for an awfully long time it was never able to be fixed. We will be fixing it.

Who does not pay? What does not pay? Farmers do not pay the fuel excise. Airlines do not pay the fuel excise on this basis, because all the money from airline fuel excise goes back to run CASA, which is another question of course. Mining companies will not be paying the excise. Why? Because they do not use the roads.
Farmers run tractors and off-road vehicles and pumps. My in-laws are cane farmers. Most of their pumps now are on electricity, but there is still a lot of diesel used in those areas. Mines use their own power generation. They also build their own roads and so it has always been reasonable that they should not pay the fuel excise. Capital is mobile. If you make it too hard for people to do their business, you will end up in trouble. The cost of living in North Queensland is very high so we make sure that the cost of our goods, road freight, is not included in this.

I will spend a little bit of time—because I have had a fair bit of time cut out of this—on the modelling debate. Senator Ian Macdonald has said that it is tough living in the bush and, yes, it is. In some ways you do have to spend a lot of time in the car and you do not have access to public transport. But I have lived in both rural and urban areas for long periods of time. There is a trade-off here and a little bit of common sense is needed.

When I lived in Brisbane I lived on the south side and worked on the north side. On a good day, it took me 35 minutes to get to work; on a bad day it took me an hour and a half. To get to my local golf club or play my local sport in Brisbane it would take me anything up to two hours to get across town, depending on the time of day, to get to wherever I needed to go.

Now, in Townsville, I live three blocks away from my office. It takes my son 10 minutes to get to school. To get to his sport on the weekend there is nothing more than five or 10 minutes away, and he plays a lot of sport. He plays soccer over at Murray, he plays rugby at Hughes Street and he has got friends all over town. So there is that break. But I have played football in the bush as well and I know that when you leave Toowoomba to play Goondiwindi and St George, that there is a fair bit of distance to be covered there. Schiz McWilliam would be very proud of you there, Barnaby. When you do that sort of thing there are pluses and minuses to living in the cities and the bush to get that done.

I also want to address the flood levy that the member for Fraser spoke about. I was not so much upset about the actual levy being raised; it was just that it was the first option. Labor's first option always is to raise a tax. Labor's first option on anything is never to look inward, never to look at your own situation; it is always to look at other people to make sure that they can pay. That is what I objected to in the flood levy—the very first option was that we should just raise another tax. We are going well now in this country with very low taxes but falling terms of trade. However, if we have a spike in interest rates—and we are a price taker country—we will need to be able to service our debt. If we do not service our debt and if we do not build the roads of the 21st century and if we do not invest in infrastructure, we will not be able to maintain our edge, we will not be able to get our goods to market, we will not be able to get our goods to port, we will not be able to develop the north of Australia. There has been—

Mr Katter interjecting—

Mr EWEN JONES: I will just take the interjection. The member for Kennedy has been in state and federal parliament since 1974. We have done more about developing the north of Australia in the last eight months than he has been able to achieve in the previous 40 years. So the member for Kennedy can sit there and we will see all this verbal diarrhoea come out of him shortly about where we are going to go and what he is going to do and how he is going to do it, and you know he is just as irrelevant as he will ever be. Your day is done, mate! It is over! You are no longer relevant.
Mr Katter: Mr Deputy Speaker, I raise a point of order. He has said that I have contributed nothing. The prawn- and fish-farming industry of Australia and the medical school in Townsville—

The DEPUTY SPEAKER (Mr Broadbent): There is no point of order.

Mr EWEN JONES: He has quoted the medical school in Townsville! How about you start on the Flinders Highway, mate! Let's just start filling a few potholes out there before you start doing anything because I am getting a little bit tired of everyone from the member for Kennedy's electorate coming to see me because it is a waste of time going up there and listening to a diatribe from the member for Kennedy for 45 minutes before he trots them out there and they just walk out and say, 'What happened there?'

This is a smart bit of policy. It brings us back to where the money will be raised and spent on roads. That is what we need to do in North Queensland. That is what we need to do in Northern Australia. This government is delivering on its promises to fix the mess that we have inherited, and we will do that. I thank the House.

Mr KATTER (Kennedy) (12:25): I am greatly appreciative of the previous speaker asking what I have done. He was a member of the opposition, and they could not be bothered walking down to see the Indonesian ambassador at the opening of the live cattle market.

Mr Ewen Jones: Tell us how good you are, Bob.

Mr KATTER: You may not know this but the economy of North Queensland is $500 million a year. If you knew anything about North Queensland, you would be well aware of the pivotal role played by my department in the creation of the prawn- and fish-farming industry, and you also would be aware that it was your government that smashed it to pieces with their greedy laws. So, who created it? Who smashed it? Now, let's have a look at the road money.

This gentleman has got $160 million for road moneys over the next three years—it might even be $200 million. In the last three years, to my memory, the previous Liberal member secured some $600 million out of the Labor and Liberal governments. So, if we compare their performances, he is appallingly lamentable. He said this government is spending massively on infrastructure in historic terms and on roads. Well, it is, but it is not in North Queensland. In fact, except for the $160 million ring road, which I and the previous member have done a lot of work on—but I am not detracting from this member on that issue—there is virtually nothing. Between Townsville and Cairns, when the work finishes on the Frances Creek and Cattle Creek upgrade, there is no money at all, except for some planning money for the next four years.

In contrast, the last government—heaven only knows I would not be singing their praises—spent over $1,000 million in the last three years alone. But in the next three years there is nothing. Well, hey, you represent Townsville! Where is the money between Townsville and Cairns? Where is the money between Townsville and Mackay? If I say nothing else about the member for Dawson, at least he opens his mouth. He does not come in here as a defender of the government. He comes in here as a representative of his own electorate.

This gentleman said, and quite rightly so, the ALP come up with the question of where do we get the money from? They just say we will increase taxation, and that is pretty true. I think that is a fair call, actually. But let's have a look at what his government in Queensland have
done with the money. They get no money. This is the Liberals: 'We're bankrupt. We've got no money.' Well, the budget for the ALP was $46,000 million, and I would share their view that the ALP government in Queensland bankrupted the state. But what is the Liberal budget for this year? It is $51,000 million.

If the other mob were a bunch of bankrupters then the current mob are an even bigger bunch of bankrupters, because their budget is $51,000 million, whereas the ALP's was $46,000 million. I share their view, most certainly, of the bankrupters called the ALP. But if they were bankrupters then your own words indict yourself, because you are spending $51,000 million. Let us compare that to the National Party government. This was really, let's face it, the Country Party government. Until 1990, when Bjelke-Petersen was stabbed in the back, we were the Country Party. But when we left office we were spending $8,500 million. The LNP in Queensland is spending $51,000 million. You can say it is because of population growth—yes. You can say it is because of CPI—well, let's double the figure and say it is $16,000 million and then let's add 50 per cent for population growth, and that is $4,000 million, so it is $20,000 million. So it should be $20,000 million. But it is not $20,000 million. It is not $40,000 million. Under the LNP in Queensland it is $51,000 million.

What are they spending that money on? I will give you the three big-ticket items, and you can make up your own mind as to whether this is a good government in Queensland or not. What we are talking about in the legislation is spending this money on roads. I will tell you what are the big-ticket items of the LNP government in Queensland. There is $5,000 million that has been announced for the BAT tunnel. To quote Robbie Katter, the member for Mount Isa, which is the electorate furthest from Brisbane, 'What do we get for that $5,000 million? A few thousand people in Brisbane can get home three or four minutes earlier to watch the television. That's what we get for it.' That is the return and benefit to the Australian people, for spending $5,000 million of taxpayers' money in Queensland.

The second item is moving seventh grade to secondary school. What the hell is that about? Can there be any logic in putting a 12-year-old in with adolescents, an entirely different animal, as those of us who are parents would all know indeed. A person is much different when they are 12 than when they are 15. I took castor oil rather than go to dances when I was 12, but my attitude had changed very dramatically by the time I hit 15, I can assure you. This is a fight between primary and secondary. Secondary wanted eighth grade because primary had all the numbers and they dominated the education department. So they thieved eighth grade off them, and now they are thieving seventh grade off them. That is going to cost $2,000 million and, I might add, put one-seventh of the primary schoolteachers out of work, unless they go back to university. We have not heard a bo-peep from the teachers union about that one. So the second item is a little warfare within a department between secondary and primary education, and to settle it they are throwing $2,000 million at the problem.

The third one is a beauty. There is a beautiful building we in Queensland call the power tower, where the Premier and all of the senior ministers are housed. It is the senior governmental building, the equivalent of the Pentagon in America—they flew one of those planes into it. It is Queensland's little Pentagon. The building was built about 25 years ago, which was just yesterday for high-rise buildings. It is being torn to the ground. A 20-storey building—perfectly new, absolutely palatial—is being torn to the ground. In fact I have been embarrassed every time I have ever had to go in there because of the palatial nature of that
building. It is being torn to the ground to build a much bigger, new-beauter, more palatial one than the existing building. And it will cost $1,000 million for the Premier's Taj Mahal.

So this is how the LNP spend their money. They are spending $5,000 on yet another tunnel. To quote one of Australia's most renowned economists, and I have used the term on many occasions, the trouble with infrastructure in Australia is that it represents tunnel vision. All we do with infrastructure is build tunnels. We do not build dams. We do not build railway lines into the Galilee Basin, or canals into the north-west phosphate and iron ore province. We do not do any of those things anymore. The imbecility of the Queensland government can be exemplified by both the ALP government and the LNP government in the rejection of the electricity line. The federal government gave them $320 million. For once, Canberra was putting something into what I would call infrastructure. I would never call a tunnel in Brisbane or an overpass in the Kennedy electorate infrastructure.

I have secured three overpasses in the Kennedy electorate. That was $1,000 million for my electorate. The previous speaker, the member for Herbert, asked what I had achieved. Well, that is $1,000 million in the last four or five years. He has achieved $200 million in six years, it would appear. So let's compare our performances on the basis of road allocations. I had two hostile governments that I had to deal with: the ALP and the LNP. I am not on the side of either of them. Now he is in the government and that is the best he can do. Quite frankly, when you compare his achievements—meagre as they may be—with those of the previous member for Herbert, Mr Lindsay, it is appalling how short this member is in representing his area.

The previous speaker also said, 'What can you do about this problem?' The cost of living for people who do not live in metropolitan areas is very dependent upon petrol. If you are a haul-out operator, like a sugar mill, your income depends upon the cost of petrol. If you are a semi driver, the cost of your income depends upon the cost of oil. A cane harvester, a roo shooter, a stockman and a railway maintenance worker who has to drive great distances to get to jobs all rely on the cost of oil.

Most of the time in the mid-west, if you are lucky enough to live in Cloncurry, there are no dentists there at all. When we were in government up until 1990, there was not ever a situation in which there were fewer than three dentists in the mid-west. So for the entire 20 years that I was the state member of that area, we had three dentists. But most of the time now we have no dentists. The net result of that was a person in Richmond had a 700-kilometre round-trip to the nearest dentist. He could not afford the day off or that amount of money so he pulled a tooth out himself. Another person, living in Gordonvale, also pulled out a tooth himself he is a pensioner and cannot afford the cost of driving backwards and forwards to Cairns. And because he was not local to Cairns, he was put on the bottom of the list.

I cannot help but introduce this note. It is a most unpleasant note. I visited the Torres Strait three years ago for two days with a government group and I never ate a single bit of Indigenous food. When I was minister, I spent maybe 200 or 300 days in the Torres Strait and I cannot remember having a meal where the entire deal was not Indigenous—tamarrow, bananas, mangoes, coconuts and, of course, most of all, fish, crayfish, crab, dugong etcetera. But there was no fresh food on this trip. The cost of getting fresh food by road transport from Cairns, about 1,000 kilometres, and then on the boat out to the islands is such
that the people cannot afford it. When I went into the supermarkets there, a seventh of the shelf space was taken up by rice.

When your nutrition level falls to a certain point you have epidemic proportions of diseases that follow from, effectively, malnutrition. Diabetes is one of those diseases, and we have got it in epidemic proportions. We saw genocide in the Boer War. Unfortunately, we were associated with concentration camps there. The people were not shot. The women and children were not shot; they were just starved to death. I would be casting the net too wide if I were to say this was in line with that, but there is no doubt that people are dying in massive numbers in the Torres Strait because of the cost of transportation, because of the vicious laws of this country and because of AQIS, which is not protecting us from incoming diseases but destroying a race of people up in the Torres Strait.

The answers lie in what the rest of the world has done in the fuel area. Every country on earth has moved to ethanol—China, India, Japan, Philippines, Thailand, Indonesia. All of the European countries have signed up to 15 per cent. All of the Americas, every single country in North America, South America and Central America except Paraguay—I do not know why; it is a tiny country so it is irrelevant—and with the exception of Venezuela, of course, as it is a big oil-producing state, has gone to ethanol. What are they paying for it? The Library has informed me that the current price of fuel in the US is 87c a litre; in Brazil, it is 95c a litre; and in Australia it is $1.54 a litre. Let us not worry about hitting the poor people of rural Australia for another 50 per cent increase in the price of their fuel. Let us talk about ethanol—

(Time expired)

Mr TAYLOR (Hume) (12:41): None of us love governments charging more for the services they provide but—(Quorum formed) I would again point out to the House that those opposite seem to want to call forums and play games all day, yet at the same time they complain about gags. To go back to where I was: no-one in government loves charging more for the services it provides but what is proposed in the bill before the House is a proportionate response to a serious problem. So let us start with the problem that has to be solved here.

The problem is in three parts. First of all, there is clearly not enough money being spent on our infrastructure across the nation at the moment. We have had various estimates of an infrastructure spending gap of between $455 billion and $700 billion. That is almost half of the whole GDP of the country for one year. Infrastructure Australia has come up with $70 billion of priority infrastructure projects. More locally, for me, it is very clear we need serious spending on the Barton Highway as we move it towards duplication between Yass and Canberra. As a cyclist I know almost every bump on the local roads, and we know how much has to be spent on those. Meanwhile the degradation of our rail system is evidenced by the conveyor belt of containers coming down the Hume Highway each evening, particularly on Sunday evenings. In the western part of my electorate, grain growers are now paying north of $50 a tonne to move their grain to port because of the failures in our rail system. Not enough money is being spent on our infrastructure.

Secondly, roads are the last utility to not have hypothecated service charges. If we look at water, electricity, rail or telecommunications they all charge directly for their services. Roads do not. We are in a situation where the government has to fund roads from consolidated revenue and the continual tussle has become a serious issue.
That leads to the third problem, which is that our current fuel excise is not indexed and therefore gets left behind. If we want to look at the facts on this we see that, between 1994 and 2011, total excise as a proportion of GDP fell from two per cent to 1.2 per cent. That effectively had an impact on our ability to fund road projects. In fuel terms, if you go back to 2001, the excise was 42 per cent of the fuel price; it fell, by 2011, to 25 per cent. We clearly have an issue. We will look at what the experts say; they are pretty clear about this. I will read from an excellent report commissioned by Infrastructure Partnerships Australia and completed by Deloitte. They say:

It is widely accepted that the current approach to road pricing is unsustainable. A range of bodies, including Infrastructure Australia, the Productivity Commission, the National Transport Commission and the Commonwealth Treasury … have concluded that the system requires substantial change.

The Henry Review—

Labor's own review when they were in government—
correctly concluded that the current taxation settings for the nation's roads would prove unsustainable in the longer term.

The Henry Review attributed the decline in Fuel Excise revenue to the cessation of indexation in 2001, which has been compounded by other causes, such as increasing efficiency of the vehicle fleet.

This is a serious problem that the experts understand we need to fix.

It is clear that Labor and the Greens want to get in the way. It seems they want to get in the way of just about everything at the moment but clearly this is an area where they seem to be showing resistance. The Greens have already come clean on that by creating some bizarre connection between this bill and a lack of support for public transport. I cannot get my head around that; last time I looked, buses used fuel—but nonetheless that seems to be where they are going. If we go to the Labor Party, they too are showing early signs of wanting to resist this bill. I will remind them, though, that their former governments—in particular former Treasurer Paul Keating—made their views very clear on this issue. Back in his budget speech in 1983, when he first introduced fuel excise indexation, Mr Keating said:

This measure will allow for the maintenance of the real value of excise rates in a non-destabilising fashion.

Later, in 1984, he said that by adjusting excises for inflation each half-year, as the government had done since the last budget—every six months they adjusted for inflation—the real value of the tax did not change. Labor were about to introduce a carbon tax on heavy vehicles from 1 July this year.

When we look at the economics of what has been proposed here, it is absolutely minimal. It is 1c per year. Because it is linked to CPI the affordability will not change. Importantly—coming back to the question of road funding—this indexation is to be hypothecated to road spending by establishing the fuel indexation special account. The minister for infrastructure will be able to allocate this money to state and territory road investment.

As a government we have shown an extraordinary commitment to road funding. There is a great deal of road funding, particularly for regional areas, earmarked in the most recent budget. We see in that budget that there is an extra $350 million in 2015-16 for Roads to Recovery. There is an extra $200 million over two years for Black Spot program funding and there is an extra $240 million for the Bridges Renewal program. We know much of that
money—most of that money—will end up in regional areas. Importantly, Black Spot funding criteria have been changed so that at least 50 per cent of the funding is dedicated to regional roads, and the cost-benefit requirement fell from two to one to one to one. There has also been a change in the crash history requirements; now we do not need to wait for casualties before we fix potential black spots. My electorate has benefited greatly from the most recent Black Spot allocations. We see that the Muttama Road in Cootamundra shire has $28,000. The Braidwood Road in the Goulburn shire has $290,000. The Taralga Road at Wombeyan Caves Road has $120,000. The Taralga Road at Curraeela Causeway has $93,000. The Rugby Road has $49,000 and the Burrarorang Road in the Wollondilly shire has $350,000. These are all significant investments. And the Barton Highway has a commitment of $4.6 million to fix the McIntosh Circuit at Murrumbateman and another $300,000, jointly funded with the state government, to develop a staged plan for duplication. These are big investments that will make a substantial difference to the roads around my electorate. I will be working closely with local mayors and community groups to make sure that we get more than our fair share of the additional funding earmarked in the budget for regional roads. There is still a great deal to be done in this area.

There are a couple of areas in particular where I think further work is required and I am sure that work will be done in the coming years. First of all, there is a strong case for fuel excise charges and also state registration fees to be hypothecated to road funding. We need a way of directly demonstrating that off-road vehicles should never be charged a fuel excise at any point in the future—

Mr Fitzgibbon: I hope those words don't come back to haunt you!

Mr TAYLOR: and direct hypothecation is one way of ensuring that that occurs.

Mr Fitzgibbon: I agree with you.

Mr TAYLOR: I see that the member for Hunter agrees with me. As a great advocate for the mining industry and agriculture, I am sure he agrees with me. It is critical that we move towards more direct hypothecation, as we are in this bill, and I think we should seriously consider hypothecation down to the owner of the road, whether it is state, local or federal government.

We should also consider progressively shifting the basis for charging away from use of fuel, to distance and vehicle type, particularly for heavy vehicles. This will ensure that changes in fuel efficiencies do not undermine road investment in the future. It will also open the possibility of congestion charging in the cities. This will be good for regional areas, we will see more investment in road and rail infrastructure, and we will see an appropriate level of charging for roads in urban areas.

Just to underscore how serious the congestion problem is becoming in our urban areas, figures from Deloitte show that congestion costs to the economy in 1990 were $5 billion, in 2010 they were roughly $10 billion and by 2020 they are expected to be $20 billion. This is a massive problem for the economy. It is a problem that can be solved partly by the huge new investments that have been made by this government, but we also need to look further at our charging model, as the experts are suggesting. This bill in front of us today is a proportionate response to a serious problem. I commend it to the House.

Mr FITZGIBBON (Hunter) (12:55): I move:
That all words after “That” be omitted with a view to substituting the following words:

“the House declines to give the bill a second reading as the government’s petrol tax is a broken promise that will increase the cost of living for Australian families.”

**The DEPUTY SPEAKER (Mr Mitchell):** Is the amendment seconded?

**Mr Snowdon:** I second the amendment and reserve my right to speak.

**Mr FITZGIBBON:** I congratulate the member for Hume for at least showing up. He made a thoughtful contribution, as always, but at least he showed up to attempt to defend his own government's decision. That is far more courageous than some of his colleagues, but I will return to that in a moment.

**Mr Broad interjecting—**

**Mr FITZGIBBON:** I am coming to you, Member for Mallee, don't you worry about that! There are two issues here. The first, of course, is the substantive issue of the imposition of this additional fuel tax on the Australian community in breach of a clear election promise. The second issue is the gag order we are currently operating under. Why are we gagging this bill today? There is a very simple answer. We are gagging this bill to protect all those Liberals and Nationals representing rural and regional seats who, unlike the member for Hume and possibly the member for Mallee, are not prepared to come in here and defend this broken election promise. It is a reminder to all of us on this side that they say one thing in Canberra and another back in the electorates—but on this occasion they are not even prepared to say it in Canberra. They are not prepared to come in here and defend this new tax imposition and its impact on rural and regional Australia.

But it gets more interesting than that. We have a speakers list, as we always do when we are debating legislation, and this one is a fairly long list. There are 10 people on the list from the other side to speak today, but it is a safe haven because they know that, beyond the first four, they will not have an opportunity to speak because of the gag. They will be able to go back to their electorates and say: 'I was going to speak on that fuel tax bill but I got gagged for some reason. I don't understand why I was gagged, I don't always understand these parliamentary processes, but for some reason I didn't have the opportunity to get in there and defend you against this new tax imposition.'

I want to talk about the member for Paterson because he is on the list twice. He is on the list at two and then at about nine. I wondered what might have gone on there. Why would the member for Paterson be on the list twice? Well, at two, the member for Paterson would of course have had to come in here and defend this tax or, do the opposite, do the right thing and oppose the tax. But I think he realised that and so he shoved himself right down the list so he can go back to his electorate, like the others, and say, 'I would've been in there defending you on this matter but I wasn't given the opportunity and I don't have control over these matters.'

Let's have a look at those who are not turning up. There is the member for Eden-Monaro—he is on the list at five. How convenient is that? He will just miss out. I bet he is so disappointed!

**Mr Taylor:** He's here!

**Mr FITZGIBBON:** Here he is now, the member for Eden-Monaro. I wonder if he has contemplated whether he will get an opportunity to speak on this bill and, if he has—and he obviously has, putting himself at five—has he spoken to the Leader of the House about his
lost opportunity? I bet he has not. He knows he is safely ensconced at five. I notice that his colleagues on the other side have been taking all of their 15 minutes to speak. There is no arrangement—there could have been an arrangement. We have an arrangement on this side to only speak for 10 minutes. Why? We want all of our members, particularly those from rural and regional Australia, to have an opportunity to defend their constituents. That is why we are going for 10 minutes; but over that side it is 15 minutes.

I bet they had instruction from the Chief Government Whip—and, as you know, Mr Deputy Speaker, I have been a Chief Government Whip. I know how these things work. The Chief Government Whip would have said, 'Make sure you go your 15 minutes because, if you don't, the member for Eden-Monaro might have to speak, and that's the last thing we want. It's a no-win situation for us. If the member for Eden-Monaro goes in and defends this tax—this broken promise—he will be in trouble in his electorate. If he goes in there and attacks this tax for what it is, that's going to cause us problems on this side of the House. So make sure you go your 15 minutes. Don't let the member for Eden-Monaro or anyone who follows him on the list speak, because that would be a very bad outcome for them and a very bad outcome for the government.' So here we have this little plot. Maybe we could go a bit short, I ask the member for Grayndler. That might get the member for Eden-Monaro on the list. There is a strategy the Labor Party could contemplate.

Mr Taylor interjecting—

Mr FITZGIBBON: I will take the member for Hume's invitation to sit down even earlier if I can and give the member for Eden-Monaro the maximum opportunity. Maybe the member for Paterson will walk in here in the next couple of moments and suggest the speaking list be changed to give him an opportunity to defend this broken promise and this unfair tax.

Mr Joyce: Mr Deputy Speaker, I ask that the member give way for an intervention.

The DEPUTY SPEAKER (Mr Mitchell): Is the member for Hunter willing to give way?

Mr FITZGIBBON: Yes, that would be very nice.

Mr Joyce: I just have to clarify one thing, because we are talking about the excise and an increase of less than 1c—

The DEPUTY SPEAKER: It is not an opportunity for a speech.

Mr Joyce: but is it true or not that the Labor Party still has a policy for a 6.85c a litre increase in the price of diesel as of 1 July?

Mr FITZGIBBON: I will tell you what is true: this minister has abandoned his electorate. He stood by in cabinet and allowed a new tax to be imposed on Australian motorists generally but particularly on those who live in his electorate. He has deserted his electorate, as have all those members who sit opposite: the member for Eden-Monaro, the member for Page, the member for Hume—a good defence but not good enough—the member for Capricornia, the member for Mallee and the list goes on and on. I wish I could remember Mr Ramsey's electorate.

Dr Leigh: Grey.

Mr FITZGIBBON: Here is the member for Grey. He has come in here to feign his intention of speaking on this bill, but he is so far down the list he knows there is no chance that will happen. I noticed that the minister, when he got to his feet by way of intervention—

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CHAMBER
Mr Albanese: And ran away.

Mr FITZGIBBON: and then ran away—wanted to talk about Labor's record or Labor's policy. He did not want to talk about his own. There was no way in the world he was going to come to that dispatch box and defend this new tax measure.

Let us talk about what this new tax measure means for rural and regional Australia. It is just so axiomatic—it is just so obvious—that this is a tax that falls disproportionately on rural and regional Australia. It falls on those who drive most. Of course, this is not just an increase in the excise; it is an increase in the GST. The further you drive the more excise you pay and the more GST you pay.

I want to mention something I touched on in the matter of public importance debate last week. I want to go back to some mathematics. John Howard understood this problem very, very well. He understood that placing GST on fuel was going to have a big impact on motorists and on the budgets of families everywhere. He further understood that it was going to disproportionately impact on rural and regional Australia, so he reduced the excise. He took almost 7c off the excise so that, when the 10 per cent went on, it would result in a nil increase in fuel prices. That was fine while ever fuel prices were less than 77c. Let's go through it. Your fuel is at 70c, you take 7c off—that is the excise—and you get to 63c. You put 10 per cent on, which adds 6.3c, and you end up roughly back at 70c. So the GST in John Howard's day did not necessarily impact upon petrol prices. But let's take fuel to $1.50 a litre, around where it might be now. You take 7c off and it becomes $1.43. You put 10 per cent on, 14.3c, and fuel is now 157c, or $1.57. It is simple mathematics.

John Howard conceded the impact of this GST—a tax on a tax. He fixed it by reducing the excise, but this mob do not care about that. They are now putting extra burdens on fuel prices. If John Howard had not indexed the excise, it would now be 50c a litre and, on a rough calculation, depending where the price is, would mean that motorists would be paying around 16c more a litre for fuel than they currently are. Of course, that figure would be higher in rural Australia, where we drive long distances to get to what we need to do, unlike the Treasurer. He goes across the Harbour Bridge and he has reached his point of destination a few minutes later. But in rural and regional Australia we can travel hundreds of miles to our destination—and tens of kilometres, if not more, to the supermarket, for example. This is why this falls disproportionately and, of course, transport costs and fuel costs become embedded in that formula as well.

To ensure that as many members as possible have an opportunity to contribute to this debate, I will leave my remarks at that, but I assure those sitting opposite—oh, the member for Mallee is leaving! He is not even going to attempt to make a contribution to this debate. I leave it to my colleagues to follow. I will give as many coalition members as possible an opportunity, but this government stands condemned for this terrible broken promise.

The DEPUTY SPEAKER: Before I call the member for Grey, I neglected to mention that the original question was that the bills be now read a second time. To this the honourable member for Hunter has moved as an amendment to the Excise Tariff Amendment (Fuel Indexation) Bill 2014 that all words after 'That' be omitted with a view to substituting other words. If it suits the House, I will state the question in the form that the amendment be agreed to. The question is that the amendment be agreed to.
Mr RAMSEY (Grey) (13:06): I have long been of the opinion that all fuel excises should be hypothecated to road construction and, as long as we insist on the rail system paying the excise as well, so it should apply to rail in that sense, and that other transport based taxes like registration should in fact be wound back. Unfortunately, at this time in Australia we are a long way from that point. This is complicated by a number of factors that go back decades, including the states ceding their income taxation powers to the Commonwealth during World War II, the High Court decision in 1997 which revoked the states' rights to levy fuel excise, and the removal of about 8c of excise at the time of the introduction of the GST. That complexity and the voice of history add to the complexity of the historical taxing formulas that we now face in the Commonwealth.

As a result, only about half the money raised by the Commonwealth on fuel excise is actually spent on roads. The flip side of this, of course, is that about half is spent on services such as health, education and defence, and the erosion of the real value of fuel excise is not only affecting the money available for roads at Commonwealth level but also undermining the rest of the budget. This is not as I would prefer it. I would say this is an opaque system. A better system would be that all fuel excise was hypothecated to roads and that the structure of the Federation was reformed so that, where possible, you would have a user-pays system, just as you can with fuel excise, and governments would be more responsible for raising the money they spend.

It is worth remembering that the Commonwealth, while it only directs about 50 per cent of the moneys raised through fuel excise to the transport system, directly funds the states for their functions. For instance, despite the South Australian Treasurer Koutsantonis's wild claims in his first state budget about federal cuts, for South Australia more than 50 per cent of the state budget is derived directly from Commonwealth grants.

It is inherently an unhealthy system where governments are responsible for spending money that they do not have any responsibility for raising. Effectively, they do not wear the political downside of raising the taxes but they get the pats on the back for spending the money. You could even go to the next level of government and look at local government, for instance. It relies on significant grants from the federal level. I recently looked at a fairly large local council in my area and looked down the list of donations and different bodies that it supported within its council area. It was an amazingly long list. I was given to reflect that the local councils were getting the pats on the back for spreading the largesse around, and yet the political pain was felt here in Canberra, where the taxes were raised. That is one of the things that should be looked at in the review of Federation within the next 12 months or so.

Because of this reliance on federal taxes, it is simply not viable for the Commonwealth to allow its tax base to be continually eroded. After a 13-year pause, in which the real value of fuel excise has been reduced by 22 per cent, it is inevitable that, if indexation is not reintroduced at some stage, eventually the excise will become virtually worthless as a major component of government funding. It seems to me that, sooner or later, one side of politics or the other would have to face this issue of unfreezing indexation and reinstating fuel taxes as one of the core components of raising government finance.

Of course, this has been brought about and forced upon us by the financial time bomb left to us by the former Labor government. Despite Labor inheriting more than $50 billion in the bank and a surplus of $20 billion, after six years of their spendthrift government we are faced
with a current budget—which I might point out is Labor's last—delivering a $50 billion deficit. We have a net debt around $200 billion and a projected debt—without policy changes—of $667 billion. As a consequence, the nation now borrows $1 billion a month—mostly from overseas, it must be said—just to pay the interest on the debt.

Because of the ageing of the population, which means the ratio of taxpayers to welfare recipients is likely to halve by 2050, and the expectations of the previous government that somehow the huge increases in government expenditure would just magically pay for themselves, the budgetary position simply has to be addressed. It falls upon this side of politics to do it, to shoulder up to the wheel. We have seen a number of bills pass through the House even this morning which are the tough side of politics. It is about trying to curtail government expenditure.

This bill, of course, looks at the revenue side. It is about reinstating an excise arrangement that was first put in place by the Labor Party and was suspended, under John Howard, at the time of the introduction of the GST, when there was a major reform of Australian taxation. It was not intended at the time that fuel excise would just drift into irrelevance and go to the point where it is of no value at all to the Australian government and, by extension, the Australian taxpayer.

Like everyone else, I do not like seeing taxes go up, even if they are only keeping pace with inflation. I concede the point that, when you live in the country, you travel further and, when we raise taxes on fuel, it does inflict a greater impact on country people's budgets. This brings me back to the point I was making earlier: that is why fuel taxes should be hypothecated to road repairs and construction around the nation.

I think we can understand that if we want better roads we have to pay a bit more tax—tax that is directly linked. It is a much harder argument to say to the country people, 'You have to pay a higher rate of tax to support the education system, the health system, defence and the range of other government expenditures that we have.'

So, for the first time, this increase twice a year will be hypothecated to roads. I think that is a good first step, and should be a marker for what future governments should do with taxation in this area. As we go through that period of revisiting the federation, I, for one, will continue to advocate for reform in this area and to more closely link fuel excise to transport expenditure, and to find other ways of funding the states and the federal government outside this fuel tax arrangement. The very essence of this return to six-monthly fuel indexation is in the fact that Australia faces very difficult times in the near future. If we do not make the reforms now the reforms in the future will become much harder.

To finish I will use a little parable—that is what I call it—about the state of Greece and how that country came to find itself where it is. In 1985, the Greek national debt was about 50 per cent of GDP. In Australia, when you include the Commonwealth and state debt, we are at about half that level—about 25 per cent of GDP. In the eight years following 1985, Greece went from 50 per cent of GDP to 100 per cent. You would think that was a bit of a crisis. But in 1993 the economies of the world began to grow again. In that time, right through to 2008, there were relatively good times, and Greece managed to hold the line. It did not borrow any more money. It was probably patting itself on the back and saying, 'We're managing this budget well.' But then in 2008 the GFC hit, and within seven years its debt had blown out to 185 per cent of GDP.
The point of the parable is that in the good times they did not take the necessary steps to pay down the debt. If you do not do it when you can, democracies find it difficult to fix the problem when it is difficult.

Mr ALBANESE (Grayndler) (13:17): I rise to speak against this legislation and in favour of the amendment. We just saw the economic literacy of the coalition writ large, when the member for Grey said that, during the good times, we did not pay down the debt. The former government was elected in December 2007, and global capitalism went through the floor in 2008. There was a global financial crisis. The government invested to save jobs and to keep the economy growing, unlike the United States, the United Kingdom and all of the European economies, which went into negative territory, and where millions of people lost their jobs. There was massive social disruption throughout Europe and the United States.

If you want to talk about wasting the benefits of the boom, the Howard government had over $380 billion of revenue above that which was anticipated in budgets, and failed to build anything in terms of nation-building infrastructure, and failed to secure Australia's economic position. During this debate some members on the other side of the chamber have put the argument that we need to increase this tax on petrol in order to fund roads. At the same time, quite interestingly, they give up the game, because they say that if this tax is not increased the road spending will stay the same. They give up the con that is the infrastructure rhetoric behind the 2014 budget.

We know that there is no new money in the budget. There is old money for projects that had been through proper processes of Infrastructure Australia—money that was renamed for projects that were the coalition's political priority. Particularly relevant for this bill is the axing of every single dollar for any public transport project around the nation that had not begun construction. So money that was in the budget for the Melbourne Metro, for the Cross River Rail project, for Perth light rail and the airport rail project in Perth, for the Tonsley Park line in Adelaide and even money for the light rail study in Hobart, is all gone. They are taking money away from a proper, integrated transport approach to deal with urban congestion, where we need funding for roads as well as public transport, in favour of the government's ideological position that funding for public transport is not the business of the Commonwealth government—distorting the market.

That means that over a period of time—we know this because Infrastructure Australia told the Senate estimates process—there will be no funding from the Commonwealth for public transport. And that state and territory governments, faced with the option of going with a road project where they can get a Commonwealth contribution and a rail project with no Commonwealth contribution, will choose the project where they get a co-contribution. That is not surprising. And that means that, over a period of time, we will see a complete distortion and withdrawal of funding for public transport projects.

That means that over a period of time we will see a complete distortion and withdrawal of funding for public-transport projects. That is particularly critical for those in our outer-suburban communities. It is particularly critical as well in regional Australia, where the failure to fund any commuter rail project led to $52 million being cut for the planning and preservation of the high-speed rail corridor between Brisbane and Melbourne—a route that could transform regional Australia.
What will occur, therefore, is that people will continue to be car dependent, with everything that means. This mean-spirited government, with this legislation, is saying, 'We won't give you alternatives, other than the car, and we'll put a tax on you every single time you drive to work and every single time you take the kids to the footy or netball, on the weekend, or to the movies.' This is an attack on the hip pocket from those opposite. It is a particularly mean-spirited and regressive move, because those in drive-in drive-out suburbs of our capital cities and regional centres have no alternative but to drive considerable distances to work. There is a focus on fly-in fly-out and the pressures that puts on communities, and I agree with that. But more and more, in this country, we need to debate the consequences for family life and communities of drive-in drive-out suburbs, where we do not have jobs, so people have no alternative but to drive some distance to and from work. This is a position whereby those people will get hit.

The other people who will be hit are those in the member for Riverina's electorate and in regional Australia. They do not have options, other than to drive. I went around this nation, as regional development minister and transport minister, in the former government. I went, for example, to Mount Isa to meet people. The meeting might have been for an hour, but they had driven five or six hours to meet with me. No big deal. That is just the way it is in those regional communities. And those people do not have petrol cards paid for by the big end of town, or as members of parliament do. They pay for petrol out of their own pockets.

So the most vulnerable people in the community—the workers, the people in regional communities, the people in the outer suburbs—will be the people paying this tax. No member of parliament will pay it. No corporate executive will pay it. It is working people, whether they be in our cities or in our regional communities. But the further you are away from a CBD the more it will cost you. In my electorate this will not be a big imposition. There are reasonably good public transport options throughout the electorate. The member for Riverina's electorate will be hit more than those people in my seat. That is why this tax, no notification given, contrary to all the promises about no new taxes, is such a disgrace. The more you drive, the more you pay.

In evidence before the Senate estimates committee, the department of infrastructure, my former department, was asked about modelling of this. Not one member of the National Party bothered to be present at that hearing. It seems the Nats were asleep at the wheel when the Prime Minister decided to have this vicious attack on rural and regional Australia, hitting them right between the shoulder blades with this excise increase. No wonder there is some tension within the coalition about this.

There is another issue to which I want to draw to the House's attention, and that is of heavy-vehicle road-user charging. The National Transport Commission does an analysis of what that charge level should be, in terms of the rebate. I asked for a review, in consultation with industry, about the methodology for that. My understanding is that the National Transport Commission reported to the standing committee on transport and infrastructure, earlier this year, that the fuel price—it is a complicated formula—should, essentially, be decreased for heavy vehicles. If that had occurred under a Labor government, the ATA would have been out there complaining loudly about this. We asked for the review as a result of the Australian Trucking Association and other representation that we had, and we put it in place.
The government might like to respond to whether it is the case that the recommendation to transport ministers should have led to a reduction in costs for heavy vehicles.

This government's obsession with cutting government expenses, based upon its overegged claims about a so-called budget emergency, threatens to smash security for average Australians. In the budget it attempted to put up a facade: 'Don't worry about the cuts to education and health, we're doing something about infrastructure.' But wherever you look, they are not doing anything additional. The fact that in this budget process they are saying that if this tax increase is not improved the funding is still there, is an admission that this is the case. It is a facade and, in this, they are saying, 'We'll put the excise into a fund, just for roads,' but there is no issue about what roads should be funded, in terms of whether they should be priority projects. Once again, this shows how fake their budget is, when it comes to infrastructure. This is a budget that is not about investing in infrastructure; it is about hitting the most vulnerable in our community with increased taxes and reducing the amount of support that government give to people who rely upon that government support. That is why we have moved our amendment today. We commend the amendment to the House, and, if those opposite are fair dinkum at all, they will support that amendment.

Debate interrupted.

**STATEMENTS BY MEMBERS**

**Fraser Electorate: CSIRO**

Dr LEIGH (Fraser) (13:30): In 1931, Labor member Jack Holloway became the first Australian to be Minister for Science. Eight decades later, the Abbott government became the first government in three generations to not have a science minister. The lack of a science minister has sat alongside another significant decision by this government: decimating the CSIRO. This government is literally sacking one in 10 CSIRO staff.

As members know, CSIRO is the organisation that created wi-fi, the hendra virus vaccine and Relenza, the first effective influenza treatment. And yet, despite CSIRO's successes, within my electorate, the Campbell and Crace sites of the CSIRO are being closed down, with staff being relocated to Black Mountain or losing their jobs. Specific areas of research which are likely to suffer include neurosciences, colorectal cancer, bioscience, carbon capture and storage, radio astronomy, efficient energy management and climate change science.

This government has never seen an expert body that it did not want to shut down or an expert that it did not want to get rid of, and the Prime Minister's attacks on climate science are of a piece with his attacks on science generally. Tomorrow, at the Black Mountain site, thousands of Canberrans will gather to voice their objections to the government's cuts to the CSIRO. *(Time expired)*

**Capricornia Electorate: Health**

Ms LANDRY (Capricornia) (13:32): Recently, I hosted the Deputy Prime Minister, Warren Truss, in Rockhampton to turn the first sod of soil on construction of a $14 million health clinic and teaching facility at CQUniversity. With a shortage of allied health professionals in regional Australia, the facility will serve as a vital training clinic for university students studying various health courses. The stage 2 project will enhance an existing stage 1 clinic which has been up and running since 2012 and which currently sees up
to 1,000 patients each week. This precinct provides a vital health service to North Rockhampton residents, and patients are referred to the clinic by local health practitioners.

The clinics are run in partnership with Queensland Health, and they deliver allied health services such as physiotherapy, speech pathology, occupational therapy, podiatry, pathology, nutrition and oral health. Part of the $14 million budget allocated to stage 2 will be spent on a clinic building and part will be spent on teaching classrooms. As the member for Capricornia, I am proud that such expert graduates will come from our own backyard. I am a great advocate for CQUniversity. This is Capricornia's own university, with centres across the globe, and it is a privilege to acknowledge yet another milestone in my electorate.

Greste, Mr Peter

Mr CLARE (Blaxland) (13:33): The parliament is still reeling from the decision of an Egyptian court on Monday night and the sentences it handed down to Australian journalist Peter Greste and his two Al Jazeera colleagues Mohamed Fahmy and Baher Mohamed. I think we are all still in shock. I am sure I speak for all Australians when I say that this just does not make sense. Peter Greste is a journalist, and journalism is not a crime. These men have been locked up just for doing their jobs.

Our hearts go out to them and to Peter's mum and dad, who have shown such stoicism and grace in such awful circumstances, and to Peter's brothers, Andrew and Mike, who are doing what we would all hope any brother would do—standing right beside him when he needs them most. He also needs us. As the Leader of the Opposition has said, Labor will do everything that we can to assist the government in securing Peter's release.

As the Minister for Foreign Affairs said the other night, 'This kind of verdict does nothing to support Egypt's claim to be on a transition to democracy.' She is right. Freedom of the press is a non-negotiable part of any democratic nation. For Egypt to be a democratic country, freedom of the press must be protected, and that means that Peter Greste and his colleagues must be released. As Peter's dad said yesterday, 'This man, our son Peter, is an award winning journalist, he is not a criminal.' He should be arriving home and into his parent's arms and not in a maximum security cell in Cairo, and it is our responsibility to work together towards that end. (Time expired)

Greste, Mr Peter

Ms HENDERSON (Corangamite) (13:34): I rise also to speak about the terrible sentence that has been handed down against Australian journalist Peter Greste. As a former television journalist myself for many years, I wish to record my shock not just at the conviction but at its severity. The evidence simply did not stack up to support this conviction. Peter Greste was doing what every fine Australian correspondent does—doing his job reporting the facts with integrity, with balance and without fear or favour. I wish to commend the Minister for Foreign Affairs, Julie Bishop, who has made it clear that the Australian government will seek to intervene in whatever way it can with the new government in Egypt. I note the position articulated by Egyptian President el-Sisi overnight.

Like so many Australians, I am hoping and praying that it will be possible to see justice done, if not by intervention, then by way of an appeal process or by other means, such as taking this case to the International Court of Justice. My heart goes out to Peter; his parents, Juris and Lois; his brothers, Andrew and Mike, and their family; and the two other Al Jazeera
journalists who have also been convicted. As Mr Greste has said, journalism is not a crime: 'This man, our son Peter, is an award winning journalist, he is not a criminal. He is not a criminal.' In Australia, we take press freedom for granted. This case reminds us how important those freedoms are.

Perth Electorate: Budget

Ms MacTIERNAN (Perth) (13:36): WA seniors are hopping mad about the Abbott government's attacks on their income and on their cost of living. Last Friday, I attended an incredible community meeting of seniors organised by 6PR, Channel 7 and Council on the Ageing WA. The mood was electric. The Perth Town Hall was at capacity—standing room only—with scores overflowing into foyers, huddled around radios. At least 12 coalition members were invited to attend, but not one had the guts to front up. One senator did ring in from Canberra; that did not go down well. These seniors are a generation that do not come from the age of entitlement. They understand sacrifice, but they know when they are being lied to and they are angry about it. Since this meeting, Colin Barnett has announced WA will halve the cost-of-living rebate, passing on the Commonwealth cuts to senior concessions.

