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SITTING DAYS—2016

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FORTY-FOURTH PARLIAMENT
FIRST SESSION—EIGHTH PERIOD

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

House of Representatives Office Holders
Speaker—Hon. Anthony David Hawthorn Smith
Deputy Speaker—Hon. Bruce Craig Scott MP
Second Deputy Speaker—Mr Robert George Mitchell MP
Members of the Speaker’s Panel—Mr Russell Evan Broadbent MP,
Ms Anna Elizabeth Burke MP, Ms Sharon Catherine Claydon MP,
Hon. John Kenneth Cobb MP, Mr Patrick Martin Conroy MP,
Mr Ian Reginald Goodenough MP, Mrs Natasha Louise Griggs MP,
Ms Sarah Moya Henderson MP, Mr Stephen James Irons MP,
Mr Craig Kelly MP, Ms Michelle Leanne Landry MP, Ms Clare Ellen O’Neil MP,
Mrs Jane Prentice MP, Ms Melissa Lee Price MP,
Dr Andrew John Southcott MP, Mr Michael Sukkar MP,
Mr Ross Xavier Vasta MP and Mrs Lucy Elizabeth Wicks MP

Leader of the House—Hon. Christopher Pyne MP
Deputy Leader of the House—Hon. Darren Chester 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. Malcolm Bligh Turnbull MP
Deputy Leader—Hon. Julie Isabel Bishop MP
Chief Government Whip—Ms Nola Bethwyn Marino MP
Government Whips—Mr Ewen Thomas Jones MP and Mr Brett David Whiteley MP

The Nationals
Leader—Hon. Barnaby Thomas Gerard Joyce MP
Deputy Leader—Senator the Hon Fiona Nash
Chief Whip—Mr Mark Maclean Coulton MP
Deputy Whip—Mr George Robert Christensen MP

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

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### Members of the House of Representatives

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<td>Robertson, NSW</td>
<td>LP</td>
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<tr>
<td>Willie, Mr Andrew Damien</td>
<td>Denison, TAS</td>
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<td>Hindmarsh, SA</td>
<td>LP</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>
<td>LP</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>
<tr>
<td>Zimmerman, Mr Trent</td>
<td>North Sydney, NSW</td>
<td>LP</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—Katter's 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—R Stefanic
- Parliamentary Budget Officer—P Bowen
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<tbody>
<tr>
<td>Prime Minister</td>
<td>The Hon Malcolm Turnbull MP</td>
</tr>
<tr>
<td>Minister for Indigenous Affairs</td>
<td>Senator the Hon Nigel Scullion</td>
</tr>
<tr>
<td>Minister for Women</td>
<td>Senator the Hon Michaelia Cash</td>
</tr>
<tr>
<td>Cabinet Secretary</td>
<td>Senator the Hon Arthur Sinodinos AO</td>
</tr>
<tr>
<td><em>Minister Assisting the Prime Minister for the Public Service</em></td>
<td>The Hon Michaelia Cash</td>
</tr>
<tr>
<td><em>Minister Assisting the Prime Minister for Counter-Terrorism</em></td>
<td>Senator the Hon Michael Keenan MP</td>
</tr>
<tr>
<td>Assistant Minister to the Prime Minister</td>
<td>Senator the Hon James McGrath</td>
</tr>
<tr>
<td>Assistant Minister for Cities and Digital Transformation</td>
<td>The Hon Angus Taylor MP</td>
</tr>
<tr>
<td>Assistant Cabinet Secretary</td>
<td>The Hon Dr Peter Hendy MP</td>
</tr>
<tr>
<td>Deputy Prime Minister and Minister for Agriculture and Water Resources</td>
<td>The Hon Barnaby Joyce MP</td>
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<tr>
<td>Assistant Minister for Agriculture and Water Resources</td>
<td>Senator the Hon Anne Ruston</td>
</tr>
<tr>
<td>Assistant Minister to the Deputy Prime Minister</td>
<td>The Hon Keith Pitt MP</td>
</tr>
<tr>
<td>Minister for Foreign Affairs</td>
<td>The Hon Julie Bishop MP</td>
</tr>
<tr>
<td>Minister for Trade and Investment</td>
<td>The Hon Steve Ciobo MP</td>
</tr>
<tr>
<td>Minister for International Development and the Pacific</td>
<td>Senator the Hon Concetta Fierravanti-Wells</td>
</tr>
<tr>
<td>Minister for Tourism and International Education</td>
<td>Senator the Hon Richard Colbeck</td>
</tr>
<tr>
<td><em>Minister Assisting the Minister for Trade and Investment</em></td>
<td>Senator the Hon Richard Colbeck</td>
</tr>
<tr>
<td>Attorney-General</td>
<td>Senator the Hon George Brandis QC</td>
</tr>
<tr>
<td>(Vice-President of the Executive Council)</td>
<td>The Hon Michael Keenan MP</td>
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<tr>
<td>(Leader of the Government in the Senate)</td>
<td></td>
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<tr>
<td>Minister for Justice</td>
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<tr>
<td>Treasurer</td>
<td>The Hon Scott Morrison MP</td>
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<tr>
<td>Minister for Small Business</td>
<td>The Hon Kelly O’Dwyer MP</td>
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<tr>
<td>Assistant Treasurer</td>
<td>The Hon Kelly O’Dwyer MP</td>
</tr>
<tr>
<td><em>Assistant Minister to the Treasurer</em></td>
<td>The Hon Alex Hawke MP</td>
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<tr>
<td>Minister for Finance</td>
<td>Senator the Hon Mathias Cormann</td>
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<tr>
<td>(Deputy Leader of Government in the Senate)</td>
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<tr>
<td>Special Minister of State</td>
<td>Senator the Hon Mathias Cormann</td>
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<td><em>Assistant Minister for Finance</em></td>
<td>The Hon Dr Peter Hendy MP</td>
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<tr>
<td>Minister for Regional Development</td>
<td>Senator the Hon Fiona Nash</td>
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<tr>
<td>Minister for Infrastructure and Transport</td>
<td>The Hon Darren Chester MP</td>
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<tr>
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<td>Minister for the Environment</td>
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<td>Title</td>
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<td>The Hon Dan Tehan MP</td>
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<tr>
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<td>Senator the Hon. Kim Carr</td>
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<tr>
<td>Shadow Minister Assisting the Leader on State and Territory Relations</td>
<td>Senator Katy Gallagher*</td>
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<tr>
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<td>Senator Claire Moore</td>
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<td>Manager of Opposition Business (Senate)</td>