I have been contacted now by over 1,500 Perth residents who are overwhelmingly opposed to the GP tax, the cutting of concessions and the abolition of the seniors supplement and who are vehemently opposed to reducing indexation rates of pensions. A punter from Perth summed it up in his letter to me: 'This group of people worked hard to build and develop this country. At this time of their lives they do not need politicians to degrade them to the status of a ticking time bomb and a burden to society.' (Time expired)

Racial Discrimination

Mr LAUNDY (Reid) (13:38): I rise today to register my condemnation of an act of racial hatred and vandalism in my electorate over the weekend. On Saturday morning members of the St Andrew's Ukrainian Catholic Church in Lidcombe awoke to find their church desecrated with racially abusive graffiti. This despicable act is an attempt to import a foreign conflict to a country that prides itself on being peaceful and multicultural. Considering the church commemorates Ukrainians who died fighting the Nazis in World War II, the use of swastikas is particularly upsetting. I congratulate Father Simon and all the congregation for responding with true Christian values: through praying for the vandals and their forgiveness while coming together as a united community to reject the provocation.

On Sunday I joined the members of the community as a fellow Catholic and as their MP for liturgy and to help commence getting rid of the graffiti. I congratulate the church's parish and the Australian Federation of Ukrainian Organisations for their positive and effective work in their community. This attempt to import conflicts from other countries to Australia has rightly been condemned by all levels of government as heinous and abhorrent, as will other incidents of racially, ethnically and politically motivated vilification in Australia's culturally diverse society, as they have and always should be.

Budget

Ms RYAN (Lalor—Opposition Whip) (13:39): I rise today to highlight the inconsistencies of our Prime Minister and those opposite and how they will devastate Australian families, especially in my electorate of Lalor. I want to look at it in simple terms. Tony Abbott promised no new taxes, but now Australians will be slugged with a petrol tax. He promised no
cuts to health, but now Australians will be hit with a $7 GP tax and he has cut billions from health. He promised to help families with the real cost of raising children, but now he has stripped $7.5 billion in family payments, cutting $6,000 from some families’ budgets.

Twenty years ago I was a single mum raising three kids and working part time with the family benefits tax supplement. What would it have meant to my budget? I was a taxpayer paying income tax and GST, but under these conditions I would not have made the mortgage payment. My children and I would have lost our home.

This will hurt Australians—not just families but small business, big business, everyone—because what those opposite fail to understand is the basic economics that taking money away from families equals less spending ability and less money in our local economy.

While Tony Abbott considers what it actually means to make a promise, whether it be ‘core’ or in writing, ordinary Australians will be left pondering how this budget of broken promises will impact on them. Despite saying this government would not leave anyone behind, the Prime Minister has forgotten low- and middle-income families. Labor always fights for fairness, and I will fight for my community. (Time expired)

Barker Electorate: Queen’s Birthday

Mr PASIN (Barker) (13:41): I rise today to acknowledge and congratulate the extraordinary members of the Barker community who were recognised in the most recent round of the Queen's Birthday honours. This year Barker boasted three recipients of the Medal of the Order of Australia, one of whom was Mrs Colleen Andrew of Ramco in the Riverland, who received an OAM for services to the community through church and service organisations. Mrs Andrew is a dedicated member of the Saint Thomas More's Parish, which serves Waikerie, Morgan, Ramco, Cadell, Blanchetown and Swan Reach. Remarkably, her service stretches back over four decades, and over that long period her community has been richly blessed to have Colleen as a mentor, confidante, leader and role model.

Mr John 'Giovanni' Bueti of Mount Gambier was also awarded an OAM for his contribution to a number of community groups in his local area. Mr Bueti, who migrated to Australia in the 1950s from southern Italy, was instrumental in the development of a monument to recognise the contribution of post-war migrants, something which I am very proud to identify with on a personal level.

Another Mount Gambier stalwart, Mr Desmond Edward Lattin, was also recognised for his many years of selfless work, perhaps most notably as one of the leading Riding for the Disabled volunteers in Mount Gambier. Mr Lattin has also been actively involved with a number of other groups and organisations, and he was pivotal in the upgrading of the fencing at the historic Rook Walk around Mount Gambier’s famous Blue Lake.

Also featuring on this year’s Queen's Birthday honours list was Captain of the Waikere CFS Brigade, Mr Graeme Ward, who received an Australian Fire Service Medal for longstanding commitment to his community and local brigade.

I commend these four worthy recipients and thank them for their contributions to their respective communities. (Time expired)
Newcastle Electorate: Deadly Choices

Ms CLAYDON (Newcastle) (13:43): The Abbott Liberal government's cruel budget has today claimed another victim: the very successful Deadly Choices program that helped young Aboriginal people in my electorate of Newcastle make better lifestyle choices. This government's shameful inaction has forced the Awabakal Newcastle Aboriginal Co-operative to regretfully end the program, effective immediately. Despite having an in-principle agreement to continue in 2014-15, no written confirmation of funds has come from this government for the program, meaning it ends on 30 June this year. That is next week.

Deadly Choices was created by the Institute for Urban Indigenous Health and focused on educating and empowering young Aboriginal people to make healthy choices to help avoid long-term health issues. Healthy lifestyle workers hosted community days and ran health and fitness programs for Aboriginal people in Newcastle, focusing on preventative health measures such as healthy diet and exercise and the importance of quitting smoking. The program also connected with local high schools, teaching young Aboriginal people about leadership, healthy relationships and empowerment through connection to culture.

Awabakal CEO Don MacAskill has said that ending Deadly Choices is a significant blow to Newcastle's efforts in closing the gap in health inequality. I agree. The Prime Minister has said he would be a Prime Minister for Aboriginal affairs. He has also said we should be guided by his government's actions, not their titles. On either measure he is failing Aboriginal people in Newcastle.

Solomon Electorate: NT Thunder

Mrs GRIGGS (Solomon) (13:44): There is going to be some great footy in Darwin this weekend. The fantastic NT Thunder will be playing Sydney Uni at TIO Stadium. Sydney University, eighth on the ladder, have heard about how good the NT Thunder are so they have reportedly put together a team of talent for Saturday night's game which includes some ex-AFL players: Matt O'Dwyer, who played seven senior games for Sydney Swans; Ryan Bradazon, who also played for the Sydney Swans; Lewis Fasolo, who spent some time on Fremantle's list; Will Sierakowski, who played for North Melbourne before going to Hawthorn; and Nick Winmar, who played for St Kilda.

NT Thunder stars Cam Ilett, Chris Dunne, Shaq McKenzie and Shannon Rioli will put on a good show. They will take on these boys. Any Territory Thunder fan will tell you that our boys are equally talented, probably even more talented. Sydney Uni will have their work cut out for them. I encourage all people in Darwin and Palmerston to get along to the TIO Stadium, support our Territory Thunder and show everybody that Territory Thunder are the ones with the talent and are going to be top of the ladder.

Kingsford Smith Electorate: Suicide Prevention

Mr THISTLETHWAITE (Kingsford Smith) (13:46): I want to congratulate and thank the organisers, sponsors and participants in the Plebs, Pros and Personalities 24-hour Treadmill Run for Suicide Prevention, which occurred last weekend in Maroubra. The run served to highlight the importance of mental health and not being afraid to discuss suicide. Suicide remains the leading cause of death for Australians aged 15 to 44, affecting many in our community of Kingston Smith but also across the country.
For the second year running the event attracted a big crowd of locals, celebrities and professional athletes all keen to do their bit, and I was honoured to jump on a treadmill with the likes of John Sutton, Matt King, Sonny Bill Williams, Johanna Griggs and John Steffensen to raise money for the cause. The run was a huge success, raising more than $100,000 while also inspiring two other similar events on the Gold Coast and in Leeton. In addition to raising considerable funds, the event provided a very important opportunity for people to talk about their experience with depression and suicide.

One such story was that of a local 84-year-old man who attended the run and pledged $1,000 of his own money. He spoke of the agony of losing his son to depression more than 40 years ago and expressed his happiness that something was finally being done.

I congratulate the sponsors—the Bulldogs Rugby League Club, the NRL, Core Mortgage Brokers, Boost Mobile, the Maritime Union of Australia, FTW Revolution Clothing and Vision Personal Training—and personally congratulate Aaron 'Spook' More and Ben 'Higsy' Higgs who organised the event.

Deakin Electorate: beyondblue Cup

Mr SUKKAR (Deakin) (13:47): In a similar vein to the member for Kingsford Smith, on Saturday I had the privilege of attending a very important match in this year's sporting calendar for my electorate of Deakin. It was the beyondblue Cup hosted by South Croydon and North Norwood football clubs. At some point in our lives most of us have been somehow touched by anxiety or depression, whether directly by experiencing these mental health conditions ourselves, or through supporting a family member or friend. I learnt on Saturday that one in eight Australian men will experience depression in their lifetime and one in five will experience anxiety. While men are less likely to experience depression and/or anxiety than women, evidence indicates that men are far less likely to seek help for mental health conditions. That is why events like the beyondblue Cup that I attended on Saturday are so vital. By hosting the event the football clubs not only raised awareness and encouraged people experiencing mental health illness to seek support; they also raised funds to help reduce the impact of anxiety and depression on a community.

I wish to congratulate the South Croydon Football Club, led by President Mark Lumsden, and the Norwood Football Club, led by President Mark Etherington, on the efforts with this initiative. The beyondblue Cup was yet another example of why both of these clubs play a central role in our community in Deakin and I am very proud to support them.

Indigenous Health

Ms BURKE (Chisholm) (13:49): I rise to draw the House's attention the devastating cuts to Aboriginal and Torres Strait Islander health programs in the government's forward estimates, with no explanation of where the cuts will fall. In the coalition's first budget Aboriginal and Torres Strait Islander's health systems take savage blows. Programs that try to promote healthy lifestyle and tackle smoking and alcohol addiction in Indigenous communities will be on the chopping block, which would cause not just the programs to disappear but their employees to disappear as well. This comes just months after Prime Minister Tony Abbott said in his Closing the Gap speech that it is:

...our duty is to make the most of this precious moment ... a fair go for Aboriginal people is far too important to be put off ... we need to provide it now.
So I put it to the Prime Minister: how can you cut $125 million dollars while there has been no progress in closing the gap in life expectancy between Aboriginal and other Australians? Indigenous employment has actually gone backwards. Prime Minister, it is foolish to think that you can do this and expect the lives of Aboriginal families in remote communities to improve. Your actions are attacking our most vulnerable in society with no compassion whatsoever. I urge the Prime Minister to please rethink this course of cruel cuts not just for the Indigenous community but for the whole of Australia.

I would like to congratulate Dominic Hale from Wesley College, who is doing work experience in my office this week, who put together these insightful words.

**Pearce Electorate: Road Funding**

Mr PORTER (Pearce) (13:50): I rise to acknowledge the unprecedented road infrastructure investment being delivered by the coalition government in my electorate of Pearce. One part of this record investment will occur in the north of my electorate. Drivers travelling to and from Chittering will benefit under this government's Black Spot Program funding, with significant road improvements along a six-kilometre stretch of Muchea Road East. $174,000 is being invested for a particularly unfortunate stretch of road that has had several tragic incidents and has needed attention for quite some time. Muchea Road East will receive significant upgrades, including improvements to its intersections, the creation of new slip lanes, improvements to street lighting and road markings.

Few other electorates in Australia could boast roads that have done as much to grow the national wealth than those in Pearce, but equally it has been well known for many years that roads inside the 14,000 square kilometres of Pearce have been in need of major investment. Before the election I committed myself to fighting for a fairer share for WA and it is very pleasing that the coalition's first budget recognises the enormous weight Western Australian roads carry in terms of helping to grow our national economy.

As part of the 2014 federal budget the government has committed to funding a record $50 billion to building and improving the infrastructure of the 21st century. The Black Spot Program gives priority to locations with a history of serious road accidents. That funding increases by $200 million to $500 million out to 2018-19. In WA alone there are 32 projects that are being funded under this program. *(Time expired)*

**Bubup Wilam for Early Learning Aboriginal Children and Family Centre**

Mr GILES (Scullin) (13:52): I join my colleagues the member for Newcastle and the member for Chisholm in drawing the attention of the House to the adverse impact of this government's decisions in supporting Aboriginal people. Since being elected to this place, I have been a passionate advocate and supporter of the wonderful Bubup Wilam for Early Learning Aboriginal Children and Family Centre in Thomastown. The funding for this centre is under threat. The funding is scheduled to run out on 30 June. I thought that I would receive some good news in response to my representations to Minister Scullion, when I saw that he was quoted in the *Whittlesea Leader* on 27 May as saying that transition funding would be made available to the centre. This created an atmosphere of hope in the Aboriginal communities of Melbourne's north. While we have always known that this government would say one thing before the election and do another after, in making this criticism we have been selling it short—because, as soon as the minister had made these remarks to the *Whittlesea Leader*
Leader, he withdrew them. This is another cruel broken promise, which will impact 74 Aboriginal families in my electorate, whose conditions of adversity have been compounded by the confusion. I ask members opposite to imagine those families. Imagine the confusion; imagine the heartbreak. But I say to the minister and members opposite: it is not too late; change your mind again and make available funding that will allow Bubup Wilam to keep supporting Aboriginal families.

Soccer

Mr WILLIAMS (Hindmarsh) (13:53): In contrast to the members of the opposition, I would like to speak positively about what is happening in our country this afternoon. I would like to commend the Australian national soccer team, the Socceroos, on their fine effort in the World Cup this year. The Socceroos took on two of the world's powerhouses. They played the Dutch, whom they led 2-1—with that fine Tim Cahill goal that will stick in our memories for a lifetime—before going down, and Chile, who took out Spain, the reigning world champions and current European champions. The Socceroos' performance was one of commitment and skill, and demonstrated the fighting spirit that Australian teams demonstrate on the world stage. Greece also demonstrated a fighting spirit this morning by snatching a late winner and moving through to the next round for the first time in their history. I congratulate all other teams who had advanced in the World Cup.

At a local level, I have witnessed many soccer teams and soccer clubs in my area who have demonstrated great local community commitment and spirit. The Adelaide Titans play on Henley Beach. Their chairman, Chris Haskas, took me through how their club has evolved. I went out and watched one of their games earlier this year and saw their spirit on the field. The Adelaide Olympic Football Club play at West Lakes Shore School and have a great junior program. We all know of the demand for soccer in our society and how schools are combining with the clubs to get better facilities. I congratulate them on their fine efforts.

Canberra Electorate: Asbestos

Ms BRODTMANN (Canberra) (13:55): I have just met with four Canberrans who are 'Mr Fluffy' homeowners. Mr Fluffy was a type of loose-fill asbestos commonly used in the ACT in the late sixties and seventies. From 1988 to 1993, the Commonwealth removed asbestos from more than 1,000 Canberra homes. For a while, we thought that we were rid of Mr Fluffy. However, recently it was found that a number of houses that had had their asbestos removed still contained residual asbestos fibres. For the families who own these homes, the situation is dire. It is devastating. Many of them had no idea that they were buying Mr Fluffy homes. Some families have now been forced to leave their homes, not knowing if or when they can return. They are grappling with costs in the tens of thousands for testing, removal, temporary accommodation, new clothes and new cars. Their homes cannot be sold or rented. In fact, the Asbestos Safety and Eradication Agency's Peter Tighe has called for the demolition of all the ACT Mr Fluffy homes. Above all, these families are dreading the health implications. As one constituent said, 'I just can't even bear to think about the health impacts.’ This is an issue that predated the ACT's self-government, and the Commonwealth must now accept responsibility and get involved. These families deserve support, compensation and, above all, certainty. They need to be able to sell their houses with a clear conscience. At the moment, that is not possible. I understand there is a meeting between the Commonwealth and
the ACT governments, and I strongly urge the Abbott government to accept responsibility.  

(Time expired)

**Hume Electorate: Infrastructure Funding**

Mr TAYLOR (Hume) (13:56): I am happy to report on a positive meeting here in the parliament this week with the energetic members of SEROC, the South East Regional Organisation of Councils. I was joined by my federal colleagues the member for Eden-Monaro and Zed Seselja as well as the ACT Chief Minister, Katy Gallagher. We met with the mayors and general managers of 12 local government areas: Young, Yass, Upper Lachlan, Snowy River, Queanbeyan, Palerang, Harden, Goulburn, Eurobadalla, Cooma, Boorowa and Bombala. Seven of those councils fall within my constituency of Hume. The main issue we talked about was funding from the federal budget for local infrastructure projects. While there were concerns expressed by several councils about pausing the indexation of Financial Assistance Grants—and I acknowledge these concerns—I was able to clarify the very significant financial benefits for local councils, Australia wide, from the budget. Through four key infrastructure initiatives—the Stronger Regions Fund, starting in 2015-16; the expanded Black Spot Program; the Bridges Renewal Program; and Roads to Recovery—local councils in my electorate of Hume have the opportunity to pitch for a bigger pool of infrastructure funding. On top of recent black spot funding approved for six projects in Hume—in the Upper Lachlan, Cootamundra, Goulburn and Wollondilly—I have pledged to work closely with local mayors and councils to secure a fair share of this additional infrastructure money.

**Micah Challenge**

Ms O'NEIL (Hotham) (13:58): Yesterday I had the pleasure of meeting with Haley Gould, Amanda Merrett, Dianne DeVos and Katie Ahmad, participants in the Micah Challenge, who travelled all the way from Melbourne's south-east to shine the light on tax avoidance and evasion. The Micah Challenge is a global movement of Christian groups, churches and agencies that work towards reducing poverty. The Micah Challenge has been involved with the Make Poverty History Campaign, working towards achieving the United Nations Millennium Development Goals. One of the campaigns that the Micah Challenge is focusing on this year is shining the light on global issues that are impeding development, and they want decision makers to act. Yesterday, the issue of tax dodging and corruption was highlighted as a significant global issue. The women I met with made a well-informed and an articulate presentation about how tax avoidance and evasion in developing countries are an obstacle to lifting people out of poverty. Micah Challenge believes this issue should be on the agenda at the G20, and I want to ask the Treasurer, on their behalf, to raise this important issue in that forum. If developing countries had access to these lost revenues, Christian Aid estimate they could save the lives of 350,000 children each year. I thank Katie, Haley, Dianne and Amanda for travelling to Canberra to meet with me and for shining the light on tax avoidance and evasion.

**New Colombo Plan**

Mrs PRENTICE (Ryan) (13:59): I have risen in this place on numerous occasions to talk about the coalition government's New Colombo Plan. The Minister for Foreign Affairs, Julie Bishop, while Minister for Education, Science and Training during the Howard government, observed that many students from our region were coming to Australia to learn and gain
qualifications, yet very few, if any, Australian students were studying at universities in the Asia-Pacific region. Minister Bishop believed this to be a growing diplomatic issue, with students willing to go and study in Europe, the US and the UK but not in our own regional neighbourhood.

The SPEAKER: I interrupt the honourable member. In accordance with standing order 43, the time for members' statements has concluded.

CONDOLENCES

Kent, Mr Lewis

The SPEAKER (14:00): I inform the House of the death on Sunday, 22 June 2014 of Mr Lewis Kent, a member of this House for the division of Hotham from 1980 to 1990. As a mark of respect to the memory of Lewis Kent, I invite honourable members to rise in their places.

Honourable members having stood in their places—

The SPEAKER: I thank the House.

QUESTIONS WITHOUT NOTICE

Fuel Prices

Mr FITZGIBBON (Hunter) (14:01): My question is to the Deputy Prime Minister, representing the Treasurer. I refer to the Deputy Prime Minister's statement:

Fuel tax is a tax on distance. If ever there was a country that should not aggressively tax fuel, it is a vast country like Australia. It is a tax on doing business outside of the capital cities. Does the Deputy Prime Minister agree with himself or with the Treasurer on making Australians in rural and regional Australia pay more for their fuel?

Mr TRUSS (Wide Bay—Deputy Prime Minister and Minister for Infrastructure and Regional Development) (14:01): The big difference between the way in which this government taxes fuel and the way in which the Labor Party addresses the issue is that this government refunds the excise that is paid by the trucking industry. The trucking industry pays its share of road construction costs through the road user charge, but, when it comes to the tax, the trucking industry receives a rebate in full. The major impact of the fuel tax on regional Australia is of course its impact on the trucking industry. It is a major impact on the cost of living and, obviously, the cost of doing business in regional communities. The reality is that that is fully refunded to the trucking industry.

The SPEAKER: The minister will resume his seat. I call the member for Hunter on a point of order, and it had better be one.

Mr Fitzgibbon: On relevance—indeed it is, Madam Speaker, because it was clear that I was talking about—

The SPEAKER: No, there is no point of order. The member will resume his seat.

Mr TRUSS: Labor's new regional representative, or whatever he is called at the present time, surely has heard of the Diesel Fuel Rebate Scheme. The Diesel Fuel Rebate Scheme is pretty fundamental to regional Australia. That ensures that the cost of trucking to regional committees is fully refunded, and therefore the cost impact on regional communities is managed in that way. That is our approach to this issue.
Mr Snowdon interjecting—

The SPEAKER: The member for Lingiari will withdraw that remark at the end of the question!

Mr TRUSS: We will continue to treat regional Australia fairly so that the cost of living in regional Australia is not artificially bloated by increasing the cost of transport fuel.

Carbon Pricing

Mrs McNAMARA (Dobell) (14:03): My question is to the Prime Minister. Will the Prime Minister assure the House that the benefits from the repeal of the carbon tax will be passed on to consumers? What stands in the way of this cost-of-living relief for households in my electorate of Dobell?

Mr ABBOTT (Warringah—Prime Minister) (14:04): I thank the member for Dobell for her question. I regret to inform her that members opposite, the Labor Party, gave Australia the world's biggest carbon tax and, thanks to members opposite, the world's biggest carbon tax just goes up. It just goes up by five per cent next Tuesday—unless, of course, the Leader of the Opposition has a change of heart and it is repealed.

This is the carbon tax that the Labor Party was never going to introduce in the first place. This is the carbon tax that members opposite said they were going to terminate before the election. This is the carbon tax which is just going to go up by five per cent next Tuesday unless, of course, it is repealed in the meantime.

For the people of Dobell, the carbon tax is a nine per cent impost on their power bills. It is a $9 billion handbrake on our economy. And it is a $550-a-year hit on every single household in Dobell and on every single household, on average, right around Australia. Repealing the carbon tax will be good for every single business and every single household in the electorate of Dobell.

I can say that the carbon tax repeal legislation does provide the ACCC with new powers to ensure that consumers immediately benefit from the repeal of this toxic tax. This government has given the ACCC an extra $10 million to police the price effects of the repeal of this tax. The Chairman of the ACCC, Rod Sims, has said, 'What went up will clearly come down when you take away the carbon tax.' Mr Sims went on to say:

Electricity prices went up fairly quickly on the way up and they will go down fairly immediately on the way down.

And Origin Energy said:

If and when the carbon price is removed as an input cost to energy bills, then Origin will pass on this benefit to consumers as soon as practicable …

So get rid of the carbon tax and power prices go down.

There is only one person standing in the way of lower power bills, and that is the Leader of the Opposition. Every time your power bill goes up, the Leader of the Opposition has a smile on his face because that is just the carbon tax doing its job. Every time you turn on the heater this winter, there is the Leader of the Opposition trying to make it more expensive—

Opposition members interjecting—

The SPEAKER: There will be silence on my left!
Mr ABBOTT: unless, of course, he has a change of heart, finally gets the message and votes to repeal this toxic tax.

Budget

Mr SHORTEN (Maribyrnong—Leader of the Opposition) (14:07): My question is to the Prime Minister. Before the election this Prime Minister promised that he would reduce cost-of-living pressures, so why is this Prime Minister ramming a $2.2 billion petrol tax through the parliament today and why should every Australian have to pay more at the petrol station because of this Prime Minister’s rotten budget?

The SPEAKER: Every time we get epithets added at the end it does broaden the question.

The Prime Minister has the call.

Mr ABBOTT (Warringah—Prime Minister) (14:07): The tax I want to repeal is the carbon tax, which is a $9 billion hit on households. It is a $9 billion hit on households and that is the tax that is beloved—absolutely beloved—of the Leader of the Opposition. He said before the election that he was going to terminate the carbon tax, a $9 billion hit on households. Every time it comes before this parliament the Leader of the Opposition is the vacillator not the terminator.

Mr Burke: Madam Speaker, I rise on a point of order. I am mindful of the ruling that you gave that when there is a tag to the question, like there was, it does increase the breadth.

The SPEAKER: We do not need a preamble.

Mr Burke: But to have a situation where he says nothing about the petrol tax at all—

The SPEAKER: There is no point of order. I remind you that the question asked about cost-of-living expenses, which is what the Prime Minister is currently addressing. The Prime Minister has the call.

Mr Shorten interjecting—

The SPEAKER: The Leader of the Opposition will desist!

Mr Shorten: He never answers the question.

The SPEAKER: The Leader of the Opposition will desist!

Mr Champion interjecting—

The SPEAKER: The member for Wakefield will similarly desist!

Mr ABBOTT: If the Leader of the Opposition is concerned about tax, why doesn't he vote immediately to repeal a $9 billion hit on every Australian household?

Mr Dreyfus interjecting—

The SPEAKER: The member for Isaacs will desist!

Mr ABBOTT: If the Leader of the Opposition is so concerned about what he says is a $2.2 billion tax, what about a $9 billion tax? This is a government that will absolutely deliver on its commitments to reduce the taxation burden on the Australian people. The Leader of the Opposition should know, if he studied the budget as carefully as he claims—

Mr Shorten interjecting—

The SPEAKER: The Leader of the Opposition will desist!

Mr Shorten interjecting—
Mr ABBOTT: that there is an overall $6 billion reduction in tax as a result of decisions this government has taken.

The SPEAKER: The Leader of the Opposition had asked his question and kept up an incessant flow of language across the table. He will desist. I remind him, as I did yesterday, that he is not immune from standing order 94(a).

Carbon Pricing

Mr LAUNDY (Reid) (14:10): My question is to the Minister for the Environment. I refer to the list of liable entities released by the Clean Energy Regulator last week that shows—

Opposition members interjecting—

The SPEAKER: There will be silence on my left!

Mr LAUNDY: Thank you, Madam Speaker. I will start again. I refer to the list of liable entities released by the Clean Energy Regulator last week that shows the carbon tax hit New South Wales with more than $1.6 billion in additional costs in 2014. How will removing the carbon tax that fails to do anything for the environment ease cost-of-living pressures for New South Wales businesses and families, and businesses and families in my electorate of Reid?

Mr HUNT (Flinders—Minister for the Environment) (14:11): I particularly want to thank the member for Reid because I am delighted to get a question about the environment, given that we have gone 9½ months with over 400 questions from the opposition but not one question about the environment. How many questions from the opposition about the environment? Zero; not one.

Opposition members interjecting—

The SPEAKER: There will be silence on my left, including the member for Kingsford Smith!

Mr HUNT: You are a courageous bunch, aren't you? Not one. In all of that time I would have been delighted to have had one about turtles, dugongs, the Reef Trust, the Green Army—you name it. Call me now, Bill. We would love to get one. Let the member for Port Adelaide go. Having said that, the member for Reid rightly made the point in his question that this tax does nothing for the environment, it has no significant impact on emissions, but does have a massive impact on families.

Ms O'Neil interjecting—

The SPEAKER: The member for Hotham will desist!

Mr HUNT: In New South Wales over two years what have we seen?

Ms Butler interjecting—

The SPEAKER: The member for Griffith left yesterday. If she is anxious to leave again, she will keep it up.

Mr HUNT: In New South Wales over two years what we have seen is a $3.4 billion hit to the economy. What we have seen is a $2.1 billion hit to electricity prices.

Ms O'Neil interjecting—

The SPEAKER: The member for Hotham is warned!

Mr HUNT: So right now we can do something about the cost of living.
Mr Burke: Madam Speaker, I have a point of order.

Mr Hunt: It is good to have you back.

The Speaker: The minister will resume his seat. I call the Manager of Opposition Business on a point of order.

Mr Burke: To be relevant the minister himself told us that he had to talk about the environment. He has not managed to stay there for three minutes.

The Speaker: The member will resume his seat. Before the minister resumes—

Mr Hunt: About 1,000 times a day I ask myself what would Bill do and then I do the opposite—1,000 times a day. I want to read a quote to you. The quote goes:

Opposition members interjecting—

The Speaker: The minister will resume his seat. It is impossible to hear the answer. There are people who are listening. There is a general warning issued. The minister has the call.

Mr Hunt: I quote:

The Government has decided to terminate the carbon tax to help cost-of-living pressures …

Opposition members interjecting—

The Speaker: The member for Scullin will remove himself under standing order 94(a).

The member for Scullin then left the chamber.

Mr Hunt: They know that, if the carbon tax is taken away, it will reduce cost-of-living pressures. They know that it will reduce electricity prices for the member for Reid's residents, for his constituents. It is possible to reduce electricity prices, as we have seen from the New South Wales regulator, from the Queensland regulator, and from AGL and Origin. So if you want to do something about the cost of living—if you want to get rid of a system that does not work—it is very simple: repeal the carbon tax and, just this once, Bill, say 'Yes.'

Mr Shorten: Thank you for letting him call me anything he wants, Madam Speaker.

A government member: You haven't even got the call!

The Speaker: The Leader of the Opposition does not have the call. He will resume his seat. Continually, throughout that last answer, he was speaking in a disrespectful way to the chair, which I chose to ignore; but I simply will not ignore it now. I say to him: there is need for some decorum in this place and it has to come from the leaders. The noise is coming from this side of the House and you do not have to be a genius to work out why. I want to have some decorum back in the House and if it means throwing out the ringleaders of the noise, then so be it.

Budget

Mr Shorten (Maribyrnong—Leader of the Opposition) (14:15): My question is to the Prime Minister. This Prime Minister promised he would deliver a fair budget. How is it fair
for this Prime Minister to, on one hand, impose a $2.2 billion petrol tax and, on the other hand, provide $22 billion in a paid parental leave scheme to millionaires?

Mr ABBOTT (Warringah—Prime Minister) (14:16): It is very hard to take the Leader of the Opposition seriously—

Mr Dreyfus: It's hard to take you seriously!

The SPEAKER: The member for Isaacs has been warned as part of a general warning and is further warned.

Mr ABBOTT: about a $2.2 billion tax when he keeps voting in favour of a $9 billion tax. There is the King Kong of taxes, the carbon tax, which the Leader of the Opposition loves. Notwithstanding having promised to terminate the thing before the last election, he keeps voting in favour of it after the election. It is simply impossible to take this Leader of the Opposition seriously. How on earth can he promise, before the election, to terminate the carbon tax and yet consistently vote in this parliament to keep the carbon tax? I repeat: every time your power bill goes up, there is the Leader of the Opposition with a smile on his face—because that is his pet carbon tax just doing its job. Every time you turn on your heater this winter, there is the Leader of the Opposition standing beside you saying: 'Your power bill is higher than it should be; your heating is more expensive than it should be', thanks to his beloved carbon tax.

He also asked me about paid parental leave. As the Leader of the Opposition well knows, members on this side of the House stand for wage justice.

Opposition members interjecting—

Mr ABBOTT: We do. If it is right for public servants to be paid at their wage when they go on parental leave, it is right for every single person to get paid at his or her wage when he or she goes on parental leave. Why does the Leader of the Opposition have this terrible double standard—this terrible and hypocritical double standard? He thinks that public servants should get access to their wage when they get paid parental leave, but not the rest of the economy.

Ms Butler interjecting—

The SPEAKER: The member for Griffith is warned.

Mr ABBOTT: I am sure, in order to avoid hypocrisy and double standards, what the Leader of the Opposition wants to see is paid parental leave for public servants paid at the minimum wage—at a welfare wage—because, if there is to be any consistency and any integrity from the Leader of the Opposition, that is the obvious conclusion to draw. He wants public servants—

Ms Plibersek interjecting—

The SPEAKER: The member for Sydney will desist.

Mr ABBOTT: to go on parental leave; he wants people like his own staff to go on parental leave at a welfare wage, not at their real wage.

Mr Bowen interjecting—

The SPEAKER: The member for McMahon.
Mr ABBOTT: I want every single Australian who goes on paid parental leave to be paid at his or her wage. That is fair, that is right, and that will be delivered under this government.

Mr Albanese: Madam Speaker, I rise on a point of order. It goes to the issue of whether staff are fair game in this place.

The SPEAKER: There is no point of order. Resume your seat.

Agriculture

Ms McGOWAN (Indi) (14:19): My question is to the Minister for Agriculture. Minister, given the excess demand for agricultural graduates in 2012 nationally—there were over 4,000 jobs for graduates but only 800 people graduating—and the related chronic shortage of postgraduate researchers, will you agree to meet with the Australian Council of Deans of Agriculture to discuss what can be done to ameliorate the impact of budget measures on universities and the long-term future of agriculture in Australia?

Mr JOYCE (New England—Minister for Agriculture and Deputy Leader of The Nationals) (14:20): I would like to say, first of all, I am only too happy to meet them; I look forward to meeting them. It is also encouraging to find out there are so many people who want to go into agriculture. It might be that there has been a change of government and we are turning things around. It might be that this is one of the reasons we have had such a large increase—in fact, a 19.3 increase—for the March quarter in agriculture.

Mr Fitzgibbon interjecting—

The SPEAKER: The member for Hunter.

Mr JOYCE: We are not the ones who placed the carbon tax on them. We are not the ones who shut down the live cattle trade. That was your side. You are the side that shut down agriculture; we are the side that is getting it going again.

But I do acknowledge the issues. To the member for Indi: what we are hoping is that, as there is a greater demand for agriculture—because our side has turned the show around—that will naturally attract people into the agricultural faculties. I also acknowledge that, if the sandstone universities decide to put up fees, that will make regional universities more competitive. I have had a look at some of these. Others think this as well. One is Jim Barber, the Chancellor of the University of New England, my old alumni. He said:

I have no doubt the big end of town in Australia will begin jacking up their prices in response to fee deregulation, but they will be doing so just as a range of new online, low-cost yet high-quality competitors are entering our domestic market. As a result, we are likely to see prices move in both directions … the prestigious university brands will find themselves going head-to-head with a raft of cheaper but equally high-quality competitors.

I note that at the University of New England the vast majority of students are external and they provide a very good product to the marketplace. Their former chancellor supports this. Also, the Regional Universities Network said:

We recognise that, in a deregulated fee environment, the Government has chosen to ensure scholarships for low SES and other students from backgrounds that are underrepresented in higher education. This is a great move by the Minister for Education. I think $1 in every $5 of extra fees goes towards scholarships.
To the member for Indi: these are the people in our towns, in the Quilpies, in the Baradines, in remote towns, who need access because the pathway to a greater life is through tertiary education. I remember that it was a former member for my seat, Mr Drummond, who set up the University of New England and recognised that. We will continue on this side to be the champion for regional education and for making sure that we get the best form of education, especially in the agricultural field.

Age Pension

Mr BRENDAN O'CONNOR (Gorton) (14:22): My question is to the Prime Minister. Does the Prime Minister agree with the Nationals' member for Mallee that raising the retirement age to 70 years is ‘a mistake’, or does he think that shearers, farmers, manual workers should have to work until they are 70 to pay for his broken promises?

Mr ABBOTT (Warringah—Prime Minister) (14:23): I think, if I may say so:

Increasing the age pension age is a responsible reform to meet the challenge of an ageing population …

Australia must move towards a higher pension age over the next decade.

That was what the member for Jagajaga said when members opposite raised the pension age. I might also say:

… in order to make the pension system is sustainable in the long run, we also made the hard decision to raise the qualifying age for the age pension.

There is a lesson in that decision and the lesson is this: when we make policy we need to have the courage to adapt to changing demographic trends. It simply was not feasible to continue with a pension age drawn up a century ago.

That was the former Treasurer, the member for Lilley. Following on from the decision by members opposite to raise the pension age to 67, we think it is perfectly reasonable to raise the pension age to the age of 70 by 2035.

In 21 years time the pension age will be 70. Given the changes in life expectancy, given the changes in healthy life expectancy, given the additional support that this government is going to give to older workers, including the Restart wage subsidy, we think this is right and proper. We think older people should be economic contributors, not just social and cultural contributors. We want to give—

Mr Brendan O'Connor: Madam Speaker, a point of order on relevance: I asked the Prime Minister—

The SPEAKER: The member will resume his seat. The Prime Minister has the call. The Prime Minister has concluded his answer.

Dairy Industry

Ms MARINO (Forrest—Government Whip) (14:25): My question is to the Minister for Agriculture. Will the minister inform the House what challenges exist for the Australian dairy industry? What action is the government taking to address these challenges and boost the competitiveness of the agricultural sector?

Mr JOYCE (New England—Minister for Agriculture and Deputy Leader of The Nationals) (14:25): I am being spoilt today! I would like to thank the member for Forrest for the question. Might I note that the member for Forrest herself currently is a dairy farmer; in
fact, when she got married they went straight back to the dairy farm. So we have a person in
the member for Forrest, which is the strongest dairy producing area in Western Australia, who
actually knows—

*Opposition members interjecting—*

**The SPEAKER:** There will be silence, from the member for Moreton in particular.

**Mr JOYCE:** what it is like to be in dairy and what it is like to be in small business. Small
business: you have either lived it or you haven't lived. There are so many on our side who
have actually had their name at the bottom of the chequebook and the mortgage on the house.
We understand that.

I would like to tell the member for Forrest the good news first. Since we have been in
power the exports of butter have gone up 61.1 per cent, the exports of skim milk powder by
43 per cent—this is in value, by the way—and the exports of whole milk powder by 60 per
cent. In fact, the exports of dairy products in general have gone up by 43 per cent because we
are actually doing the business, we are actually moving product.

There is also some bad news, and of course the bad news is on the other side of the
chamber. The bad news is the Labor Party, because they still support the
carbon tax and the
carbon tax is costing every person in their dairy shed in excess of $1,300 a year. It is costing
one of our largest dairy producers, Murray Goulburn, $14 million a year. That is $14 million
that they could be sending back to farming families.

We used to think they were terminators—even the member for Hunter last week was still a
terminator under his breath. I said, 'Mate, you're no longer terminators.' He said, 'Well, I am,
I'm still a little bit of a terminator.' You were a massive terminator, you were a massive
terminator, but no longer. I think the only terminators that are left in the Labor Party—

**Mr Fitzgibbon:** Madam Speaker, on a point of order: I do appreciate there are forms of
the House but I will not sit back and just let the minister lie across the dispatch box. That was
a direct misrepresentation—

**The SPEAKER:** You will resume your seat.

**Mr Fitzgibbon:** Madam Speaker, you should make him withdraw.

**The SPEAKER:** Resume your seat.

**Mr Fitzgibbon:** Make him withdraw.

**The SPEAKER:** Resume your seat. I heard nothing but argument. In accordance with the
standing orders and in accordance with the *Practice*, I will not be recognising him for a point
of order again today. I call the honourable minister.

**Mr Fitzgibbon:** Are you going to withdraw?

**Mr JOYCE:** Hello? Are you talking to me or are you talking to the Speaker?

**The SPEAKER:** The member for Hunter is on very thin ice. I ask the Minister for
Agriculture—

**Mr McCormack:** If you take one of us on, you'll take all of us on!

**The SPEAKER:** The member should take leave under 94(a).

*The member for Riverina then left the chamber—*
Opposition members interjecting—

The SPEAKER: There will be silence on my left. I will be finding someone on my left to join him shortly. I call the honourable the Minister for Agriculture and if he has said something which should be withdrawn he may well do so.

Mr JOYCE: Whatever it was, I withdraw it. But I tell you what: there are still two terminators on the other side—there still are. There is Tanya the terminator—

The SPEAKER: The Manager of Opposition Business will resume his seat. The Minister for Agriculture will refer to people by their correct titles.

Mr JOYCE: Or Member for Sydney the terminator, but she is not going to terminate the bill on the carbon tax; she is going to terminate—

Mr Champion interjecting—

The SPEAKER: The member for Wakefield! One more utterance and you will leave.

Mr JOYCE: the bill at the front desk. That is what she is going to terminate. But there are other terminators. There is the member for Grayndler. I think he might be a bit of a terminator as well—he is the people's choice of a terminator. So we look forward to them terminating you very soon.

The SPEAKER: I call the member for Barton because previously I gave the call to the member for Hunter when it should have gone to the other side of the House.

Budget

Mr VARVARIS (Barton) (14:30): My question is to the Minister for Small Business. Will the minister outline to the House why it is important to fix the budget to build a stronger economy and more secure Australia, particularly for small businesses in my electorate of Barton?

Mr BILLSON (Dunkley—Minister for Small Business) (14:30): It is great to get a question from the member for Barton. He is a great advocate for his community and the small businesses in Monterey, Bardwell Park and Carlton. And isn't it interesting: it has been some 217 days since the Labor Party thought small business mattered enough to actually ask me a question. Doesn't that tell you all you need to know about where Labor is at?

Ms Kate Ellis interjecting—

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

The member for Adelaide then left the chamber.

Mr BILLSON: I know on this side we love small business and we will work as hard for them every day as they do for their success. Part of that is getting on with the job of repairing the debt and deficit disaster left to us by the former government.

We did not create the problems. We did not create the trajectory of debt, which will cost $25,000 for every man, woman and child. The Leader of the Opposition can smile and smirk and be pleased with his work, but not many others are. The Australian small-business community are not pleased with your work, Leader of the Opposition—519,000 jobs lost in the small-business sector under Labor. And now, when the small-business community are calling for budget repair to build confidence and the economic conditions that we need to grow our economy and so they can grow their businesses, you are now standing in the way of
that work. This government did not create the debt and deficit disaster, but you are now standing in the way of repairing it. The coalition has put forward $40 billion worth of savings to start that economic recovery that is needed in this country, and not only are you the cause of the problem; the Leader of the Opposition and his Labor Party are opposing that recovery work.

Even independent experts—the Parliamentary Budget Office—made it clear, and I will quote:

It is time to start coming out [of debt and deficit], otherwise the longer you leave it the more exposed you become and the harder it is to wind it back.

The Australian Chamber of Commerce and Industry made the point very clearly:

The budget goes a long way to restoring all important business confidence that will drive investment and job creation, particularly for Australia's two million small businesses …

In this House, I pointed out that Labor wanted to forget that the member for McMahon was once the Treasurer of the country. At least they have now repaired that, and now the member for McMahon actually recognises that he was once Treasurer. We would like to forget, but we cannot forget because—

**Opposition members interjecting—**

The SPEAKER: You know the ruling on props!

Mr BILLSON: we have got the job to fix the mess. The member for McMahon used to believe in the importance of budget surpluses. He said, and I quote—this was under Labor: The Government has returned the Budget to surplus three years ahead of schedule and ahead of any other major advanced economy.

It used to matter to the member for McMahon—budget credibility used to be important. I have reminded him that he once was Treasurer; I am happy to remind him that he once had budget and economic credibility. I suggest the member for McMahon step up, save the Leader of the Opposition from himself, stop having this Leader of the Opposition talking out both sides of his pie-hole and get on board our budget repair task.

**Budget**

Ms CLAYDON (Newcastle) (14:34): My question is to the Prime Minister. I refer the Prime Minister to Senator Ronaldson's statement that it is clear that CPI was 'not an accurate reflection' of the cost of living. Given that the Minister for Veterans' Affairs knows that CPI is inadequate, why has the Prime Minister broken his election promise and cut pension indexation to CPI?

Mr ABBOTT (Warringah—Prime Minister) (14:34): There are changes to the pension, and they will take place after the next election. Our commitment not to change the pension in this term of parliament is absolutely honoured in the government's budget.

The member who asked the question is a relatively new member of parliament and she may have forgotten what her own government did when it was in power between 2007 and 2013. What this government has done is put in place the same indexation for the pension after 2017—

Ms Macklin: Not on the pension!

The SPEAKER: The member for Jagajaga will desist!
Mr ABBOTT: We have put in place the same indexation for the pension after the next election that the shadow minister, now shaking her head, put in place for the family tax benefit. If the indexation system is fair for family tax benefits, it is fair for other social service benefits. If it is fair for people who depend upon the family tax benefit, it is fair for people who depend upon other social security benefits.

Is the member opposite who asked the question seriously saying that, on top of the $40 billion of savings measures that the Labor Party are now opposing—on top of opposing $40 billion worth of savings measures—they are now proposing to spend the extra billions and billions that will be required to restore MTAWE indexation to the family tax benefit? Is that what she is seriously saying? If she is—and, frankly, she must be if she is trying to be consistent—it just proves, again and again and again, that you just cannot trust the Labor Party with public money. They created the debt and deficit disaster which the budget that the Leader of the Opposition loves to hold up is fixing. They created the debt and deficit disaster which the budget that they love to hold up is fixing. They just have not learned. They just do not get it. They do not understand that governments, like families, cannot keep on living beyond their means. We understand this, and that is why the budget that we have brought down is right, it is fair and it will end the intergenerational theft which members opposite inflicted on the Australian public.

Ms Plibersek interjecting—

The SPEAKER: The member for Sydney will desist!

Budget

Dr GILLESPIE (Lyne) (14:37): My question is to the Deputy Prime Minister and Minister for Infrastructure and Regional Development, representing the Treasurer. Would the Deputy Prime Minister outline the importance of responsible budget and economic management? Also, what happens if it is not managed responsibly?

Mr TRUSS (Wide Bay—Deputy Prime Minister and Minister for Infrastructure and Regional Development) (14:38): I thank the member for Lyne for his question, because he knows the importance of Australia having a strong and prosperous economy. It is essential for doing business. It is essential for maintaining our lifestyle. And, of course, this is the right budget for these difficult times. We need to respond to the circumstances—the debt we have inherited, the importance of fulfilling and honouring our commitment before the election to open Australia for business, to declare Australia open and willing to embrace business.

Of course, the things we need to do to do that include abolishing the carbon tax, which has already caused $15.4 billion worth of damage to the Australian economy, for no gain—a $9 billion attack on jobs and a $550 hit to every household in Australia. And the member for Lyne knows how important it is to get rid of the mining tax. One of our most significant industries is expected to carry another burden, and that delivers a wave of uncertainty to investors in this vital sector right across this country.

The Treasurer and the Minister for Trade yesterday in China met the National Development and Reform Commission. They were greeted, in opening remarks by Chairman Xu from the council, with these words: 'The investment environment in Australia has improved a lot since the election of a new government.' One of our major trading partners—
our biggest trading partner—has noticed, and it is recognising what a difference this government has made.

So it is time that the opposition joined us in opening Australia for business, instead of constantly trying to shut the door. There are $40 billion worth of savings that they will not allow to pass through the parliament—$5 billion of which were their own savings. They were their idea, and now they will not vote for them in the parliament. And, of course, there are $13 billion worth of savings that are attached to the mining tax. That is the style of government that we would have if Labor were in power. How would they raise this $40 billion? Probably by increasing the carbon tax, because the carbon tax has become so endeared to them. You would need to raise the carbon tax to $75 a tonne if you were going to balance the budget on their kind of economics. So is that Labor’s vision for the future? The Leader of the Opposition said he understood the importance of making the budget sustainable, when he spoke to CEDA early this week. Well, get on with it then. Vote for this budget. Vote to enable Australia to progress.

**Pensions and Benefits**

Ms MACKLIN (Jagajaga) (14:41): My question is to the Prime Minister. Is the Prime Minister aware that, as a result of his pension indexation cuts, the chief executive of the Council on the Ageing was quoted recently as saying:

... the real value of the pension will fall dramatically over time.

Will the Prime Minister now admit that he has cut the pension and stop deceiving pensioners?

Mr ABBOTT (Warringah—Prime Minister) (14:41): Under this government, the pension goes up every six months, every year. The pension goes up—

*Opposition members interjecting—*

Mr ABBOTT: I am so pleased to have them waving around the budget, because the budget that they wave around—

*Mr Watts interjecting—*

The SPEAKER: The member for Gellibrand will leave, under standing order 94(a).

The member for Gellibrand then left the chamber.

Mr ABBOTT: is the budget that corrects that debt and deficit disaster that they created. The budget that they wave around is the budget that fixes the debt and deficit disaster that they created. They have the solution to their problem in their hands! That is what they do. They have got it in their hands.

A government member: If only they could read!

Mr ABBOTT: If only they could read, indeed! And, if they could read, if only they could understand! Understanding, I fear, is lacking from members opposite. They have ears that do not hear—

*Ms Butler interjecting—*

The SPEAKER: The member for Griffith will leave, under standing order 94(a).

The member for Griffith then left the chamber.
Mr ABBOTT: they have eyes that do not see and they have brains that do not work. That
is the problem. Let me repeat, for the benefit of the shadow minister who asked the question:
pensions go up every six months—

Ms Owens interjecting—

The SPEAKER: The member for Parramatta will desist and is warned!

Mr ABBOTT: every single year under this government. But, from September 2017, after
the next election, they will go up with the same rate of indexation that the member who asked
the question thought was fair for other social security benefits. It is exactly the same
indexation that, when she was the minister, she thought was right and fair and proper for
social security benefits. If it was fair for the family tax benefit, it is fair for other benefits. If it
was fair for the former government to bring in that particular form of indexation, it is surely
fair for this government to do exactly the same thing.

Higher Education

Mr BROADBENT (McMillan) (14:43): My question is to the Minister for Education.
Will the minister inform the House how the government's higher education reforms will
support young people from disadvantaged backgrounds to obtain higher education
qualification? Why is a consistent approach to policy important?

Mr PYNE (Sturt—Leader of the House and Minister for Education) (14:44): I can tell the
member for McMillan, who cares very deeply about low-
SES and disadvantaged young
people being given the opportunity to go to university, that one of the most important features
of our higher education reforms is that they will spread opportunity to many more young
people to go to university and get a higher education qualification. At least 80,000 more
young people will get the chance to go to university—typically, students from low-SES
backgrounds and first generation university goers. That is one of the reasons the government
is so supportive of these higher education reforms.

One of the ways we are making these reforms is by having the largest Commonwealth
scholarships fund in Australia's history. The Minister for Agriculture mentioned earlier in
question time that rural and regional universities will have the chance to design their
scholarships in order to compete with all other universities. This fact has been recognised
today by the Australian Technology Network of universities. The University of South
Australia; the Queensland University of Technology; Curtin University; the University of
Technology, Sydney; and the Royal Melbourne Institute of Technology put out a statement
today on behalf of the ATN saying:

The Australian Technology Network of Universities (ATN) supports the Commonwealth
Scholarship model unveiled in the Federal Budget as being in the best interest of students in a
deregulated higher education system.
The ATN Executive Director was quoted as saying:

What actually matters is more low SES students participating and achieving at university without the
need for costly oversight.

So the university sector is starting to realise the enormous benefits that will flow to students
and taxpayers because of the government's higher education reforms.

I am also asked about consistency. Our consistency of approach stands in stark contrast to
the other side of politics in this place. I would ask you to tell me, Madam Speaker, what these
12 people have in common: Julia Gillard, Simon Crean, Peter Garrett, the Leader of the Opposition, Chris Evans, the member for McMahon, Craig Emerson, Senator Kim Carr, Jacinta Collins, the member for Wills, the member for Adelaide and the member for Parramatta. All those people have something in common: in the last six years every one of them has been a shadow minister or minister for education. In six years there have been 12 shadow ministers or ministers for education.

And they sent somebody else over the top, yesterday. They have appointed the member for Kingston as the 13th. Thirteen Labor members share the distinction of passing the parcel on education reform over the last six years.

Opposition members interjecting—

The SPEAKER: The member for McMahon is warned.

Mr PYNE: They might change the faces of their higher education and education reform but the problem is that Labor does not get the need to give our universities the chance to be their best, and to get more students into university.

DISTINGUISHED VISITORS

The SPEAKER (14:47): I draw to the attention of the chamber that we have with us, visiting, the 18th Delegation from the Socialist Republic of Vietnam led by Mr Dan Quoc Toan. We have with us the Ambassador of the Republic of India, the Secretary-General of the Indian Ocean Rim Association. We also have with us Mr Adam Gilchrist AM, Chair of the National Australia Day Council. We make all those people most welcome.

Honourable members: Hear, hear!

QUESTIONS WITHOUT NOTICE

Budget

Mr SHORTEN (Maribyrnong—Leader of the Opposition) (14:48): My question is to the Prime Minister. Before the election, this Prime Minister promised to reduce cost-of-living pressures on Australians, but tomorrow will be the very last time that 280,000 seniors, including 29,000 veterans, will receive the seniors supplement, worth over $800 a year. Why should seniors and veterans pay for this Prime Minister’s broken promises?

Mr ABBOTT (Warringah—Prime Minister) (14:49): There are more than 10 million households in this country and each and every one of them, on average, will receive $550 of benefit by the abolition of the carbon tax. The 10 million-plus households of Australia will each receive $550-plus by the abolition of the carbon tax.

The Leader of the Opposition has been complaining and grizzling about a $2.2 billion tax over four years. What about the $36 billion carbon tax that he loves so much that, despite having promised to terminate it again and again before the election, he votes in favour of again and again, and again and again, after the election? You cannot take this Leader of the Opposition seriously when it comes to cost-of-living pressures, because if he were fair dinkum he would not be smiling every time your power bill goes up. He would not be smiling every time your power bill goes up, but he is smiling because that is just the carbon tax doing its job.
Mr Shorten: I rise on a point of order. Madam Speaker, mindful of your earlier direction to me, I gave the Prime Minister a minute to at least say why he has broken his promises on the seniors supplement.

Why don't you just answer a question, once in your life?

The SPEAKER: There is no point of order. Resume your seat. I remind the Leader of the Opposition that he put his questions in parts and asked about the cost of living.

Mr ABBOTT: I think he's got irritable Bill syndrome. I think that is the problem that the Leader of the Opposition has at the moment.

Honourable members interjecting—

The SPEAKER: There will be silence from both sides of the chamber.

Ms Plibersek: You are still the suppository of all wisdom!

The SPEAKER: The member for Sydney will withdraw that genteel comment, and the Prime Minister will also withdraw.

Ms Plibersek: I am happy to withdraw.

Honourable members interjecting—

The SPEAKER: I am afraid I find that there is a little disconnect in the thinking of those members who think that the comment by the member for Sydney is amusing, yet object to other things. That sort of language is not really acceptable in this place.

Mr ABBOTT: Madam Speaker, I do apologise. We should not engage in levity in this chamber. I accept that. The point this government made—over and over again—before the election is that this country could not afford cash splashes with borrowed money. What this government has done is ensure that periodic payments, occasional payments, that this country can no longer afford—such as the schoolkids bonus, such as the low-income supplement and such as the seniors supplement—are no longer being paid. I believe that the decent people of this country do understand, even those who are doing it tough, that the government cannot go on loading up our children and grandchildren with unsustainable debts.

I notice that members opposite have stopped waving around the budget, because they did not like having in their hands the solution to the problem they created.

Opposition members interjecting—

The SPEAKER: You will put them all down.

Opposition members interjecting—

The SPEAKER: I am the one who has the authority to do that.

Mr ABBOTT: They do have, in their hands, the solution to the problem they created. We did not create the problem—Labor created the problem—but we will solve the problem. We will take responsibility for getting the budget back under control. And we have.

National Security

Mrs SUDMALIS (Gilmore) (14:53): My question is to the Minister for Foreign Affairs. Will the minister advise the House on the actions this government is taking to prevent terrorist organisations receiving financial or other support from extremist groups in Australia and the region?
Ms JULIE BISHOP (Curtin—Minister for Foreign Affairs) (14:53): I thank the member for Gilmore for her question. One of the first lines of defence in national security is border protection and the control of movement across our borders. An integral part of our armoury is our travel documentation. Today the government has released the new P-series passport. On indulgence, Madam Speaker, I will refer to this.

It improves on previous passports, as it includes a number of enhanced security measures, making it one of the most secure and trustworthy passport documents in the world. The specialist paper used in this new passport, particularly for the biographic data page, is extremely difficult to forge, and I am pleased to say that this secure paper is made in Australia by a paper mill in the member’s own electorate of Gilmore.

There is a state-of-the-art colour-floating image laminate; it contains new optic features and a new electronic chip, which is lighter, stronger and faster. There are more features only detectable by ultraviolet light and special covert features, which provide additional levels of security. This cutting-edge advance in the integrity of our passports builds on our whole-of-government approach to protecting our borders and keeping Australia safe from those who would do us harm. I will not hesitate to cancel the passports of any Australian citizens suspected of engaging in terrorist activity and being a threat to our national security. The Australian government condemns terrorism and extremism, and we are taking a coordinated approach to countering it, across a whole range of areas.

Our intelligence agencies are working closely with our key partners. Indeed, this morning I met with ambassadors and representatives from the Middle East to discuss cooperation in counter-terrorism, in relation to events in Syria and Iraq. We have listed hundreds of terrorists and terrorist organisations, recently—83 terrorist listings—in accordance with the UN Security Council resolutions. Australia has a comprehensive sanctions and terrorist-asset-freezing regime. It is a criminal offence to provide support, including financial support, to a terrorist or terrorist organisations.

Next month, Australia assumes the presidency of the global Financial Action Task Force. This promotes legal, regulatory and operational measures to counter-terrorist financing across the globe. Australians must not support terrorists or terrorist organisations, in any way whatsoever. We have strong penalties in place, including imprisonment of up to 25 years, for a range of terrorist offences.

Our nation is an inclusive one. It is built on tolerance and respect for others. But we will not tolerate criminal behaviour from extremists. We will take strong action against any person who threatens our national security. (Time expired)

Cost of Living

Ms KING (Ballarat) (14:57): My question is to the Prime Minister. The Prime Minister promised before the election that he would reduce cost-of-living pressures. On top of losing the seniors supplement, the Prime Minister's budget will force seniors to pay more when they visit a doctor and have their prescriptions filled. Why is the Prime Minister making seniors pay more for his broken promises?

Mr ABBOTT (Warringah—Prime Minister) (14:57): There are a number of decisions in the budget which, in a better world, this government would not have taken. But unfortunately we have to live in the world that we inherited from our predecessors.
Dr Chalmers interjecting—

The SPEAKER: The member for Rankin: one more utterance and you will leave.

An opposition member interjecting—

The SPEAKER: It was not you?

Ms King: Why keep paid parental leave?

The SPEAKER: The member for Ballarat has asked her question.

Mr ABBOTT: What we inherited from our predecessor was debt and deficit, as far as the eye can see. We inherited a debt-and-deficit disaster and we are taking the necessary decisions—the tough decisions; the very difficult decisions—to address the debt-and-deficit disaster we were left with.

No-one likes doing what is necessary to ensure that our country can live within its means. No-one likes doing what is necessary to ensure that our children and grandchildren are not loaded up with unsustainable debt. But it has to be done, and if it were not done now it would be even harder in a few years time.

Mr Bowen: Read your own budget papers!

The SPEAKER: The member for McMahon will desist.

Mr ABBOTT: We have taken difficult decisions, now, to avoid even more difficult decisions in a few years time.

Mr Burke: Madam Speaker, a point of order on direct relevance: the fees we are talking about go directly to the research fund, not to the budget bottom line.

The SPEAKER: There is no point of order. The question is on cost-of-living expenses; the question is in order. Resume your seat.

Mr ABBOTT: For some years, they do go into the Medical Research Future Fund. And why should they not? The research of today is the treatments and cures of tomorrow. The research of today provides us with the treatments and cures of the future.

Mr Burke interjecting—

The SPEAKER: The member for Watson will desist.

Mr ABBOTT: This is a budget for saving, but it is also a budget for building. This is a budget for living within our means, but it is also a budget for building on our strengths, and one of our great strengths is the health and medical research community of this country, and I am happy that they are being supported by this budget.

Asylum Seekers

Mr TAYLOR (Hume) (15:00): My question is to the Minister for Immigration and Border Protection. Will the minister update the House on the success of Operation Sovereign Borders? What is the basis for this success? Are there other alternatives?

Mr MORRISON (Cook—Minister for Immigration and Border Protection) (15:00): I thank the member for Hume for his question. He was a proven performer before he came to this place, and he is proving himself here. He understands that proven policy is what works. The success of Operation Sovereign Borders to date is because we are implementing proven
policy—policies that we knew would work. It is not surprising, therefore, that it has been more than six months without a successful people-smuggling venture to Australia.

The policies that we advocated, which those opposite when they were in government abolished, were based on a proven record under the Howard government. They were not theories; their performance was proven fact. By contrast, what those opposite did in the border protection space—what the Labor Party did when they were in government—was run their own 'festival of dangerous ideas' on a daily basis when it came to border protection. It was an absolute carnival. Thankfully, the people of Australia put an end to that carnival. But, sadly, the carnies still line the frontbench of the opposition, and they continue to hold onto their opposition to the policies that work. They hold onto their opposition and are completely against the policies that worked under the government.

History is repeating itself, because we can say—that, once again, we are deciding who comes to this country and the circumstances in which they come. That is the product of Operation Sovereign Borders—the policies that those opposite oppose. They continue their tradition of opposing these policies, and the shadow minister is continuing the fine tradition of the ministers, when they were in government, that went before him. We have already heard from him a litany of errors and mistakes. He does not understand the difference between a visa application and a visa grant, as we saw yesterday in this House, but he also went to the Press Club and blamed the flow of boats coming to Australia under Labor on the iPhone and Steven Jobs!

I know it is hard to get good help on that side for a new shadow minister who does not know his brief. He looks across the frontbench of those opposite, and all he can see is failure. I can say that, when I was shadow minister, I had a lot of tall shoulders to lean on—particularly the member for Berowra, who sits here, and the Minister for Social Services—and I could go to those who had policies that worked. So I say to the shadow minister opposite—sorry; the deputy shadow minister; the real shadow minister is in the other chamber: Senator Hanson-Young—if you are looking for policies that work, look this way.

Budget

Mr SHORTEN (Maribyrnong—Leader of the Opposition) (15:03): My question is to the Prime Minister. The head of the AMA, Brian Owler, said this afternoon that the Prime Minister had told Dr Owler that the Prime Minister was willing to look at alternative models and consider those on their merits when it comes to the GP tax. Has the Prime Minister finally given up on his GP tax and realised that no-one in Australia except the Prime Minister wants his rotten GP tax?

The SPEAKER: The Prime Minister has the call, and he will ignore the adjective for the final noun.

Mr ABBOTT (Warringah—Prime Minister) (15:04): Unlike members opposite, who never consulted with anyone when they were in government, this is a consultative and collegial government.

Ms King interjecting—

Ms Plibersek interjecting—

Mr Brendan O'Connor interjecting—
The SPEAKER: The member for Ballarat and the member for Sydney will desist! And so will the member for Gorton!

Mr Champion: Kowtowing to a union, Tony!

The SPEAKER: The member for Wakefield is warned!

Opposition members interjecting—

The SPEAKER: The Prime Minister has the call and will have silence to have his answer heard.

Mr ABBOTT: I made it absolutely crystal clear that this government is committed to a modest price signal for GP services. I say to members opposite: if it is right and fair and proper to have a modest co-payment for the Pharmaceutical Benefits Scheme, how can it be wrong to have a modest co-payment for Medicare? If it was right for Bob Hawke to introduce a modest co-payment for Medicare, if it was right for the member for Jagajaga to support a modest co-payment for Medicare and if it is right for the member for Fraser to support a modest co-payment for Medicare, why is it wrong to have a modest co-payment?

Dr Leigh: Madam Speaker, I rise on a point of order under standing order 68. The Prime Minister may have changed his view on climate change, parental leave and co-payments, but he cannot traduce where I am standing now.

The SPEAKER: There is no point of order. The Prime Minister has the call.

Honourable members interjecting—

The SPEAKER: There will be silence on both sides of the chamber!

Mr ABBOTT: I know that the Labor shadow Assistant Treasurer over there knows that something has to be done to make Medicare sustainable. He knows that a modest co-payment is a perfectly reasonable way—

Mr Shorten: Madam Speaker, I rise on a point of order on relevance. Is the Prime Minister still flogging his GP tax or is it dead?

The SPEAKER: There is no point of order.

Mr ABBOTT: Bob Hawke knew that the Medicare system was unsustainable, the member for Jagajaga knew that the Medicare system was unsustainable, the member for Fraser knows that the Medicare system is unsustainable, without a modest co-payment. The AMA knows that a modest copayment would improve our Medicare system, and that is why I am perfectly happy to work with the AMA to ensure that Australia has the best possible Medicare system.

National Broadband Network

Mr COLEMAN (Banks) (15:07): My question is to the Minister for Communications. Will the minister update the House on the progress of the NBN rollout? Why is it important to get large infrastructure projects like the NBN on a stable financial footing?

Mr TURNBULL (Wentworth—Minister for Communications) (15:07): I thank the honourable member for his question and I note his very keen interest in this subject of broadband, which stands in marked contrast to that of the opposition. The shadow minister for communications, the member for Blaxland, has only asked me one question. It was not about broadband; it was about my boat—and he's lost all interest in my boat too! Mind you, they
seem to have lost all interest in questioning the immigration minister about boats as well, so it's probably nothing personal; I shouldn't be offended!

The NBN has now over 200,000 paying customers, and we have trebled the number of paying, connected customers on the fibre network since the election. Our focus has been on actually connecting people, getting fibre to the premises and getting people to pay for it as opposed to the Labor Party's policy, which was simply fibre to the press release! Thousands and thousands of premises they claimed to have been passed by fibre; 80 per cent of them at the time of the election could not get a service even if they wanted one. They could be there, their pockets stuffed with money, wanting to give it to the NBN, but there was nowhere they could get it, because the fibre only went as far as the press release.

The focus on getting a stable financial basis depends on good homework. The Labor Party never did its homework. They were like somebody who hears about a restaurant, thinks it sounds great, goes in, does not look at the menu.

Mr Burke interjecting—

The SPEAKER: Resume your seat.

Mr TURNBULL: They hear about a restaurant. They think it sounds good. They do not look at the menu. They run in. They realise that the meal is going to take hours and hours to get there and it is going to cost a fortune.

There is a better way. The Labor Party sometimes has done their homework on restaurants, and I have a good example here in the menu from the Hoang Hau restaurant, where the Leader of the Opposition was four years ago on Monday. All the prices were there: stuffed crispy chicken wing—that would have been the left wing member for Grayndler, I think, that got stuffed on that night—$7.20. Peking shredded Rudd—no, sorry, beef—$16.80. But when they went through the menu of the Hoang Hau on that famous night when the Leader of the Opposition was indeed doing his homework, what was the endgame? What was the outcome? You find the clue in the last—

Mr Dreyfus: Madam Speaker, I rise on a point of order. This question, as I recall, was about the rollout of the NBN.

The SPEAKER: That was not an invitation to repeat the question. What is the point of order?

Mr Dreyfus: Nothing the minister is now speaking of is relevant.

The SPEAKER: The minister has the call and will return to the question.

Mr TURNBULL: The object of that evening—of all that homework, of course—in the long run was the last item in the menu, among the vegetarian specialties: happy green Ireland. That's what it was all about: happy green Ireland—$14.80!

The SPEAKER: I ask that further questions be placed on the Notice Paper.

COMMITTEES
Selection Committee
Report

The SPEAKER (15:11): I present report No. 11 of the Selection Committee, relating to the consideration of committee delegation business and private members' business on
Monday, 14 July 2014. The report will be printed in the *Hansard* for today, and the committee's determinations will appear on tomorrow's *Notice Paper*. Copies of the report have been placed on the table.

The report read as follows—

Report relating to the consideration of committee and delegation business and of private Members' business

1. The committee met in private session on Tuesday, 24 June 2014.
2. The committee determined the order of precedence and times to be allotted for consideration of committee and delegation business and private Members' business on Monday, 14 July 2014, as follows:

**Items for House of Representatives Chamber (10.10 am to 12 noon)**

**COMMITTEE AND DELEGATION BUSINESS**

**Presentation and statements**

1. **Standing Committee on Social Policy and Legal Affairs:**
   
   Statement to the House regarding the progress of the inquiry into the Child Support program.

   The Committee determined that statements may be made—all statements to conclude by 10.15 am.

   **Speech time limits**—
   
   Mr Christensen—5 minutes.

   [Minimum number of proposed Members speaking = 1 x 5 mins]

2. **Standing Committee on Social Policy and Legal Affairs:**

   Statement to the House regarding the progress of the inquiry into drones and regulation of air safety and privacy.

   The Committee determined that statements may be made—all statements to conclude by 10.25 am.

   **Speech time limits**—
   
   Mr Christensen—5 minutes.
   
   Ms Claydon—5 minutes.

   [Minimum number of proposed Members speaking = 2 x 5 mins]

3. **Joint Standing Committee on Electoral Matters:**

   Statement to the House regarding the committee's inquiry into the 2013 federal election.

   The Committee determined that statements may be made—all statements to conclude by 10.35 am.

   **Speech time limits**—
   
   Mr Smith—10 minutes.

   [Minimum number of proposed Members speaking = 1 x 10 mins]

**PRIVATE MEMBERS' BUSINESS**

**Notices**

1. **MR ALBANESE:** To move:
   
   That this House:

   (1) condemns:

   (a) the decision by the Government to freeze indexation of Financial Assistance Grants to local governments across Australia;
(b) the resulting cuts to local government funding of $925 million over the next four years, affecting every council in Australia; and

(c) the failure of the:

(i) Minister for Infrastructure and Regional Development to protect this critical funding to local governments across Australia; and

(ii) National Party to stand up against the cuts on behalf of regional and remote councils, which are affected most by the freeze;

(2) notes:

(a) Financial Assistance Grants are used by every local government in Australia to maintain local roads and deliver critical community services;

(b) the Government’s indexation freeze represents cuts of $925 million to local governments in every town and city over the next four years;

(c) regional and remote councils will be most affected by the cuts, with larger service areas and more kilometres of roads to maintain per ratepayer;

(d) the viability of some regional and remote councils may be compromised as a result of the cuts;

(e) the pressure now on councils to increase council rates or cut services due to the cuts; and

(f) within six years, the value of the cuts will be greater than the entire Roads to Recovery budget; and

(3) calls upon the Government to:

(a) listen to local government concerns about the impact of freezing indexation of Financial Assistance Grants on local roads and community services; and

(b) immediately reverse the decision to freeze indexation of Financial Assistance Grants to local government over the next three years.

(Notice given 17 June 2014.)

Time allotted—45 minutes.

Speech time limits—

Mr Albanese—5 minutes.

Other Members—5 minutes each.

[Minimum number of proposed Members speaking = 9 x 5 mins]

The Committee determined that consideration of this should continue on a future day.

2 MRS PRENTICE: To move:

That this House:

(1) understands that the carbon tax has caused a reduction in confidence and competitiveness for small business;

(2) notes that:

(a) the carbon tax has seen gas and electricity prices rise by around 10 per cent;

(b) the former Government did not provide compensation for small businesses hit by the carbon tax;

(c) many small businesses are run at a very slim profit margin and are unable to pass these costs on to the consumers, forcing them to absorb the burden of the carbon tax themselves;

(d) with the cost of doing business increasing due to the carbon tax, small businesses lose confidence, invest less money in their business, and are forced to employ fewer staff; and

(e) under the former Government, too many small business jobs were lost; and
(3) commends the Government's action to repeal the carbon tax to provide certainty to small business and restore the sector's competitiveness, viability and capacity to employ.

(Notice given 24 June 2014.)

Time allotted—remaining private Members’ business time prior to 12 noon.

Speech time limits—

Mrs Prentice—5 minutes.

Other Members—5 minutes, each.

[Minimum number of proposed Members speaking = 8 x 5 mins]

The Committee determined that consideration of this should continue on a future day.

Items for Federation Chamber (11 am to 1.30 pm)

PRIVATE MEMBERS' BUSINESS

Notices

1 MS PARKE: To move:

That this House:

(1) notes that:

(a) the ethnic and sectarian unrest in parts of Myanmar, including Rakhine state and the Mandalay, Bago, and Yangon regions, but in Rakhine state in particular, has created significant humanitarian concerns given that the latest iteration of displacement has been going on for almost two years;

(b) Human Rights Watch released two reports on the unrest in Rakhine state and the situation of Rohingya Muslims there which clearly concluded that ethnic cleansing and crimes against humanity were perpetrated against the Rohingyas;

(c) the national census in Myanmar in April 2014 has led to a deepening of the humanitarian crisis due to the census boycott by ethnic Arakanese groups and the alienation of minority communities as a result of questions relating to ethnicity and religion, including the refusal to allow Rohingya Muslims to self-identify as such;

(d) on 27 May 2014 Myanmar's state-run media published a draft law on religious conversions that would impose unlawful restrictions on citizens wishing to change their religion, which would encourage further repression and violence against Muslims and other religious minorities;

(e) the Australian Government continues to assist affected people in Rakhine state through direct humanitarian assistance, providing over $5.79 million in humanitarian assistance in 2012-13, making Australia one of the largest donors helping those affected by the crisis; and

(f) any acts of discrimination or violence against any persons will impact on Myanmar's international standing and consequently harm its bilateral relationships; and

(2) calls on the Australian Government to urge the Myanmar Government to:

(a) elevate its efforts to resolve ethnic and sectarian unrest in parts of Myanmar, including by accepting the deployment of personnel from the Australian Civilian Corps for security, humanitarian and peace building purposes in Rakhine state;

(b) allow the establishment of the United Nations Office of the High Commissioner of Human Rights in Myanmar with a full rights protection, promotion and technical assistance mandate, and permit unfettered access to all areas where sectarian violence has occurred;

(c) permit Médecins Sans Frontières to freely enter and operate in Rakhine state, and provide humanitarian assistance to all persons needing it;
(d) impartially investigate and bring to justice all those responsible for abuses, regardless of their status, position, or rank;
(e) ensure the security of all persons in Rakhine state while protecting human rights, including the right to freedom of movement, maintaining proper rule of law and good governance that includes an end to all discriminatory policies against Rohingyas;
(f) amend the 1982 Citizenship Law to bring it in line with international standards;
(g) ensure that minority communities are properly included in the national census;
(h) abandon the proposed law on religious conversions that would politicise religion and permit government intrusion on decisions of faith;
(i) ensure right to fair trial to all persons held in jails in Rakhine state;
(j) ensure all local laws are non-discriminatory and fair to all people of Myanmar, and respect the rights to movement, religion, work and access to health care and education;
(k) condemn violence and abuse inflicted on any persons, ensuring proper judicial procedures are applied;
(l) ensure Myanmar security forces protect all communities equally and uphold the law of the state;
(m) allow independent investigations into recent abuses, specifically in Rakhine state, for example the Du Chee Yar Tan incident in Maungdaw township in January 2014;
(n) support the citizenship rights of Rohingyas and reconciliation of local communities;
(o) ensure the rights of women by protecting a women’s right to choose whom they will marry without regard to religious faith, and permit persons the right to freely choose the size of their family;
(p) provide appropriate humanitarian assistance, including adequate shelter, and grant access by humanitarian organisations, to those affected by the unrest; and
(q) ensure quick return of the internally displaced peoples to their place of origin and assist in rebuilding their houses and properties.

(Notice given 2 June 2014.)

Time allotted—30 minutes.

Ms Parke—5 minutes.

Other Members—5 minutes each.

[Minimum number of proposed Members speaking = 6 x 5 mins]

The Committee determined that consideration of this should continue on a future day.

2 MS GAMBARO: To move:

That this House applauds the Government for its resolute commitment to supporting the men and women of the Australian Defence Force (ADF), past and present, by:

(1) honouring its election promise to:

(a) introduce from 1 January 2014, free basic health care to all eligible dependents of full-time ADF members and Reservists undertaking continuous full time service; and

(b) provide ‘fair indexation’ for military superannuants by amending the indexation arrangements for more than 57,000 Defence Forces Retirement Benefits and Defence Force Retirement and Death Benefits scheme pensioners from 1 July 2014;

(2) officially launching Project Suakin, which introduces a range of full-time, part time and casual employment categories within the ADF that will offer members increased flexibility to match their changing personal circumstances and enable the ADF to respond to current and future workforce challenges; and
(3) directing Defence Housing Australia to upgrade housing stock available to Defence personnel and reduce pressure on local community housing markets through programs such as the Top End Defence housing strategy which will deliver over 2,300 additional homes in Darwin.

(Notice given 18 March 2014.)

Time allotted—40 minutes.

Ms Gambaro—5 minutes.

Other Members—5 minutes each.

[Minimum number of proposed Members speaking = 8 x 5 mins]

The Committee determined that consideration of this should continue on a future day.

Ms Owens: To move:

That this House:

(1) notes:

(a) the devastating effects of atypical Haemolytic Uraemic Syndrome (HUS) and its long term impact on the lives of the sufferer, as well as their friends and family;

(b) that atypical HUS is a genetic disease of excessive immune dysfunction that affects people of all ages, with symptoms including heart failure, pulmonary edema, clotting in the lungs, blurred vision and kidney failure; and

(c) that the current treatment regimen of plasma exchange and/or dialysis has significant risks and can result in a further reduction in the quality of life for the patient;

(2) acknowledges the community advocacy work that has brought this condition to the attention of the House, such as the work by Ms Jeanette Daher who seeks a listing of the drug under the Government’s Life Saving Drugs Program;

(3) notes that the Pharmaceutical Benefits Advisory Committee (PBAC) is due to make a recommendation on the use of the drug Soliris (Eculizumab), which has shown to put the disease into remission; and

(4) urges the Minister for Health to carefully consider any favourable recommendation of the PBAC as a matter of urgency.

(Notice given 18 March 2014.)

Time allotted—20 minutes.

Ms Owens—5 minutes.

Other Members—5 minutes each.

[Minimum number of proposed Members speaking = 4 x 5 mins]

The Committee determined that consideration of this should continue on a future day.

Mr Simpkins: To move:

That this House:

(1) notes the increasing instances of Australian citizens taking up arms for foreign military and extremist causes including, but not limited to, the Islamic State of Iraq and the Levant, representing a threat to good order in international affairs and the safety of Australian citizens;

(2) acknowledges:

(a) that by taking up arms or supporting such causes, those citizens have failed to comply with the pledge they made when they became an Australian citizen, to uphold the laws of Australia; and

(b) those who have taken up arms or supported such causes, and were born Australian citizens but have a second citizenship, have also repudiated their allegiance to Australia; and
(3) urges the Government to amend the Australian Citizenship Act 2007 to allow the revocation of the status of citizen for those who take up arms, or provide material and/or financial support for military/extremist causes, except where such action is at the direction of the Government.

(Notice given 23 June 2014.)

Time allotted—40 minutes.

Mr Simpkins—5 minutes.

Other Members—5 minutes each.

[Minimum number of proposed Members speaking = 8 x 5 mins]

The Committee determined that consideration of this should continue on a future day.

Ms Vamvakinou: To move:

That this House:

(1) acknowledges that 20 July 2014 marks 40 years since Cyprus was divided;

(2) recognises the continuing support of this parliament and successive Australian governments towards achieving a just and fair resolution for the Cyprus problem;

(3) urges the Australian Government to aid the current peace process based on relevant United Nations resolutions, including United Nations Security Council resolutions 2135 (2014) of 30 January 2014 and 1251 (1999) of 29 June 1999 and subsequent resolutions, on respecting the sovereignty, independence and territorial integrity of Cyprus;

(4) notes that any solution to the Cyprus conflict should result in the demilitarisation and reunification of the island for the benefit and welfare of its entire people and peace in the region; and

(5) recognises 50 years of continuing service by the Australian Federal Police in the United Nations peacekeeping mission in Cyprus that this House reaffirms.

(Notice given 23 June 2014.)

Time allotted—remaining private Members’ business time prior to 1.30 pm.

Ms Vamvakinou—5 minutes.

Next Member—5 minutes.

[Minimum number of proposed Members speaking = 4 x 5 mins]

The Committee determined that consideration of this should continue on a future day.

AUDITOR-GENERAL’S REPORTS

Report No. 51 of 2013-14

Report No. 52 of 2013-14

The SPEAKER (15:12): I present the Auditor-General’s Audit reports for 2014-15: No. 51, Improving school enrolment and attendance through welfare reform measure, Department of the Prime Minister and Cabinet, Department of Human services; and No. 52, Multi-role helicopter program, Department of Defence, Defence Materiel Organisation.

Ordered that the reports be made parliamentary papers.

DOCUMENTS

Presentation

Mr PYNE (Sturt—Leader of the House and Minister for Education) (15:12): Documents are presented as listed in the schedule circulated to honourable members. Details of the documents will be recorded in the Votes and Proceedings.
STATEMENTS ON INDULGENCE

Moffat, Mr Howard

Mr PYNE (Sturt—Leader of the House and Minister for Education) (15:12): Many members of the House would well remember Howard Moffat. Howard Moffat has been 18 years working in Parliament House—since 1996, when he first came here—but he was also a photographer for Auspic. On the old parliament house, when it was being transferred to the hill, he took the photographs of the engineering works and the building of the new parliament house.

Since 1988 and before, Howard Moffat has been associated with our work on this hill. Howard Moffat is retiring after his long service to the parliament, and sometimes, when a longstanding member of the department, whose job is to make us look good—which is no easy task, particularly in my case, Madam Speaker, not yours—retires, we do like to acknowledge them and say thank you. The staff of the parliament, from the drivers through to the clerks, the cleaners and the photographers at Auspic, do a fantastic job on our behalf and on behalf of the people of Australia. I would like to acknowledge today, for Howard and for his family, the great work that he has done for us as photographer at Auspic for all these years.

Honourable members: Hear, hear!

Mr BURKE (Watson—Manager of Opposition Business) (15:14): The opposition joins the comments that have been made for Mr Howard Moffat. Those of us who sat on the government benches in the last term spent a lot of time with him at community cabinets, capturing not only the work of this parliament but the work that then goes out into the community around the country. He has performed a very fine level of professional service in capturing moments that form part of the history of this country. He will be missed and we wish him well.

MATTERS OF PUBLIC IMPORTANCE

Future of Financial Advice

The SPEAKER (15:14): I have received a letter from the honourable member for Oxley proposing that a definite matter of public importance be submitted to the House for discussion, namely:

The Government’s failure to protect Australians seeking financial advice for their hard earned savings.

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 RIPOLL (Oxley) (15:15): Every day we see more and more evidence of just how unfair this government really is—unfair in terms of the budget and what it is doing to ordinary people, and unfair in terms of what it is doing to protect consumers, to protect pensioners and to protect families. We have no more evidence of that than having a look at the changes they want to make to the Future of Financial Advice laws, laws that are specifically designed to protect consumers—to protect pensioners, to protect families—and, most importantly, to protect their life savings and retirement savings.
It is not as if we haven't seen enough horror stories in this space out in the community. There are the stories of the collapse of Storm Financial, Trio and Westpoint. It is a list too long to detail here. They are names that just slip off the tongue, but consider the very real people that those collapses impact on. In Storm's collapse alone 14,000 different people lost some of their life savings or all their life savings. Some were left in a position so destitute that they will owe for the rest of their lives money to banks and other lenders. These were people who were very financially sound before being involved.

What Labor did was put in place some good, sound, solid protections to protect those people. What this Liberal government is doing—very, very tragically—is ripping away at all of those protections. Let me make it absolutely clear: the Liberals have got it wrong, just plainly got it wrong. You cannot argue your way out of this one. You cannot demonstrate your way out of this one. Your own Senate report, your own Senate inquiry into FoFA changes, clearly states it. Your own senators tell you you are wrong, your own report says you are wrong. It says: 'Go back to the drawing board. Have another look.' There is evidence of that everywhere we look.

Let me go back and just explain to people why it is so important that we not only keep FoFA protections but we improve on them and we enhance them. If we do anything, we need to do that; not wreck them, not pull them apart. If only this Liberal government would understand that in opposition people might accept you swing the wrecking ball, but when you get to government, stop wrecking. You are in government now. It is not your job to wreck everything anymore. Don't wreck people's life savings. Don't be part of that. Help us clean it up, help the regulator clean it up. Listen to the voices out there—not just the voice of Labor but of National Seniors, of the Council of the Ageing, of Choice, of Industry Super Australia. There is a list of them—and I will come to that list, because I think there might be one or two of your friends on that list who are telling you you are wrong as well.

These were significant reforms. These were reforms that went to the heart of what needs to happen, because this is not easy to fix. You have got to change behaviour and you have got to change culture. If you are going to do that you have to somehow put in words in law and through regulation something significant enough that actually helps and enables the sector. The financial services sector, which is good, sound, very necessary—and from Labor's perspective needs to grow itself, needs to professionalise. That is what sector wants and that is what we want, because we understand it is essential for people to not only get more advice but get good quality advice.

It is just not good enough to come in here and rip away and destroy what is basically five years of really hard work. It is hard work not just by us, not just by Labor, but by the sector itself. It is the hard work of the community. We have just seen too many horror stories. The horror stories do not stop. They are still coming out of Senate inquiries and other inquiries, out of the things that we see in current affairs programs about consumers who have lost all of their life savings. When you sit down with them and look them in the eye and see the tears and hear the catastrophes that have happened to them through no fault of their own but because they were defrauded, robbed or the victims of really poor advice, you have to question yourself and say, 'Why do we stand up so much for FoFA and protecting consumers?' But then I ask myself, 'Why is this Liberal government so determined to pull it apart, so determined to get rid of the best interest duty?' I will not take for a minute what this
government and some of its cronies says about best interest being safe because they are going to write it in there. You can write it on every page at the top of the page and at the bottom of the page but your changes to the law still take it away and diminish it. You cannot argue that.

When it comes to opt in, it is one of the few mechanisms that is available to us if you believe in standards, if you believe in changing culture and best interests. It is one of the few ways that you can actually help the sector. The majority of them actually contact their clients on a regular basis, not once every two years, but on a regular basis: once a month, once every three months, once every six months. We think it is quite reasonable to say at least once every two years make contact. At least do something for the clients, because—you know what?—it is not for free; you are actually charging people fees. If you are going to do that we say do it and do it properly.

On annual disclosure it is not just about disclosure. Yes, there is some disclosure, but it is about meaningful disclosure—disclosure for everybody in the financial services sector not just for new clients from some day forward. It is about disclosure for everybody. That is not retrospective. It just says that it applies from this day forward but it applies to everyone equally and fairly, not just a few lucky people who for the first time get some advice now. What about the people about to retire? What about their life savings? What about the need for them to know? I do not think it is stretching it too far to say to everybody in this chamber: 'If you pay for something, would you like to know exactly what you are paying for and what you are getting in return?' Because that is our expectation and I am sure it is everybody's expectation.

When it comes to conflicted remuneration and banning commissions, let us just get it right. The minister now has had a sudden revelation. Something has just sort of descended upon him—the fog, the confusion. He says that they are going to re-ban commissions. I just say to him: 'Minister, you don't have to toy or play with words. We have already banned commissions. You cannot ban them twice. What we are saying is don't take the ban away.'

What is at stake here is significant. It is the national retirement pool of savings worth $1.84 trillion—that is right, 'trillion'. Let me tell you: never stand between a pot of gold that big and a whole heap of people who would love to just keep pulling more fees and charges out. But they want to do it quietly. They do not want you to know. They do not want the opt-in every two years, just in case you find out. They do not want you to tell them how much you can or cannot, or whether you even agree. And you do not have to take my word for it. I would just say to you: read the explanatory memorandum from the government and read the regulation, because it actually says it in there.

I love talking to people from right across the sector, because I think that they are doing a great job, on the whole. Individual financial advisers go out there with the best interests of their clients and their customers at heart, and the problem is that they do not always get to choose. Under these laws, they will be pushed and directed more to sales than to advice. It should always be the consumer that comes first. We wrote in for the first time that an adviser has to put their clients' interests ahead of their own. Does that sound outrageous—that, if you are paying someone to give you advice, they should put your interests ahead of their own? I do not think it is. I think it is one of the cornerstones—best interests, opt-in.

For me, there is some real clarity around all of this. It is not just if you take each of these issues that the government is wrecking—absolutely destroying and taking out; it is if you take...
them combined. If you take each one of these combined, as a package, what impact do they have? Let me tell you what that impact is. It destroys the best interests, it destroys opt-in and it destroys proper disclosure. It destroys all those things. If you turn to the technical elements of what is in this bill, it is there in black and white for anyone to read. The minister does not have to ban commissions twice. They are already banned. Leave them the way they are.

So who benefits? I just say: follow the money and have a look at who is involved and who benefits. The four major banks, and AMP, control 80 per cent of the finance advice business in Australia. Good luck to them. But they should not, at the same time, be in concert with the government trying to diminish the good protection measures for consumers. I reckon there is an easy choice. It is a choice that we can make every single day, and we do, when it comes to a whole range of issues. We get a choice in this place. Just in case you are confused or you are not sure, I will just put it to you very simply: if it is a choice for me and for Labor between siding with the banks, AMP, those who charge fees, those who would argue till they are blue in the face and say, 'It doesn't do that much anyway, so you can get rid of it,' and siding with consumers and their life savings and their potential to have a better retirement because of good, sound, decent protections, then I will always side with the consumer, and Labor will always side with the consumer. So to the Liberal Party, I would just say this: you choose; are you with the banks and big money or are you with consumers and ordinary people and people who are in retirement? Who are you with? We know who we are with.