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<td>Shadow Cabinet Secretary</td>
<td>Senator the Hon. Jacinta Collins</td>
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<tr>
<td>Shadow Parliamentary Secretary to the Leader of the Opposition</td>
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<tr>
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<td>Hon. Ed Husic MP</td>
</tr>
<tr>
<td>Shadow Parliamentary Secretary Assisting with Digital Innovation and Startups</td>
<td>Senator Sam Dastyari</td>
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<tr>
<td>Deputy Manager of Opposition Business (Senate)</td>
<td>Terri Butler MP</td>
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<tr>
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<tr>
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<tr>
<td>Shadow Minister for Vocational Education</td>
<td>Hon. Sharon Bird MP</td>
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<tr>
<td>Shadow Assistant Minister for Higher Education</td>
<td>Hon. Amanda Rishworth MP</td>
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<tr>
<td>Shadow Parliamentary Secretary for Manufacturing</td>
<td>Nick Champion MP</td>
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<tr>
<td>Shadow Minister for Communications</td>
<td>Hon. Jason Clare MP</td>
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<tr>
<td>Shadow Attorney-General</td>
<td>Hon. Mark Dreyfus QC MP</td>
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<td>Hon. Kate Ellis MP</td>
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<tr>
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</tr>
<tr>
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<td>Hon. Amanda Rishworth MP</td>
</tr>
<tr>
<td>Shadow Parliamentary Secretary for Early Childhood Education</td>
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</tr>
<tr>
<td>Shadow Parliamentary Secretary for School Education and Youth</td>
<td>Senator Sam Dastyari</td>
</tr>
<tr>
<td>Shadow Minister for Agriculture, Fisheries and Forestry</td>
<td>Hon. Joel Fitzgibbon MP</td>
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<tr>
<td>Shadow Minister for Rural Affairs</td>
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<tr>
<td>Shadow Minister for Resources</td>
<td>Hon. Gary Gray AO MP</td>
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<tr>
<td>Shadow Minister for Health</td>
<td>Hon. Catherine King MP</td>
</tr>
<tr>
<td>Shadow Minister for Ageing</td>
<td>Hon. Shayne Neumann MP</td>
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<tr>
<td>Shadow Minister for Mental Health</td>
<td>Senator Katy Gallagher</td>
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<tr>
<td>Shadow Minister for Sport</td>
<td>Dr Jim Chalmers MP</td>
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<tr>
<td>Shadow Assistant Minister for Health</td>
<td>Stephen Jones MP</td>
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<tr>
<td>Shadow Parliamentary Secretary for Health</td>
<td>Tony Zappia MP</td>
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<td>Shadow Parliamentary Secretary for Aged Care</td>
<td>Senator Helen Polley</td>
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<tr>
<td>Shadow Minister for Families and Payments</td>
<td>Hon. Jenny Macklin MP</td>
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<td>Shadow Minister for Disability Reform</td>
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<tr>
<td>Shadow Minister for Housing and Homelessness</td>
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<tr>
<td>Shadow Minister for Human Services</td>
<td>Senator the Hon. Doug Cameron</td>
</tr>
<tr>
<td>Shadow Minister for Carers</td>
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<tr>
<td>Shadow Parliamentary Secretary for Families and Payments</td>
<td>Senator Carol Brown</td>
</tr>
<tr>
<td>Shadow Parliamentary Secretary for Child Safety and Prevention of Family Violence</td>
<td>Terri Butler MP</td>
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<tr>
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<td>Hon. Richard Marles MP</td>
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<tr>
<td>Shadow Minister for Citizenship and Multiculturalism</td>
<td>Michelle Rowland MP</td>
</tr>
<tr>
<td>Shadow Parliamentary Secretary for Immigration</td>
<td>Hon. Matt Thistlethwaite MP</td>
</tr>
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</table>
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* Senator Katy Gallagher’s appointment to the Shadow Ministry is effective from 1 November 2015. Senator the Hon. Jan McLucas will serve as Shadow Minister for Housing and Homelessness and Shadow Minister for Mental Health, and represent the Shadow Minister for Northern Australia, the Shadow Minister for Health, the Shadow Assistant Minister for Health, the Shadow Minister for Sport and the Shadow Minister for Indigenous Affairs in the Senate until 31 October 2015.

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<td>Hon. Shayne Neumann MP</td>
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<tr>
<td>Shadow Parliamentary Secretary for Indigenous Affairs</td>
<td>Hon. Warren Snowdon MP</td>
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<tr>
<td>Shadow Minister for Employment and Workplace Relations</td>
<td>Hon. Brendan O’Connor MP</td>
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### Federation Chamber

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The SPEAKER (Hon. Tony Smith) took the chair at 09:00 made an acknowledgement of country and read prayers.

BILLS

Primary Industries Levies and Charges Collection Amendment Bill 2016

First Reading

Bill and explanatory memorandum presented by Mr Joyce.

Bill read a first time.

Second Reading

Mr JOYCE (New England—Deputy Prime Minister) (09:01): I move:

That this bill be now read a second time.

Australia's rural industries are among the most innovative and productive in the world. Continued investment in rural research and development (R&D) is vital to ensure ongoing growth and improvement in the profitability and competitiveness of Australia's agriculture, fisheries, forestry and food sectors. In recognition of this, the Australian government works with industry to co-invest in research through our world-leading rural R&D system.

Much of this work is delivered through the 15 rural research and development corporations (RDCs). RDCs provide a mechanism for industry to come together and invest collectively in R&D. The government assists by establishing and collecting a levy on behalf of an industry, if an industry requests this. The government also matches an RDC's eligible R&D spending up to a legislated cap. It is estimated that for every dollar that the government invests in rural R&D, farmers generate a $12 return over 10 years.

Feedback from primary producers is an integral part of how RDCs work. RDCs are required to consult with industry on their activities, to give those who fund the research, via levies, an opportunity to provide input into the strategic direction of the corporation.

Recent reviews and inquiries, including the Senate Rural and Regional Affairs and Transport References Committee’s inquiries into industry structures and systems governing levies on grass-fed cattle and industry structures and systems governing the imposition of and disbursement of marketing and R&D levies in the agricultural sector, have identified improved consultation with levy payers as key to the ongoing strength of Australia's rural R&D system. Several of these inquiries recommended that the establishment of levy payer registers would offer a way for RDCs to consult more effectively with the primary producers who fund them.

The government agrees that levy payers should have more of a say in how their levy funds are spent. RDCs should know who their levy payers are. Levy payers' registers would provide RDCs with the ability to identify and consult directly with levy payers on research priorities and levy expenditure, and to accurately and efficiently allocate voting entitlements for polls, where this is relevant.

This bill makes possible the establishment of levy payer registers by RDCs by amending the Primary Industries Levies and Charges Collection Act 1991. As it stands, the act only
permits the distribution of levy payer information to the wool and dairy RDCs. This bill remedies this by allowing the government to provide levy payer information, for the purposes of a levy payer register, to the 13 other RDCs.

The bill removes the legislative impediment to the development of levy payer registers. However, recognising that a 'one size fits all' approach would not be appropriate given the diversity of Australian agricultural industries, the bill allows for the distribution of levy payer information to an RDC to occur only where an RDC, in consultation with industry, requests it, and that request is approved by the minister. The department would then work with the RDC on the administrative design and development of a register. This is consistent with the government's approach to the broader R&D levy system, which is centred on industry support.

The bill also allows the Secretary of the Department of Agriculture and Water Resources to permit levy payer information to be provided to the Australian Bureau of Statistics. This is consistent with the government's public data policy statement, which commits to securely share data between Australian government entities to improve efficiencies, and inform policy development and decision-making.

The bill maintains current practices for distribution of the name and address of the person or body that lodges levy returns with the department to RDCs, industry representative bodies and others. In limited situations, the person that lodges returns is also the levy payer (for example, in the turf industry).

The bill does not permit secondary disclosure of information included in a levy payer register, except in limited circumstances and where expressly permitted by the secretary in writing. This aims to protect the integrity and security of levy and charge payers' personal information.

Where an eligible recipient is permitted to disclose levy payer information to a secondary recipient, that person or body may only use the information for restricted purposes relating to R&D, marketing, biosecurity or the national residue survey.

Where levy payer contact details are to be provided to an industry representative body, the administrative arrangements will enable levy payers to choose to opt out and not receive information.

The passage of this bill is the first key step in allowing for the development of levy payer registers, making it possible for the RDCs to identify and connect directly with those who fund their work.

Through greater levy payer engagement in the R&D system, RDCs will be able to better align research investments to industry priorities—improving returns to primary producers and contributing to a more profitable, competitive and sustainable agricultural sector.

We will now work with the RDCs and industry to make this happen.

The government is committed to an Australian R&D system that remains transparent, consultative and delivers tangible benefits to Australia's agricultural industries into the future.

Debate adjourned.
Law and Justice Legislation Amendment (Northern Territory Local Court) Bill 2016

First Reading

Bill and explanatory memorandum presented by Mr Frydenberg, for Mr Keenan.
Bill read a first time.

Second Reading

Mr FRYDENBERG (Kooyong—Minister for Resources, Energy and Northern Australia) (09:08): I move:

That this bill be now read a second time.

The Law and Justice Legislation Amendment (Northern Territory Local Court) Bill 2016 will make consequential amendments to Commonwealth legislation arising from the enactment of the Local Court Act 2015 of the Northern Territory.