Mr CIOBO (Moncrieff—Parliamentary Secretary to the Treasurer) (15:25): It was interesting to listen the contribution made by the member for Oxley, in particular as he railed against financial advisers. We will come to the point about whether he supports financial advisers. He said that what financial advisers were interested in, I think, was secret commissions and that they did not want their customers to find out, and that was the reason why financial advisers would be opposed to the two-year opt-in provisions. He went to great lengths to explain how those that invest their hard-earned savings were at great risk from shonky advice, conflicted advice, from financial advisers. But then, in true and typical Labor style, he turned around and said: 'But I support financial advisers. I think they're doing a great job.' He spoke at length about how people should effectively be fearful of the advice that they would receive from the financial planning industry in this country if it were not for Labor's big whopping red tape of FoFA and how consumers should recognise that if, in any way, shape or form, Labor's FoFA—

Mr Thistlethwaite interjecting—

Mr CIOBO: Now they are being called 'shonks' by Labor members. They are calling financial planners shonks. So we see and we understand the exact way that Labor looks at the financial planning industry in this country.

Mr Thistlethwaite interjecting—

Mr CIOBO: We understand that it might be well and good for the Labor Party and for their shadow minister in the area to stand up and to talk about how people are going to be exploited by financial advisers, and now we have the member for Kingsford Smith labelling financial advisers 'shonks'. We on this side of the House do not think that is appropriate. Granted, there is probably a very small percentage of people that do the wrong thing. We do not, for one moment, in the coalition think that everybody does the right thing all the time. But you know what: it is one thing to acknowledge that there is a very small percentage of
people that have historically done the wrong thing and then a separate thing to label them 'shonks', as the member for Kingsford Smith has just done, or to say, as the member for Oxley said, that people that are investing money are going to be subject to investment advisers and financial planners that are giving them shonky advice, misleading them and are conflicted because all they actually want is a commission. That is not the coalition's approach and it has never been the coalition's approach.

When FoFA was first announced in April 2011, the coalition could not have been more clear in our response to it. We were broadly supportive of reform in the sector. However, we were concerned that Labor's reforms, if implemented in full, were going to lead to a massively increased regulatory burden, and that increased regulatory burden would result in fewer people having access to quality financial advice. Even more concerning, those people least able to afford to have access to financial advice—in other words those who might have a smaller lump sum of money to invest, those that might be lower in terms of demographics, struggling income earners et cetera—would be priced out of the market, effectively, as a result of Labor's FoFA reforms. From day one, the coalition made it clear that we believed that there was scope for there to be reform but that we thought that that reform needed to strike the right balance. Guess what: Labor also knew that their approach did not strike the right balance. I would suggest to all coalition members that the proof in that respect was the fact that the then minister, the now Leader of the Opposition, Bill Shorten, refused to subject the FoFA laws to a cost-benefit analysis and refused to subject the FoFA laws to a regulatory impact statement.

Why would the minister at the time have refused to subject the laws to a cost-benefit analysis or to a regulatory impact statement? I put it to you, Mr Deputy Speaker, that Labor did that because they knew full well that their laws implied a crushing, punishing, red-tape compliance burden on all of those in this sector. Labor had reached the point where they were unwilling to take any backward steps in the face of criticism from the industry and from a number of consumer groups that, as a consequence of Labor's proposal, we were going to see people effectively priced out of the market. As a consequence of Labor's reforms, we were going to see financial planners in a position where they had to incur significant charges and had to pass those charges on to consumers in order to comply with Labor's laws.

That is the exact reason why the coalition outlined our policy in very clear terms years ago. We made it clear that we would seek to address a number of aspects of Labor's FoFA legislation that imposed too much of a regulatory burden. At no stage have we watered down what is perhaps the single most important aspect—and often one of the most debated aspects—of FoFA, which is the duty to act in a client's best interests.

I heard just now the Labor shadow minister talking and railing once again about the best-interest duty. And do you know what, Mr Deputy Speaker? We have heard the shadow Treasurer scaremongering—I use that word advisedly, and I will explain why—about the best-interest duty. The shadow Treasurer does it. The shadow minister at the dispatch box just did it. They deliberately go out of their way to say to Australians, 'You should be fearful because the best-interest duty is being swept away by the coalition, and you're going to be left vulnerable.'

We have argued consistently that Labor is doing nothing more than scaremongering on this, but I think it is important that people do not just take the coalition's word for it. ABC
News, in their ABC Fact Check service, made it crystal clear with the big word 'scaremongering' and a photo of the shadow Treasurer. The ABC Fact Check unit made it crystal clear that Labor was 'scaremongering'—the ABC's words, not my words. Those of us in the coalition know that from time to time perhaps the ABC and the coalition do not always get a perfect alignment, but in this particular case ABC Fact Check makes it very clear that the shadow Treasurer, just like the shadow minister at the dispatch box, is doing nothing more than scaremongering, because the very straightforward facts with respect to the best-interest duty are that the best-interest duty remains. The requirement for a financial adviser to act in the best interest of his or her client is enshrined in section 961B(1) of the Corporations Act. That stays in place. It remains unchanged. There is no amendment to that requirement at all.

As a consequence of the reforms that the coalition are making to FoFA, we want to bring about a series of modest reforms that reduce the amount of compliance that is required in order to meet the obligations of financial planners under FoFA. By doing so, the coalition will achieve an enshrinement of all the protections necessary for consumers but a reduction in the amount of red tape associated with FoFA—for example, the opt-in provisions, which the coalition outlined that we would abolish. The reason is—in fact, to some extent the shadow minister touched upon it—that financial planners are in regular touch with their clients regardless. The requirement to have financial planners writing every two years to all their clients, saying, 'Once again, can you please show that you intend to keep using us?' is a complete waste of time, a compliance exercise with no upside benefit whatsoever. Why would you impose that requirement on the industry when there is no upside for consumers?

Likewise, there have been allegations made by the Labor Party in relation to conflicted remuneration. Let us be clear: the government has supported the ban on conflicted remuneration and on commissions for financial advisers since it was first legislated, and that continues to be the case. At no point have we as a government sought to reintroduce commissions or conflicted remuneration for financial advisers. Once again, ABC Fact Check found that the Labor Party was scaremongering in relation to those claims as well.

I think it is important that in this debate we have proper, rational discussion about what has been taking place. Labor can whip up fear. Labor can whip up hysteria in the community. Labor can slander an entire financial-planning industry and say that it is only motivated by greed. But the simple facts are that the coalition recognises that the industry does an outstanding job, that the industry is motivated by the best interests of its clients, that the best-interest protections remain in place and that the ban on conflicted remuneration and commissions remains in place. The coalition's reforms simply seek to reduce the amount of red tape and compliance for the industry, which is good news for consumers and good news for financial planners.

Mr NEUMANN (Blair) (15:35): This is not about red tape, transparency or accountability; this is simply siding with the banks, the AMP and other big providers in relation to this. If the parliamentary secretary had listened to the people in rural communities in my electorate who came to see me having lost their savings in the Storm crisis, he would not be making speeches like that. This is a serious matter. There are thousands of Australians who lost their life savings and had to return to work, who lost their homes, who lost their investment properties and whose financial security in the future was trashed by Storm.
There was a parliamentary inquiry in relation to this. We responded. The parliamentary inquiry was actually chaired by the member for Oxley, the shadow minister in relation to this issue. The parliamentary inquiry was held by the Parliamentary Joint Committee on Corporations and Financial Services, which inquired into Storm. It inquired into what happened—how people lost their savings, their investments and their property. As a result of that, the then federal Labor government came up with the Future of Financial Advice bills that went through this place. They were important pieces of reform that made a difference. They were supported by CPA Australia, by National Seniors, by the Council of the Ageing, by the insurance industry and by the superannuation industry, but those opposite have not listened. They did not listen to the parliamentary inquiry. They did not listen to the players and the consumers. They did not listen to CHOICE. They have sided not with the consumers but with the big players.

It is a $1.8 trillion industry. We on this side of the chamber had a part in the creation of that with superannuation not just for the powerful but for teachers, cleaners, farmers and small business operators. We created the superannuation system in this country. Those opposite never saw a superannuation bill that they would not vote against. They vote against them every single time. The superannuation guarantee has gone up under a Labor government every time. As a result of that, people had opportunities to secure their financial future and it was trashed.

This legislation, together with the regulations that those opposite want to bring in, is not even supported by Alan Jones. Even Alan Jones, who is no friend of the Labor Party, does not support what the coalition government is trying to do here. They are not siding with their constituents. Last night they did not side with their constituents in the votes they cast in favour of not just hurting the income they receive but affecting their cost of living in the future.

This legislation and the stuff that the coalition is trying to do are not in the best interests of this country. Let us have a look at what we did and contrast it with what the coalition is proposing. We brought in a best-interest test requiring advisers to act in their clients' best interests. How revolutionary is that? Why would those opposite be afraid of, and worry about, the requirement for advisers to act in their clients' best interests? We also had a provision that required advisers to get their clients to opt-in to receive ongoing service—not every week, not every month, but every two years. How hard is that? We also had a provision in relation to annual disclosure. Statements were to be sent to a client annually disclosing fees and details of services performed. That is not revolutionary or radical in any way, shape or form.

We had a ban on conflicted remuneration—commissions paid by financial product providers to financial advisers. On 20 December last year they announced 'reforms' to change it. It was paused because Senator Sinodinos had problems and opted out of that role. Now we have the Assistant Treasurer, Senator Cormann, involved in this role, but they have not really changed their position.

Let me tell those people who might be interested what they are doing. They are removing the catch-all provision in best interests. This adds a loophole for advisers that means that best-interest will become ineffective. That is what they are doing. They are scrapping opt in, allowing an adviser to continue to charge fees—sometimes without having actively worked on a client's file and definitely without receiving consent from the client. They are amending
the annual disclosure provision so that advisers will have to provide annual disclosure only to
clients who commenced with them after 1 July 2013. There is a partial lifting of the ban on
conflicted remuneration. The ban on conflicted remuneration will apply only to commissions
on general advice. This opens the door for a sales push culture of products over advice. That
is what is happening here. They should be ashamed of themselves.

Mr VAN MANEN (Forde) (15:40): It is interesting to listen to the opposition talk about
the MPI on FoFA. I realise that, whilst this is indeed an important issue, the reality is that it is
discussion about rent seeking. That is the story of the FoFA reforms. Yes, people did lose
money with Storm, Westpoint and Trio, but many of the changes in FoFA will do nothing to
prevent those things happening again. If ASIC had actually done their job in relation to Storm
we would not be having this discussion.

At the end of the day this is a battle between the super funds and the banks to gain control
of a portion of the compulsory acquisition from Australian salaries of the superannuation
guarantee charge. The union managed industry super funds have lobbied hard and sought
dirty up advisers at every opportunity—and I think they have done a very good job—and
sought to achieve a crackdown on avenues of revenue for financial advice outside the
superannuation system. I think it is a disgrace that those opposite aided and abetted that and in
the process destroyed the reputation and the good name of many good, independent financial
advisers in the marketplace.

The very thing that they complain about about the big banks is actually a direct result of
their actions under this legislation, because they have created the incentive for the big banks
to buy up the small financial planning businesses because they have not had the resources to
cope with this tsunami of red tape and regulation that had everything to do with backing their
union mates in the industry super funds. I am sad to say that with FoFA they got what they
wanted. Now they are crying over spilt milk.

This is where this MPI falls short, as most other things those opposite do. The very same
industry super funds are increasingly being caught out, failing the very people that they so
adamantly claim to protect. I would like to quote a few recent media articles to highlight this
issue. In The Australian on 25 June, Hedley Thomas wrote about the meat industry super
fund:

Audits of a union super fund for meatworkers have uncovered alleged corporate governance failures,
conflicts of interest and an alleged failure by a union stalwart … to disclose six-figure “consultancy
fees” …

In the Cooper review there are 17 recommendations under the heading 'trustee governance'.
This is the standard those opposite hold up for the industry, but how many recommendations
did those opposite implement in their time in government? Zero. That is what goes to the
heart of this issue. APRA, finally, has got around to doing some of its work and has been
examining—again in relation to the meatworkers' super fund—the justification for the number
of poor investments by the meatworkers' fund in companies that have in turn paid significant
fees, for personal benefit, to people directly connected with the fund—one of the key issues in
the trustee governance recommendations that the Cooper review talked about. If you want to
talk about the effect on local employers, I have 800 employees in a local abattoir that are in
the meat industry super fund. I wonder how they feel knowing that their hard-earned
superannuation money is being trashed by the industry super fund.
How about we also look at the alleged union super fund leak of members’ details to the CFMEU in New South Wales? The CFMEU used those to ring members to put pressure on them because they want to railroad the company they work for. That was another breach of governance principles. They can sit over there and talk about governance and protecting consumer interests all they like, but some of their biggest supporters are failing to do exactly that because they failed to include in their legislation, last time when they were in government, those trustee governance provisions which go to the very heart of some of the major issues that we are talking about here today. It is only this side that is going to generally protect the superannuation holders in this country.

(Time expired)

Mr MITCHELL (McEwen—Second Deputy Speaker) (15:45): I like the member for Forde, but really if he is going to come into this chamber and sit there and use the protection of saying things are facts, when they are allegations, that is pretty poor form. He is better than that. I know some of the Star Wars scene around him is a little bit different, but he is actually better than that. I know some of the Star Wars scene around him is a little bit different, but he is actually better than that. I know some of the Star Wars scene around him is a little bit different, but he is actually better than that. He should not come in here with allegations and make them claims.

These reforms, which the government is bringing in, are nothing but an attack on everyday Australians who have little savings. The purpose of what we brought in was to ensure that financial advisers act in the best interests of their clients—put simply: to make sure that the client is getting the best possible advice for their needs and objectives without being caught up by the adviser. To those of us with strong convictions—which counts out the other side of the House—morals and ethics, to Labor, and to many people, this seems ethical. It seems ethical to make sure that when you go and see a financial planner they are working in your best interests and not their own hip pocket.

The Abbott government is seeking to change this by adding a loophole so that advisers do not have to look after the best interests of their client. I will just state that again to be clear: financial advisers do not have to look after their clients’ best interests. And this is considered really good by those opposite. It is absolutely appalling. This means that the average person will visit a financial adviser to seek help on planning for their retirement. But, under Labor, the financial adviser would be required to genuinely determine what is affordable and what is suitable for the client's needs. Under this government, the financial adviser can basically sell the client whatever product he wants to sell and he can pick up the biggest commission he likes, without thinking twice about how that is going to impact on people and their savings.

Speaking of commissions, another reform Labor introduced was a conflicted remuneration. This reform banned commissions from being paid to financial advisers by the financial product providers. Again, put simply, it means that financial advisers could no longer be persuaded to spruik a particular financial product, because they knew that they would receive a very healthy commission from it. Removing this temptation to sell a product because of the juicy commission means that financial advisers would offer the most suitable product for their client. But, alas, the Abbott government is removing that. It opens the door to allow the financial advice sector to become a sales push, as opposed to being a life-long, important financial decision-making process affecting those who need assistance.

For example, Joe wants to speak to an adviser about taking out a life insurance policy to look after his family in the event of something unfortunate happening to him. Instead of the financial adviser listing the options best suited to his needs, affordable in his budget, and
flexible to his life changes, advisers can simply push for a product that will give them the most sales commission.

Another change Tony Abbott seeks to remove is the opt-in. This reform was introduced by Labor to ensure that clients have to physically opt-in to receive ongoing advice every two years. That means that any fees that the financial adviser is charging to work with the client will need to be mutually agreed to every two years. This prevents advisers from sticking a lifetime of fees onto a client's portfolio, without the person even knowing that it is happening. The Abbott government scrapping this means that most people will pay fees for services they do not get, and some will pay fees without knowing because there is no disclosure, no best interests and no opt-in.

These are examples of how the Abbott government is completely disregarding the needs of everyday Australians, but the Prime Minister is making sure he is looking after his own mates in the big banks. As one of our members mentioned just before, even that great doyen of the Labor Party, the great voice of the socialist left, Alan Jones, got out and said that what this government is doing is wrong. So, being the puppet master, maybe he should pull a couple of strings and get little Pinocchio-Tony to actually back off on this.

In closing, I heard the parliamentary secretary talk about the ABC's Fact Check and how important it is. So I had a quick look at the ABC's Fact Check. It says: 'Is the government paying a billion dollars a month on Labor's debt?' Fact Check says: 'Exaggerated'. 'Christopher Pyne has claimed that graduates earn more.' Fact Check says: 'Overblown'. 'Will Australia have the biggest medical research fund?' All overblown, all lies, all puff and all bluff. (Time expired)

The DEPUTY SPEAKER: Order! The honourable member's time has expired. The member will withdraw the reflection on the minister as lying.

Mr MITCHELL: I did not say that he lies. I said 'all lies'. That is what that says there.

An opposition member: They are not lies. They are just—

Mr MITCHELL: But I am happy to withdraw for you, Deputy Speaker, just to keep 'Precious' over there happy.

The DEPUTY SPEAKER: Thank you very much.

Mr McCORMACK (Riverina—Parliamentary Secretary to the Minister for Finance) (15:51): Labor's future of financial advice reforms equals more red tape, higher costs and less choice. As we said at the time, reforms in this area need to strike the correct balance, the right balance. We were concerned at the time that Labor's reforms would lessen the affordability and availability of advice. There has been debate, much of it ill-informed, such as the contribution just then by the member for McEwen.

The best-interests duty remains in place. We are not watering it down; we are making it work in practice. What we are introducing is a comprehensive set of steps that will provide greater certainty, better certainty, about what the duty requires of financial advisers. Surely the hallmark of well-designed regulation is that the regulated know what is expected of them and the community knows what they have a right to expect. That is so crucial. Our changes will provide that certain incentive payments can be made where they do not conflict with advice. This legislation is not and never was designed to bring back commissions. The
legislation will explicitly prohibit payments made solely because of a financial product, in relation to which general advice was provided, has been sold.

The legislation will explicitly prohibit, stop—call it what you like—a recurring payment made because someone has been given general advice. As Minister for Finance and Acting Assistant Treasurer, Senator Cormann is doing an outstanding job, an absolutely wonderful job. Not many people would have the drive and the energy necessary to take on such a task, but he certainly has. The government's FoFA amendments are about ensuring more affordable, better and improved quality advice. It delivers on our election commitment to reduce the unnecessary regulatory burdens on business and consumers and to promote greater access to high-quality financial advice. But do not just take my word for it.

Whilst I was out of the chamber for an hour I actually put in a call to Trevor Ion, who is a 28-year veteran of financial advice in Wagga Wagga. He runs a small adviser's firm, in conjunction with his wife, Sue. And he said his biggest problem is that he spends so much time on compliance. Labor love red tape. That is why they introduced all these reforms, because they love red tape. He said that it just adds to more cost which, as he admitted, gets passed on to the consumers. And he does not want to do that.

He talked about FoFA reforms, FoFA legislation having common sense and efficiency. He said, 'That's what is needed here; not more red tape, bureaucracy and compliance.' He said that, under Labor, his practice was going to be less productive and less profitable. 'We're out there,' he said, 'trying to do our best for the people that we serve, trying to do our best for our customers.' He has customers and clients in Wagga Wagga. He also has a practice in Deniliquin and he services a lot of people in Griffith. He actually said that, when Labor brought in their reforms, companies spent millions of dollars getting product disclosure statements et cetera organised, training people and changing systems just to become compliant with what Labor requested, what Labor wanted. As I say, Labor love red tape.

He said the amount of compliance that has crept in over the years is just 'huge'—that was the word he used to describe it. He said it does not provide better outcomes for his clients; it just provides an 'onerous' burden—that was another word he used—on his small company. His is a small company. He is out there, doing his best, paying his taxes, trying to get a better outcome for the people he serves.

All the important consumer protections in FoFA will remain. I note that the member for McEwen is leaving the chamber, but he should stay. Only the unnecessary and costly red tape will go. Advice will have to be given in the best interests of the client. We all want that. Advice must be appropriate. An adviser must prioritise their client's interests ahead of their own—and Trevor Ion certainly does that. Conflicted remuneration structures, including commissions that have the ability to influence advice, will continue to be banned.

The government propose to keep important consumer protections, such as the requirement for advisers to act in the best interests of their clients, and also the ban on conflicted remuneration, while putting downward pressure on the cost of advice. That is the important thing here. We promised at the last election that we would restore the balance between important and appropriate levels of consumer protection and ensure that access to high-quality financial advice remains available and affordable for all Australians, particularly those in regional areas and particularly for companies such as Trevor Ion Financial Services. (Time expired)
Mr THISTLETHWAITE (Kingsford Smith) (15:56): In 2012, along with the member for Oxley, I travelled to Wollongong as a member of the Joint Committee on Corporations and Financial Services. At that public hearing in Wollongong we listened to the stories of hundreds of mum and dad investors who had lost their life savings in the collapse of Trio Capital. They were harrowing stories of people pleading with the government to do something about what had occurred in their circumstance. There were certain characteristics of those individuals and their plight with respect to Trio. The characteristics are as follows. Most of these people were nearing retirement. They had worked all of their lives, predominantly in the mines or steelworks around Wollongong. They had been targeted by shonky people who were out to steal money.

They had been advised by their local financial planner or their accountant to invest their superannuation savings in Trio Capital. They had been advised to do it. Many of them had also been advised to establish a self-managed super fund as the vehicle to make the investment in Trio Capital. Most of these people were telling us at the inquiry that they signed forms establishing self-managed super funds, but they did not even know that they had their own self-managed super fund. They did not know that the forms they were signing were actually establishing a self-managed super fund, that they had got out of their industry fund, out of the protection of the Superannuation Industry (Supervision) Act—they swam outside the flags, if you like—and had lost the protection of that act when the collapse occurred.

Some of these people had to remortgage their houses. They were in their 60s, they had worked all their lives and they had remortgaged their house to invest more into Trio Capital. So not only did they lose their life savings but they lost their kids inheritance as well. These people were pleading, begging the committee to do something to ensure that this situation could not happen again.

What would a good government do in that circumstance? Would you just ignore the concerns of those people and what had happened to them at the whim of shonky financial advice? This was not an isolated incident. Unfortunately, it had occurred in the past in respect of Storm Financial, Opus Prime and Westpoint. These were not isolated incidents. Hundreds of Australians, thousands of Australians, had lost their life savings because the financial laws in this country were inadequate. So the previous Labor government did something about it.

We did not sit on our backsides, we did not ignore the pleas of these people; we did something about it. We instituted the Future of Financial Advice reforms. They are not groundbreaking reforms; they are simply reforms that avoid the situation that many of those people got themselves into where they did not know that they had established a self-managed superannuation fund.

How can it possibly be under Australian law that you could establish a self-managed superannuation fund and not know about it? That is what occurred in the case of Trio Capital because the law did not protect them. The law did not say that their financial adviser had an obligation to act in their best interests. The law did not say that their financial adviser had an obligation to tell those people where the commissions that they were receiving on providing that advice were going. That is what Labor did with the Future of Financial Advice reforms. That is what a good government does: it protects the vulnerable in our community from the advice of shonks, the advice of people who are out to steal their money. That is what we did with the Future of Financial Advice.
What would a bad government do? A bad government would repeal those reforms. A bad government would repeal those protections that were put in place to protect the vulnerable, and that is exactly what has occurred with the Future of Financial Advice reforms in the repeal of some of those important annual disclosure provisions which simply require a financial adviser to disclose the fees and commissions that they are receiving on behalf of product sellers and their obligation to act in the best interests of the client. This is not groundbreaking stuff; these are basic protections for people.

What is the view of CHOICE? What is the view of the organisation that is established in Australia to protect consumers? This is their view. They say:

The proposed Bill—
that is, the bill to repeal the FoFA—
would substantially weaken consumer protections and undermine the original goals of the FoFA reforms: to improve the quality of financial advice and build trust in the financial planning industry.
This was in the wake of a series of high-profile scandals that saw consumers lose hundreds of millions of dollars. That is the view of the independent protector of consumers in this country.

(Time expired)

Mr SUKKAR (Deakin) (16:01): It gives me pleasure, I suppose, to speak in relation to the coalition's FoFA reforms, although it has not been a pleasurable experience listening to members opposite conflate issues and deliberately scare consumers. I have got no doubt that the intentions behind the original FoFA reforms were honourable. They were seeking to deal with situations that had arisen where consumers of financial advice had been poorly treated, whether it be Storm Financial, Westpoint and others, and other speakers have mentioned those in detail. But I think it is dangerous for members opposite, by conflating those issues, to create a false sense of security that FoFA means that no rogue financial advisers in future could do the same thing to consumers again. That is effectively what you were saying, and lots of people have argued—and I think argued very well—that the FoFA reforms that Labor introduced are not foolproof and in the circumstances where you do have financial advisers acting unlawfully, consumers will be at risk.

But the problem with Labor's FoFA rules is that they have imposed unnecessary red tape, regulation and additional burdens particularly on small financial advisers who cannot meet those requirements. In that sense, the Labor Party, unsurprisingly, was hijacked by the union-dominated industry super funds. We went from a situation where intentions started off pretty well but with poor advice and obviously the vested interests of the unions which control the Labor Party, the FoFA reforms were hijacked and now we see ourselves in a situation where members opposite are, in effect, trying to conflate issues and argue that this is a situation of the big four banks fighting against industry super funds. No, it is not.

Our changes to the FoFA rules seek to enshrine the most basic and important protections for consumers of financial advice without creating circumstances that disenfranchise particularly low-income people or people with low asset bases from being able to access good-quality financial advice. In my electorate of Deakin I have got a number of small financial advisers. I do not have big institutions situated in my electorate. In each of the conversations I have had with the financial advisers in my electorate, there has been concern with Labor's FoFA rules and actually very enthusiastic applause for the coalition's changes to the FoFA.
There are two main reasons. The first is that when you run a small financial advising business, often you are advising people with low asset bases, so when you increase the fixed costs that that financial adviser has to meet in relation to each additional client for people with the small asset bases that is a big proportion of the cost that then has to be passed on to that particular customer. Here we have situations where financial advisers have said to me that they will be forced to reorientate their practice to take on more customers with larger asset bases, disenfranchising those people who have had low incomes and may not have the large asset bases that they are seeking financial advice about. Perversely, while members opposite are protesting that these reforms are there to protect these people, they are actually disenfranchising them, because the people that need the best financial advice are those with the lower asset bases. They are the people who need the best advice and, if there are customers out there that cannot any longer afford to obtain good-quality financial advice because the regulatory burdens placed on their financial adviser are so high that they have had to be passed on to them and they can no longer seek that advice, then they are the people that are hurt the most.

Unfortunately, the Labor Party has picked the wrong fight here. We are trying to maintain absolute protections to consumers while at the same time ensuring that financial advisers are able to continue doing the good work that they are doing and that particularly customers who do not have large asset bases are not disenfranchised from getting that financial advice in the first place, because those are the customers who need it the most. So I would suggest that the members opposite should get on board and support the coalition's FoFA changes.

Ms CLAYDON (Newcastle) (16:06): I rise to join with my Labor colleagues, the member for Oxley, the member for Blair, the member for McEwen and the member for Kingsford Smith, on today's matter of public importance, namely, the government's failure to protect Australians seeking financial advice for their hard earned savings.

Across the globe and here in Australia, we have seen the massive damage that can be caused when financial service providers take advantage of their clients. I have listened carefully to arguments put by members opposite. No matter how they might like to dress this little package up, there is no mistake that the government's proposals are, indeed, those that were lobbied for by the big banks and the financial planners. The big banks and AMP together control some 70 per cent of the financial planning market in Australia. The government has lost sight of the very reason for Labor's future of financial advice, FoFA, reforms, which were introduced following a big series of financial collapses that occurred here and abroad and the subsequent parliamentary inquiry into financial advice products and services.

I think it is really worth reminding ourselves why those Labor reforms were introduced in the first place, because who could forget the devastation that emerged when Storm Financial collapsed? The lives of thousands of mostly elderly Australians were ruined. The reckless advice given by Storm cost more than 3,000 investors around $3 billion. I recall members opposite arguing: 'We're introducing these reforms, because it's just a small number of people that have been doing the wrong thing. That's why we can strip away consumer protections now, throw them to one side and give the financial planning market increased opportunities to do as it sees fit.' This would again expose a situation where you could have 3,000 investors like the mostly elderly Australians who were set to, and did, lose $3 billion.
As reported in the *Monthly*, Barry and Deanna Doyle from Townsville are one case in point. I note the member for Herbert sitting in the chamber. I am sure he will be very interested in this case. The Doyles double-girded into the stock market by borrowing against their home and using the cash to raise yet more money to invest. Barry worked as a part-time librarian, earning $17½ thousand per year. Deanna was retired and received about $7,000 per year from Centrelink. Yet, thanks to Storm, they ended up owning a share portfolio costing $2.26 million, with debts to match on which their annual interest payments eventually rose to $191,800. Two-and-a-half years after first engaging Storm, the Doyle’s super had gone, the share portfolio had been sold and they had racked up a debt of $456,000 on their home, with insufficient income to make the repayments. They had been wiped out, with Storm charging them more than $150,000 for the privilege.

The Labor reforms, which many of my colleagues have gone into in detail, were put in place to ensure the best possible protection for people like the Doyles and the many other mum-and-dad investors around Australia. Regrettably, under the process that the government has chosen to undertake, we are not even seeing these proposals from the government as legislation that can be debated in the House; they are sneaking it through the back door as regulations not legislation, and this means that we do not even get to have this discussion in parliament in the way that we should be.

In closing, I would like to echo the words of Alan Kirkland, the Chief Executive Officer of CHOICE, who said:

“Conflicted and poor financial advice has cost consumers billions and in too many cases led to people losing their homes and life savings. This is why consumer protections were originally needed and exactly why they should not be removed.”

Mr HOGAN (Page) (16:11): I think with most things that happen in this House there is good intention on both sides for a position that you may hold, and I certainly understand the opposition’s concerns with this legislation when you look at it from a certain perspective. They are raising issues and concerns about Storm Financial and other examples. They happened, and no-one likes that. In almost every industry in whatever field you want to look at there is a shark or two, and that is never good, especially when we are talking about people’s finances. It is very easy to pick out an example and say: this has cost this person this much money and we have to regulate to fix it.

I will say a couple of things. One is that the regulations that we are talking about today did not protect those investors anyway, and would not have. It is very difficult to regulate against criminals. They will do what they do and they will flout the regulations. The other side of this, which has been completely ignored by the other side, is the regulation and the red tape that they want to keep is a cost and a burden that is not worn by the financial adviser; it is worn by the investor. They can come up with examples which are very true where investors have been ripped off by a shark, which is not good. But the regulation would not have protected them anyway. But the bigger picture is—and the opposition have acknowledged this—that the vast majority of financial planners in this country are good people. They have the best interests of their clients at heart and they have the best interests to get good returns for their clients.

We acknowledge that a shark is a shark, and it is very hard to regulate to protect you from them. People, at the end of the day, have to take some personal responsibility as well in those situations and be clear about what they are doing. But what we are proposing is going to
increase the return for mum-and-dad investors. It was very well raised by a previous member that a lot of balances for a lot of investors are quite small, and when you put on extra red-tape burdens and extra costs they are the ones that are hurt. It might not be as emotional as the $150,000 lost to Storm Financial, which is a very small section of the market and very unusual, but what we are talking about is hundreds of millions of dollars over time of money being taken out. That is what is happening. It is being taken out of people savings accounts because of overregulation.

We do not even need to be talking about financial services; it could be any aspect of our community, not just your money but agriculture, occupational health and safety or anything. It is almost like the other side thinks, 'If there is a thought on something, regulate it. If there's a perceived problem on something, let's regulate it. If there's a shark there, let's try and regulate the whole industry because of that one shark, which is going to add extra red tape and cost to it.'

This legislation is all about achieving the balance. Everything is about a balance. It is a balance that says, 'Yes, we have to provide adequate consumer protection.' No-one here is saying that the consumer does not need protection; they do. So it is adequate protection, again, without burdens. This country—and I know that you, Mr Deputy Speaker, know this—is in some ways the most expensive country to do business in lots of things. This is just another example of a section of the economy where we are making it exceptionally expensive for us to do business, and penalising our mum and dad investors and their superannuation. The protections that we are going to maintain here, and the regulations, ensure a commitment from the providers, from the financial planners, to lift their professional, ethical and educational standards. Again, the balance is in the red tape, not penalising.

The DEPUTY SPEAKER: Order! The time allocated for this discussion has concluded.

BILLS

Student Identifiers Bill 2014
Export Legislation Amendment Bill 2014
Export Inspection (Quantity Charge) Amendment Bill 2014
Export Inspection (Service Charge) Amendment Bill 2014
Export Inspection (Establishment Registration Charges) Amendment Bill 2014
Family Trust Distribution Tax (Primary Liability) Amendment (Temporary Budget Repair Levy) Bill 2014
Fringe Benefits Tax Amendment (Temporary Budget Repair Levy) Bill 2014

Assent

Messages from the Governor-General reported informing the House of assent to the bills.
Mr LAURIE FERGUSON (Werriwa) (16:17): On behalf of the Parliamentary Joint Committee on Human Rights, I present the committee's eighth report of the 44th Parliament, entitled Examination of legislation in accordance with the Human Rights (Parliamentary Scrutiny) Act 2011, Bills introduced 2-19 June 2014, Legislative instruments received 31 May-6 June 2014, Eighth report of the 44th Parliament.

Ordered that the report be made a parliamentary paper.

Mr LAURIE FERGUSON: by leave—I rise to speak to the tabling of the Parliamentary Joint Committee on Human Rights eighth report of the 44th Parliament.

This report covers 18 bills introduced in the period 2 to 19 June, nine of which have been deferred for further consideration, and 51 legislative instruments received during the period 31 May to 6 June. The report also includes the committee's consideration of 11 responses to matters raised in previous committee reports.

Of the bills considered in this report, I note that the following bills are scheduled for debate in the parliament this week:

- Appropriation Bill (No. 1) 2014-2015
- Appropriation Bill (No. 2) 2014-2015
- Appropriation (Parliamentary Departments) Bill (No. 1) 2014-2015
- Appropriation Bill (No. 5) 2013-2014
- Appropriation Bill (No. 6) 2013-2014.

The report outlines the committee's assessment of the compatibility of these bills with human rights, and I encourage my fellow members to look to the committee's report to inform your deliberations on the merits of this proposed legislation.

I would like to draw members' attention to two bills in this report which are of particular interest and relevance to the committee's task of assessing legislation for compatibility with human rights.

The Australian Citizenship (Intercountry Adoption) Bill 2014 seeks to amend the Australian Citizenship Act to facilitate intercountry adoptions in accordance with a bilateral agreement where the country of the child's birth is not a party to the Hague Convention. These
'fast-track' arrangements for citizenship are currently only available where the birth country is a party to the Hague Convention.

The report notes that children have special rights under human rights law taking into account their particular vulnerabilities. Of particular relevance to the bill, article 21 of the Convention on the Rights of the Child provides special protection in relation to intercountry adoption, seeking to ensure that it is performed in the best interest of the child. The Hague Convention implements these obligations.

The report notes that, by providing for the grant of Australian citizenship (and the issue of passports) to children adopted by Australian citizens, the bill provides for the exercise of Australian jurisdiction over any such children. Accordingly, in exercising that jurisdiction, decision makers must act in the best interest of the child.

In accordance with this analysis, the committee has sought more information from the minister on the standards or safeguards that will apply to intercountry adoptions under a bilateral agreement where the country is not a signatory to the Hague Convention. More information on this question will enable the committee to better assess whether the bill is compatible with Australia's human rights obligation to consider the best interests of the child.

I would also seek to draw members' attention to a feature of the committee's work that is often overlooked. While the committee's work is generally concerned with identifying potential limitations on human rights, the committee's analysis of legislation also identifies bills and instruments that promote human rights. In this regard, I note that the Agricultural and Veterinary Chemicals Legislation Amendments (Removing re-approval and Re-registration) Bill seeks to reintroduce the right to not incriminate oneself to the Agricultural and Veterinary Chemicals Code Act 1994. The committee notes that this measure promotes the right to a fair trial consistent with international human rights law.

I encourage members to consult the full discussion of these bills in the report, which provides a more detailed account of the issues raised.

Finally, in relation to responses to matters previously raised by the committee, the report contains consideration of 11 such responses, and the committee's concluding remarks on these matters.

With these comments, I commend the committee's eighth report of the 44th Parliament to the House.

BILLS

Customs Tariff Amendment (Fuel Indexation) Bill 2014
Excise Tariff Amendment (Fuel Indexation) Bill 2014
Fuel Indexation (Road Funding) Bill 2014
Fuel Indexation (Road Funding) Special Account Bill 2014
Second Reading

Cognate debate.

Debate resumed on the motion:

That this bill be now read a second time.

to which the following amendment was moved:
That all words after “That” be omitted with a view to substituting the following words:

“the House declines to give the bill a second reading as the government’s petrol tax is a broken promise that will increase the cost of living for Australian families.”

**Dr HENDY** (Eden-Monaro) (16:21): I rise to support the Customs Tariff Amendment (Fuel Indexation) Bill 2014 and associated bills, to oppose the amendment proposed by the opposition. These bills form part of a wider strategy to massively boost infrastructure spending in Australia. In particular, the focus of this package of bills is a massive increase in road infrastructure which will help boost the productivity of the Australian economy. That is vitally important because with a more productive economy it means we can, in a sustainable way, pay for all those other things that government provides like health services, education services and defence.

These bills amend the Excise Tariff Act and the Customs Tariff Act so that the rate of excise and excise equivalent customs duty applying to all fuels listed will be bi-annually indexed by reference to the consumer price index. The exception will be aviation fuel and the production of crude oil or condensate. The government has also provided that the increased revenue will be diverted to road expenditure. These measures will provide a stable and growing source of revenue to deliver the government's new road infrastructure projects.

Let us be clear: this is not so much the introduction of fuel indexation—that was done by the Hawke government in its 1983 budget. Instead, it is a reintroduction after a number of years of a hiatus. The rate of excise and excise equivalent customs duty on most fuels has not changed since the cessation of indexation in March 2001. As the Treasurer has detailed, petrol and diesel have both maintained an excise rate of 38.143c per litre since that time, with the real value of this rate having been eroded by inflation.

To give listeners a sense of this in relative terms, in the June quarter 2001, excise represented approximately 41.5 per cent of the price of unleaded petrol. Things are vastly different now. It is now worth around 25 per cent. The government has committed to the biggest increase in road expenditure in Australian history and reintroducing indexation is projected to moderately assist in funding these commitments by raising approximately $2.2 billion.

My electorate of Eden-Monaro is receiving an early down payment on the increased roads expenditure. On 13 June the then Acting Prime Minister—that is, the Deputy Prime Minister and Minister for Infrastructure—visited Queanbeyan in my electorate. Together with the New South Wales Deputy Premier, Andrew Stoner, he announced a joint funding commitment of $50 million to build the Queanbeyan bypass. The Commonwealth and New South Wales governments have committed $25 million each to construct a 4.6 kilometre two-lane carriageway linking the end of Ellerton Drive to the new Edwin Land Parkway intersection at Old Cooma Road. A bridge will also be built over the Queanbeyan River.

The extension of Ellerton Drive will provide an alternative route for traffic wanting to bypass Queanbeyan's busy CBD and improve road safety. It is also a major economic development investment for the Queanbeyan district and has been the No. 1 infrastructure priority for the Queanbeyan City Council for a number of years. For those people worried that spending decreases in Canberra will adversely affect Queanbeyan and Eden-Monaro, this project will be a massive boost in investment and in jobs.
Mr Albanese: Under standing order 66A Interventions, I ask if the member for Eden-Monaro would take an intervention to which he could then respond.

The DEPUTY SPEAKER: Will the member take an intervention?

Dr HENDY: I am always interested to hear your questions.

Mr Albanese: I thank the member for Eden-Monaro. I ask, because this is related to the fuel tax increase, whether the project in Queanbeyan that he referred to in his contribution or even the Majura Parkway Parkway that is already under way are dependent upon the carriage of this new tax for funding or whether if this new tax does not go ahead those projects will still be concluded, which would suggest that the funding is not dependent upon this new tax at all.

Dr HENDY: The point I think is really relevant is that the ALP absolutely opposed this Queanbeyan bypass in the last election.

Mr Albanese interjecting—

Dr HENDY: You did not support it at all.

Opposition members interjecting—

Dr HENDY: I was asked a question about the Queanbeyan bypass.

The DEPUTY SPEAKER: The member for Eden-Monaro has the call. The member for Grayndler will listen in silence to the answer. He was afforded the silence of the chamber for his intervention.

Dr HENDY: Indeed, Mr Deputy Speaker. I was asked a question about the Queanbeyan bypass, which was opposed by the Labor Party. The member for Grayndler may have been the relevant minister at the time. He opposed a project that was the No. 1 priority of the Queanbeyan City Council. Instead, those opposite proposed a Dunns Creek Road extension road that was not actually on the list of priorities for the Queanbeyan City Council and was never asked for. It was actually promised for in the 2010 election and was never delivered through the course of the 2010, 2011, 2012, 2013 parliamentary term.

Mr Ewen Jones: Who was that member?

Dr HENDY: The member then was a fellow named Mike Kelly.

Mr Ewen Jones: What party was he in?

Dr HENDY: He was with the ALP. It is a road—that is, the Queanbeyan bypass—that will not only ease congestion in the CBD but will provide better access to the new housing estates in the area like the Googong development and maintain connection between east and west Queanbeyan during a one-in-100-years flood. This project has been promised for decades at the state level but was never delivered by Labor governments. Coalition governments at both the Commonwealth and state levels are now delivering it.

The government does not resile from the fact that these initiatives come at a cost. The estimated price impact of fuel indexation by the end of 2014-15 is an increase of about 0.8c per litre with an additional 0.1c per litre due to the GST, as the GST is applied to the excise inclusive price. The Treasury has calculated that 50 litres of fuel would cost around 45c extra or around $24 extra per annum if this usage was weekly, assuming the change is passed on in full and ignoring any other price changes. By the end of the forward estimates period in 2013,
the increase is about 3.7c per litre with an additional 0.4c per litre due to the GST. Fifty litres of fuel would cost around $2.05 extra or around $107 extra per annum extract if this usage was weekly. For those businesses using fuel in off-road operations or operating a vehicle with a gross vehicle mass in excess of 4.5 tonnes, this measure will not increase their business cost. This is because these businesses are able to receive fuel tax credits to offset the fuel excise paid.

Since I have been interrupted by the member for Grayndler, I will cut to this really important point: I would like to remind people in my electorate that, on coming to office, the new coalition government faced a $47 billion budget deficit for the 2013-14 financial year and $123 billion of projected deficits to 2016-17. Today every man, woman and child in Australia, and therefore in my electorate, is footing a $1 billion interest bill every month on Labor debt. This budget begins the task of restoring budget integrity for the long term, making savings in current expenditure so we can invest in the infrastructure necessary to rebuild our national economy. The 2014 budget outlined a $50 billion investment across Australia to deliver vital transport infrastructure for the 21st century. The budget includes many large-scale commitments which will trigger more than $125 billion in infrastructure investment but, importantly, there is also a significant boost to road funding at the local level.

As part of this agenda we have committed $2.5 million for the continuation of the Roads to Recovery program to support the maintenance and upgrade of local roads. This includes an additional payment of $350 million to local councils during the 2015-16 financial year. To fix dangerous and accident-prone sections of local roads and streets, $565 million will be provided through the ongoing Black Spot program. This includes an extra $100 million in both the 2015-16 and 2016-17 financial years. Recently, on 4 June this year, the Assistant Minister for Infrastructure and Regional Development and I announced funding of $622,450 to fix dangerous black spots in Eden-Monaro. The Eurobodalla Shire Council will receive a total of $530,000, the Queanbeyan City Council will receive a total of $52,450 and the Bega Valley Shire Council will receive $40,000. The projects were recommended by a panel of independent road safety experts and will be delivered in the course of the coming financial year, 2014-15. A recent evaluation of the Black Spot program found that fatal and casualty crashes are reduced at treated sites by 30 per cent. That is a great result for the Black Spot program. This investment in black spot projects will deliver safer roads for Eden-Monaro through targeted upgrades proven to deliver results.