The Local Court Act amalgamates the Northern Territory Local Court and the Court of Summary Jurisdiction into one court, called the Northern Territory Local Court. The Local Court Act also makes changes to the title of judicial officers of that court. It is expected to commence by proclamation on 1 May 2016.

A number of Commonwealth acts confer jurisdiction on state and territory courts. Without amendments to Commonwealth legislation, some of the provisions of the Local Court Act will have unintended consequences for the jurisdiction of the Northern Territory courts. A change in title for judicial office holders of the Northern Territory Local Court may change the effect of Commonwealth legislation that confers power and jurisdiction on Northern Territory courts. In some instances, this will mean that Northern Territory Local Court judges will have expanded jurisdiction. In other instances, Commonwealth legislation will no longer apply to Local Court judges, including provisions that confer jurisdiction on magistrates. Finally, despite the Northern Territory Local Court being a court of summary jurisdiction, some Commonwealth acts may no longer extend this jurisdiction to the Local Court.

The Law and Justice Legislation Amendment (Northern Territory Local Court) Bill 2016 will make amendments to address each of these unintended consequences. It achieves this by making minor technical amendments to the Acts Interpretation Act 1901 and other Commonwealth legislation to ensure the continued effectiveness of provisions that confer jurisdiction or powers on judicial officers.

This bill is important in a variety of contexts, including in relation to criminal law matters where functions performed by Northern Territory Local Court magistrates are depended upon for the purposes of Commonwealth criminal matters, for example the issuing of warrants.

Debate adjourned.

COMMITTEES

Publications Committee

Report

Mr COULTON (Parkes—The Nationals Chief Whip) (09:11): I present the report from the Publications Committee sitting in conference with the Publications Committee of the Senate. Copies of the report have been placed on the table.
Report—by leave—agreed to.

BILLS

Telecommunications Legislation Amendment (Access Regime and NBN Companies) Bill 2015

Second Reading

Debate resumed on the motion:

That this bill be now read a second time.

Mr CHAMPION (Wakefield) (09:12): I rise to speak on the Telecommunications Legislation Amendment (Access Regime and NBN Companies) Bill 2015. Fundamentally, what this bill points to is the government's failure to provide digital equality of opportunity. We often hear those opposite talking about the previous Rudd and Gillard governments, but they do not talk much about the Howard government. Eleven years in power, a critical time for telecommunications and internet infrastructure, and what was done?

Ms Rishworth: Nothing!

Mr CHAMPION: I think they had eight plans over 11 years, and no action. We all know that in 2007—I know the member for Kingston can remember campaigning in 2007 about the internet—the Liberal Party's failure on this policy was writ large and was there for all to see. We were just at the beginning of people's need for high-speed internet. That need, as we know, has only grown over that time.

Let us remember where we began before the National Broadband Network came to be and before this debate came to be. We had dealt with 11 years of inaction in a vital area of microeconomic reform and a vital area of the growing and emerging economy. For all the now Prime Minister's talk about and agility and innovation, his party shows none of that. Their history on this is appalling. When we got to government there was basically a sclerotic system based largely around Telstra, but Telstra did not have the incentive to invest in high-speed internet in places like Craigmore or Andrews Farm or anywhere else. We had a situation where in fact there were significant disincentives for them to invest and upgrade their facilities.

I can remember having a discussion with Telstra in which they basically told me they were not going to upgrade the exchange in Craigmore, a growing suburb, because there was no money in it for them—they would put in all the infrastructure, and pay for that, and then other carriers would monopolise their market. So during the Howard era we had significant disincentives for investment in internet infrastructure, in the then sclerotic copper network.

When Labor came to government we had a bold and agile policy of innovation when we said we were going to have 'fibre to the preference'.

Mr Frydenberg: Flexibility!

Mr CHAMPION: I hear the member opposite cry out 'flexibility'. We said we were going to have 'fibre to the premise'. That took a lot of planning and a lot of action. We put in place the great fibre network, the backbone.