I also note the government's Bridges Renewal program, which was promised in the election campaign, will commence in 2014-15. Partnering with local councils and state governments, this program will invest $300 million in Commonwealth funding into the repair and replacement of local bridges. I have already raised this program with the mayors in my electorate and they are considering putting in bids.

To improve productivity and safety in the heavy vehicle industry, the government has also committed to continue the heavy vehicle safety and productivity program, with $200 million available over the next five years for projects such as road enhancement, rest areas and technology trials. In addition there has been a Community Development Grants program since the election which has confirmed $314 million in investments in over 300 projects, which are designed to deliver the coalition's election commitments, and some residue projects from the previous government. Among those 300 projects was the $10 million for the port of Eden...
redevelopment in my electorate, which is one of the most important local investments in infrastructure we have seen in years. It was promised by the previous government over the course of a whole six years but, amazingly, it was not delivered. We are now proceeding with it. The money is in the budget. We are getting on with the job, in consultation and partnership with the New South Wales coalition government.

Talking about infrastructure, I am also happy to confirm the coalition government will continue with its $160 million commitment to the Bega community to build the new South East Regional Hospital. This is a major project, in collaboration with the New South Wales government, which we hope will be completed in 2016. Only in February this year—that is, 2014—was it announced that the tender for the main works were awarded to Brookfield Multiplex. Do not let people think this is a Labor government project just because they announced it before the election: it is taking form and substance under a coalition government. We are actually getting the work done on this vital need for the Bega Valley district.

Further, the government's new $1 billion National Stronger Regions Fund aims to promote economic development through investment in infrastructure projects at the local level. The program will help communities with lower than average socioeconomic circumstances and higher than average unemployment by improving local facilities, creating jobs and building needed infrastructure. Grants from the program will commence next year. Again, I have been talking to the mayors in my district to ensure we work together, collaboratively, to get bids in for this very useful regional and rural program.

By partnering with state governments and leveraging private sector investment through innovative financing models, Australia is set to receive $126 billion in investment in productivity-enhancing infrastructure. Major projects are occurring across the country. I have already talked about major projects in my electorate like the port of Eden redevelopment, the Bega Valley hospital project, the Queanbeyan bypass and other road spending in the Eurobodalla and Bega Valley shires. In conclusion, these bills are a vital part of the government's infrastructure strategy and I commend them to the House.

Mr SNOWDON (Lingiari) (16:36): The shame of this debate is that it has been truncated and effectively gagged, which means that members opposite who should be speaking will not be. I am not talking about members who come from Eden-Monaro or even the mighty Herbert. I am talking about the members for O'Connor, Forrest, Pearce, Capricornia, Grey and Leichhardt—those people who come from large regional electorates.

Mr Hutchinson: Lyons.

Mr SNOWDON: Lyons is not a large regional electorate. Let me just tell you what the impact of this GST is on those communities—I'll speak up on behalf of their constituents, even if they won't. Let me be very clear: the fuel excise will have a dramatic impact on people who live in those communities. We heard the Deputy Prime Minister say today in question time that the major impact of the tax is on the trucking industry. Well, I've got news for him. The major impact of the tax is on residents and constituents of mine who live in remote parts of northern Australia.

If you index fuel in the way that is being proposed and it also cops the GST it becomes a cascading tax. So if you pay fuel at $1.53 a litre then the current excise plus GST is 53.2c. If,
however, you are paying $2.50 a litre you are paying 63c tax, a difference of 10c. But, of
course, the people opposite do not acknowledge this cascading impact of this tax on the cost
of fuel for people who live in regional Australia. They need to understand the impact of this
tax on those people and on their lives, because families will be adversely affected by this silly
tax. The Deputy Prime Minister has already said, and others have spoken of this: 'Fuel tax is a
tax on distance. If ever there was a country that should not aggressively tax fuel it is a vast
country like Australia. It is a tax on doing business outside of the capital cities. It is a tax on
farming and the distant parts of our nation. It is a tax on living and setting up a business in a
country town.'

Let me tell you that at Numbulwar in the Northern Territory people are currently paying
$2.57 a litre for fuel. At Ngukurr, close by, the price is somewhat similar. Ngukurr is 300
kilometres from Katherine in the Northern Territory. People play football in Katherine of the
weekend. The round trip is 600 kilometres and they are paying about $2.50 a litre for fuel.
Who can say that this is sustainable? Who can argue that this impost that is going to have a
cascading impact and increase over time will not have a major impact on those communities?

It is not the trucking industry, it is the people who live in those places who are most
adversely affected by the changes which are being made. They already suffer huge costs. For
example, the Central Land Council did a remote communities store price mark-up survey of
the price in the CLC region compared to in the nearest regional centres of Tennant Creek,
Alice Springs or Katherine. It found: fruit and vegetables, 35 per cent mark-up; essential
health items, 55 per cent; variety products, 150 per cent; takeaway foods, 100 per cent;
clothing, 80 per cent. It is the people there who are going to suffer, yet people in this chamber
from the National Party and those people who purport to represent regional seats are not
prepared to get up on their scrapers and represent the interests of those people.

We have an obligation in this place to tell this government that the people who will be most
adversely affected, in this case in the Northern Territory, are the poorest people in Australia.
They will be most gravely impacted by the whole suite of measures in this budget and this
fuel indexation proposal will most adversely impact upon them. It is an absolute shame that
we cannot get the members of the National Party to come in here and explain why it is they
are going to support this measure when they know it is contrary to the interests of their
constituents. I make it very clear that there is no way on God's earth I would support such an
impost on the people in my community. Why would they?

The DEPUTY SPEAKER (Mr Vasta): In accordance with the resolution agreed to
earlier, I call the honourable parliamentary secretary.

Mr CIOBO (Moncrieff—Parliamentary Secretary to the Treasurer) (16:41): I thank those
members who have contributed to this debate. These bills modify the Excise Tariff Act 1921,
the Customs Tariff Act 1995, the Excise Act 1901, the Fuel Tax Act 2006 and the Financial
Management and Accountability Act 1997 to reintroduce the biennial indexation of excise
and excise equivalent customs duty on all non-aviation fuels. Indexation to the consumer
price index will begin on 1 August 2014 and will occur in February and August every year
thereafter. The re-indexation of fuel excise and excise equivalent customs duty will raise $2.2
billion over the forward estimates. This will provide a predictable and growing source of
revenue for the government's road infrastructure projects. Indeed, this revenue source allowed
the government to commit to the biggest increase in road expenditure in Australian history in the recent budget.

This legislation also establishes the fuel indexation road funding special account. This account will ensure that net revenue raised through the re-indexation is spent on road infrastructure. The balance of this account will be reported in Budget Paper No. 4. The cost of petrol and diesel is expected to increase by approximately 0.9c per litre for consumers by July 2015 as a result of re-indexation. Businesses using fuel in off-road operations or operating on-road vehicle with a gross vehicle mass in excess of 4.5 tonnes will not face an increase in their business costs from indexation. These businesses are able to receive fuel tax credits to offset the fuel excise paid. Consequential amendments will also be made to the Excise Tariff Act 1921 and the Customs Tariff Act 1995.

While indexation will continue at three decimal places for each indexation period, the applicable duty rate will be rounded from three decimal places in the cent to one decimal place. This rounding will simplify the duty rate to reduce the burden on businesses. On the current rate for petrol this would have the effect of reducing the rate from 38.143c per litre to 38.1c per litre.

We have reached the point in this debate where the Labor Party have put forward their opposition to it and have even put forward an amendment that in some rather poor way attempts to maintain that this policy is not consistent with what the coalition took to the last election. We have the Greens, in an amazing about-turn, an almost gymnastic effort of a backflip, now saying they will not support re-indexation of excise on fossil fuels—surely something that I think most people would reasonably have thought. But what is extraordinary from the contributions of Labor members opposite is the Labor Party's contention that because we in the coalition government are seriously attempting to deal with the state of the nation's finances, attempting to stop stealing from the next generation of young Australians to pay for today's spending and undertaking to make responsible decisions that deal with the fiscal challenges this nation faces, that is in some way inconsistent with the mandate received from the Australian people at the last election.

Let's be clear about what exactly it is that is inconsistent. It is inconsistent for the Australian Labor Party to come in on debates like this and rail about inequity. It is inconsistent for the Australian Labor Party to come into debates like this one and rail about the impact on families. The reason it is inconsistent is that Labor's efforts, not only in relation to this budget initiative but in respect of the nearly $40 billion of additional spending that Labor want to reintroduce into the budget, combined with the fact that Labor stand opposed to revenue increases like this one, underscore that Labor are not serious when it comes to inequity. Labor are not serious when it comes to Australian families because, if they were—if Labor were genuine about the impact on families and genuinely motivated and concerned about what it meant for Australian children—they would not condemn them to tens of billions of dollars of additional debt in order to try to win a few votes.

The Australian Labor Party have form; Australians know that. They will say anything on any given day if they think that there is a vote in it. They will not make the serious decisions that are in the national interest to address the challenges that we have. The Labor Party will not undertake the heavy lifting that is required to meet the challenges this nation faces. When the coalition are genuinely concerned about making sure that Australian children do not have
to spend the next 20 or 30 years paying off Labor's debt, we respond by making unpopular decisions like this one—not because we think there are votes in it but because it is in the national interest. The Labor Party used to know that. The Labor Party was once a party of principle.

Mr Hutchinson: They stood for something.

Mr CIOBO: The Labor Party did indeed once stand for something—but no more. The only thing you can be assured of in this day and age is that the Australian Labor Party will adopt whatever position they need to adopt in order to try to secure themselves one extra vote. So we get members like the member for Lingiari, who professes to be concerned about the people of the Northern Territory and who in his contribution to the debate made claims that this measure is not in their interests but conveniently ignores the fact that, as a result of the six biggest budget deficits in Australia's history, the actions of the government that he was a member of mean that the Australian people of the Northern Territory are forecast to be in debt to the tune of $25,000 for every man, woman and child.

Mr Snowdon: What did you do to the deficit when you came to government?

Mr CIOBO: So do not expect us to take you very seriously, Member for Lingiari, because we do not take you very seriously.

Mr Snowdon: What did you do to the deficit?

The DEPUTY SPEAKER (Mr Vasta): Order, Member for Lingiari!

Mr CIOBO: The member for Lingiari cannot come into the chamber professing to be concerned about Australian families and professing to be concerned about the people of the Northern Territory after the track record of the government of which he was a member left those people in so much debt and deficit that they will take 20 or 30 years to repay the debt.

When we take initiatives like this to stop Australia from staying on a trajectory where we have to borrow $1 billion every single month simply to pay back the interest on the debt that Labor accumulated, we do not expect the Australian Labor Party to stand in the way; we expect them to do the right thing. We know that the right thing is not always popular, but that does not in any way, shape or form erode the fact that it is the right thing to do for our nation. The coalition will continue to do the right thing for our nation. The coalition will continue to make sure that we put the interests of the next generation of Australians first. The next generation of Australians know that we will attempt to bequeath to them a country that is in a stronger financial position than what we inherited. That is not Labor's approach; it is not the approach of the Greens. On that basis, this is the right thing to do. I commend the bill to the House.

The DEPUTY SPEAKER: The question is that amendment moved by the honourable member for Hunter be agreed to.

The House divided. [16:53]

(Deputy Speaker—Mr Vasta)

Ayes ......................54
Noes ......................82
Majority .................28
AYES

Albanese, AN  Bandt, AP
Bird, SL  Bowen, CE
Brodtmann, G  Burke, AE
Burke, AS  Butler, MC
Butler, TM  Byrne, AM
Chalmers, JE  Champion, ND
Chesters, LM  Clare, JD
Claydon, SC  Collins, JM
Conroy, PM  Danby, M
Elliot, MJ  Ellis, KM
Feehey, D  Ferguson, LDT
Fitzgibbon, JA  Giles, AJ
Gray, G  Griffin, AP
Hall, JG (teller)  Hayes, CP
Hisic, EN  Jones, SP
King, CF  Leigh, AK
MacTiernan, AJGC  Marles, RD
Mitchell, RG  Neumann, SK
O’Connor, BPJ  O’Neil, CE
Owens, J  Parke, M
Perrett, GD  Plibersek, TJ
Ripoll, BF  Rishworth, AL
Rowland, MA  Ryan, JC (teller)
Snowdon, WE  Swan, WM
Thistlethwaite, MJ  Thomson, KJ
Vamvakouinou, M  Watts, TG
Wilkie, AD  Zappia, A

NOES

Alexander, JG  Andrews, KJ
Andrews, KL  Baldwin, RC
Billson, BF  Briggs, JE
Broad, AJ  Broadbent, RE
Brough, MT  Buchholz, S (teller)
Chester, D  Christensen, GR
Ciobo, SM  Cobb, JK
Coleman, DB  Coulton, M (teller)
Dutton, PC  Entsch, WG
Fletcher, PW  Frydenberg, JA
Gambaro, T  Gillespie, DA
Goodenough, IR  Griggs, NL
Hartsuyker, L  Hawke, AG
Henderson, SM  Hendy, PW
Hogan, KJ  Howarth, LR
Hutchinson, ER  Irons, SJ
Jensen, DG  Jones, ET
Joyce, BT  Keenan, M
Kelly, C  Laming, A
Landry, ML  Laundy, C
Ley, SP  Macfarlane, IE
Marino, NB  Matheson, RG
McCormack, MF  McGowan, C
The DEPUTY SPEAKER (Mr Vasta) (17:01): Pursuant to the resolution agreed to earlier, I will now put the question on the Excise Tariff Amendment (Fuel Indexation) Bill 2014 and three related bills. The question is:

That these bills be now read a second time.

The House divided. [17:02]

Ayes .................... 82
Noes ..................... 54
Majority ................. 28

AYES

Alexander, JG .......................... Andrews, KJ
Andrews, KL ....................... Baldwin, RC
Billson, BF .................................. Briggs, JE
Broad, AJ .......................... Broadbent, RE
Brough, MT .................................. Buchholz, S (teller)
Chester, D .......................... Christensen, GR
Ciobo, SM .................................. Cobb, JK
Coleman, DB .................................. Coulton, M (teller)
Dutton, PC .................................. Entsch, WG
Fletcher, PW .................................. Frydenberg, JA
Gambino, T .................................. Gillespie, DA
Goodenough, IR .......................... Griggs, NL
Hartsuyker, L .................................. Hawke, AG
Henderson, SM .......................... Hendy, PW
Hogan, KJ .......................... Howarth, LR
Hutchinson, ER .................................. Irons, SJ
Jenewein, DG .................................. Jones, ET
Joyce, BT .................................. Keenan, M
Kelly, C .................................. Laming, A

NOES

McNamara, KJ .......................... Morrison, SJ
Nikolic, AA ....................... O’Dwyer, KD
O’Dowd, KD .......................... Pasin, A
Pitt, KJ .......................... Porter, CC
Prentice, J .......................... Price, ML
Pyne, CM .......................... Ramsey, RE
Randall, DJ .................................. Robert, SR
Roy, WB .......................... Ruddock, PM
Scott, BC .......................... Scott, FM
Simpkins, LXL .......................... Smith, ADH
Southcott, AJ .................................. Stone, SN
Sudmalis, AE .................................. Sukkar, MS
Taylor, AJ .......................... Tehan, DT
Truss, WE .......................... Turnbull, MB
Van Manen, AJ .......................... Varvaris, N
Whiteley, BD .......................... Wicks, LE
Williams, MP .......................... Wilson, RJ
Wood, JP .......................... Wyatt, KG
AYES

Landry, ML
Ley, SP
Marino, NB
McCormack, MF
McNamara, KJ
Nikolic, AA
O'Dwyer, KM
Pitt, KJ
Prentice, J
Pyne, CM
Randall, DJ
Roy, WB
Scott, BC
Simpkins, LXL
Southcott, AJ
Sudmalis, AE
Taylor, AJ
Truss, WE
Van Manen, AJ
Whiteley, BD
Williams, MP
Wood, JP

LAUNDRY, C
Macfarlane, IE
Matheson, RG
McGowan, C
Morrison, SJ
O'Dowd, KD
Pasin, A
Porter, CC
Price, ML
Ramsey, RE
Robert, SR
Ruddock, PM
Scott, FM
Smith, ADH
Stone, SN
Sukkar, MS
Tehan, DT
Turnbull, MB
Varvaris, N
Wicks, LE
Wilson, RJ
Wyatt, KG

NOES

Albanese, AN
Bandt, AP
Bird, SL
Bowen, CE
Brodtmann, G
Burke, AE
Burke, AS
Butler, MC
Butler, TM
Byrne, AM
Chalmers, JE
Champion, ND
Chesters, LM
Clare, JD
Claydon, SC
Collins, JM
Conroy, PM
Danby, M
Elliot, MJ
Ellis, KM
Feeney, D
Ferguson, LDT
Fitzgibbon, JA
Giles, AJ
Gray, G
Griffin, AP
Hall, JG (teller)
Hayes, CP
Husic, EN
Jones, SP
King, CF
Leigh, AK
MacTiernan, AJGC
Marles, RD
Mitchell, RG
Neumann, SK
O'Connor, BPJ
O'Neil, CE
Owens, J
Parke, M
Perrett, GD
Pliibersek, TJ
Ripoll, BF
Rishworth, AL
Rowland, MA
Ryan, JC (teller)
Snowdon, WE
Swan, WM
Thistlethwaite, MJ
Thomson, KJ
Vannikinou, M
Watts, TG
Wilkie, AD
Zappia, A

CHAMBER
Question agreed to.
Bills read a second time.

Messages from the Governor-General recommending appropriations for the purposes of the Fuel Indexation (Road Funding) Bill 2014 and the Fuel Indexation (Road Funding) Special Account Bill 2014 announced.

**Consideration in Detail**

Bills—by leave—taken as a whole.

**The DEPUTY SPEAKER (Mr Vasta) (17:06):** The question is:
That the bills be agreed to.

*Dr LEIGH (Fraser) (17:07):* In this debate we have seen a notable lack of speakers from the Nationals. This is the Liberal tail wagging the Nationals dog. Members of the National Party are happy to come in here and cast a vote that will raise fuel taxes on their electors. And they know full well—as the Leader of the Nationals and the Deputy Prime Minister has outlined—that this is a tax on distance.

This is a tax that will fall disproportionately on those in the largest electorates in Australia. But have we heard from the member for Pearce in this debate? I'm afraid not. The member for Durack? No—she was guillotined as well. Have we heard from the member for O'Connor? No, we have not heard from him. We have so many members across that side of the House, representing large rural electorates, who have not stood up in their party room, who have not stood up in this House and who have not stood up against the measure that will raise taxes every time Australians get into the car.

As I outlined in my second-reading speech, this is a broken promise, and there could be no clearer broken promise than the increase of fuel indexation. No less than a dozen times prior to the election, Tony Abbott said he would not raise taxes on the Australian people, and now we are seeing this 'big new tax'. In another part of this building, very shortly, we will have Al Gore standing next to Clive Palmer. It is apposite to remind the House—as Al Gore might have said and, indeed, as Tony Abbott said to Barack Obama—this is a measure which acts like a carbon tax. Having run around the country, berating a price on carbon, now we have Tony Abbott introducing a measure that has the effect of being a price on carbon.

This is a measure that was decried by coalition member after coalition member when they were on this side of the House. As soon as they moved to that side of the House they discovered a new-found love for carbon taxes. As long as it is their carbon tax, they are very happy to have it. So we have Greens members—in a Bizarro World—more committed to standing up for rural Australians than the National Party is. The National Party will not stand up to the Liberal Party. That is why, at election after election, over the past generation, we have seen the National Party slowly being reduced to a rump in this place. It is unwilling to stand up for the interests of rural Australia.

We on this side of the House take a different view. We on this side of the House are standing to see the Prime Minister keep his word when he said—no less than a dozen times before the last election—that he would not put a new tax on the Australian people. He is not only putting a new tax on the Australian people but also he is taking away this House's right to debate it. Those on that side of the House should have all been given the opportunity. We would have been delighted to give them the freedom, because we believe in freedom of
speech. We particularly believe in the freedom of National Party members to explain to their constituents why they support paying higher fuel taxes.

It would have been a great joy for us to hear 15-minute speech after 15-minute speech from members representing some of the largest electorates in Australia. They are electorates where a typical elector might jump in the car for a couple of hours to go off to a meeting, or find themselves taking an hour each way to drop the kids to sport on Saturday. It would have been a pleasure for those of us on this side of the House to sit and watch them explain to their electors why they thought higher fuel taxes was the right promise to break.

This is not the only promise the government has broken. There are broken promises on: no cuts to the ABC, no cuts to SBS and on bringing the deficit down. Of course, they have raised the deficit. It is a little smaller than it was after Joe Hockey doubled it, but it is still a whole lot bigger than it was when the government came to office. But this broken promise is one which will resonate in the rural and regional electorates of Australia. They will be asking themselves: 'Where was my member when the great debate happened in the House of Representatives?' The answer: missing in action. Rural and regional members were missing in action—except for those on this side of the House.

Mr HUTCHINSON (Lyons) (17:12): I cannot claim to have the largest electorate in the country but I can claim to have the largest electorate in the state of Tasmania. I am more than happy to stand in front of my constituents and explain the benefits of good public policy. That is something the Labor Party once believed in. The Labor Party once had principles and once stood for something.

It was interesting to pick up today The Financial Review. That well-known supporter of the Liberal Party Laura Tingle today started off by saying:

If there was one budget measure which Labor and the Greens really should have supported, it was the move to reinstate indexation on fuel excise.

I found this more and more interesting, as the article went on. She said:

After all, it would have been the Coalition—not Labor—that bore the opprobrium, and both sides of politics and the budget bottom line would have benefited from the move.

We do believe that it is important to fix the budget. It was one of the fundamental commitments that we went to the election in September 2013 with, that we would restore faith in government and that we would restore faith and respect for the finances that are the product of the taxpayers of this country.

I hesitate here, but she goes on to say:

In what was a too-clever-by-half punt, Labor thought it could get the best of both worlds by counting on the Greens to support the Coalition on the indexation move, thus avoiding any political fallout but gaining the revenue whenever it eventually gets back to government—

And goodness knows when that might be—

despite never having had the courage to make the move on fuel excise itself when it was—

For six long years—

in government.

The keyword there is courage—and lack of courage, of principle, on the part of those on the other side. This is a budget that our country needs. We know that some of these measures may
not be popular, but the fact that the excise is going to roads will make it a valuable
correlation to regional Australia. Certainly in my electorate of Lyons there are many roads
that will benefit from an excise of a very modest nature on fuel that will be legislated to be
put back into roads, some of which will be in regional Australia. We were elected to do a job, and that was to fix the mess that was left by the previous government—and fix it we will.

The rate of excise and excise-equivalent customs duty on most fuels was last changed in
March 2001—13 years ago. The rate at that time was 38.143c, and that has effectively been
eroded over time. The fundamental principle of this excise—to allow us to reinvest in roads
and reinvest in infrastructure—has been eroded through a lack of courage. In 2001, it
represented roughly 41.5 per cent of the price of petrol. Today, nationally, it is around 25 per
cent, and I would say it is a little less than that in my state of Tasmania. We are prepared,
when good policy is put in front of us, to look at those things. It is also important to note, for
regional Australia, that the level of fuel excise will not affect businesses operating vehicles
greater than 4.5 tonnes gross vehicle mass. Importantly, vehicles used in my electorate by
the many farmers—people that work, employ people and generate wealth within my
communities—will not be affected for off-road activities. The fuel tax credits that they rightly
receive offset entirely the increase in the fuel excise.

This is sensible policy. This is good policy. We understand, on this side, that some of the
measures in the budget that we have brought down are not popular, but we are a government
that needs to fix the mess that Australia was left with after six years of Labor. We are up for
the job, we are committed to the task and this is one small measure of good public policy that
should be supported by the Greens, but it should also be supported by the Labor Party
if they believe in something and stand for something.

Ms CHESTERS (Bendigo) (17:17): This is actually terrible public policy, despite what
has just been put forward. This is terrible public policy and it has been condemned and
canned throughout the regional media. That is probably exactly why the government has
moved to gag debate today. I am a regional MP, and it is not just my local paper that has
really gone out there and canned this policy. A number of papers in regional areas have come
out and canned this policy, saying that it is going to be tough for the bush and tough for
farmers.

Let us look at The Daily Mercury, which is a paper in Mackay. It says that this will have a
crippling effect on our cane growers in the region—a crippling effect—yet we are hearing
from people opposite that farmers want this. This does not include the farmers who are cane
growers in Mackay. We have also heard that it is something that people are proud to defend.
Really? Your local papers are not saying that. Is that why we have got so many MPs in
hiding, not willing to stand up and nail their colours to the mast on that? We have had MPs on
the other side—on the government’s side—publicly say that they disagree with this policy.
We have got senators coming out and maintaining the rage against this, saying that this will
be bad for the bush. We have got other members of the government coming out publicly and
saying that this particular fuel excise increase is another tax and it is a broken promise. So no
wonder the government is moving to gag debate on this, when its own MPs out in public are
saying that it is another broken promise and an increase in a tax.

It is a broken promise and it is an increase in a tax. In my electorate of Bendigo, we pay
high fuel prices, which means we will be paying even more in excise to the government. On
one Saturday in Bendigo city itself, the price was okay—it was about the national average; it was $1.50—but, the moment you went further out, it got more expensive. On the same day, the price was $1.65 in Woodend. That is an extra 15c. On top of that, they then have to pay more excise. The fact is that, in regional Australia, the further out you go, the more you pay in fuel. So this is a tax that hurts the bush. The increasing of the excise will hurt the bush and hurt regional electorates like mine, because the further you go, the more tax you have to pay to this government.

I am also not surprised that the government wants to gag debate to stop those MPs from big rural seats standing up and talking about this issue, because who would want to go home and stand up in front of the farmers and the small businesses and say, 'Yes, I've just increased the cost of your business.' This is a government that claims to be the best friend of small business, yet it has just increased one of the biggest things that you can increase for a small business—the cost of fuel and the cost of petrol.

Let us, for a moment, remember why it is the fuel excise was frozen. Let us just remind people why. John Howard, the former Prime Minister, introduced the GST, and part of the trade-off when he introduced the GST was to freeze the fuel excise, because having the fuel excise and the GST is double-taxing. It is double-taxing on fuel, which is vital for people to be able to live. The motorists who live in country areas, the people who rely on transport, rely on fuel. We have limited or no public transport in the regions, so, for those electorates where people need to use a car, we need to ensure that we have fairer taxes.

Right now, this is not a fair tax, and it is not a fair tax because it is a tax on a tax. I am quite surprised that the government, who were the architects of the GST, forget this. They forget that this is a tax on a tax. The question that I have for the government now is: are they going to consider reducing or removing the GST on fuel? That is the only way that you can ensure that the people in the country and in the regions are not hit with a double tax.

It is very disappointing that the government has gagged debate on this. There are a number of MPs on this side of the House that wanted to stand up for their families, stand up for their communities, stand up for their electorate and highlight exactly why this is an unfair tax and another broken promise.

Mr CIOBO (Moncrieff—Parliamentary Secretary to the Treasurer) (17:22): Once again it has been instructive to listen to the contribution from Labor members who continue to apparently rail against the inequities of an initiative like this while conveniently ignoring the fact that this type of measure would not be necessary if the Labor Party had not spent so recklessly over the past six years. This type of measure would not have been necessary if Labor had left Australia in a better financial position than they inherited it.

But the Australian people understand what Labor did. The Australian people, when they reflect on Labor's track record, know the truth, which is that, when Labor was elected to office, they inherited a $50 billion asset base, they inherited a budget in strong surplus and the Australian economy was performing strongly. In six short years the Labor Party ran the six biggest deficits in Australia's history. Indeed, this type of measure would not be necessary if Labor had left Australia in a better financial position than they inherited it.
So it is a little disingenuous, frankly, for Labor members to pop up on the opposition side and claim that they are so concerned about the impact of this bill. One of the reasons it is particularly disingenuous is because this is coming from the same Australian Labor Party who in this debate rail against the impact of 40 or maybe 50c for the average Australian family per week for the cost of fuel yet are perfectly happy to see the continuation of the world's biggest carbon tax, which has an impost on Australian families of $550. Bear in mind that the carbon tax is set to increase, so the impact on Australian households will be even more pronounced. The government does not need hypocrisy or lectures from the Australian Labor party about how this is not an appropriate initiative to undertake. What we need from the Australian Labor Party is a little bit of common sense, a little bit of recognition that as a government we were elected to fix up the mess that the Australian Labor Party left behind.

Labor cannot have it both ways. Labor cannot claim that they are a party concerned about Australian families. Labor cannot claim that they are a party that is concerned about the impact on Australian people of a policy initiative like this. Labor cannot claim that they are a party of economic responsibility yet enable a situation or attempt to impose a situation where the Australian budget continues to face significant economic headwinds, where the Australian budget continues to be subjected to tens of billions of dollars of budget deficit. Until such time as Labor is willing to be upfront with the Australian people, Labor is not in a strong position to be critical of measures that this government undertakes not because we think they are popular but because we know that they are the right thing to do, as I have said in this debate previously. Initiatives like this are done because this is what is required to help restore Australia's economic standing. These types of policy decisions are undertaken not because we think they are going to win vast numbers of votes in the community; we do it because as a government we are committed to making sure that this nation stands more strongly in the future than it is able to as a consequence of Labor's economic stewardship and the reckless spending they engaged in.

Labor cannot have a situation where they oppose every tax increase and hey oppose every savings initiative but then say that they are concerned about equity, fairness and the impact that will have on Australian families when as a direct consequence of Labor's policy positions we now see Labor trying to reimpose nearly $40 billion of additional spending back on the budget. That is the reason the Australian people voted in such overwhelming numbers against the Australian Labor Party. They know that Labor's recipe is a recipe for more debt and more deficit and will do nothing to make sure the next generation of Australians inherit a country that is stronger and more resilient in the future than the nation that Labor left behind.

Mr WATTS (Gellibrand) (17:27): I feel bad for detaining the member for Moncrieff, who I know will be wanting to rush to the Great Hall and hear the member for Fairfax, Clive Palmer, blowing up another one of the Abbott government's agendas; but, because of the gag on this bill, I was prevented from speaking on it earlier, and I really could not miss the chance to have my say on this bill. This is one of those bills that goes to the heart of the absolute substancelessness of this government.

I have a very simple question for the member for Moncrieff: if this bill is such good policy, as those opposite are insisting, why didn't you tell the Australian people about it before the last election? Before the last election it was a very different message coming from those opposite. I can remember hearing the then Leader of the Opposition, now Prime Minister,
telling Australians: 'What you'll get under us are tax cuts without new taxes. There should be no new tax collection without an election.' The government's Real solutions policy pamphlet, which was mailed to every constituent in my electorate during the last election campaign, read: 'We pledge to the families of Australia that we will never make your lives harder by imposing unnecessary new taxes.' In one interview, when asked if lower taxes was a promise, the then Leader of the Opposition responded, 'This is my whole reason for being in politics—in this parliament.' Indeed, the then Leader of the Opposition gave more than 80 speeches about tax in this place in the last parliament but never once said that he would be increasing them.

Yet in the government's first budget we see a swath of tax hikes: increases to income tax, a new tax on visits to your GP and the increases to the petrol tax that we see in the bills before this House. Those provisions must have been in the sealed section of the Real solutions policy pamphlet—the lift-out section of the pamphlet with the obscene bits in it that aren't fit for public consumption! I must have missed that section. It would have to have been a bulky one to contain all the nasties that were included in this recent budget—all the nasties that had to be hidden away from the Australian people before the last election. The sealed section would have had to include the new $7 tax on visits to the GP, the $80 billion in cuts to health and education and the plans to Americanise our higher education system through massively increased student fees and student debt costs.

But there is a little bit of familiarity. It was before my time but seeing all of the opposition leader's promises about honesty and about no new taxes it did remind me of another previous opposition leader. We have pretty well established that Tony Abbott is no John Howard. Those opposite are quickly realising that Tony Abbott is more extreme, more out of touch than John Howard ever was, much to their detriment. But he is doing a pretty good Malcolm Fraser impression at the moment. Before the 1975 election Malcolm Fraser said:

I can promise you honesty and integrity in Government—
You can hear the echoes from the then opposition leader—

I'd like to have a Government which people can trust.

... ... ...

We will reduce the tax burden. We will put an end to Labor's tax rip-off.

... ... ...

The Government will bring taxes down further—not increase them.

We all know what happened next. In 1978 Malcolm Fraser introduced the petrol taxation that Tony Abbott, his progeny some 30 years later, is now increasing.

People ask, 'Why is the Labor Party opposing this bill?' Those opposite ask why aren't we supporting this excellent policy. I can tell you that this excellent policy is far from it for my constituents. This is a regressive tax that slugs the hardest those with no choice but to use their cars. It is a regressive tax introduced without any broader tax reform to curb these regressive impacts. I ask the minister in this respect: has the government undertaken modelling of the cumulative impact of this tax hike on working families wend combined with the GP tax, the cuts to family payments and the cuts to child care support? Why has the government not sought to engage in a substantive holistic tax reform process before slugging working families with this procession of new taxes? The cumulative effect of these taxes on
my constituents in a working class electorate not like my own is a cost of living catastrophe for working families. This is a particularly shameful outcome, given that before the last election the opposition leader told Australians that he would:

… offer real solutions that will help the forgotten families of Australia with cost of living pressures.

I ask the minister: why have you forgotten the cost of living pressures of the families of Australia less than 12 months into your government? I further ask the minister why funding raised from this tax isn't being spent on infrastructure projects that would actually ease congestion on our roads—projects to take commuters off our roads and allow them to catch public transport; projects like the Melbourne metro rail tunnel that would increase the peak hour capacity of the rail network in my electorate by tens of thousands of commuters and yet has had $3 billion in Commonwealth funding slashed from it in the recent federal budget. I ask the minister: why is the government trying to gull Australians by setting up a road funding account that incidentally does not even guarantee increased road spending, at the same time that it is ripping billions out of commuter rail infrastructure? Why are road commuters more equal than rail commuters? Labor understands that our major cities need a mix of infrastructure investment in both road and rail to maximise the efficiency of our urban transport networks. The government is no better than the Greens in their ideological obsession in this matter. *(Time expired)*

**The DEPUTY SPEAKER (Mr Craig Kelly):** There being no further speakers I put the question that the bills be agreed to.

Question agreed to.

Bills agreed to.

**Third Reading**

**The DEPUTY SPEAKER (Mr Craig Kelly) (17:33):** Pursuant to the resolution agreed to earlier, the House will now proceed to the third reading of the bills. The question is:

That these bills be now read a third time.

Question agreed to.

Bills read a third time.

**Carbon Farming Initiative Amendment Bill 2014**

**Second Reading**

Debate resumed on the motion:

That this bill be now read a second time.

**Mr BUTLER (Port Adelaide) (17:33):** I am sure everyone in the building is fixed to their TV screens to watch the parliamentary debate on this instead of the joint press conference between the member for Fairfax and the former Vice President of the United States! I proceed, I am sure, with a huge audience in the chamber!

**Mr Andrews:** I am with you.

**Mr BUTLER:** The Minister for Social Services is staying, such is his commitment to good climate change policy.

I rise in opposition to this bill but before addressing the amendments that are contained in the bill I want to make a few remarks about the Carbon Farming Initiative, to which
essentially the government is seeking to attach at least the Emissions Reduction Fund component of their Direct Action a policy. I want to be particularly clear on behalf of the opposition that we have a very high level of support for the Carbon Farming Initiative. It has been a well-supported initiative from the Labor Party both in the climate change portfolio but also in the Agriculture portfolio, as a means of enabling the land sector to engage in carbon abatement activities—reforestation and a whole range of other things; soil carbon as an emerging opportunity for carbon abatement—and to have that abatement credited through ACCUs, carbon credit units, and to sell those units under approved methodologies either to liable entities under the existing carbon price mechanism or to companies that might be engaged in voluntary offsets programs, for example, airlines and the like.

For the very relatively short time I was the minister for climate change—only a matter of some weeks before we moved into caretaker mode before the last election—I had a very good level of engagement with stakeholders from the carbon farming sector, peak organisations, but also a range of people working on the land to incredibly innovative stuff to participate in the Carbon Farming Initiative. I greatly enjoyed that. I think it is fair to say, and I think I am right in saying this, that this is probably the only area of the broader clean energy package that the former government put in place where there is a level of bipartisan support. The Carbon Farming Initiative and the Carbon Farming Futures program to drive research and development in the land sector is the only area of bipartisan support. I think it is notable that this bill seeks to attach a policy—Direct Action, or particularly, the centrepiece of the policy, the Emissions Reduction Fund—to a system or a framework in the Carbon Farming Initiative that has such a high level of support. One can only infer that the government is seeking to attach its hopelessly discredited Direct Action policy to the Carbon Farming Initiative in the vain hope that there will be some reflected glory, that there will be some credibility that accrues to Direct Action that has been completely unable to attract over the last four years, simply by virtue of being associated with this very, very good program. May I say—through you, Deputy Speaker—to the government that nothing will give Direct Action credibility and nothing will give the Emissions Reduction Fund any credibility. In one of his more colourful moments, my leader, the Leader of the Opposition, said yesterday at a press conference that Direct Action is a ‘smelly bag of fish’ as a policy. It does not matter how much Brut 33 you spray on a smelly bag of fish, it remains a—slightly better—smelly bag of fish.

The policy that this bill seeks to facilitate, the Emissions Reduction Fund, reflects the generally dismissive attitude that, particularly, this Prime Minister has about the challenge of climate change. There have been a number of other opportunities to speak about climate change policy in a broader sense this week and there will be a heavily curtailed opportunity to talk about climate change policy in this place tomorrow, but I do very briefly want to address the attitude that this Prime Minister, particularly, has to this area of policy, because it fundamentally underpins the policy that is being facilitated by this CFI amendment bill.

The lack of commitment this Prime Minister has to strong and sensible action on climate change rests on a number of myths about climate change that he has peddled—and continues to peddle—across this continent since he was handed the leadership by Senator Minchin. The first myth is that the science of climate change is not settled, that the jury is still out on this and that the Intergovernmental Panel on Climate Change is wrong when it expresses a 95 per cent level of certainty about global warming being a fact and being caused overwhelmingly
by human activity. This is a myth that the Prime Minister continues to peddle across the nation, in company with a number of other MPs in the coalition party room.

The other myth that the Prime Minister has been peddling now for three or four years is that, to the extent that there was some global warming over the course of 20th century, it largely stopped at the end of the 1990s. Indeed, the Prime Minister is on record a couple of times saying that, if anything, the world is getting cooler—slightly cooler but cooler nonetheless—and has been since the late 1990s. Earlier this week, the Prime Minister's senior business adviser, Maurice Newman, wrote another op-ed in *The Australian* newspaper, indicating that warming had stopped since September 1996, apparently—a new date, pushing it back further and further. That is a statement that flies in the face of any number of pieces of advice from the World Meteorological Organization, the WMO; from NASA; from our own Bureau of Meteorology; and from the CSIRO—all those hotbeds of left-wing conspiracies. It flies in the face of all of that scientific advice.

The third myth that the Prime Minister peddles regularly and peddled during his trip to Canada and other places over the last several weeks is that the rest of the world is either not acting at all on climate change or, as he said in Ottawa, I think, actually reversing action on climate change. I do not propose to talk about this at great length— I prefer to talk about the bill—but, again, it is a myth that flies in the face of a whole range of things happening in very important jurisdictions, including, most importantly perhaps, in China and in the United States. The Prime Minister's scepticism about this area of policy, or lack of commitment to taking action on climate change, is by no means his alone. As I indicated, it is an attitude that is very broadly shared in the coalition party room. I am sure we will hear more of it during the debate on this bill. The emergence of that position over the last four years is essentially why the parliament finds itself in the position it finds itself in generally this week—not only about this bill but about the bills that will be debated tomorrow. That is why we are in here debating these bills as the government and the opposition, while the member for Fairfax is another part of this building, holding a joint press conference with a former Vice President of the United States.

The positions I have outlined—the myths that the Prime Minister has been peddling for some years and continues to peddle—were not always the positions of the coalition. You do not have to go too far back in time to find a very different position on this area of policy than the one that is enunciated by the Prime Minister and so many others in his coalition party room now. Only some years ago, the coalition had very clearly rejected the sort of so-called direct action approach that is fundamental to this piece of legislation. The Shergold report, for example, commissioned by Prime Minister Howard in 2007—from Peter Shergold, the then head of the Department of the Prime Minister and Cabinet—indicated that a direct action approach 'would impose a far heavier burden on economic activity' than an emissions trading scheme. That attitude of Peter Shergold was reflected very centrally in the election policy that John Howard took to the election in 2007. Those views were very proudly proclaimed by members of the coalition party room who are now very senior members of this government.

I will just pull out a few quotes from that time. In the endgame, if you like, of the Howard government, as an ETS was being proclaimed and promoted by Prime Minister Howard and his government, Senator Brandis said in the other place, in September 2007, about the coalition scheme:
This will be the most comprehensive emissions trading scheme in the world, broader in coverage than any scheme currently operating anywhere. This world-leading scheme will cover 70-75 percent of total emissions, or almost 100 percent of industrial, energy and mining emissions.

That was the proud proclamation of Senator Brandis about what was then coalition policy.

The now Treasurer, the member for North Sydney, a couple of years later, while the coalition were in opposition, said on *Q&A* in February 2009:

Our very strong view is, we were the initiators of an emissions trading scheme, and we believe in a market-based approach, and Malcolm Turnbull as Environment Minister actually put in the framework for an emissions trading scheme.

That was the view—in 2009, at least—of the now Treasurer.

The now Leader of the House stated on countless occasions the coalition's proud advocacy of a market based approach, particularly in the form of an emissions trading scheme. In July 2009, some time after this had been put forward by Prime Minister Howard, he said:

Let's not forget it was the Opposition—
that is, the coalition—
that first proposed an emissions trading scheme when we were in government. The idea that somehow the Liberal Party is opposed to an emissions trading scheme is quite frankly ludicrous.

That is what the member for Sturt, now the Leader of the House, said. Earlier in that year, he said:

By leading on solutions to the issue of climate change, the new generation of Liberals—
which I assume he considered himself a part of—
can demonstrate that they believe progress is in the interests of the party and the country …

Thus was the position of the coalition, not for a short period of time but for some years.

The member for Wentworth, who became the Leader of the Opposition, the leader of the coalition parties, in 2008-09, in accordance—obviously; it has been clear—with his own personal philosophy but also with a clearly stated party position that had been taken to the election of 2007 by coalition candidates, engaged with the then Rudd government to seek to deliver the nation a bipartisan emissions trading scheme. He engaged in good faith, it must be said—I remember—with the government of the day to seek to put in place an emissions trading scheme with bipartisan support that would give business certainty, that would give investors certainty.

But of course it is now very clear in hindsight that the member for Wentworth did not reckon with Senator Nick Minchin, then a senior player in the coalition in the Senate. The member for Wentworth often gets up in question time and quotes the latest film or goes back to Shakespeare or a Greek tragedy, but it is quite clear that the member for Wentworth should have paid much closer attention to the 'lean and hungry look' of Senator Minchin at the time.

The now Minister for Social Services, as I recall, was also a part of the shenanigans in the coalition party room at that time. It is quite clear in hindsight that, in spite of those proclamations of policy purity that we heard from Senator Brandis, from the now Treasurer and from the now Leader of the House, Senator Minchin and some others in the party room were nursing their denial of climate change and ultimately ambushed the member for Wentworth at the height of the negotiations I talked about around an emissions trading scheme.
Senator Minchin, as he has been very adept at doing—as a South Australian, I know this—for many, many years, was able to collect the numbers to defenestrate the member for Wentworth and dangle the party's leadership before all of the candidates who put themselves forward to replace the member for Wentworth. He dangled the party's leadership before those candidates on the basis that they would reverse the party's clearly stated election commitments around an emissions trading scheme and move to a position of deep scepticism about climate change.

To his credit, apparently the now Treasurer resisted that temptation. To his enduring credit, he resisted that temptation on the basis of his deep commitment to a market based mechanism to deal with a very real challenge of climate change—such is the reportage, anyway, that we mere mortals from the Labor Party have to rely upon. But there was no such constancy, it must be said, from the member for Warringah, the now Prime Minister. There was no such constancy from him. Maybe he had read his *Julius Caesar* and, in addition to Caesar's concern about the 'lean and hungry look' of Cassius, he also wanted to avoid Caesar's habit of being as 'constant as the northern star'. You can accuse this Prime Minister of many things, but you certainly cannot accuse him of being as 'constant as the northern star'. He admitted himself that he is something of a weathervane on this issue, and frankly, as we have found through this budget, he is a weathervane on many, many issues besides.

It is now historical fact that the Prime Minister was very well rewarded for his willingness to turn his back on Prime Minister Howard's election policy of 2007, a policy to which the member for Warringah committed himself as a candidate at that election. The reward for the member for Flinders, the now Minister for the Environment, was perhaps not so sparkling: what he got was to lose his summer holidays over 2009 and 2010 to write at least some modicum of a policy to deal with climate change. It was Direct Action, a policy which largely went unaltered from the 2009-10 summer up until the coalition parties took government last year.

The member for Wentworth does have a way with words, and I am still not sure that there is any better description of the Direct Action policy than the descriptions that the member for Wentworth memorably put into the Fairfax newspapers after his defenestration. He called the Direct Action policy a 'fig leaf to cover a determination to do nothing'. He belled the cat on this being a 'fig leaf to cover a determination to do nothing' because, in his view, as Senator Minchin had put it to him, a majority in the coalition party room simply did not accept the science on—or, to use the language sometimes used on the other side of this place, did not believe in the idea of—human induced global warming. Later on, in a debate in this place, the member for Wentworth described Direct Action as 'a recipe for fiscal recklessness on a grand scale'. Those two descriptions are as good, as pointed and as accurate as any descriptions I have read about this policy.

It is also a matter of record that this policy has failed to get any significant support whatsoever over its four-year life. Peter Shergold, who had been asked by Prime Minister Howard to develop a climate change policy for the Howard government and recommended an ETS, a recommendation that was accepted, wrote in *The Australian Financial Review* in 2010 about the Direct Action policy. He wrote that it was a 'more expensive and less effective response to climate change'.

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*CHAMBER*
Even if I had three or four hours, I would not have time to go through the very long list of experts, commentators, businesspeople, academics and economists who have scathingly rejected the premises and the detail of the direct action policy. I will give just perhaps two more in the lead-in to the election to illustrate the point. Just before the election, in August 2013, the AECOM consultancy conducted a survey of a very large number of businesses and found that only seven per cent of them supported the direct action approach to dealing with climate change. A short while later Fairfax conducted a survey of leading business and academic economists and found that 86 per cent of them supported a market-based mechanism, a market-based price on carbon. I think maybe one of the economists surveyed supported the direct action approach. Hopefully, that illustrates the point sufficiently.

Direct action failed to attract any serious support even in its fullest form, the form that the member for Flinders, the now Minister for the Environment, wrote over that quite tumultuous summer of 2009-10. It failed to attract any significant support whatsoever in its fullest form. What we have seen since, particularly over the last 12 months, is the minister being forced to backtrack, backtrack and backtrack again and be left with a vastly stripped back version of the original policy.

From having a look at the key element of direct action, which is the so-called clean air plan, as described by the minister, you get an idea of the degree to which there has even been roll back on what was an inadequate policy in its fullest form. The clean air plan has as its centrepiece the Emissions Reduction Fund, which is the fund that seeks to be facilitated by this legislation. In addition to that, there was the solar roofs plan. One million solar roofs were to be funded with the $500 million that was promised in the 2010 campaign, a promise reiterated on many occasions by the now minister through that term of parliament, 2010 to 2013, and reiterated following the election of the coalition parties last year. That $500 million was gone in a puff of smoke in the budget. There was no explanation as to why—the government had reached the view that it was no longer a worthy policy. The minister was just pushed out the door and told to announce to the community, which he had reassured so many times before, that this policy was simply gone. The $100 million to fund solar towns and solar schools was whittled down to $2 million. So from $600 million we saw the delivery of $200 million. In percentage terms I am not quite sure what that is—I think it is probably a 99.8 per cent loss. It clearly illustrates the degree to which even the Direct Action Plan has been whittled down.

Most importantly perhaps, we have seen the government back away from the so-called safeguards mechanism. This mechanism was apparently intended to ensure that beyond those sectors that were actually participating in the ERF, the Emissions Reduction Fund, there would be some control on carbon pollution, so if the government was going to pay for people to stop polluting through the Emissions Reduction Fund the benefit of that payment was not lost through other sectors of the economy, other companies, lifting their pollution levels. Without going to whether that is a particularly good way to deal with this, the point is that that mechanism, which is probably the only element of the policy that could vaguely be argued would have some rigor and some control on carbon pollution across the economy, has simply been kicked into touch.

Commentator after commentator has complained about that. Mr Danny Price, who is a well-known economist in this area and was appointed by the government as the chair of the
expert reference group, has called this the biggest threat to the chance that direct action has of achieving its stated objectives. We read of intensive lobbying from different parts of the business community towards the government to simply drop this entirely or, if it is not dropped, to dilute it to the point of meaninglessness. The point is though that it has been kicked into next year. We were told time and time again that it is utterly central to the direct action policy, yet if the government has its way it will not be put in place at all or at least for 12 months after the government has succeeded in dismantling the clean energy package.

The key problem though with direct action is it simply will not work. It will not match up to the stated objectives that have been reaffirmed time and time again by the minister, but not so clearly by the Prime Minister. The Prime Minister has prevaricated on quite what the emission reduction target for Australia under an Abbott government is, but certainly the minister has reiterated time and time again that it remains the government's intention to achieve at least five per cent carbon pollution reduction by 2020 on 2000 levels and that direct action is the way to do that.

The problem for the government is that no expert who has looked at this thinks that this has a snowflake's chance in hell of getting anywhere near the five per cent reduction target. Again the list of independent analyses and modelling about this is far too long for me to go through. I might just mention the RepuTex report that was released only this month that modelled and found that the direct action policy, with its architecture and budget, would fall about 70 per cent short of its emission reduction targets. The Grattan Institute gave evidence to the Senate inquiry into direct action which reported in March 2014:

The Grattan Institute pointed to published analyses—

Because there are many—

Which suggest that 'the target cannot be achieved with the allocated funds, given assumptions of emissions projections, abatement costs and budgetary allocation'.

The Grattan Institute is just one of many organisations that have no faith in the capacity of this policy to do what it intends to do. There is no evidence to the contrary. We asked at Senate estimates and during consideration in detail of the budget whether the environment department or the minister, through some other mechanism, had conducted modelling of the emissions reduction that would be delivered through the Emissions Reduction Fund and we have been given no answer that would indicate the modelling has even been done, let alone that the modelling indicates that what the minister says will occur will actually eventuate.

The other thing about this policy is that it simply will not attract co-investment. That is quite clear. The taxpayers' money the government is going to dole out through this dressed up slush fund simply will not attract any serious co-investment. The CEO of the Investor Group on Climate Change, Mr Nathan Fabian, testified about this issue at the Senate inquiry I have already referred to. On page 91 he is quoted as saying:

… from what we know of the ERF the scale, duration and carbon prices of deals likely to be on offer will not provide sufficient incentive for investors to participate. We think the banks will take a similar view.

I have read reports in the media of banks indicating they would not touch the Emissions Reduction Fund with a barge pole, to use the words in the report. If that case eventuates, the government does have a mechanism in the Clean Energy Finance Corporation which could be
a vehicle for coinvestment in the Emissions Reduction Fund, but if the member for Hume gets his way that will also go the way of the dinosaurs—no pun intended.

Labor's position in this area is very clear. We do not support this bill—this amendment to the CFI framework—because it essentially facilitates a vastly inferior way of dealing with climate change. We took to the election a very clear policy of moving to terminate the carbon tax as quickly as we possibly could, were we elected, and replacing it with a floating price—an emissions trading scheme with a firm, legal cap on carbon pollution—and then letting business work out the cheapest and most effective way to operate within that. That remains Labor's position. It will be the way Labor votes in this place, and in the other place, on this bill and also on the carbon repeal bills that will be before this House tomorrow.

Before I conclude, I propose to move a second reading amendment to the bill. I move:

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

'whilst not declining to give the bill a second reading the House notes:

(1) the Government’s poor record on environmental and climate change issues;

(2) that payments from the Emissions Reduction Fund need to be financed from the federal budget, and paid for by taxpayers rather than big polluters;

(3) the need to fully examine the range of changes proposed to the CFI and the impact this will have on the existing land sector projects;

(4) the lack of robust and defensible assurance from the Government about the ability of the CFI amendment and the Emissions Reduction Fund to achieve Australia’s emissions reduction target;

(5) that since the 2013 election Australia’s international reputation on climate change action has been damaged by becoming the first nation to move backwards on climate change while the rest of the world, including China and the US, is moving forward; and

(6) the need for the Government to pass an Emissions Trading Scheme to place a cap on carbon pollution and drive a clean energy future for Australia.'

The DEPUTY SPEAKER (Mr Craig Kelly): Is the amendment seconded?

Mr RIPOLL (Oxley) (18:03): I second the amendment and reserve my right to speak.

The DEPUTY SPEAKER: The original question was that this bill be now read a second time. To this the honourable member for Port Adelaide has moved as an amendment that all words after ‘That’ be omitted with a view to substituting other words. The question now is that the amendment be agreed to.

Mr TAYLOR (Hume) (18:04): I rise to speak on the Carbon Farming Initiative Amendment Bill 2014, the centrepiece of the government's Direct Action Plan. We know this bill will deliver on the coalition's commitment to establish an Emissions Reduction Fund, providing positive incentives to reduce emissions in place of the punitive carbon tax instituted by the previous government. Of course, the objective of this exercise is to reach our bipartisan target of a five per cent reduction on year 2000 emissions.

At a personal level, I have followed developments in climate science for over 25 years. Despite the blizzard that has dumped snow on the mountains just south of here, where I was brought up, I have watched the climate changing. I have watched the snowline rise, and I firmly believe our best bet is that human activity is at least partly responsible. I firmly believe the world needs to act.
But over 25 years I have also watched developments in climate policy and I have come to recognise, somewhat reluctantly at times, that overly aggressive and poorly directed unilateral action by any country is meaningless and futile. Overly aggressive and poorly directed action presents two fundamental problems for Australia. First, we risk trashing our economy for absolutely no reason. Second, we ignore the fact that the fundamental problem is one of reducing carbon emissions globally, not domestically. The atmosphere makes no distinction between carbon emitted from the US, China, Australia, Africa or anywhere else in the world, for that matter.

We know we are a long way from an international deal on this issue. In fact, the whole spectre of Copenhagen taught us a great deal. Above all, it taught us that getting to a global agreement was going to be extremely difficult—far more difficult than many thought it would be. In fact, a wonderful piece written by the former adviser to former Prime Minister Kevin Rudd, a guy called Andrew Charlton, laid out very clearly the extraordinary challenge the world faces in coming to a global agreement—a challenge which those on the other side of the House seem to ignore in taking the positions they do on this issue.

Often all of this is presented as a choice between progress and planet. I do not believe we need to make this choice. Progress versus planet is the narrative of the green revolutionaries, but the history of humanity is one of reconciling progress and planet. The two can, and should, live together. So the issue here for the coalition and for me personally is not the target, because that is a bipartisan target, but the means of getting there. And, of course, the comparison needs to be made in context, so let's look at the critical characteristics of the Australian economy in thinking about this problem.

First of all, and perhaps most importantly, our exports are extremely emissions intensive. Those from the other side of the House and elsewhere like to quote our carbon emissions per capita. What they forget to quote is the extraordinary emissions intensity and energy intensity of our exports, and amongst them are aluminium, alumina, coal, cement, fertiliser and the full range of agricultural products. It seems to me that those opposite are very quick to ignore the importance of these industries to Australia—their historical importance and, unquestionably, their future importance to our great country. The second characteristic of the Australian economy that those opposite ignore is the emissions intensity of our electricity grid. We emit about 0.9 tonnes of carbon for every megawatt hour of electricity. It is high by global standards. That level is actually a measure of the dominance of coal in our grid and the competitive advantage we have created as a country by having low-cost coal and low-cost energy.

Because of those characteristics of the Australian economy, the reality is that reducing carbon emissions is challenging and risks being expensive. It is an expensive place to reduce carbon emissions, particularly in our electricity grid. Cheap coal is, of course, a big contributor to that but increasingly, as we know, expensive gas is an important component of that as well. Across the world, countries are coming to the conclusion that the fastest way to reduce carbon emissions is to swap coal for gas. In Australia, with so much of our gas being exported and our gas price being determined by the international price, that is a very expensive thing for us to do.

The risk for us if we move too aggressively is that we will lose our export industries. Let's take a couple of examples of how this might play out in practice and what impact it will have
on atmospheric concentrations of CO$_2$ and carbon emissions across the world. For instance, if we were to cut our coal exports to China, that coal would then come from one of two places: from within China or from Indonesia. And let me tell you, Deputy speaker, we know that coal coming from either of those two sources will result in far higher emissions than coal coming from Australia.

If we look at Europe we see a very good example of how flawed policy can lead to counterproductive outcomes. There have been a whole series of papers and research done on the impact of the European trading scheme on global emissions and the one clear message coming from them is that the European scheme has failed. I am quoting here from a research paper published in April 2012 by a guy called Boitier. He tested a very clear hypothesis which has been confirmed in a series of papers and found:

… the de-industrialisation of the developed countries—particularly in Europe—in favour of developing countries led to a displacement of the pollutant activities towards the developing countries without a similar reduction of manufactured goods consumption in developed countries.

What that means in practice is that if you put an aggressive scheme in place and you push too hard and you do not think hard enough about how you structure the scheme, you simply export the emissions. That is exactly what the Europeans have done.

I have a chart in front of me that shows that in 1996-97, when Kyoto went into place, the Europeans consumed 10 per cent more carbon in what they ate and what they used than they produced, but by 2008, as result of the carbon scheme they had put in place, they consumed 25 per cent more than they produced. So what had the Europeans done? They had sent their carbon emissions off to China. If we design schemes the wrong way, as I believe the Labor Party and the previous government did, we will achieve nothing. In fact, a carbon tax structured the way the last government structured their carbon tax is a penalty on the competitiveness of our economy and our export industries. It is a penalty on one of our biggest sources of competitive advantage. The result is that it is costing every Australian household $550, it is costing jobs and it is costing investment. That happened because, in an alliance with the Greens, they put in place the world's highest carbon tax in on-again off-again way where no-one really knew what was going on at any point.

Let's contrast that with Direct Action. There are two fundamental features of Direct Action that make it a good program. The first is that it is an incentive, not a penalty. So we will not be exporting our emissions, we will not be punishing our exporters, we will not be punishing our economy. Just as importantly, it is broad based, not narrow. It is not just a tax on electricity. It is a program that extends deep into many activities our economy, including sources of abatement like agriculture, forestry and land use—and I will give some examples in a moment. At the more detailed level, it seeks to find the lowest cost emissions reductions through reverse auctions; it seeks genuine emissions reductions by requiring additionality, so an emissions reduction cannot be mandated by another source of policy—from the states, for instance—it has to be additional to any other program; and it involves streamlined administration. It will be much easier to participate in than the last government's Carbon Farming Initiative.
It includes a crediting mechanism and a purchasing mechanism with $2.55 billion allocated across the forward estimates, and it will include a safeguard mechanism. Despite what we heard from the member for Port Adelaide, the safeguard mechanism is anticipated and it will be a component of the scheme in time. It makes use of existing structures and processes like the Carbon Farming Initiative, the National Greenhouse and Energy Reporting Scheme and the Clean Energy Regulator. We did not want to create any more layers of bureaucracy than the last government already had.

As I said a moment ago, one of the really critical features of this scheme is that it covers a much broader range of activities than is even possible with a carbon tax. Let me give you some examples of the sorts of activities and the sorts of projects that could be supported by the Emissions Reduction Fund. It could involve cleaning up Australia's waste sector by capturing methane for flaring or generating electricity, improving local air quality in the process. It could involve capturing methane from waste water facilities at abattoirs and chemical-processing facilities, something of great importance to my electorate, where there are a number of abattoirs. Those abattoirs are looking at these options as part of what they anticipate will be the ERF. It includes energy efficiency improvements in the commercial building sector, including offices, retail chains and education facilities. This could include partial and full retrofits of existing commercial buildings, installation of energy efficient lighting or fans, or installation of co- and tri-generation. It will include projects to destroy the methane that is generated from manure in piggeries and dairies and projects to reduce emissions by feeding dietary additives to milking cows. This is a far broader ranging scheme. We know that the broader ranging the activities included in the scheme are, the lower the cost of reducing emissions, which is why those opposite are puzzled as to why we will be able to do this so cheaply.

Let me give you a couple of examples of the sorts of projects that are already working under the Carbon Farming Initiative that we will seek to expand as part of this program. Blantyre Farms, in my electorate, run by Edwina and Michael Beveridge, are capturing biogas generated by the decomposition of the piggery manure waste in anaerobic lagoons and the combustion of the methane component of the biogas. The methodology involved is destruction of the methane generated from manure in the piggeries. Already they have been issued 20,000 credits. Another example, just outside of my electorate, at Corowa, is the Rivalea piggery biogas project. They are capturing biogas generated by the decomposition of the piggery manure waste in anaerobic lagoons, and the methodology is destruction of that methane. They have been issued 16,000 credits to date.

One of the things that those opposite like to say is that this scheme is not similar to, is not being replicated by and has no analogy in any other part of the world. But, if we look across the world, the overriding approach to reducing carbon emissions is direct action. Let me give you a few examples. We see in Norway's Carbon Procurement Facility a direct abatement purchasing scheme. We see the same in Japan's Joint Crediting Mechanism and in the all-important United Nations Clean Development Mechanism. We are seeing, in a whole range of countries, energy efficiency such as energy intensity and efficiency target schemes, in place in countries like China, India, Indonesia, Japan, South Africa, Mexico, Russia, New Zealand, Thailand and Turkey, and in many states in the US—all examples of direct action. Those
opposite love to crow about what President Obama is doing, but, frankly, what he is doing is direct action.

We realise that there is further work to be done in this area. There are further issues that need to be resolved in our broader carbon reduction policy. One of those is the RET review, and it is important that in the RET review we look at the lowest cost means of reducing carbon emissions. We also know that, in time, we will need to link what we are doing with what is happening internationally, but let's not get ahead of ourselves, because the international developments in this area are still relatively immature. I commend the Minister for the Environment on the work that he has done to get the bill here and I commend this bill to the House.

Mr CONROY (Charlton) (18:19): I will begin my remarks by pointing out the inherent contradictions in the previous speaker's comments. He claimed that Direct Action was broader than the current architecture and then nominated two projects that are under the current architecture. The two biogas projects that he nominated are currently under the Carbon Farming Initiative and are accruing credits that are being sold to liable entities under the carbon price right now. The previous speaker, the member for Hume, contradicted himself and yet again demonstrates a complete misunderstanding of carbon pricing and climate change policies.

To begin on the legislation before us, the Carbon Farming Initiative Amendment Bill 2014, this legislation is built on a lie. It is built on a lie that the government is taking climate change seriously. It is built on a lie that the government cares about the future of our children and our children's children. This government is betraying future generations of Australians as we speak with this legislation. This legislation is being debated as the rest of the world moves further down the road of carbon pricing. Over one billion people right now, and by 2016 three billion people, will live in nations or provinces where a carbon price or an emissions trading scheme operates. Our top five trading partners have ETSs at national or subnational levels. Another eight of our top 20 trading partners have ETSs at national or subnational levels. That means that 13 of our top 20 trading partners have emissions trading schemes right now applying to their economies.

The total clean energy investments around the world exceed $244 billion per annum, and we saw the landmark initiatives by the United States government earlier this month, which set a 30 per cent reduction target in emissions from coal fired power in their economy—a huge initiative—and left it up to the states to decide how to achieve these hard reductions, with most states probably going down the route of an emissions trading scheme. President Obama has stated that his preference is for an emissions trading scheme at a national level. Unfortunately, it has been stymied by the Tea Party Republicans in the houses of congress—exactly the same Tea Party economic illiteracy we see from the government. These are all the facts which make their legislation a lie. This legislation also betrays the traditional Liberal values of a commitment to a market based economy, instead emphasising a return to Soviet command and control direction of an economy that would make Lenin or Stalin very, very proud.

The truth is: the carbon price is working. Economic growth is solid, inflation is under control, Whyalla has not been wiped off the map and the carbon price is actually working to cut emissions. Emissions from the National Electricity Market have fallen by 17.2 million
tonnes, or 10 per cent, since the carbon price began. Let me repeat that, because people on the other side repeat an untruth that the carbon price is not working: there has been a 10 per cent cut in emissions from our electricity sector in less than two years. On the government's own projections, in the first two years of the carbon price, emissions in Australia will be 40 million tonnes less than they would otherwise be, because of the carbon price. Labor makes no secret of the fact that we would prefer to go to a flexible price emissions trading scheme now. That was our policy at the election. That was our policy in 2007. It is only because of the populism that the other side pursued in 2009 that we do not have a fully flexible emissions trading scheme right now.

Let us not forget that in 2007, 149 of 150 successfully elected members of House of Representatives supported an emissions trading scheme on their election platform. Yet this government is intent on replacing an efficient market mechanism with a giant slush fund—a giant slush fund which it has yet to find a single reputable economist to support. A Fairfax media survey of 35 prominent business and university economists found that only two of those 35 preferred Direct Action to a market-based mechanism to reduce carbon emissions. Thirty of the economists supported the current carbon pricing scheme. Of the two economists they could find to nominally support Direct Action, one of them supported it because he did not believe in climate change, so he thought Direct Action would do nothing and, so, would do less harm. The other one had his own crazy hybrid scheme that he wanted to pursue. This is a scheme that is friendless. This is a scheme which not a single reputable economist will back. And they do not back it because it will not work.

Treasury's own modelling demonstrates that the Emissions Reduction Fund will not hit the target. It will not hit the minimum five per cent reduction target. Independent research modelling undertaken by SKM MMA and Monash University's Centre of Policy Studies shows that the Emissions Reduction Fund will actually see pollution increase by eight to 10 per cent above 2000 levels by 2020. It will reduce pollution by nearly one-third less than Labor's policy and it will require significant additional investment, of between $4 billion and $15 billion, to achieve the 2020 target of minus five per cent. That is the minimum target. This research says the scheme will need an additional $15 billion just to hit that minimum target, and the scheme will see both costs and pollution increase over time. Even with spending increasing to around $88 billion, pollution would still increase by about 45 per cent over the period from 2014 to 2050. It would also subsidise pollution by businesses who do not make changes, with these public subsidies calculated around $50 billion to 2020.

This research is not alone in finding this. One of Australia's pre-eminent economists, Professor Ross Garnaut, has found that the ERF would need to have an additional $5 billion per annum just to hit the minimum five per cent target. And, as the shadow minister for climate change mentioned in his remarks, RepuTex recently predicted that the Emissions Reduction Fund will be completely ineffective and will actually result in emissions at 16 per cent above 2000 levels by 2020.

We cannot even find in their budget papers their committed allocation. The forward estimates in the budget papers have only $1.15 billion allocated to this scheme. Yet the Minister for the Environment keeps repeating untruths that they have committed $2.5 billion across the forward estimates. Well, it is nowhere in the budget papers.
This is an incredibly inefficient mechanism to reduce emissions, for a number of reasons. Firstly, it does not provide a price signal for those who do not win at the auction. Those who either do not bid or are unsuccessful in bidding have no financial incentive to reduce their pollution. Secondly, even if you accept that this is a grant tendering scheme—and that is still up for debate—these have a very poor track record. According to the Grattan Institute, a similar model, the British Non Fossil Fuel Obligation scheme, produced far less capacity than it had been contracted for, because successful bids were never delivered. And the Howard government's own Greenhouse Gas Abatement Program was a spectacular failure. So these schemes have a track record of constant underdelivery.

Even if they do deliver—which they will not—they provide no handbrake on emissions from other parts of the economy. Without an adequate safeguards mechanism, which is not in this legislation, you cannot cap overall pollution; you cannot guarantee that we will hit our targets. Even if you are paying one polluter to reduce their pollution, another polluter over here might be increasing their emissions. There are no safeguards in this legislation. The government promised it again for next year. They have got a record of promising it on the never-never, and I have serious doubts about whether they will deliver it.

In this legislation the government have also demonstrated a form of economic xenophobia by not allowing international permits in, something that the Australian Industry Group has been a constant critic of their scheme for over the years. Their abatement target will be actually much harder to achieve if they abolish other abatement mechanisms in the economy, such as the Renewable Energy Target. This is a scheme without friends; it is a scheme that is incredibly flawed; it represents a broken promise; and it cannot be scaled up.

We keep hearing talk about a bipartisan minus five per cent target. That is wrong. The bipartisan agreement was for a range of targets from minus five to minus 25 per cent, dependent on the actions around the world. The Climate Change Authority, a group of independent experts supported by legislation that those on the other side want to abolish, have already found that a more appropriate target is 17 per cent. It is a weak, weak argument to say that this will hit minus five per cent. But it is much weaker when you consider that our true target, to play our part in a global solution, is much closer to 17 per cent.

This situation is made much worse by the faulty permanence periods embodied in this legislation. The Carbon Farming Initiative legislation had permanence periods of 100 years. This legislation seeks to amend that by reducing it to only 25 years. So we have no guarantee that the promised abatement post 25 years can be delivered, which will lead to significant national accounting problems for our greenhouse gas emissions further down the track.

Even though the permanence period is only 25 years, they are only paying for five years of that. The Australian Industry Group have made the very good point that projects that promise significant long-term abatement will have to overcharge to recover all their funds in the first five years because they have no guarantee that they will get any further revenue beyond that.

The truth is that the government is a group of environmental vandals. They are doing their best to stop a clean energy industrial revolution. The truth is that the countries that will be able compete successfully in the next century will be those that successfully decarbonise their economies—the countries whose exports have less carbon intensity and which develop the technologies to decouple economic growth from carbon pollution.
Those on the other side are condemning us to being a rust-belt economy of the 21st century by abolishing the carbon price, by seeking to abolish the Clean Energy Finance Corporation, by abolishing ARENA—another breach of an election promise—and by attacking the RET. All these measures perform a very important part of the clean technology innovation chain, and the government seeks to abolish all of them because, in the era of the automobile, they want to return to the horse-and-cart era.

They claim a mandate for this. It is a false mandate, because in 2007 both major parties supported an emissions trading scheme, both major parties went to an election promising one. The CPRS was modelled on the Shergold report that Prime Minister Howard announced, yet in 2009—before the Copenhagen conference; they cannot hide behind that—those on the other side walked away from that in an act of petty populism to knife Malcolm Turnbull in the back. It was Tony Abbott’s scheme to undermine their leader. He threw away years of economic agreement that an emissions trading scheme was the most efficient way of tackling climate change. But that is no surprise because the Prime Minister is on the record as being a weathervane on this. He is a weathervane and members on the other side of the chamber are following him down that narrow path.

We have an environment minister who uses Wikipedia to repudiate experts. We have a coalition government that ignores the evidence of 97 per cent of published scientific papers that climate change is occurring and that it is man-made. There is no more important debate in this parliament than how we respond to the challenge of climate change. It is not just an environmental problem; it is an economic problem. As I have said, the countries that will succeed in the future will be the ones that decouple growth from pollution. An emissions trading scheme—a market mechanism—is the best way of doing this.

This legislation is not the best way of doing it. The legislation would embody a Soviet command and control mechanism instead of a market mechanism. I have a lot of sympathy for the public servants and other experts who have been tasked with writing this legislation. If I said that they were trying to put lipstick on a pig I would probably be being too kind to the project they were facing. They have been trying take a faulty 10-page policy document hurriedly put together in 2009 and 2010 and put that into something that the public service could actually administer. I do not think they have achieved it, but I applaud their efforts in following the dictates of the day. That is what a good apolitical bureaucracy does in following the directions of an elected government.

But the truth is that we stand at a crossroads. We can be part of a solution. We can be part of the global effort to combat climate change. As I said, three billion people will live in economies under an emissions trading scheme by 2016. We can take advantage of this or we can go down as international pariahs. We can go down as a country that stuck its head in the sand on this measure.

The vision of the Prime Minister trying to put together a coalition of the unwilling a few weeks ago, when he travelled to Canada, was remarkable. He only found one friend for that measure. His conservative friends in the UK and New Zealand repudiated him immediately because it is a step into the past. But this is the kind of thing we see from this government—this coalition, who are hopeless, populist charlatans. When given the opportunity to act in our national interest and to follow the advice of scientists and economists, this government have instead pandered to cranks and sceptics. They appointed people like Dick Warburton and
Maurice Newman to advisory bodies to follow those like Alan Jones in the talk-back ranks to repudiate the science of climate change.

I stand proud to support an emissions trading scheme as the most economically efficient way of tackling climate change. I will be able to look my daughter in her eyes and I will be able to look her children in the eyes and say, 'I did my best to represent the interests of this generation and future generations in attacking climate change.' Those on the other side cannot. They will be condemned by history. I am very proud to oppose this legislation.

Mr CIOBO (Moncrieff—Parliamentary Secretary to the Treasurer) (18:34): I move:

That the question be now put.

The DEPUTY SPEAKER (Mr Vasta): Order! The question is that the question be now put.

The House divided. [18:39]

(The Deputy Speaker—Mr Ross Vasta)

Ayes ..................... 81
Noes ..................... 56
Majority .................. 25

AYES
Alexander, JG
Andrews, KL
Billson, BF
Broad, AJ
Brough, MT
Chester, D
Ciobo, SM
Coleman, DB
Dutton, PC
Fletcher, PW
Gambbaro, T
Goodenough, IR
Hartsuyker, L
Henderson, SM
Hogan, KJ
Hutchinson, ER
Jensen, DG
Joyce, BT
Kelly, C
Landry, ML
Ley, SP
Marino, NB
McCormack, MF
Nikolic, AA
O'Dwyer, KM
Pitt, KJ
Prentice, J
Pyne, CM
Randall, DJ
Roy, WB
Scott, DC
Simpkins, LXL

Andrews, KJ
Baldwin, RC
Briggs, JE
Broadbent, RE
Buchholz, S (teller)
Christensen, GR
Cobb, JK
Coulton, M (teller)
Entsch, WG
Frydenberg, JA
Gillespie, DA
Griggs, NL
Hawke, AG
Hendy, PW
Howarth, LR
Irons, SJ
Jones, ET
Keenan, M
Laming, A
Laundy, C
Macfarlane, IE
Matheson, RG
McNamara, KJ
O'Dowd, KD
Pasin, A
Porter, CC
Price, ML
Ramsey, RE
Robert, SR
Ruddock, PM
Scott, FM
Smith, ADH
The question now is that the amendment moved by the honourable member for Port Adelaide be agreed to.

The House divided. [18:45]

Question agreed to.

The DEPUTY SPEAKER (Mr Vasta) (18:45): The question now is that the amendment moved by the honourable member for Port Adelaide be agreed to.

The House divided. [18:45]
AYES

Albanese, AN
Bowen, CE
Burke, AE
Butler, MC
Byrne, AM
Champion, ND
Clare, JD
Collins, JM
Danby, M
Elliot, MJ
Feeney, D
Fitzgibbon, JA
Gray, G
Hall, JG (teller)
Husic, EN
Katter, RC
Leigh, AK
Marles, RD
Mitchell, RG
O'Connolly, BPJ
Owens, J
Perrett, GD
Ripoll, BF
Rowland, MA
Shorten, WR
Swan, WM
Thomson, KJ
Watts, TG
Zappia, A

Bandt, AP
Brodtmann, G
Burke, AS
Butler, TM
Chalmers, IE
Chesters, LM
Claydon, SC
Conroy, PM
Dreyfus, MA
Ellis, KМ
Ferguson, LDT
Giles, AJ
Griffin, AP
Hayes, CP
Jones, SP
King, CF
MacTiernan, AJGC
McGowan, C
Neumann, SK
O'Neil, CE
Parke, M
Plibersek, TJ
Rishworth, AL
Ryan, JC (teller)
Snowdon, WE
Thistlethwaite, MJ
Vamvakoussis, M
Wilkie, AD

NOES

Alexander, JG
Andrews, KL
Billson, BF
Broad, AJ
Brough, MT
Chester, D
Ciobo, SM
Coleman, DB
Dutton, PC
Fletcher, PW
Gambaro, T
Goodenough, IR
Hartfortyker, L
Henderson, SM
Hogan, KJ
Hutchinson, ER
Jensen, DG
Joyce, BT
Kelly, C
Landry, ML
Ley, SP

Andrews, KJ
Baldwin, RC
Briggs, JE
Broadbent, RE
Buchholz, S (teller)
Christensen, GR
Cobb, JK
Coulton, M (teller)
Entsch, WG
Frydenberg, JA
Gillespie, DA
Griggs, NL
Hawke, AG
Hendy, PW
Howarth, LR
Irions, SJ
Jones, ET
Keenan, M
Laming, A
Laundy, C
Macfarlane, IE
Question negatived.

The DEPUTY SPEAKER (Mr Vasta) (18:48): The question is that the bill be now read a second time.

The House divided. [18:48]

(The Deputy Speaker—Mr Ross Vasta)

Ayes .................82
Noes ..................56
Majority..............26

AYES

Alexander, JG
Andrews, KL
Billson, BF
Broad, AJ
Brough, MT
Chester, D
Ciobo, SM
Coleman, DB
Dutton, PC
Fletcher, PW
Gambbaro, T
Goodenough, IR
Hartley, L
Henderson, SM
Hogan, KJ
Hutchinson, ER
Jensen, DG
Joyce, BT
Kelly, C

NOES

Matheson, RG
McCormack, MF
Nikolic, AA
O'Dwyer, KM
Pitt, KJ
Prentice, J
Pyne, CM
Randall, DJ
Roy, WB
Scott, BC
Simpkins, LXL
Southcott, AJ
Sudmalis, AE
Taylor, AJ
Truss, WE
Turnbull, MB
Varvaris, N
Wicks, LE
Wilson, RJ
Wyatt, KG

McNamara, KJ
O'Dowd, KD
Pasin, A
Porter, CC
Price, ML
Ramsey, RE
Robert, SR
Ruddock, PM
Scott, FM
Smith, ADH
Stone, SN
Suksan, MS
Tehan, DT
Tudge, AE
Van Manen, AJ
Whiteley, BD
Williams, MP
Wood, JP
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CHAMBER
Question agreed to.

Third Reading

Mr CIOBO (Moncrieff—Parliamentary Secretary to the Treasurer) (18:50): I seek leave of the House to move the third reading immediately.

Leave not granted.

Mr PYNE (Sturt—Leader of the House and Minister for Education) (18:50): I move:

That so much of the standing orders be suspended as would prevent the motion for the third reading being moved without delay.

The DEPUTY SPEAKER (Mr Vasta): The question is that the motion be agreed to.

The House divided. [18:52]

(The Deputy Speaker—Mr Ross Vasta)

Ayes ................. 81
Noes .................. 57
Majority ............. 24

AYES

Alexander, JG
Andrews, KL
Billson, BF
Broad, AJ
Brough, MT
Chester, D
Ciobo, SM
Coleman, DB
Dutton, PC
Fletcher, PW
Gambaro, T
Goodenough, IR
Hartsuyker, L
Henderson, SM
Hogan, KJ
Hutchinson, ER
Jensen, DG
Joyce, BT
Kelly, C
Landry, ML
Ley, SP
Marino, NB
McCormack, MF
Nikolic, AA
O'Dwyer, KM
Pitt, KJ
Prentice, J
Pyne, CM
Randall, DJ
Roy, WB
Scott, BC
Simpkins, LXL
Southcott, AJ

Andrews, KJ
Baldwin, RC
Briggs, JE
Broadbent, RE
Buchholz, S (teller)
Christensen, GR
Cobb, JK
Coulton, M (teller)
Entsch, WG
Frydenberg, JA
Gillespie, DA
Griggs, NL
Hawke, AG
Hendy, PW
Howarth, LR
Irons, SJ
Jones, ET
Keenan, M
Laming, A
Laundy, C
Macfarlane, IE
Matheson, RG
McNamara, KJ
O'Dowd, KD
Pasin, A
Porter, CC
Price, ML
Ramsey, RE
Robert, SR
Ruddock, PM
Scott, FM
Smith, ADH
Stone, SN
Question agreed to.

Mr CIOBO (Moncrieff—Parliamentary Secretary to the Treasurer) (18:53): I move:

That this bill be now read a third time.

The DEPUTY SPEAKER: The question is that the bill be now read a third time.

The House divided. [18:54]

(The Deputy Speaker—Mr Ross Vasta)

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<th>Ayes</th>
<th>Noes</th>
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CHAMBER
Majority..............26

AYES

Alexander, JG
Andrews, KL
Billson, BF
Broad, AJ
Brough, MT
Chester, D
Ciobo, SM
Coleman, DB
Dutton, PC
Fletcher, PW
Gambaro, T
Goodenough, IR
Hartsuyker, L
Henderson, SM
Hogan, KJ
Hutchinson, ER
Jensen, DG
Joyce, BT
Kelly, C
Landry, ML
Ley, SP
Martino, NB
McCormack, MF
McNamara, KJ
O'Dowd, KD
Pasin, A
Porter, CC
Price, ML
Ramsey, RE
Robert, SR
Ruddock, PM
Scott, FM
Smith, ADH
Stone, SN
Sukkar, MS
Tehan, DT
Tudge, AE
Van Manen, AJ
Whiteley, BD
Williams, MP
Wood, JP

Andrews, KJ
Baldwin, RC
Briggs, JE
Broadbent, RE
Buchholz, S (teller)
Christensen, GR
Cobb, JK
Coulton, M (teller)
Entsch, WG
Frydenberg, JA
Gillespie, DA
Griggs, NL
Hawke, AG
Hendy, PW
Howarth, LR
Irons, SJ
Jones, ET
Keenan, M
Laming, A
Laundy, C
Macfarlane, IE
Matheson, RG
McGowan, C
Nikolic, AA
O'Dwyer, KM
Pitt, KJ
Prentice, J
Pyne, CM
Randall, DJ
Roy, WB
Scott, BC
Simpkins, LXL
Southcott, AJ
Sudmalis, AE
Taylor, AJ
Truss, WE
Turnbull, MB
Varvaris, N
Wicks, LE
Wilson, RJ
Wyatt, KG

NOES

Albanese, AN
Bowen, CE
Burke, AE
Butler, MC
Byrne, AM
Champion, ND
Clare, JD
Collins, JM

Bandt, AP
Brodtmann, G
Burke, AS
Butler, TM
Chalmers, JE
Chesters, LM
Claydon, SC
Conroy, PM

CHAMBER
Mr BRENDAN O'CONNOR (Gorton) (18:56): After rising to oppose this bill in December I stand here for a second time to oppose the Fair Work (Registered Organisations) Amendment Bill 2014. As we know, the bill will establish the Registered Organisations Commission and amend the Fair Work (Registered Organisations) Acts. The commission will be headed by a registered organisations commissioner with greater investigative powers than those available to the General Manager of the Fair Work Commission. The bill also modifies disclosure requirements, making them more onerous and including higher penalties for civil contraventions, and introduces criminal offences in respect of officers' duties which are modelled on but also exceed those found in the Corporations Act 2001. That is one of the reasons why we have concerns with this bill.

The opposition cannot support the government's Fair Work (Registered Organisations) Amendment Bill 2014 or the circulated amendments. As I previously acknowledged, registered organisations play a fundamental role in Australia's workplace relations system. They are created and registered for the purpose of representing Australian employers and employees at work. Registered organisations also represent their members before industrial tribunals and courts and work with government on policy matters ranging from employment issues to economic and social policy. We support appropriate regulation for registered organisations, including a properly empowered regulator and consequences for those who do
not follow the rules. We support tough penalties for those who break the law. As I said the last time this bill was introduced and as I have said publicly on many occasions, the Labor Party has no tolerance for corruption of officers of employer bodies or officers of unions.

Labor is committed to ensuring financial accountability by unions and employer organisations. That is why in 2012 the then government—indeed, the Leader of the Opposition as minister—toughened the laws to improve financial transparency and disclosure by registered organisations to their members that the now Prime Minister had enacted. In other words, we toughened up the laws that were enacted by the Prime Minister when he was minister for employment. As a result, the regulation of trade unions in Australia has never been stronger, accountability has never been higher and the powers of the Fair Work Commission to investigate and prosecute for breaches has never been broader. We tripled penalties, which means that these laws have never been tougher.

The minister consistently uses the HSU matters, having often inappropriately commented on matters before the judiciary, to justify the government's changes. What the minister will not tell you is that the KPMG review into Fair Work Australia's investigations into the HSU, which he relies upon to suggest there were shortcomings in the current system, did not recommend any legislative amendments—not one.

What the Liberals also won't tell you is that the registered organisations act already prohibits members' money from being used to favour particular candidates in internal elections or campaigns. The registered organisations act already allows for criminal proceedings being initiated where funds are stolen or are obtained by fraud. The registered organisations act already ensures that the Fair Work Commission can share information with the police as appropriate. The registered organisations act already provides for statutory civil penalties where a party knowingly or recklessly contravenes an order or direction made by the Federal Court or the Fair Work Commission under the registered organisations act or the Fair Work Act.

Under the Fair Work Act officers of registered organisations already have fiduciary duties akin to those for directors under the Corporations Law. The registered organisations act already requires officers to disclose their personal interests. The registered organisations act already ensures officers disclose when payments are being made to related parties and the registered organisations act already requires officers to exercise care and diligence, act with good faith and not improperly use their position for political advantage.

It is therefore not surprising that we would question the motives of this government and the reasons for the reintroduction of these proposed reforms. The government promised to regulate registered organisations in the same way as corporations. However, I am afraid to inform the House that they have broken that promise. This bill places higher penalties and a more onerous regime on officers of registered organisations—that is, organisations representing employers or employees—than those imposed on company directors. The Ai Group, AiG for others, suggested that the alignment of disclosure requirements of registered organisations with company directors under the Corporations Act was inappropriate. The Ai Group went on to state:

The Bill would impose a far more onerous regime for officers of registered organisations than what applies to directors of public companies.
So not only is the employer body making clear that this is a bill that is far too onerous on officers of the Ai Group; it is clear from the draft legislation—this bill—that the government exceeds its own promise to change the laws with respect to these matters.

In a number of sections the level of penalty could be seen as inappropriate and goes further than the Corporations Act. For example, there is a maximum penalty of $85,000 for failing to respond within 28 days to a member request for a statement of membership. The duties in sections 285, 286, 287 and 288 of the registered organisations act are based upon sections 180, 181, 182 and 183 of the Corporations Act. The maximum penalty for a 'serious contravention' of sections 180 to 183 of the Company Act is $200,000 for an individual and $1 million for a body corporate. This is less than the amount in the bill and, unlike the Corporations Act, the penalties in the bill will automatically increase as the value of the penalty increases. Much higher penalties are applicable to breaches that are a 'serious contravention'. Defining a 'serious contravention' as a contravention that is 'serious' does little to clarify that meaning, despite a similar provision appearing in section 1317G of the Corporations Act. Given the definition of 'serious contravention' draws on section 1317G, there is a notable distinction in the Corporations Act whereby the provision conditions whether any pecuniary penalty may be awarded at all. It would appear it is proposed that penalties be available irrespective of whether the conduct concerned meets the definition of a 'serious contravention'.

As I said earlier in this contribution, this bill does not resemble the coalition's election promise. The coalition prior to the election promised officers of registered organisations that they would be treated the same as company directors. Instead we see this bill specify that officers of registered organisations receive higher penalties and a more onerous regime. But it is not only the higher penalties and more onerous regime registered organisations will have to deal with. There are new criminal provisions which, if enacted, mean that registered organisations—employer bodies and unions—will have difficulty in persuading people, often in a voluntary capacity, to take on official responsibilities. Again, the Ai Group, in their submission to the government, states:

If the proposed criminal penalties and proposed massive financial penalties for breaches of duties are included in the act, this would operate as a major disincentive to existing voluntary officers of registered organisations continuing in their roles, and would deter other people from holding office.

These are, I would contend, genuine concerns that have not been addressed by the government. Unions have also raised quite legitimate concerns with me about the impact of the proposed laws. Usually, when you have industry bodies—that is, employer bodies—and unions lining up on a unity ticket against a proposition it clearly indicates something is wrong, that the policy is not right, that indeed the government has not listened to those that will be affected by the legislation as proposed. This case is no different.

The opposition sought to, amongst other things, engage with the government to do flesh out what they sought to do in relation to these reforms and indeed to see whether in fact the government would entertain the penalties not exceeding those of the Corporations Act. The government was not in a position, as I am advised, to accept the position put by Labor on penalties and other matters when they first introduced this bill, and continue to be unwilling to accept this proposition.
The concern we have in the opposition is, first and foremost, that the government cannot even ensure that this is a reflection of its own commitments prior to the election in relation to the regulation of registered organisations. But, further to that, there are matters that we have raised, on behalf of employer bodies and unions, about the provisions of this bill that the government has not been able to accede to in relation to any amendments to this bill. Thus the opposition cannot support this bill in its current form.