Ms Rishworth interjecting—
Mr CHAMPION: As the member for Kingston says, removing Telstra as the arbiter of the copper network and forming the National Broadband Network was probably the most significant bit of microeconomic reform we have seen. So Labor put in place all the architecture that we are now debating.

As we know, when those opposite came to power—

Mr Frydenberg interjecting—

Mr CHAMPION: I hear my friend 'the colt from Kooyong'. We know about his leadership ambitions.

Mr Frydenberg interjecting—

Mr CHAMPION: You might be the next Prime Minister, Josh. You might be the next Liberal Prime Minister. Hope springs eternal for the colt from Kooyong. We know of the great ambitions of the branch members and indeed his own expectations for himself.

Mr Frydenberg: What about Bradfield?

Mr CHAMPION: I am sure the member for Bradfield is a candidate for high office in a government led by the colt from Kooyong. He could be Treasurer and we could have a dynamic duo at the table. Perhaps that is the future of the Liberal Party in the next term. The current Prime Minister will not be leading them, that is for sure. After events this week, we know that this government is hopelessly divided. I remind those opposite that they have had two prime ministers, two treasurers and three defence ministers. There is a revolving door on your National Security Committee of Cabinet. It is like a hurdy-gurdy, a merry-go-round, in that place. The poor old Defence officials would not know who they are talking about. How many ministers of communication have we had during that time?

Mr Fletcher interjecting—

Mr CHAMPION: Are you the minister for communications? I can never recall.

Mr Frydenberg: He could easily be.

Mr CHAMPION: He could easily be. I think he played some role in that. But I digress. We hear those opposite. They buy into this stuff, when they are hopelessly divided. Those in the gallery would recall that, when the member for Warringah was opposition leader, he basically gave the member for Wentworth a hospital handpass when he gave him the communications portfolio. He sent him out there with the explicit aim of destroying the NBN. That was the mission statement! We have here a program of great national significance, as great as the Snowy Mountains scheme. Imagine if Menzies had done that to Chifley's legacy. Imagine if he had sent out a member of the executive to destroy the Snowy Mountains scheme. Where would the nation's electricity infrastructure be today if we had had an opposition of such mindless destruction back then?

In his mind's eye, the member for Warringah remembered all those days at the University of Sydney and the great rivalry that existed even then between these great men of great ambition—for those listening, I say that facetiously. He had in his mind's eye that the future rivalry would play out in a coalition government. What he did was fit the member for Wentworth up with something that the Australian people would feel did not fit the national interest—that is, destroying the National Broadband Network.
Under the Howard government, people waited 11 years for any action at all. There were eight plans in 11 years. There was an extraordinary amount of talk and malarkey. Last night we had the 20th anniversary of the election of the Howard government and everyone was falling at John Howard's feet. That happens to prime ministers. After about 20 years people start to forget all the bad things. They forgot the inaction on broadband, which cost this nation dearly.

So with a hospital handpass the member for Warringah sent the member for Wentworth out to destroy the NBN. Of course, that was at great cost to the nation and to people in Gawler, Craigmore or anywhere else in the rural areas of my electorate who desperately want broadband so that their kids can get educated, so that they can run small businesses and so that they can avail themselves of the new technology of streaming television. That sounds unimportant but imagine if we had a government that set out to not have television. That is the equivalent these days—to not have the great communication devices. It is like being against the telegraph or any other bit of progress. Imagine if we had governments that were against radio, telegraph and television—against progress in all its forms—and sent ministers out there to destroy the networks.

So what did they do when they got to government? They appointed the Vertigan panel—

**Mr Fletcher interjecting**—

**Mr CHAMPION:** It is qualified in Liberal Party terms. It is stacked full of people who do not like the NBN. It is stacked full of people who are going to do the government's bidding.

**Mr Fletcher interjecting**—

**Mr CHAMPION:** I have awoken the member for Bradfield from his boredom and slumber. We do not often see much animation from him—apart from question time and just then. If you get him on certain subjects, away he goes—there is life! It is like awakening the mummy. Remember that movie *The Mummy*? That is what the member for Bradfield is like—talk about the NBN and you awaken the mummy!