It is worth making the point that the majority of submissions to both Senate inquiries into the previous bill—from both employer and employee groups—were against the substantive measures still contained within this new bill. In other words, this is not about whether just one side, representing the workplace, has a problem; this is in fact the majority of employer bodies and the majority of employee organisations—namely, unions—having a problem with this bill. However, as I have made clear, the opposition remains willing to talk to the government to ensure that they start with, at the very least, the bill they promised the Australian people. Currently this is not in the form of the promise they made to the Australian people. Of course, there are a number of other issues with the bill, not least of which is that it is clear that this bill does not cover and regulate the range of entities and bodies such as those we have seen in New South Wales after the recent events and findings of ICAC. That is something that the government should have regard to in relation to some of these matters.

The government has also established the royal commission into the trade union movement, which will make recommendations about the governance and the regulation of registered organisations. Whilst the opposition have depicted that royal commission as a politically motivated show trial to go after the perceived enemies of the government, we have said that the opposition will consider its recommendations once they have been released. We would therefore say that the government is pre-empting its own inquiry into such matters by reintroducing this bill as it currently stands. This bill is therefore pre-emptive, ill-conceived and—as I have outlined, I think in a compelling way—also a broken promise.

Why is the government rushing to impose this onerous regime and penalties that exceed those of the Corporations Act? What about those non-registered organisations? It seems to me there are organisations that seem to support the bill but are not registered organisations. I think that is a point to be taken into account. It is all very well for an organisation like AMMA to support the bill but not be subject to it. It is interesting that the employer bodies that do not support the bill are registered organisations, and the only employer bodies that have supported it without qualification are non-registered organisations. So maybe the government has to consider: how do you ensure the proper regulation of organisations that work as representatives of employers—or, for that matter, employees—if they are not found within the confines of this legislation? I would hazard a guess that, if an organisation that seems to be a keen advocate for this bill were subject to the provisions of this bill, it might have an entirely different view as to the merits of this particular proposition.

So what about those non-registered organisations? Is it any wonder that non-registered organisations seem more relaxed about this bill than those who are subject to it? Why isn't the government seeking to impose these measures on them? Will those organisations manage to avoid the approach that will be taken by the Prime Minister and his government if the changes are to occur? As I said from the outset, like always we need to question the motivation of the government. Is it just a political attack on unions? Is this about law breaking and good
governance or is this just an ideological attack? We have, of course, reason not to trust the coalition when it comes to workplace relations, because, as we know, they have form. In 2004 they did not tell the Australian people their plans to introduce Work Choices and AWAs. In 2005 they told the Australian people that their pay and conditions were protected by law, when they were not. In 2008 the Prime Minister, Tony Abbott, said Work Choices: … was good for wages, it was good for jobs, and it was good for workers. And let’s never forget that.

And in his book *Battlelines*, the now Prime Minister said:

Work Choices wasn't all bad.

In conclusion, Labor will not support a politically motivated witch-hunt designed to kill off unions just because the government seeks to reward its friends in big business. The government has broken its election promise to regulate registered organisations in the same way as corporations. It is for these reasons, and for other reasons earlier outlined, that Labor opposes the government's bill.

**Mrs GRIGGS (Solomon) (19:12):** The Fair Work (Registered Organisations) Amendment Bill 2014 is about ensuring that the working people of Australia, more specifically the hardworking union members of this nation, have adequate protections when they pay their dues to whichever organisation it is that they are registered with. This is a really serious matter and it comes down to trust and the appropriate use of money provided to unions by their membership on the basis of trust. When it comes down to it, it is all about trust. It is about the certainty that money paid in good faith to a union is being used for the purpose for which it was intended to be used and is not being plundered by greedy, criminal-minded union officials to be spent on private property deals or prostitutes, and that union figures as unsavoury in nature and character such as Craig Thomson and Michael Williamson are not allowed to plunder the money and betray the trust invested in them by honest, decent, hardworking people.

I am prepared to acknowledge that there are a large number of trade union officials who do a good job looking after the interests of their membership and who provide a valuable service when it comes to wage negotiations, employer-employee liaison, workplace advocacy and the other functions that unions perform

But there is plenty of evidence going around at the moment that tells us that unions are becoming increasingly irrelevant to a modern, aspirational society and that the embodiment of the collective can create a significant drag on individual potential and personal fulfilment. Beyond that, there is also the capacity for overreach. By that, I mean the unwarranted and often pernicious intervention of unions in the implementation of government programs and policies and the stymieing of reform designed to bring about change. Unions are more than entitled to enter the debate and be part of the process. In fact, on most occasions, a legitimate contribution is more than welcome. But the spectacle of unions trying to bully governments into shifting policy frankly leaves me cold.

By way of example, the Australian Education Union in the Northern Territory has been riding roughshod in recent months, flailing wildly at government plans to boost resourcing to early education in the Territory. Rather than negotiating in good faith, it has used industrial action as a weapon to dictate to the Giles government how it should implement staffing policy. This is completely unacceptable. To make matters worse, a union official then...
nominated as an Independent candidate at a recent Territory by-election, a grotesque misuse of resources that even provoked fury among the AEU national organisation. Teachers themselves, who were in the process of negotiating a wage claim and had lost thousands of dollars throughout the process, were scratching their heads and asking, 'What on earth is going on?' For the record, the official lost the election and no longer heads the union.

But all this pales into insignificance when compared to the activities being conducted by some unions—in particular, those representing workers in the building and construction sector—and representatives from the Health Services Union. The activities of Thomson and Williamson have shone a light on corruption within unions, and the compelling Four Corners account of evidence linking biker gangs and construction sector unions points to organisations that have seriously lost their moral compass.

The Fair Work (Registered Organisations) Amendment Bill is a response to the rorts, the rackets and the rip-offs that have seriously eroded community confidence in existing union structures, not to mention the faith that a substantial number of union members have that their money is being well spent. In the Northern Territory, only about 35 per cent of public servants, for example, are members of the Community and Public Sector Union. Given the sort of behaviour that the nation has witnessed from leading union bosses in recent times, it would surprise me not one jot if the number were to fall even further.

Let me provide a recap on the behaviour of Mr Thomson and Mr Williamson. Mr Thomson was arrested in respect of more than 150 fraud related criminal charges and is facing allegations that his 2007 Labor Party federal election campaign was partly funded by siphoning union money without authorisation. Mr Williamson has pleaded guilty to misusing almost $1 million of Health Services Union members' funds. Both of these men had extremely strong links with the Australian Labor Party, Mr Thomson in his capacity as the federal member for Dobell and Williamson as a former national president.

This is an enormous black mark against the Australian Labor Party, a stain that will not be easily removed. It was extremely interesting that, at a recent hearing of the Royal Commission into Trade Union Governance and Corruption, the Leader of the Opposition was singled out for mention.

The Northern Territory has had its own scandal involving the Territory Labor Party and the union movement over recent months, resulting in an extremely damning finding against the Labor Party; its party leader in the Territory, Delia Lawrie; and her deputy, Gerry McCarthy. I want to say from the outset that the allegations levelled against the Territory chapter of the Labor Party are in a completely different league to the crimes of Mr Thomson and Mr Williamson and others facing the royal commission.

However, the Labor Party's links with unions cannot help but raise questions about whose interests they actually represent. Are they for all Australians, or are they just looking out for their union mates?

The Country Liberals government in the Northern Territory last year initiated a commission of inquiry to investigate claims that due process had not been followed when the previous Territory Labor government handed a lease to the old Stella Maris building to Unions NT. The report, which was released last week, is critical of both Delia Lawrie and
Gerry McCarthy and found that the lease was offered to Unions NT on the day before the former government entered into caretaker mode in August 2012.

The NT News, reporting on the inquiry findings, writes:

Mr Lawler found that: "In all the circumstances and particularly given there is no statutory definition of corrupt conduct in the Northern Territory, it would be inappropriate for me to make a finding of corrupt conduct against any person as a result of the inquiry's work."

In other words, a technicality. Instead, according to the NT News, Commissioner Lawler suggested that the Country Liberals party should now consider whether they refer the matter to the parliamentary privileges committee. Mr Lawler found that the lease was offered to Unions NT on the day before the former government entered caretaker mode in August 2012.

The article continues:

Mr McCarthy, who was lands minister at the time, acted in accordance with the provisions of the Crown Lands Act in granting the lease.

But … the offer was "arguably unreasonable—

Mr Brendan O'Connor: Mr Deputy Speaker, I raise a point of order. Whilst I understand that the honourable member may be wishing to talk about those matters, I think it is important that she return to the bill before the House.

Mrs GRIGGS: It is all related to the bill—

Mr Brendan O'Connor: Deputy Speaker, I have raised a point of order. I think we should allow the Deputy Speaker to make that decision, not you, so do you want to sit down while I am actually making the point of order? Deputy Speaker, this bill refers to the regulation of registered organisations, and the honourable member is not talking about those matters. For that reason, I would ask you, Deputy Speaker, to request the member to confine her contribution to the provisions of the bill.

Mr Frydenberg: Mr Deputy Speaker, on the point of order: the member is talking about the bill and the context in which it is needed; therefore, it is relevant to her speech.

The DEPUTY SPEAKER (Mr Vasta): I have listened to the contribution of the member for Solomon. She is within her right speaking on the bill. I will ask her to continue her speech.

Mrs GRIGGS: The article continues:

But Mr Lawler found the offer was “arguably unreasonable … and would be susceptible to challenge before the Supreme Court on that basis”.

“Minister McCarthy’s conduct was not accountable, responsible or in the public interest,” Mr Lawler said.

Further, the NT News reported:

Ms Lawrie, a former lands minister, treasurer and deputy chief minister, was found to have “acted with bias over many years, forming a view in 2009 that Unions NT should be exclusively granted a lease over the site without an expression of interest process”.

“Minister Lawrie may have genuinely believed that granting the site exclusively to Unions NT was in the public interest (but) the way she involved herself in the process was not proper and was unfair to the public and other community groups.”

Where there is a Labor Party politician, there is a union crony lurking in the shadows.
Now back to the federal sphere. As I said earlier, the aim of the Fair Work (Registered Organisations) Amendment Bill is to provide the certainty and a basis for higher operating standards that members of registered organisations, such as unions, are entitled to expect. The amendments will dovetail with the findings of the ongoing royal commission into registered organisations, which is currently casting a judicial eye over the activities of unions and other organisations around the country.

Mr Brendan O'Connor: Mr Deputy Speaker, I rise on a point of order. The honourable member has referred to the royal commission as a judicial inquiry. It is not a judicial inquiry; it is an executive inquiry. There is no judicial provision inside that commission.

Mrs GRIGGS: I said 'judicial eye'.

Mr Brendan O'Connor: I ask the member to withdraw that comment.

Mrs GRIGGS: I said 'judicial eye'.

The DEPUTY SPEAKER: The member for Solomon will continue.

Mrs GRIGGS: It is the view of this government, and I daresay a large section of the community, that a more robust compliance regime is needed to deter wrongdoing and promote the utmost credibility among registered organisations. These safeguards include: establishing an independent watchdog—the Registered Organisations Commission—to monitor and regulate registered organisations with enhanced investigative and information-gathering powers; strengthening the requirements for officers' disclosure of material personal interests and related voting and decision-making rights, as well as changing grounds for disqualification and ineligibility for office; strengthening existing financial accounting, disclosure and transparency obligations under the registered organisations act by putting certain rule obligations on the face of the act and making them enforceable as civil remedy provisions; and increasing civil penalties and introducing criminal offences for serious breaches of officers' duties, as well as introducing new offences in relation to the conduct of investigations under the act.

The Registered Organisations Commission will be given the independence and powers it needs to regulate registered organisations effectively, efficiently and transparently. It will be headed by a commissioner appointed by the Minister for Employment and will have investigation and information-gathering powers equivalent to those available to the Australian Securities and Investments Commission. It will have powers to commence legal proceedings and refer possible criminal offences to the Director of Public Prosecutions or other law enforcement bodies. The Commonwealth Ombudsman will have oversight for the commission, as it does with other Commonwealth agencies. As well as clearly benchmarking the role of the regulator, the bill introduces reporting and disclosure requirements and enhanced penalties for breaches of the regulations that align with those outlined in the Corporations Law.

As I said earlier, it is entirely appropriate to expect a high standard of financial reporting from our registered organisations, given the trust members place in their unions and employer associations to operate honestly and to responsibly use the funds derived from membership fees. Registered organisations have enormous economic, legal and political influence. During the recent court disclosures about union wrongdoing it would have been a surprise to many
Australians that unscrupulous operators were at liberty to oversee their organisations at a far lower standard when compared to corporations or other comparable bodies.

To buttress these changes, registered organisations will need to disclose remuneration paid to their top five officers in union headquarters and subsidiary branches. Importantly, officers will be required to disclose their and their relatives' material personal interests to all members. This will include any payments made to persons or entities in which an officer has declared an interest, with the aim of preventing individuals from improperly benefiting from their position.

The regulations will also be backed up by a suite of penalties that will mean officers from registered organisations will face similar penalties to companies and directors who break the law. The headline figure is five years imprisonment for serious breaches of officers' duties as well as offences in relation to the conduct of investigations under the registered organisations act. I commend this bill to the House.

Mr BANDT (Melbourne) (19:27): The Fair Work (Registered Organisations) Amendment Bill 2014 is part of the wind-up to the government's attack on people's rights at work. Try as this government might to be as self-disciplined as they had been during the election campaign when they said that Work Choices was dead, buried and cremated, they just cannot help themselves. Just as with the budget where we saw the beginning of the real agenda of this government start to peek through, we are seeing it with respect to people's rights at work.

We already saw prior to this bill—and this bill is part of the attack—a move to allow employers to contract out of collective agreements and minimum award standards with employees and to reach agreements with employees where they can take non-monetary benefits into account. That is going to mean that the fish and chip shop owner will be able to say to the employee: 'I'm going to pay you partly in fish and chips. I know you can't pay electricity with that and I know you can't pay your rent with that, but that is no concern of mine. I'm now allowed to take into account non-monetary benefits.' When you put that next to the most appalling changes to unemployment assistance for people under 30 that this country has ever seen, you can very quickly see how a young worker is going to be forced to either take payment in fish and chips or end up spending six months a year with no income at all. So that is what this government has in store for people under 30.

Then along comes this bill, which is working on one simple principle: 'We will come for the unions first so that there is no-one there left to protect the workers when we come for them.' One thing I do not expect members on the other side to know from personal experience—because I am sure they have very rarely been in unions, except perhaps the AMA—is that unions play a number of important roles.

Debate interrupted.

ADJOURNMENT

The SPEAKER (19:30): It being 7.30 pm, I propose the question:

That the House do now adjourn.

Farrell, Senator Don

Ms KATE ELLIS (Adelaide) (19:30): This is the week of Senate valedictory speeches, when we farewell many of those who have served in the other place. I would like to use this
opportunity tonight to recognise all the departing senators, from both sides of the house, and thank them for their contributions to the parliament. I particularly note the departing Labor senators Mark Furner, Mark Bishop, Mehmet Tillem, Ursula Stephens, Louise Pratt, Lin Thorp, John Hogg and Don Farrell, and send them my particular gratitude and my every best wish for the future.

It may not shock you that I want to focus my remarks tonight on the senator who has served the great state of South Australia, Don Farrell. I wanted to do this for a number of reasons, but one is because—with the possible exception of Julia Gillard—I have never met anyone in public life whose public persona is so very different to the individual they actually are. Now is the time: we owe it to ourselves to set the record straight.

Some choose to refer to Don as a ‘faceless man’. It is a particularly absurd way to refer to someone whose face is very public through both election and appointment to the federal ministry, and it is also just plain wrong. It is wrong to leave unchallenged any perception of a factional operative interested only in power or, as some others choose to put forward, a staunch conservative intent on pushing his own moral viewpoint on others, incapable of accepting different views. This is not the man Don Farrell is. This is not the Don Farrell I have the pleasure of knowing and the privilege of working with.

It is just that this parliament has a permanent and lasting account of the real and remarkable contributions of this great South Australian to public life, so I want to tell you a bit about the real Don Farrell. Don Farrell is a powerful figure in politics in South Australia. He is a thoroughly decent human being, a man of absolute integrity, a giant of the labour movement and a champion of working people. He is also an absolutely besotted husband, father and soon-to-be grandfather. If you want to know the real Don Farrell, then you are best served to set aside the cliches about faceless men.

Don has dedicated his life absolutely to the working people of this nation. He is driven, daily, by fighting for fairness and ensuring that people are valued and treated appropriately in the workplace. I know this is true of the retail workers in Australia Don dedicated so many years to representing. My first introduction to Don was as a young checkout operator who was a member of the South Australian SDA and a recipient of the benefits and conditions Don fought for and secured. He has been tireless in pursuing fairness and justice for working Australians.

Don also has an enthusiasm for and commitment to his work that I think many of us could learn much from. Whether as a senator, parliamentary secretary, minister or shadow minister, Don has never once taken for granted the amazing opportunity we are given of serving in this place. He has always worked to make the most of every opportunity and repay the faith that has been placed in him. I know that in recent months, as the shadow minister for veterans' affairs, he has shown the same dedication to the pursuit of justice and commitment to fairness that has been evident throughout his working life.

He has achieved much in parliament and in his portfolios, but he has also played an important role within our party. People in this place talk about the under-representation of women. Don generally does not, but few have done more to walk the walk than he has in supporting and promoting. When I was a 26-year-old girly candidate with progressive views on social policy and untested qualities as a local candidate in a tough battle it was Don who stood up and supported me for the seat of Adelaide. I am incredibly grateful for that.
Don has, at every stage, put our party before his own individual interest, often at great personal expense. He has contributed more than most ever will but has never sought to take in return. He has been dealt an injustice he simply does not deserve. It is not just my words; I have heard from many people from different sides of politics. Today I spoke to Roger Drake, an employer who worked with Don, who said: 'I've worked with Don for 30 years. He is the fairest man that I've ever dealt with.' Someone from across the factional divide, Pat Conlon, said he is: 'an outstanding human being who in politics always gave far more to others than he ever took for himself. I am proud to call him a friend.' And Annette Hurley said he has worked in 'an honest, compassionate and clean way. He was and is a model of leadership.'

Our parliament is better because of Don Farrell, our party is better because of Don Farrell, and our country is better because of Don Farrell. I thank him wholeheartedly for his contribution.

**Bonner Electorate**

Mr VASTA (Bonner) (19:35): I would like to speak tonight about some major commitments the coalition government has made in this year's budget for my electorate of Bonner. It pleases me to say we have managed to fulfil our election promises to the people of Bonner and delivered funding for a number of key projects in the area.

Firstly, I am proud to say we have secured $100,000 for the Mount Gravatt Mens Shed. The coalition government is investing this money to help the men's shed build new facilities and upgrade its existing infrastructure. This is a big win for the Bonner community—in particular, for the men living in my electorate. Due to the outstanding work of the men's shed and its volunteers, the men of Bonner have the means to participate in and interact with their local community. I have been involved with the men's shed for some years now. Two years ago, I committed to securing this funding; so it is with great pride I make this announcement today. I have seen the men's shed member numbers grow to just over 275 as of this month. They are a great group of men who have dedicated much time and effort to support each other and those in the wider community. I am very pleased that the coalition government is able to provide these funds to help the men's shed continue to grow and I look forward to helping the Wynnum Mens Shed in the future.

On top of those funds for the Mount Gravatt Men's Shed, the coalition government has also approved funding for several other key community projects. We will be investing $70,000 to install new CCTV cameras in Tingalpa's Minnippi Parklands. The Brisbane City Council and the Queensland Police Service have been working tirelessly to improve safety throughout Bonner. I am pleased that the funds provided by the federal government will contribute to strong preventative measures that will make the Minnippi Parklands a safer and more family friendly environment. I would like to thank Councillor Ryan Murphy for his outstanding advocacy on this project.

We are also providing $26,000 to the Gumdale District Progress Association. This money will allow the Gumdale association to seal their car park at the Gumdale Progress Hall on New Cleveland Road in Gumdale. I would like to thank my state colleague the Assistant Minister for Road Transport, Steve Minnikin, and Brisbane Deputy Mayor, Councillor Adrian Schrinner, as well as Councillor Murphy for supporting me on this project.
The coalition government is also providing a great deal of funding to go towards new recreation and sporting facilities in Mansfield. One of those facilities is the Mount Gravatt Sports and Recreation Club sports complex. I was very pleased to attend the opening of the sports complex earlier this year along with state minister Ian Walker and Councillor Krista Adams. The sports complex will greatly increase the number of sporting activities available to people in the area.

We are also providing $59,400 to the St Paul's United Sporting Club for the first stage of construction of their Yandina Park clubhouse facility in Wishart. This will go towards change rooms, public amenities and a first aid and referees room for the new clubhouse. As part of the coalition government's Green Army program, the Bulimba Creek Catchment Committee will have a Green Army team deployed to help with flood plain enhancement and maintenance of the Manly Road Reserve, the rehabilitation of wetland corridors and vegetation at Moreton Bay College and additional work to protect and enhance the Lindum Wetlands.

It is always with the greatest pleasure that I announce funding for projects such as these in Bonner. I have been able to help a great number of people in my electorate in my time as the member and you could not meet a more friendly and hardworking group. I look forward to providing more assistance to the people of Bonner in the future and I thank them for their wonderful friendship and support throughout the years.

Farrell, Senator Don

Ms RISHWORTH (Kingston) (19:39): I rise to pay tribute, as did the member for Adelaide, to all those Labor senators who will be leaving this place on 30 June. All have made significant contributions to the Labor cause. However, tonight I want to pay particular tribute to Senator Don Farrell. It was very sad that Don did not get re-elected in 2013 and was not given the chance to serve in the South Australian parliament. This parliament has lost a great statesman, a great negotiator and a great legislator, who has made a huge contribution to South Australia and, indeed, to Australia. He will be sorely missed by our side of parliament and, I do believe, by the other side as well. Far from being a faceless man, Don Farrell is a decent human being who always puts others before himself. Having known Don for over 15 years and having worked for and with him for many of those years, I have seen first-hand his passion for social justice and his commitment to standing up for some of our lowest paid workers.

I will never forget when Don, while he was secretary of the SDA, announced to all his staff that he had a goal in the South Australian branch to organise and improve the working conditions of McDonald's workers. No-one thought it could be done; McDonald's workers were not organised in Australia. But, through his persistence, Don achieved what was a first in Australia and, indeed, was among the first in the world: the South Australian branch of the SDA successfully organised McDonald's workers and negotiated an EBA that improved the wages and conditions for those workers. Whether it is advocacy on shop trading hours or on superannuation, Don has always worked to ensure that some of our lowest paid workers have had a better quality of life. This relentless effort has continued in his work as a senator in this place.

There is no better advocate for South Australia than Senator Don Farrell. Some might argue he is a better ambassador for the Crows, but he has been a better senator for South
Australia who has always fought to ensure that South Australia is not forgotten here in the Australian parliament. His determination in fighting for investment and jobs in our great state has been relentless, most recently with his private member's motion for the Defence Legislation Amendment (Woomera Prohibited Area) Bill 2013. While the Liberal government was elected and said they were all for jobs, of course they sat on their hands and did nothing. It took Don to put forward a private member's motion that had the potential to unlock $35 billion worth of potential mining investment in South Australia.

Don's contribution in government has also been significant. He has served as Parliamentary Secretary for Sustainability and Urban Water as well as Minister for Science and Research, Minister Assisting for Tourism and Minister for Sport. I particularly want to highlight his work—and this might not be the sexiest piece of work—in bringing in the landmark Product Stewardship Act 2011 in which retailers and manufacturers were encouraged to take responsibility for their products at their end of life. This legislation ushered in the television and computer recycling co-regulatory arrangements, leading to extensive free recycling services across Australia helping families easily dispose hazardous waste and preventing lead, mercury and zinc from entering the environment through landfill. As I said, it may not be the sexiest policy, but it was a world first, it was smart and innovative legislation and it was an example of how Don brings people together. He brought together the industry, which heralded this piece of legislation as a great success, and environment groups. That does not often happen, but Don was able to bring people together. And in opposition Don has lead the charge to successfully overturn the government's cruel financial cuts to the children and orphans of veterans who have been injured or killed.

I have outlined the contribution that Don has made to our state and country, but I would also like to place on record my personal thanks to Don for his support, advice and mentoring, which he has so generously offered to me over many years. I have learnt so much from Don Farrell over the years about leadership, patience, courage, diligence and honour. I wish Don and his wife, Nimfa—who has also served the Labor Party for many years in her own right—the very best for the future, especially as they become grandparents for the first time. It is good to know that they always be on the other end of the phone.

Ms LANDRY (Capricornia) (19:44): Water plays a vital part of life. Tonight, I want to outline the need for bold water projects in Central Queensland to broaden the diversity and economic potential of my electorate of Capricornia. The northern Australia green paper is currently out for discussion on the future potential of food and fibre production north of the Tropic of Capricorn. Our government is also examining the future competitiveness of Australian agriculture via a white paper task force. Both are considering the need for new dam infrastructure. A third group examining our nation's future water needs is the ministerial task force on dams. I want to assure my electorate of Capricornia that I will be writing to the dam task force, urging it to consider funding infrastructure that will directly benefit Central Queensland.

While we have coal, this industry is currently facing a price slump due to increased supply of poor-quality coal from China, the United States, Canada and Russia. We also have a significant beef industry, but, again, a flood of cattle onto the domestic market, due to Labor killing off our live export trade, continues to impact on domestic beef prices. These factors,
affecting our two biggest industries, highlight the need for investment in infrastructure that enables us to diversify our regional industries.

In Central Queensland there are many potential water projects now proposed that would benefit Capricornia, including: the Eden Bann and Rookwood Weir concept, Connors Dam, Urannah Dam and Nathan Dam. Local government is pushing to revitalise an old idea to create a food bowl in the Fitzroy River corridor near Rockhampton. Rockhampton's Fitzroy River is the second largest catchment area of its type in Australia, yet for decades it has noticeably lacked new and significant water infrastructure. To achieve a food bowl, with more feedlots, a bigger pork industry and horticulture, we would require two steps: firstly, raising the dam wall at Eden Bann Weir and, secondly, building a new weir at Rookwood, near Riverslea. Technically, both fall into the area of Flynn but would provide significant new agricultural diversity to the city of Rockhampton.

We also need to fund Connors Dam in the Isaac regional shire. This project is shovel-ready and awaiting private or government funding. The dam will cost $1.3 billion, on the Connors River near Mount Bridgett, about 110 kilometres east of Moranbah and 70 kilometres south of Sarina. According to the Queensland Department of State Development, Infrastructure and Planning, Connors Dam would supply over 373,000 megalitres. Water would be piped to Moranbah through a 133-kilometre pipeline to service local towns and coalmines. However, I urge this government to ensure that, if this project is funded, water is also allocated to diversify other industries in this region.

Central Queensland can no longer rely just on coal. We must put in place new water infrastructure to diversify agriculture near Moranbah. This could include rice crops bred especially for Central Queensland conditions, more citrus and horticulture and further meat production. Recently, I met with the Isaac Regional Council and they are enthusiastic about getting the Connors project rolling to broaden the industry base in this part of Capricornia.

Another significant project that needs to be funded is the Urannah Dam, 60 kilometres south-west of Proserpine. The benefits of such a project are shared between my colleague George Christensen's electorate of Dawson and my own patch of Capricornia. According to regional economic group Bowen Collinsville Enterprise, or BCE, the Urannah Dam could be used for organic horticulture and organic sugar production, as well as coalmining in the Bowen Basin, and to supply electricity for the town of Collinsville. Collinsville has been hit by bitter union industrial disputes, causing the local coalmine to close and reopen under changed conditions. BCE is adamant that Urannah would give Collinsville a new lease of life by offering new irrigation industries and employment opportunities.

Finally, there is the Nathan Dam project at a cost of $1.4 billion. This would serve the Surat coal basin and the Dawson-Callide subregion of Central Queensland. Water from the dam may also supply the lower Fitzroy. Nathan Dam is expected to have a capacity of 888,000 megalitres.

We need to diversify the inland areas of Central Queensland in order to provide future jobs outside of our important coal sector. To do this, we need water. I urge those pulling the purse strings to ensure that Capricornia, on the Tropic of Capricorn, is included in future spending on new dams and that we are not overlooked in favour of far north Australia.
The SPEAKER: Before I call the honourable member for Lalor, I think it is appropriate to acknowledge that we have with us in the chamber Senator the Hon. Don Farrell, about whom such lovely praise was directed by two members, the members for Adelaide and Kingston, earlier.

Gillard, the Hon. Julia

Ms Ryan (Lalor—Opposition Whip) (19:50): I rise tonight to pay tribute to the Hon. Julia Gillard. This week marks four years since Julia Gillard was sworn into office as Prime Minister, on 24 June 2010. So, yesterday, I paused to remember what that day meant to me, to my community and to this country. Julia Gillard represented Lalor in this place for 15 years. It is indeed an honour to follow her in representing our community. Back in 2010, Australia had its first female Prime Minister. We had done what so few countries had done. At the time I was proud, as an ALP member, as a resident of Lalor and as an Australian, that we had done this great thing.

I had the privilege as a principal to see an audience of young adults and adolescents listen to Julia speak at my then school, Galvin Park Secondary College, in Julia’s, now my, electorate. It was an extraordinary experience for those young people, the teachers and invited community members. I watched that day the faces of the young people as she spoke about the power of education and the impact her school life had had on her life opportunities. She also spoke of visiting a school in the US with Barack Obama on a then recent trip. Together they had made an unscheduled visit to a classroom. She spoke of watching the faces of young Afro-Americans as they looked into the face of their President and saw ‘like’—saw themselves reflected there. As she spoke I watched the same thing. I watched young people, seeing someone from a background like theirs—their local member—speaking to them about her journey to the Prime Ministership and what she wanted to achieve as a Labor Prime Minister. I saw girls looking into the face of a woman who was their Prime Minister. I later spoke to students about that experience. They were lined up outside my office to share their excitement and their thoughts and to thank me for having arranged it. It was interesting. The themes were not about gender; they were about possibility and opportunity and the value of hard work. Students further committed or recommitted to their studies that day in my office. They had been inspired to believe in themselves and in the power of education.

Tomorrow also marks a year to the day since Julia ceased being our Prime Minister. And this too is worth some reflection. She gave a very dignified farewell speech that night. I particularly remember these words:

… I have prevailed to ensure that this country is made stronger and smarter and fairer …

And I remember her message to the caucus:

… don’t lack the guts, don’t lack the fortitude, don’t lack the resilience …

She was speaking about the Labor agenda and the then upcoming election, but I think it is fair to say that that message was taken on and that that is what our caucus, led by our leader, Bill Shorten, is now doing. I am proud to be part of a caucus that is continually on its feet here and out in our communities at home, speaking up for the people most affected by the decisions of this government. For my part, I was shocked when reading the budget and deeply concerned when I saw the analysis of the impact on women. So I got on my feet and highlighted that, and I did so again in the consideration in detail, inspired by Julia Gillard.
In terms of the shades of grey and the sophisticated way Julia suggested we need to look at gender issues in this country, Bill Shorten and the federal Labor Party are modelling and leading in this too. This week we have yet another Labor woman promoted to the shadow ministry. Amanda Rishworth joins Tanya Plibersek, Jenny Macklin, Penny Wong, Catherine King, Sharon Bird, Kate Ellis, Michelle Rowland, Julie Collins, Claire Moore and Jan McLucas. When I look across the chamber every day, I am reminded that Labor governs for all Australians. And, when I hear our members and senators on their feet defending the legacy of Labor governments across our history, defending the less privileged, defending the hardworking, defending the policies that strove to make Australia a more equitable country, I hear our Labor values of fairness, opportunity and compassion reflected in our caucus.

There is a disappointment, however, for me today—particularly for young adults, including those who listened to Julia at Galvin Park a few years ago—that our current government demonstrates its values of exclusion and division both by the membership of its ministry and, particularly, through its cruel and unfair budget.

Tarkine National Coalition

Mr WHITELEY (Braddon) (19:55): The Tarkine National Coalition, also known as Save the Tarkine, is a fanatical environmentalist group that openly judges its effectiveness on the level of economic disruption it inflicts on business. One only needs to visit its website and read its self-written report card to see that it prides itself on its level of job-destroying activities.

Tonight I will expose Save the Tarkine for its disgraceful and relentless attempts to undermine the mining industry through the courts and to silence me from standing up for the people of Braddon. The employee and public face of this organisation is Mr Scott Jordan, with former Senator Bob Brown the patron. Given the average membership fee is about $20 and it only received $500 in membership fees last year, this shows it has roughly 25 members—that's right, just 25 members. This is not some burgeoning environmental movement. This is an incorporated organisation with just 25 members, nearly half of them directors. According to its last financial year statements, of the $115,000 in donations received into the tax-deductible Tarkine Fund, only $9,000 was spent on what you would call campaign activities. This compares to the $89,000 spent on wages, travel costs, administration and legal fees. These expenses resulted in Save the Tarkine operating at a loss.

It is not surprising that an organisation that so desperately seeks to be an economic spoiler would spend more on wages and legal fees than on actually engaging with the north-west community. The victims here are salt-of-the-earth people simply looking to earn a living and raise their families in our region. There is no doubt that the legal expenses this year will be far greater, because the group have engaged in two high-profile court cases against the Commonwealth and mining companies wanting to invest in our region. In both cases, they lost their appeal. In the most recent case, costs were awarded against them, which are estimated to be over $150,000.

Given this organisation was operating at a deficit in the previous financial year and clearly had little prospect of being successful in its action, I would argue that this group entered into an expensive court process in the full knowledge that it did not have the capacity to meet the costs if in fact they were awarded against it. Should a normal business enter into such transactions with this knowledge, it could be deemed to be trading whilst insolvent. This
leaves me deeply concerned that Save the Tarkine's intention is to simply wind up insolvent and start a similar organisation hell-bent on standing in the way of mining and forestry developments.

The public are asking me how on earth this group will pay these costs. Well, it has become quite clear just how it intends to start its next fundraising campaign—by suing me. Two weeks ago, I received a letter from an inner city Melbourne law firm seeking the immediate payment of $40,000 and an apology for standing up for the people of Braddon and attacking the Save the Tarkine group for its job-destroying stunts. Let me say clearly and loudly tonight to Save the Tarkine directors, Scott Jordan, former Senator Bob Brown and Bleyer Lawyers: I will not be silenced. I will not back down and I will not stop until Save the Tarkine pays taxpayers and Venture Minerals back for its failed court cases and ceases its job-destroying campaign through the courts.

Save the Tarkine can dish it out with wild and unsubstantiated claims against the mining and forestry sector, but they cannot take it. They are like schoolyard bullies. They have a glass jaw and will never, ever accept the umpire's decision. How dare this organisation engage an inner city Melbourne legal firm to try and stifle the political process with attempts to bully MPs and senators into silence?

I acknowledge the presence in the House of Senator John Madigan. Senator Madigan has likewise been harangued by Bleyer Lawyers, who sent him a letter of demand on another matter, which is basically a cut-and-paste of the demand sent to me as the member for Braddon. It would appear that Bleyer is simply a legal factory dedicated to the cause of trying to shut up anyone that finally calls to account groups such as Save the Tarkine. Bleyer has also taken the extraordinary step of threatening action against Senator Madigan if he speaks on those matters within their demands in parliament under parliamentary privilege.

I believe that such a threat is in breach of section 28 of the Crimes Act. I will let Senator Madigan speak for himself. But, if such an intimidating tactic is threatened against me, I will have no hesitation in referring such a threat to the Privileges Committee of the parliament. I can assure the people of Braddon I will not be silenced by Save the Tarkine or their fancy lawyers, because I know that the overwhelming majority of my electorate desperately want to see new jobs in our region and a future for our young people. I seek leave to table the annual statements and the constitution of Tarkine National Coalition Inc.

Leave granted.

The SPEAKER: It being eight o'clock, the debate is interrupted.

House adjourned at 20:00

NOTICES

The following notices were given:

Mr Pyne: To move:
That standing order 31 (automatic adjournment of the House) and standing order 33 (limit on business) be suspended for the sitting on Thursday, 26 June 2014.

Mr Bandt: To move:
That this House:
(1) supports tomorrow’s nation-wide protests by CSIRO staff, including at its Black Mountain facility in Canberra;
(2) shares the anger of CSIRO staff at the Prime Minister’s anti-science agenda and his deep and unnecessary cuts to Australian science that will result in job losses, an acceleration of our brain drain, site closures and the end of research programs;
(3) recognises that the creation of the Medical Research Future Fund does not justify these cuts to our science sector;
(4) regrets that the Prime Minister’s wholesale CSIRO cuts will hit research areas including neuroscience and colorectal cancer, geothermal research, carbon capture and storage and liquid fuels, as well as manufacturing research including bioscience, nanoscience and research into high-performance metal industries; and
(5) understands that the cuts to CSIRO, whose motto is ‘Australian science, Australia’s future’, harm the country’s future prospects and materially damage the Australian way of life.
The DEPUTY SPEAKER (Mr Whiteley) took the chair at 09:36.

CONSTITUENCY STATEMENTS

Scullin Electorate: Budget

Mr GILES (Scullin) (09:36): I have spoken often in this place, indeed, at every opportunity on the impacts of this government's budget on our economy and on our community. I have also been speaking with and listening to Scullin constituents about their thoughts and concerns in relation to this budget. So I take this opportunity to give voice of one constituent, one of many.

Yesterday the effects of this government's cruel cuts and budget broken promises were brought into stark relief as a constituent on an age pension, Silvana, told me her story. It deeply affected me. When government members talk about their priorities reflecting tough choices, I say this: how tough was it to make this choice? Silvana is 67 years old and lives in Lalor. Her husband is in a nursing home with dementia and has Alzheimer's. His entire pension goes to his nursing home for his care. Silvana gets $700 a fortnight; she has to use $140 a month for her husband's medication as well as other expenses like clothes and occasional haircuts. The rest she has to live on.

Silvana has been volunteering at Peter Lalor Secondary College for 28 years. She has worked all of her life, most of it in factories. In fact, Silvana started working at a factory in Richmond when she was less than 12 years old. She has done more than her fair share of lifting. Both of Silvana's children are struggling with debt, trying to save money to buy their own houses and are in no position to offer their parents money. Silvana says she finds it difficult to pay her water and energy bills. She has no money in the bank, no money saved for her or her husband's funeral. She only occasionally goes to the cinema. She makes tough choices. As the opposition leader, the now Prime Minister promised there would be no changes to pensions but now wants to cut the pension and increase the retirement age. Australia's 2.3 million pensioners have every right to feel betrayed by the Prime Minister.

The current indexation system introduced by Labor helps the pension keep pace with the cost of living to maintain decent standards of living and keeps faith with our societal obligation to pensioners, supporting in their old age people who have worked hard all their lives. CPI is not an accurate reflection of pensioners' cost of living and will mean pensioners like Silvana have to get by on less. Had this new indexation system been in place for the last four years, a single pensioner on the maximum rate would be around $1,500 a year worse off than they are today.

Silvana wanted me to ask a question of the Prime Minister on behalf not just of her but on behalf of all pensioners in Victoria—and I suspect Australia. What are pensioners like her supposed to do when the pension is cut? This is the ultimate test: to walk mile in someone else's shoes. I doubt our self-described 'best friend of pensioners' would get very far in this regard. So, Silvana, let me be clear: I and the Labor Party will fight for a fair go for you and other pensioners. For us, this is not a tough choice.
Petition: Community Pharmacy at Valla

Mr HARTSUYKER (Cowper—Deputy Leader of the House and Assistant Minister for Employment) (09:39): This morning I present a petition from constituents in my electorate calling on the Minister for Health to exercise his discretionary powers to approve the development of the community pharmacy at Valla, about 30 kilometres south of Coffs Harbour.

Valla Beach is a small beachside village that is a favoured holiday destination for many people who return year after year to enjoy a great lifestyle and holiday event. Just across the highway is Valla Rural, a small community mainly of primary producers. Combined, the Valla community has a population of over 2,000 people with the average age exceeding 50 years. There is a retirement village of close to 200 homes nearby. There is only limited public transport to take Valla residents to nearby towns.

Valla is a disadvantaged area needing greater access to healthcare facilities and support services. Residents in Valla would like to see a community pharmacy open in the village to ensure timely access to medication and advice for all members of the community. We know that community pharmacists play an important role in primary care health advice, disease prevention, education and proper use of medicine. The residents of Valla should not be denied easy access to such services.

Valla is 9.5 kilometres from Nambucca Heads and is therefore covered by the pharmacy location rules which effectively prohibit the development of a new pharmacy within 10 kilometres of an existing pharmacy. Unless the minister exercises his discretionary powers, it seems likely that a new community pharmacy will not be open in Valla.

It has been argued that the pharmacy services in Nambucca Heads are sufficient to serve the residents of Valla but, based on this petition, we can conclude that many residents of Valla disagree with that argument. Valla and Nambucca Heads are distinct communities. As I have said, there is little public transport between the two towns. Although many Valla residents travel to Nambucca Heads from time to time, for many older residents, a 20-kilometre-round trip to obtain important medication is not reasonable.

This petition includes more than a thousand signatures representing over half the community's population. In addition to this petition, a community survey registered over 98 per cent support for the proposal to establish a community pharmacy in Valla. Most city residents do not have to drive 10 kilometres or sit on a bus for half an hour each way simply to buy a box of blood pressure medication. But for many Australians living in regional areas, this is just part of life.

My constituents are simply asking the minister to use his discretion to give their community access to a service that is taken for granted by most Australians. This petition is not really asking for anything radical. All my constituents want is a fair go. They want to be able to walk to their local pharmacy. They want to be able to talk about their medication needs with their local pharmacist. They want easy access to the services available to the majority of Australians. I commend this petition and table it in the House.

Petition read as follows—

To the Honourable The Speaker and Members of the House of Representatives
This petition of residents and visitors to Valla and Valla Beach draws to the attention of the House: The Valla Community has a population of over 2000 people (comprising Valla Beach and Valla Rural). A community pharmacy would ensure the timely access to medication for all members of this community and further improve access to primary health care.

A pharmacy in Valla would provide continuity of care; address the lack of sufficient public transport in the community and the need to travel to surrounding towns for medication and pharmacy services.

Due to the current pharmacy approval rules Valla is not eligible to have a pharmacy to serve the needs of locals and visitors.

For a pharmacy to open in Valla it is essential that we convince the Minister for Health to exercise the Discretionary Power of approval. We must convince the Hon Peter Dutton MP that approving a pharmacy is in the public interest and that the Valla community is being left without reasonable access to Pharmaceutical Benefits.

We therefore ask the House to remedy this lack of reasonable access to pharmaceutical benefits for the Valla community in the Nambucca Valley by requesting the Minister for Health to exercise the Discretionary Power to approve the proposed pharmacy at shop 3, 35-39 Valla Beach Road, Valla Beach NSW 2448.

from 1061 citizens.

Petition received.

**Live Animal Exports**

**Mr ZAPPIA** (Makin) (09:42): Since its election, the Abbott government has systematically dismantled measures established to raise animal welfare standards associated with Australia's live export trade. The commitment by Labor to appoint an inspector-general of animal welfare was rejected by the Abbott government. The existing Animal Welfare Advisory Committee was abolished. So too was the Australian Animal Welfare Strategy, established by the coalition in 2005. Whilst the Export Supply Chain Assurance Scheme is still in place, $2.3 million for funding for the live animal export business assistance program, which assisted importing countries to apply the standards, has also been scrapped.

In a further measure announced earlier this year, I understand that memoranda of understanding will no longer be required for new overseas export markets before Australian livestock can be exported. Following in the footsteps of the US, we now even seen moves in Australia to prosecute animal welfare advocates and brand them as terrorists if they in any way infringe a law whilst exposing animal cruelty.

Minister Barnaby Joyce claims that live export policy will not be guided by ABC *Four Corners*. He also boasts about how live exports to the Middle East will be resumed and he accuses Labor of destroying the beef cattle industry. He conveniently forgets that it was the Howard government that stopped live exports to Egypt in 2006 and it was under the Abbott government's watch in April this year that $170 million of beef trade to Russia, the equivalent of the live trade to Indonesia, was suspended. And it is the Abbott government that is now jeopardising trade with Arab nations over the Attorney-General's declaration that Australia would no longer refer to East Jerusalem as 'occupied'.

The fact is that in the last four years of Labor, during a time of drought and falling production, total beef and veal exports rose from $4 billion in 2009-10 to $5 billion in 2012-
13. In particular, exports to China increased from 7,736 tonnes to 92,278 tonnes in 2012-13, and currently are much higher than that, while exports to the Middle East were also 51 per cent higher for the year. Around $7.5 billion of exports are processed in Australia annually, and the opportunities to increase exports of Australian processed meats are upwardly growing. The real challenge to Australia's beef growers will be their ability to meet the demand. Local processing makes more sense. An increase in processed meats exports means more jobs are created in Australia and animal welfare standards can be maintained. Furthermore, animals are not subjected to long and often torturous sea transport.

However, while the government encourages live exports, it has a responsibility to ensure that the Australian welfare standards are monitored and enforced. That includes the Exporter Supply Chain Assurance Scheme conditions. Yes, the cattle and sheep are destined to die. But they do not have to die a cruel, terrifying and barbaric death. Surely we are more civilised than that? (Time expired)

**Exports**

Mr BRUCE SCOTT (Maranoa—Deputy Speaker) (09:45): I rise this morning to talk about a very important subject—that is, Australia's food production systems. We have an important role to look very seriously at how we can identify Australia's food systems as clean and green to our consumer markets. Australian food producers are really well placed to benefit from the growth and demand from the Asian area to our north, particularly China. I know you are seeing an enormous, insatiable demand for dairy products from your home state of Tasmania, Mr Deputy Speaker. I use that as an example because it is important, but the important point I want to raise here in the chamber this morning is that we will be facing increasing global competition for this market. We should not assume that we will have a mortgage on access to these markets. We will have to hit that demand and the competition head-on. We have negotiated a free trade agreement with Japan—I like to talk about them as trade agreements, not free trade—and right now our Treasurer and trade minister are in China negotiating for a trade agreement with China.

Consumer demand will drive the demand for products from Australia, and they are curious about what we produce, how it is produced and a lot more about the production systems. I recently had the Australian Nuffield scholars here in Parliament House before they headed off to China and to India on the Global Focus Program. As a Nuffield scholar, I understand very well the important study that they will do and how they will have their eyes opened as they travel with the Global Focus Program. One of those Nuffield scholars is already exporting citrus into China. She was explaining to me just how curious the consumers are in China. This product here, this iPhone, has more power than the first space mission into outer space. Consumers want to go along the supermarket shelves, hold their phones up against a product and let it take them to the farm where the product was produced. They want to know a lot more about it: whether it is organic, grass fed, hormone free; they want to know a little bit about Landcare. They also want to learn a little bit about the animal practices on that land.

It is possible to have a certification that will identify all of those things—some are there now, such as Landcare—but they will demand that. They are demanding it now. From my own background in the wool industry, we had a pure wool symbol that sold around the world, a swing tag on clothes that said something about the woollen product that the consumer was about to buy. The wool industry has three symbols now: gold for the upmarket, the pure wool
symbol and the green one that Prince Charles is promoting. It is a very good example of a symbol talking about Australian production of wool.

We should not just talk about clean and green. I want to see a debate about how we can identify and certify a whole range of criteria to do with production systems and not just talk about— (Time expired)

**Racial Discrimination Act 1975**

**Mr WILKIE** (Denison) (09:49): I rise to express objections to the proposed changes to the Racial Discrimination Act, and specifically the weakening of section 18C. Racial discrimination cuts deep and leaves a lasting wound. It is often not one act of abuse or vilification that is most damaging, but constant and prolonged bullying and undermining. Weakening section 18C would make it more difficult for those who are being bullied and abused over time to have their rights protected. And in a country that proudly trumpets its multiculturalism, it is indeed shameful that the government would move to make more people feel less safe.

The proposed changes demonstrate that this government does not respect Australia's international obligations and, in this case, the UN Convention on the elimination of racial discrimination. Moreover, article 19 of the International Covenant on Civil and Political Rights recognises that freedom of expression may need to be restricted to respect the rights and freedoms of others, making Senator Brandis's comments that 'people have the right to be bigots' plain wrong and, many people would argue, quite ridiculous.

The proposed changes also demonstrate the government is out of touch with the community. As a show of support for all those who have been, are being or will be victims of racial discrimination in Australia, students from the Friends' School in my electorate have gathered 8,567 signatures, including 243 from around Denison itself, calling on the government to abandon its changes to 18C. I present those signatures to the House.

**The DEPUTY SPEAKER:** Can the member advise the chamber whether or not that petition has been approved by the Petitions Committee?

**Mr WILKIE:** This is not in the format suitable for the Petitions Committee, so I ask to just table it in the parliament.

**The DEPUTY SPEAKER:** The document will be forwarded to the Petitions Committee for its consideration and will be accepted subject to confirmation by the committee that it conforms with standing orders.

**Mr WILKIE:** No, I am tabling a document. Is that okay?

**The DEPUTY SPEAKER:** Order! The member has been here longer than most in this room; he should know the procedures. The procedures are: if you are presenting a petition that has not been through the Petitions Committee, as many do, you need to seek leave and it probably would have been best to have chatted before.

**Mr WILKIE:** Can put it on the record? I think we are being unfair to the students at the Friends' School.

**The DEPUTY SPEAKER:** Order! I have just taken advice. The original statement I made to the chamber was in fact correct—that is, if it does not have not been through the Petitions Committee, the document will be forwarded to the Petitions Committee for its consideration.
and will be accepted subject to confirmation by the committee that it conforms with standing orders.

Mr WILKIE: This is a document that was created by these children off their own bat. It is not in a format suitable for the Petitions Committee. I thought it would be appropriate if I could just simply table it. I would hope there would be agreement from the government to put it on the public record.

The DEPUTY SPEAKER: I advise the honourable member that leave has not been granted. On that basis, you have no other alternative but to take the instructions of the chair you were just given.

Mr WILKIE: I, of course, accept your ruling, Deputy Speaker.

The DEPUTY SPEAKER: If the Petitions Committee deems it to be appropriate, obviously it will go through the appropriate channels. If it does not deem it to be appropriate, you do have a mechanism to come back into this chamber.

Mr WILKIE: I ask the government to give me leave for a little more time to finish the statement.

The DEPUTY SPEAKER: I am happy to do that. In the spirit of cooperation, I am happy to give you another 30 seconds.

Mr WILKIE: I will very briefly quote a statement from the Tasmanian Aboriginal Centre which says:

These amendments will turn back the clock on the gains made by the Closing the Gap campaign and in the name of reconciliation. In short, racial discrimination will be viewed as acceptable and systemic racism will increase.

Finally, the mooted changes to 18C reflect poorly on the government and on the Prime Minister, who states that he wants to be 'the Prime Minister for Indigenous affairs', because such changes would remove a section that protects vulnerable Indigenous Australians.

The DEPUTY SPEAKER: Order! I would ask the member to wind up his statement.

Mr WILKIE: I will very briefly quote a statement from the Tasmanian Aboriginal Centre which says:

These amendments will turn back the clock on the gains made by the Closing the Gap campaign and in the name of reconciliation. In short, racial discrimination will be viewed as acceptable and systemic racism will increase.

The DEPUTY SPEAKER: There is no intention obviously of the chamber to devalue the contribution of those students in your electorate but there are procedures that need to be abided by.

O'Connor Electorate: Agriculture

Mr WILSON (O'Connor) (09:54): I rise today to hail a modern-day hero who resisted the bullying of the multinational Green movement. Michael Baxter is a humble farmer from the Shire of Kojonup in the heart of my electorate of O'Connor. In May 2010, Michael planted a crop of Roundup Ready canola which had been genetically modified to be tolerant to the chemical glyphosate, an environmentally safe, broad-spectrum herbicide that controls weeds such as rye-grass which have developed resistance to many existing herbicides. Mr Baxter
was able to utilise this management technique because in January 2010 the Western Australia
government passed an exemption to the GM Crops Free Areas Act 2003. Finally, after many
years of watching our eastern states counterparts benefit from the agronomic and economic
improvements of GM technology, WA growers had access to this revolutionary technology.

But not everybody welcomed the decision to allow WA growers access to the best
technology that plant breeding has to offer. The environmental industry, led by Greenpeace,
has constantly attacked the science of biotechnology, even going so far as to break into a
CSIRO facility and destroy GM crop trials. These modern-day Luddites have never offered a
shred of evidence that GM crops, which have been grown around the world since the mid-
1990s, have caused any health or environmental damage. In fact, it could be well argued that
GM technology has massively reduced the use of herbicides and pesticides in the world's
maize, sorghum and cotton crops. Alongside the green movement were their fellow travellers
in the organic industry, who were vociferous in their threats against farmers who were
unfortunate enough to farm in the vicinity of a member of the National Association of
Sustainable Agriculture Australia, NASAA.

In late November 2010, Michael Baxter swathes his canola crop according to district
practices. During the following weeks, wind blew a small number of stalks into his neighbour
Steve Marsh's property, causing him to lose the right to market his cereal and lamb as
NASAA certified organic, incurring substantial financial loss. Mr Marsh finally instituted
legal action against Michael Baxter in 2012, seeking damages of $85,000 and being
represented pro bono by high-profile law firm Slater & Gordon. Interestingly, Mr Marsh was
also supported by the Safe Food Foundation, SFF, who claim to have raised $750,000 to assist
with his case. Given the value of the pro bono legal advice and the $750,000 raised by the
Safe Food Foundation to recover an $85,000 damages claim, it is obvious this case was
always politically motivated to intimidate Western Australian farmers considering growing
GM canola. Michael Baxter stood firm in the face of legal intimidation, a media smear
campaign led by experts such as celebrity surfers, and industry organisations who were urging
him to settle so the bad publicity would just go away.

I am pleased to report that on 28 May in the Supreme Court of WA Justice Martin found
that Michael Baxter's conduct in planting Roundup Ready canola was entirely lawful. The
evidence overwhelmingly supported that Roundup Ready canola is an entirely 'benign' subject
matter. Mr Marsh did not even attempt to claim that Roundup Ready seeds were toxic,
harmful or otherwise dangerous to humans or animals, or the land. Sound science supports
that Roundup Ready canola does not impose—

The DEPUTY SPEAKER: I ask the member to wind up.

Mr WILSON: any food safety and environmental risk, even when grazed by livestock. If
I could call for indulgence, Mr Deputy Speaker?

The DEPUTY SPEAKER: Wind up quickly.

Mr WILSON: Thank you very much. Justice Martin concluded that the decertification of
Mr Marshall's property was unsupported by a proper application of the relevant NASAA
Organic Standards and that it was a gross overreaction by the NASAA. The important
precedent set by this case has reverberated around the nation. Progressive Australian farmers,
desperate to retain access to this cutting-edge technology, owe this brave, determined and humble farmer an enormous vote of thanks.

The DEPUTY SPEAKER: I thank the honourable member for continuing on indulgence.

Child Care

Mr WATTS (Gellibrand) (09:59): I recently visited the Home Road Kindergarten in Newport in my electorate to understand the impact of the Abbott government's budget on the young children and parents of Melbourne's west. While visiting, I heard concerns that have been expressed to me by parents across my electorate. Under the Abbott government, cuts to support for child care and early childcare learning threaten to reduce the quality of education and care received by children and to increase costs for parents. Looking around the playground, there will not be anyone who is not affected. We have young kids in child care a few days a week, allowing their mother to go back to work. This will be much more difficult with the Abbott government's recent cuts to child care, with a new cap on the childcare rebate limiting the support received by about 15 per cent of families. The hardship that this cap on the childcare rebate creates is compounded by cuts to the childcare benefit, our means-tested, carefully tailored benefit available only to those families who need it the most. So the child in the corner whose parent earns less than $40,000 a year is even less likely to be back at child care the next day. As a result, it will be that much harder for her parents—along with 500,000 other working parents—to continue their careers.

Then there are the new arrivals in the playground, from the family day care centre in the house across the street. The family day care service is one of the most flexible and inexpensive forms of child care, and a particularly vital service for parents working irregular hours. Yet the Abbott government is looking to cut $157 million from family day care services, driving up fees by as much as $35 per child per week. And that is if these services remain viable at all. More than 140,000 families will suffer from these higher childcare fees.

There are also the kindergarten kids playing in the sand pit, who currently take part in the universal access program. However, the budget papers indicate that the 15 hours of funding for this program has only been guaranteed until December of this year. If Commonwealth funding for this program is cancelled, access to the program after this time will be cut to just 10 hours. These kindergarten kids are less likely to receive the time at kindergarten that they need for their early childhood development, developing social skills and interacting with other children. Or, if they do, their parents will have to pay significantly more for it, exacerbating inequality in early childhood care.

Lastly, there is a mother with her textbooks walking across the path. It is hard enough to raise a child—I have two of my own and I know this as a fact—but raising a child and studying at the same time is a real art to be admired. It is the epitome of someone working hard to create a better life for themselves and their children, yet the Abbott government is intent on punishing people for showing this initiative. The 2014 budget caps the government childcare assistance for parents in this situation at $8 an hour and has cut the maximum hours accessible to parents from 50 to 36 hours per week. The difficulty of juggling parenting, studying and additional work hours will become too much for many, and the mother and child will return to the park but the textbooks may disappear.
I describe this metaphorical playground to demonstrate the real impact of the Abbott government's childcare cuts for families across Australia. These cuts create hard choices for parents and reduce opportunities for young children. Australians did not vote for this attack on working families and they do not want it.

**La Trobe Electorate: Emerald Secondary College**

*Mr WOOD (La Trobe) (10:01):* On Thursday, 22 May, Senator Scott Ryan, Parliamentary Secretary to the Minister for Education and I visited Emerald Secondary College in my electorate of La Trobe. We were met by the principal, Mr Wayne Burgess, who has been with the school for over 12 years and is doing a fantastic job. Emerald Secondary College has 850 students, the majority of whom travel to school by bus from nearby towns such as Cockatoo, Gembrook, Macclesfield and Menzies Creek.

One of the areas that Emerald Secondary College is renowned for is its integration program. They welcome students with disabilities and for this reason it has been seen as the school of choice in the Dandenong Ranges. They have a huge number of students with both diagnosed and undiagnosed learning difficulties who, despite intensive literacy and learning programs over their entire school life, continue to have significant difficulties both academically and socially.

One of the teachers at the school, Ms Kylie Rackham has taken a great interest in brain science and how this can be applied in education. Kylie's son experienced some learning difficulties and she worked with the Listen and Learn Centre on improving his auditory processing and working memory. She noticed a definite improvement and began to think about how these approaches could be applied in a school setting. The school's Brain and Auditory Training program, or BAT program, is a direct result of Kylie's initiative and is based on strengthening the neural pathways that are so crucial in the learning process.

The BAT program uses an innovative approach to improving learning outcomes for the integrated students. It is based on addressing difficulties understanding speech in background noise. These difficulties can manifest themselves in a variety of ways—including, poor listening attention, poor reading and spelling, and poor communication skills. The BAT program uses electronically modified music and language to stimulate the auditory pathways and enhance auditory neural plasticity to assist and improve the student's auditory processing abilities. The auditory training enhances the ability of auditory systems to differentiate between fine differences in frequency and other auditory skills.

Students spend their BAT sessions with headphones on, doing a variety of literacy, numeracy and development movement activities. Students also have to read into a microphone; be read to; do comprehension exercises; practice tongue twisters; do eye-tracking exercises; and do cross-patterning and 'brain gym' type activities.

One of the students I met was Emily Spiers, a year 10 student. She could not speak more highly of this program. She has been a great beneficiary. I also spoke to Ms Colleen Appleby, the assistant teacher running the BAT program, and she again praised this program and how good it has been for the school.

I congratulate Wayne Burgess and Kylie Rackham for ensuring that this initiative is now part of the Emerald Secondary College program.
Budget

Ms OWENS (Parramatta) (10:04): It has been a characteristic of the Abbott government's first budget that members on the government side seem to do whatever they can to avoid talking about it, to avoid drawing attention to it, and I can understand why. In my community—and in the communities of my colleagues—there is a level of outrage about this budget, even some six weeks later, that we rarely see.

I have been out talking to people, and I have surveyed my community on this matter. This is a figure that may actually gladden the hearts of the government: 75 per cent of people said they would be worse off or much worse off. I know the government wants to share the pain, so that is probably a figure that they would see as quite good. But, interestingly, if you then ask people whether they think the decisions of this government are fair, the overwhelming majority say no. In fact, only 17 per cent of the people who filled in my survey said they thought the budget was fair—and 83 per cent said the budget was not fair. I received comments such as this government is creating a two-class system—for example, from Michael. Eighty per cent thought the budget would make Parramatta worse off or much worse off—80 per cent thought that not just they themselves, but also the community, would be much worse off. You see that in comments from people like Peter, who said, 'This budget is destroying confidence in the community and thus will affect growth and jobs,' and from Alida, who says, 'This budget hurts people in every facet of our society. No sector is enhanced in any way. It is a very short-sighted and mean-spirited budget.'

This was characteristic of the many comments I have received about this budget through emails or in person when I have been out doing mobile offices. I have been doing mobile offices for 10 years now, and most of the people on my side know that I do up to 80 to 100 a year. I have never before seen as many people coming up to me and wanting to talk to me about politics as I have seen since this budget. Usually they want to come up and talk about their families or local issues; but now it is the budget, it is almost pure politics. It is a very interesting situation. Thirty per cent of people who have filled in my survey say the biggest concern is the $80 billion cut from education and health, a cut that is clearly in the budget papers but the government denies is actually there because they have not read it. Thirty per cent of people in my electorate think that is the most serious thing. Nearly 18 per cent thought the GP tax and more expensive medicines was the most worrying aspect of the budget, and nearly 16 per cent thought the broken election promises were the worst aspect of this budget. But, universally, 83 per cent of people said the budget is not fair—and that is something this government should consider seriously.

Boothby Electorate: Brighton Rugby Club

Dr SOUTHCOTT (Boothby) (10:07): I rise to speak on behalf of the Brighton Rugby Club. This club plays on the Brighton Oval sporting complex in Hove in my electorate. I would especially like to recognise the efforts of the new local state member, David Speirs, the member for Bright, who has been strongly championing the interests of the club to make sure they get the facilities they need and were promised. During the recent South Australian state election the club was promised $1 million in state government funding to upgrade their clubrooms. This promise was not made by a candidate or a backbencher or the opposition; it was made by the local Labor member, a minister in the Weatherill government. Nor was the promise contingent on that member's re-election. She clearly stated in a letter she wrote to the
club: 'I would like to propose that a Labor government would commit to a funding model wherein $1 million would be provided.' So convinced was the Weatherill government of the worthiness of this project that the letter also said: 'It is worth noting that I believe any government, regardless of political persuasion, would honour such a commitment.'

Labor was successful in retaining government in South Australia and now they are trying to back away from the promise that was made. First, the Minister for Sport denied that they promised the $1 million in funding. Then he said it was a different Labor minister who made the commitment so it did not count. Then the Treasurer had to step in and save him by saying it would have to wait until the budget. The rugby club waited until the budget, which came down last week. There was no indication in the budget papers that the Weatherill government will be honouring this election commitment.

This club has a long history in the local community and has been a significant player in the state rugby scene. Unfortunately their facilities are old, they do not comply with current codes and standards, and they are in need of upgrade. This is not just about putting marble countertops on the bar; it is for basic upgrades to make facilities more usable by the club and the community such as improved disabled access, appropriate facilities for female players—separate change rooms, showers and toilets—and improved security. Neither I nor the new state member for Bright, David Speirs, will allow the Weatherill government to get away with this broken promise, to just try and to sweep their election commitments under a rug. Labor is the government in South Australia and I call on them to stand by and deliver on their commitment to the Brighton rugby club.

Corio Electorate: Geelong

Mr MARLES (Corio) (10:10): I spoke in this place on 15 May this year about the broken T&G clock and the dirty Ford sign. I am speaking about two icons in our city which did not have enough care and attention paid to them, which sent, I think, a negative message about morale and pride in Geelong. I can report to this place that on 11 June I noticed the Ford sign being cleaned. I want to congratulate Ford for doing that. This is a big, bold Ford sign on the way into Geelong. It speaks of a brand which has been around for 100 years. It is such an important part of the identity of Geelong. Everyone who works at that factory can, at least until it stops making cars in 2016, walk in with a sense of pride. Indeed, everyone in Geelong driving past that sign can feel good about the place that this has within our city.

I understand that these are not necessarily the biggest issues, particularly when we face the challenges that we have in terms of the job losses that Geelong has faced over the course of the last 12 months, but, at the end of the day, mood matters. Mood defines our enjoyment of life in the moment. What we can do to improve people's mood, to improve the sense of morale in Geelong at this time, really matters.

With this in mind, today I want to talk about flags. There is nothing more demoralising than hearing the clinking of a wire on an old flagpole in the breeze or, worse, seeing a tattered rag at the end of it which bears the semblance of what used to be an Australian flag. Flags need maintenance. They deteriorate in the wind. They have a life. When you have a flag which is obviously becoming tatty and people see that flag, the message is that people do not care and they are not proud. Right now, we need to care in Geelong and we do need to be proud about our city and where we are going.
I want to call on all the businesses in Geelong, of which there are hundreds, which have flagpoles on their roofs to buy a new flag. At Libby's on Yarra Street—a great Geelong business—you can buy an Australian-made flag. In fact, it is made in Melbourne from Australian materials and costs $88. That is not a huge investment. You can put that on the top of your building. How good would it look in Geelong if on all the flagpoles, which were erected on the buildings back in the 19th century, there was a flag—an Australian flag, a Cats flag, a Geelong flag? How good would Geelong look if that were the case? It would send the message that we are a city which is open for business, which is moving forward and which is overcoming the challenges that are being presented to us.

The DEPUTY SPEAKER (Mr Goodenough): Order! In accordance with standing order 193 the time for constituency statements has concluded. If there is no objection, I propose that the time for statements be extended for a further 30 minutes.

Deakin Electorate: Central Ringwood Community Centre

Mr SUKKAR (Deakin) (10:13): I rise today to speak about two organisations in my electorate of Deakin which play a critical role in providing learning opportunities, social activities and family and children's services in our community. These are two neighbourhood and community houses in my electorate. As we all work to represent our electorates, we are fortunate to be able to visit and witness firsthand the valuable way in which these community hubs not only encourage individuals to expand themselves and learn new skills but help to bring people together and build stronger communities. I am therefore a strong supporter of the many neighbourhood and community houses in my electorate of Deakin.

Today I wish to speak about the Central Ringwood Community Centre. The CRCC, as it is known, plays an important role in providing support, integration and employment training services to people in Ringwood. CRCC encourages participation by community members of all ages, cultural backgrounds, socioeconomic levels and abilities. Between 1,600 and 2,000 people come through each week. I have had the privilege of visiting the CRCC on a number of occasions and have spoken with participants about the value and operation of the existing services, including various training courses, playgroups, mothers groups and activities for senior citizens and ethnic groups.

There is always a high demand for services and limited funds which is why I advocated for the centre to receive a grant from the Department of Social Services. I am therefore proud to say that the CRCC will receive $22,000 from the government to purchase laptops and a printer. Computer skills are a fundamental part of education and employment and I am proud that the government is able to provide this support to help train job seekers in up-to-date technologies to enhance their employability and to enable a greater number of local residents to have computer access.

The second group I would like to speak about is the Mitcham Community House, which is another valued community hub in my electorate. Again, it has been a pleasure to visit this community house to learn more about its various programs, including quality children's and families support services, ESL, Auslan classes and structured social activities. In doing so, I developed an appreciation of the important role that this organisation plays in the local community as well as their need for additional funding. The Mitcham Community House will therefore receive a $13,433 grant from the government to purchase equipment which will assist them in strengthening their employment and training support for residents. Both of
these grants are a great result for our community in Deakin and I look forward to visiting both the CRCC and Mitcham Community House to see how their new equipment is providing residents with additional opportunities to learn and improve their skills.

**Micah Challenge**

*Mr KELVIN THOMSON (Wills) (10:16):* Previously, I have spoken about the problem of large and growing global inequality and the fact that the world's richest 85 people own as much wealth as the bottom 3½ billion people in the world. The world's richest one percent own as much of the world's wealth as the bottom 50 per cent; that is, the top one percent own 50 percent of the world's wealth.

I was pleased to see Micah Challenge visiting members of parliament this week, including myself, to talk about the problem of extreme poverty. They point out that more than a billion people live in extreme poverty and that that is an affront to human dignity, stunting lives and bodies by destroying hope and opportunity. They have campaigned in support of the Millennium Development Goals since 2005. They point out that this year Australia has a unique opportunity as chair of the G20 to tackle the scourge of tax dodging, which robs developing countries on a massive scale of vital revenue for poverty reduction and sustainable human development.

Christian Aid has pointed out that since 2008 developing countries have lost more than US$160 billion through multinational corporate tax dodging and that that figure is actually bigger than the amount that these countries receive in aid which amounted to US$120 billion in 2009.

They propose an 'ABC' of tackling tax evasion internationally. Firstly, automatic exchange of information—of course, some of that is going on and is to be commended. We need to have a global standard in that area that all developing countries can aspire to and be supported in. Secondly, the 'B', is beneficial ownership disclosure through a public register that lists the true owners and beneficiaries of companies, trusts and foundations. Unfortunately, anonymous companies and secret trusts can be covers for crime, corruption and tax dodging. Thirdly is country-by-country reporting for multinational corporations. Currently the international reporting standards only require multinational companies to produce reports at a global level, making it impossible to know how much is earned or invested and how much tax was paid in each country in which they operate. There have been initiatives by the US and the European Union in this regard. Micah Challenge believes that the government should require all multinational corporations registered in Australia to provide a worldwide combined report, including country-by-country breakdown of their assets and their tax paid, and that we should have the G20 adopt this country-by-country reporting as standard.

**Ashworth, Father Brian**

*Mr PASIN (Barker) (10:19):* I rise today with the melancholy duty of informing the House of the passing Father Brian Ashworth at the age of 83 on Thursday, 19 June. Father Brian was a very determined man who cared deeply for his parish and community in and around the city of Mt Gambier where he lived and worked for over four decades. After completing two years of service in the British Royal Navy, Father Brian moved to Australia and entered the Anglican ministry. He served parishes in Victoria before joining the Australian Army as a chaplain. This service in the Australian Defence Force saw Father Brian
serve as a chaplain to our service men and women in Victoria, New South Wales, Malaysia and Vietnam before returning to civilian life in 1971.

It was then that Father Brian became rector of the parishes of Penola, Coonawarra and Kalangadoo before moving onto Mt Gambier where he was the Anglican priest for 38 years, taking in Saint Thomas's of Port Macdonnell, Saint Luke's of Mt Schank and St Paul's of Glencoe. Father Brian also initiated the formation of the Scout groups in both Penola and Mt Gambier. I can happily report to you that the Scouts continue to provide young people with valuable skills and life experiences in these two towns today.

Father Brian was recognised locally as the founding father of Anglican Community Care. The chief executive of that organisation, Mr Rob Foggo, paid tribute to Father Brian yesterday when he said, 'Without his foresight and passion for social justice, Anglican Community Care would not exist today.' Father Brian also served as a board member and sometime assistant chairman of the board of Boandik Lodge, an aged care facility in Mt Gambier. I worked alongside Father Brian as a trustee of the Carinya Gardens Cemetery Trust and can testify to his passion for communities in the lower south-east.

Father Brian continued to serve his local community as chaplain to the Mt Gambier police for 14 years, providing pastoral care for both the police officers and other emergency services personnel in the south-east. I was touched to read a tribute to the life of this remarkable man penned by his wife, Anne, in Tuesday's edition of the local Mt Gambier newspaper, The Border Watch. Anne Ashworth remembers her husband's dedication to the Anglican Church.

One of the greatest joys of Brian's parish work was the nurturing of children in the church from baptism through confirmation to adulthood and marriage. Testament to his capacity as a spiritual leader was his ability to build numbers within congregations, especially young family units.

Father Brian's funeral will be this Friday, 27 June, at Christ Church in Mt Gambier. On behalf of the House, I extend my condolences to Father Brian's wife, Anne, his family.

Ms McGOWAN (Indi) (10:22): My topic today is education, agriculture and the deregulation of university fees. I want to use the example I know best: Australian agricultural research and development. We have a documented shortage of professional tertiary educated agriculturists in Australia and demand for these people far outstrips supply. Coupled with this excess demand, we have an ageing research workforce and an industry-wide inability to build a pipeline of graduates into postgraduate study and early career positions.

Proposed budget changes will accentuate what is already a major national issue. We do not have enough graduates now. How will increasing the cost of these courses give us more? Clearly agriculture is important to the Australian economy. Between March 2013 and 2014, agriculture had a gross value of $30,263 million. The government's plan is that agriculture will grow in exports, in employment, in manufacturing, in business, in production—and tertiary education is essential to that growth. The irony is that demand exists for agricultural graduates—we have the jobs.

The Australian Council of Deans of Agriculture report demand for more than 4,000 jobs in agriculture last year matched by only 800 actual graduates. The Weekly Times reports, however, it will be cheaper for students to undertake this tertiary study in New Zealand, Canada and the US with the proposed changes. Melbourne University estimates that three
years of its agricultural degree while staying on campus will cost between $97,000-$112,000 with the changes. While at Lincoln university in New Zealand, exactly the same course will only cost $60,000.

So, sadly, it is not just the cost of an undergraduate degree that will be affected by these changes and the brain drain that will result; even more importantly, from my perspective, are the long-term impacts on the future of agricultural research and development.

The problem is that our postgraduate students do not get paid enough, they do not stay in the industry long enough and they get poached by overseas companies to work with multinational companies. We cannot hold them and we think that, with the 100 per cent increase in fees that we are proposing with this legislation, they will just not stay.

I understand the assumption behind the changes, that competition and markets will deliver a better result. However, I do not believe that in this case. We already have market failure.

In closing, I call on the government, particularly on my National Party colleagues opposite: would you please meet with the Australian Council of Deans of Agriculture, take their advice and make the appropriate amendments to this legislation.

**Northern Rivers Children's Health Fund**

**Mr HOGAN** (Page) (10:26): I would like to talk today about a group in our community known as the Northern Rivers Children's Health Fund, more commonly known as Our Kids. Our Kids was founded by a well-respected and renowned doctor in our community, Dr Chris Ingall. The aim of Our Kids is to improve health services for children, focusing particularly on children in the Northern Rivers area.

Since 2001, they have been an absolute inspiration in the work that they have done, in the services they have delivered and in the facilities that they have purchased. They do this through raising awareness, raising vital funds to purchase things such as lifesaving medical equipment for the paediatric wards; the children's wards; the special care nursery; and the accident and emergency department at the Lismore Base Hospital, and surrounding hospitals for children in the Northern Rivers area.

Without this equipment, many children and neonates would have been sent and are being sent to the cities to receive care that we obviously want to supply locally. Our Kids helps to provide equipment that supports the local medical team.

Recently Our Kids passed a wonderful milestone where they purchased $1 million worth of equipment for our local hospitals, which is a wonderful achievement for our community. Besides this, they also have annual community grants. These are for families who often care for special needs children. These grants are used to purchase equipment, medicine and therapeutic items to help care for these children.

Deputy Speaker, this goes beyond mere numbers and figures. As I said, Dr Chris Ingall and, indeed, his whole team have been absolutely inspirational in our community. The assistance they give families and sick children with needs is renowned, as well as the medical equipment which, as I have said, they have already purchased.

There are many stories behind this organisation. The chief fundraiser is Rebekka Battista. She is very well known. Her husband in fact donated one of his kidneys to one of their children. That got her very much involved in health care for children in our community.
Rebekka has now become the chief fundraiser. So everyone has a story—often sad and traumatic—of why they have become associated with Our Kids and of the wonderful work they do in our community. They have many fundraisers throughout the year. They put out a calendar every year, they have different sporting challenges and they have a Melbourne Cup luncheon. I could go on and on. But this Saturday night they have their annual Our Kids Winter Ball, one of their biggest fundraisers. I am very much looking forward to going along and, again, celebrating this great institution in our community.

**Budget**

Mr HUSIC (Chifley) (10:28): The Australian public was promised by the now Prime Minister that there would be no cuts to health. Many people took him at his word. So it came as a great surprise to people in my neck of the woods, out in Mount Druitt, when we learnt, in the first budget statement of the Abbott government, which was MYEFO—the Mid-Year Economic and Fiscal Outlook—released in December, that $500 million of healthcare investments would be cut. I was particularly outraged that, of that $500 million, a commitment of $6 million, to be invested in the installation of an MRI scanner at Mount Druitt Hospital, had been cut. I had previously asked the health minister informally about the status of that and I found out through MYEFO that it was being cut. I think this is a horrendously bad decision for the people of our area.

I wrote to the health minister. I understand you are not going to get a response as quickly as you would like, but it did take him four months to get back to me. And when I did get a response from him, the response itself, frankly, was of a quality below a health minister. It was engaging in petty politics and point-scoring rather than actually explaining why the Prime Minister's vow of no cuts to health was not being honoured by the Abbott government and by this health minister. What was also interesting, when I finally got the response, was that he not only provided the response to me as an MP, but he decided he would also hand it, behind my back, to my local paper, which was intriguing. They contacted my office and said they had got a copy of the letter. If they did not get it from my office, then where did they get it from? The logical answer is that the health minister decided to play politics instead of actually delivering for the people of my area.

He made two critical errors in his letter. First, he claimed that the decision to grant the MRI Medicare eligibility and provide an MRI machine to Mount Druitt Hospital was a Labor election commitment. Wrong: it was actually a decision of the cabinet made before the election, made before caretaker status, and accounted for in PEFO. It was not an election commitment. Second, he claimed the purchase of the equipment in the public hospital setting is usually the responsibility of the relevant state government. Wrong: as the state government has pointed out, through a spokesperson for the state's health minister, the responsibility for MRI licences was the federal government's, which is absolutely correct. Instead of the health minister playing politics, why doesn't he do the right, decent and honourable thing of honouring an Australian government commitment by making sure that the people of Mount Druitt do not have to travel to Parramatta or Nepean to get health care, ensuring that they get adequate health care and, more importantly, honouring the Prime Minister's commitment of no cuts to health.
Robertson Electorate: Trade With Japan

Mrs WICKS (Robertson) (10:31): I rise in relation to the strong partnership Australia has with Japan under this government. It is a relationship that is mutually beneficial, built on a strong trade agreement and a significant strategic partnership. Our shared interests in peace and security make us natural partners. There is an increasing confidence and trust because our two countries share not only a strong bond of friendship but also common values and interests—freedom, democracy, rule of law, open markets and free trade. Australia has also agreed to share defence science technology and equipment, which will deepen our security relationship.

Locally, our partnership has important flow-on effects for my electorate of Robertson through the bilateral free trade agreement. It is a significant step and the first time Japan has signed any trade agreement with a major agricultural country. This will enhance two-way trade and investment between Australia and Japan and will help the creation of more jobs on the coast. One-in-five jobs in Australia is linked to trade, so to complete this agreement with a major trading partner in Asia is only going to provide more opportunity for our local exporters and services on the Central Coast and to create more jobs. In my electorate that is great news, particularly for the people of Mangrove Mountain. There is a strong local industry there for poultry, tomatoes, citrus, avocados and also Asian vegetables such as bok choy.

Services are 70 per cent of our Australian economy, and this agreement will mean that business service firms on the Central Coast will be able to have access to Japan that they have not had before. It is one of many examples of how building stronger trading relationships in Asia is critical to Australia’s economic future. I commend the Australian government for enhancing the relationship between Australia and Japan, and I acknowledge the importance of the visit to Australia of the Prime Minister of Japan, His Excellency Mr Shinzo Abe, next month and his address to the House of Representatives on Tuesday, 8 July. It is another step in further building our strategic partnership with Japan into a new, special relationship.

The relationship between our nations can also be seen on a much smaller scale in Gosford. Gosford has been a sister city with Edogawa in Tokyo for the past 26 years, and there is a beautiful Japanese garden in East Gosford that is a long-standing marker of our friendship. It was a gift to the City of Gosford from the people of Edogawa. It was officially opened in 1994 and it has been a place for reflection and peace ever since. Through the bilateral free trade agreement with Japan and our strategic partnership, this government is building a relationship that is good for the Central Coast region, good for Australia, good for Japan and good for the world.

Poverty

Ms HALL (Shortland—Opposition Whip) (10:35): On Monday I was visited by a number of young people who were in Canberra for the Micah Challenge national Voices for Justice event. They talked to me about Millennium Development Goals and the great progress that was made against poverty through investments in public health, provision of immunisation and vaccinations, and how since 1990 15,000 fewer children are dying each day. These are dedicated young people who visit Canberra each and every year and lobby members of parliament about the issue of poverty and providing aid and assistance to people in developing countries. Each year I make a point of meeting with them. I know they meet with people on both sides of this parliament, and I encourage members on the other side to get behind their
campaign of shining the light on tax dodging and corruption and using Australia's position as chair of the G20 to raise this issue and to ensure that we support fairer global trade by taking strong action to mitigate dangerous climate change.

In 2014, as I mentioned, we were chairing the G20. This gives us a really great opportunity to urge that we tackle the scourge of tax dodging, which robs developing countries of a massive scale of vital revenue for poverty reduction. This is vitally important to the young people who came and spoke to me, and vitally important to me. We are in a position where we will have a leadership role at the G20. I think we should use that role to highlight this issue. Christian Aid estimated that in 2008 developing countries lost more than US$160 billion through two forms of multinational corporate tax dodging, price transferring and false invoicing.

I call on the government to highlight the need for dealing with automatic exchange of information between tax authorities; beneficial ownership disclosure through a public registered list of the true owners and beneficiaries of companies, trusts and foundations; and country by country reporting for multinational corporations. This is important. The government should endorse the G20 adopting this country by country reporting approach and all the other approaches I have highlighted in this speech.

**St George Hospital**

Mr VARVARIS (Barton) (10:38): It gives me great pleasure to commend the New South Wales government's recent announcement that the St George Hospital, within my electorate of Barton, will receive a $300 million upgrade package following release of the state budget. St George Hospital is one of the most iconic and valued service providers within my electorate. It has a proud history of service and excellence, inspiring local pride. However, with this pride comes a sense of concern and shock as to the state of this great hospital. In 2012 the New South Wales's asset strategy plan rated public hospitals in the state based on five criteria to review their physical suitability, demonstrating the extent to which the conditions at the hospital were deteriorating. The St George Hospital scored code red, indicating it was poor on four of five indicators. This speaks volumes about the neglect this hospital has faced in terms of its facilities and infrastructure.

Earlier this year I met with Professor Michael Grimm and Associate Professor Theresa Jacques, who led me on an inspection of the facility and informed me in detail of the urgent need for a rebuild in several areas of service. The run-on effects of insufficient funding in cramped, outdated facilities are devastating, and many have described the hospital as being in a crisis state. The hospital has been plagued with health and safety issues, operating in portables, unable to provide adequate toilet facilities and being forced to close beds year after year. This all contributes to the knowledge that the St George Hospital is in urgent need of rebuilding. In stunning contrast with the approach of the former state government over more than a decade, in three years the coalition New South Wales government has shown remarkable leadership and drive on this issue, and this attitude goes hand in hand with the approach we are taking as the federal coalition government.

The government is firmly committed to a consistent increase in public hospital funding over the forward estimates. Funding will rise steadily over the forward estimates, with an additional nine per cent each year for three years and six per cent in the fourth year. This is a responsible and sustainable increase in the investment that the Commonwealth is making in
health and hospitals. Beyond funding increases, the government has also promoted accountability within the public hospital system and the health system in general through initiatives like the National Health Performance Authority and the MyHospitals website, which provides potential patients with information on performance standards and comparisons between hospitals. Furthermore, the savings that the government has made in this year's federal budget through its sustainable approach to funding will be invested into the Medical Research Future Fund to fight and cure the kinds of debilitating conditions that keep people in the hospital system for a long time and to ease the burden on the health system as a whole. With a balance between responsibility, accountability and investment for the future, the government has demonstrated Australia's hospital system is in safe hands and has a secure future.

Debate adjourned.

Federation Chamber adjourned at 10:41.
QUESTIONS IN WRITING

Social Services
(Question No. 158)

Mr Laurie Ferguson asked the Minister for Social Services, in writing, on 15 May 2014:

(1) Since 1 January 2009, what was the total number of
   (a) humanitarian/refugee, and
   (b) family, stream migrants born in English Proficiency group 3 and 4 countries who settled in
      (i) each local government area in metropolitan Sydney,
      (ii) the Hunter and Illawarra regions,
      (iii) rural New South Wales,
      (iv) each local government area in metropolitan Melbourne,
      (v) rural Victoria,
      (vi) Queensland,
      (vii) Western Australia,
      (viii) South Australia,
      (ix) Tasmania,
      (x) the Australian Capital Territory, and
      (xi) the Northern Territory.

(2) What research, if any, has the Government commissioned on the factors that influence the initial settlement location of humanitarian/refugee stream migrants and their subsequent movement patterns.

Mr Andrews: The answer to the honourable member's question is as follows:

(1) The total number of humanitarian/refugee and family stream migrants in English Proficiency group 3 and 4 countries who have settled in each of the requested areas since 1 January 2009 are presented in the tables at Attachment A.

(2) The Government has commissioned the Building a New Life in Australia longitudinal study of humanitarian migrants. The objective of the study is to better understand the factors that aid (or hinder) the successful settlement of humanitarian migrants in Australia. The study commenced in 2013 and is being conducted over five years. The study includes asking respondents why they chose their current home and respondents will be followed if they move.

Attachment A

Family and Humanitarian settlers born in English Proficiency group 3 and 4 countries who arrived between 1 January 2009 and 4 May 2014

Please note definitions and caveats at the end of this attachment.

(i) Each local government area in metropolitan Sydney

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(ii) the Hunter and Illawarra regions

Hunter region

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QUESTIONS IN WRITING
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(iii) rural New South Wales

*(note: All regional LGAs are provided)*

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QUESTIONS IN WRITING
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<td>Wentworth (A)</td>
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<td>Yass Valley (A)</td>
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<td>Young (A)</td>
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<tr>
<td>Grand Total</td>
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<td>1,321</td>
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(iv) each local government area in metropolitan Melbourne

<table>
<thead>
<tr>
<th>Local Government Area</th>
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</tr>
</thead>
<tbody>
<tr>
<td>Banyule (C)</td>
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<td>Maroondah (C)</td>
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(v) rural Victoria,

(note: All regional LGAs are provided)
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<tr>
<td>Alpine (S)</td>
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<tr>
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<tr>
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(vi) Queensland

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(vii) Western Australia

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(viii) South Australia

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(ix) Tasmania

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(x) the Australian Capital Territory

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</table>

(xi) the Northern Territory

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<thead>
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<tbody>
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<td>420</td>
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**Definitions and Caveats**

All data is sourced from the Department’s Settlement Database (SDB).

**Data Capture**

SDB collects data concerning settlers who have been granted a permanent (or provisional) visa. SDB data is compiled from a number of sources including Department of Immigration and Border Protection (DIBP), other Commonwealth agencies and service providers.

**English Proficiency**

English Proficiency Group 3 contains countries, from which Australia has received settlers in the last 5 years, where 57.5% to 84.5% of these settlers reported that they spoke English only or Good English at the last Census.

English Proficiency Group 4 contains countries, from which Australia has received settlers in the last 5 years, where less than 57.5% of these settlers reported that they spoke English only or Good English at the last Census.

**Local Government Areas (LGAs)**
Abbreviations as defined by the Australian Bureau of Statistics are: (A) Area; (AC) Aboriginal council; (DC) District Council; (R) Regional Council; (RC) Rural City; (S) Shire; (T) Town.

Data Limitations
SDB includes settlers who were:
- granted a permanent (or provisional) visa after 1/1/1991 and arrived in Australia within 25 months of visa grant, (or are yet to arrive and it has been less than 25 months since their visa was granted), or
- who arrived in Australia after 1/1/1991 having been granted a permanent (or provisional) visa prior to 1/1/1991.
SDB has not been adjusted to reflect settlers who are deceased, have permanently departed Australia or who have had their grants cancelled.
SDB includes some duplicate settler records.
SDB includes only the settler's latest known residential (or intended residential) address. Address information is only updated if the department is notified. Some settlers have no address details recorded.
SDB location data is based on the 2011 Australian Standard Geographic Classification (ASGC).
SDB includes only the latest permanent (or provisional) visa for a settler.

Reporting Limitations
Reports including numbers of settlers in specified locations may be inaccurate due to limitations in address data. This is particularly problematic for regional/rural locations.
Settlers with an existing permanent (or provisional) visa may appear in different reporting categories over time if they are granted a subsequent permanent (or provisional) visa.
Reports including numbers of settlers of 5 or fewer have been suppressed (indicated by an asterisk*) for client confidentiality.