These are the broad figures around the record of this great panel and this great minister, the now Prime Minister. This is a Prime Minister who will not last the test of time. We saw it just this week. There was open warfare between two prime ministers in the party room. It was extraordinary and it was over national security—over the defence white paper. There have been leaks and police inquiries. That is what we are seeing. You can trace it all back to one event. You can go back as far back as the University of Sydney when these two 'great men' were there and this great rivalry began.

So the member for Warringah gives the member for Wentworth the hospital hamper, and what did he come up with? Fibre to the node. Hooray! Well done! It takes us backward. He said it would cost $29.5 billion. That is now up to $56 billion for copper. Is the Copperart store still around? Remember Copperart?

**Ms Rishworth:** I thought they had gone out of business.

**Mr CHAMPION:** They have gone out of business! Remember Copperart, Deputy Speaker Mitchell? They might have been a South Australian retail store. Everything in there was made out of copper. They could not operate today, because the government is the main buyer of the old copper technology. Anybody who has been down a street in a new suburb and had the most cursory look at a pit will see the little tent up and the Telstra guy busy in
there. If you had even the most cursory look at the pit, you saw it was like looking into a cave. It reminds me of the Kapunda mines. I know the member for Kingston has seen them full of water and she is not the only person who has.

This is the brave new technology that the member for Wentworth embarked upon. He said that the copper would arrive this year. Everybody would have copper or HFC this year. That has now doubled to 2020. He said it would cost $600 a home. It has actually cost $1,600 a home, and anybody who had taken the most cursory look at those pits or talked to a former Telstra linesman—who have all been sacked, by the way; there was great knowledge with those old Telstra linesmen. They had great knowledge of the pits and the technical things. All of that was wasted as they were made redundant or sometimes pushed off to contractors.

He said it would cost $55 million to patch up the old copper network. Jeez, there was a heroic assumption! It has only blown out by 1,000 per cent to $640 million, and that is an understatement. Anybody who knows these pits—full of water, sometimes full of asbestos—knows it is a very heroic assumption that it would only cost $55 million. He said 2.61 million homes would be connected to pay-TV cables by 2016. Alas, it is only 10,000. They said it would bring in $2.5 billion in 2016-17, and that is only $1.1 billion, so there is a $1.4 billion hole in nbn co's revenue line.

We hear nothing from the member for Bradfield about that. The mummy has returned to his sarcophagus in the chamber of horrors!

Mr Fletcher interjecting—

Mr CHAMPION: He says it is not worth responding to.

Mr Frydenberg interjecting—

Mr CHAMPION: I hear the colt from Kooyong. He is busy. You can imagine the colt from Kooyong playing fantasy football, can't you? He is a Carlton man, and I know the Deputy Speaker is as well—

The DEPUTY SPEAKER (Mr Mitchell): You want to watch what you say about Carlton!

Mr CHAMPION: Obviously this madness is bipartisan!

Mr Frydenberg: We're 20 years into our five-year redevelopment!

Mr CHAMPION: Twenty years into their five-year redevelopment plan—sounds like the NBN! Maybe the Carlton Football Club and the NBN new management should get together and talk about progress! But we know he is playing a sort of fantasy front bench. You can imagine the colt from Kooyong up there late at night, scribbling down who he thinks and maybe even imagining himself in a war cabinet: 'I hope I get a guernsey.' This great man, the colt from Kooyong: perhaps his government—and this is just a suggestion—should spend less time focused on themselves and their own divisions, with two prime ministers, 14 ministers, three defence ministers, how many communication ministers, this revolving door that is all around division. Beneath it all is just ambition—not ambition for the country, for policy or for progress but just ambition for themselves and for the offices they hold. What a distressing thing for the Australian public when they were promised adult government.

Mr FITZGIBBON (Hunter) (09:27): Let us be clear what the Telecommunications Legislation Amendment (Access Regime and NBN Companies) Bill 2015 is all about. This
bill is ideologically driven and underscores the key philosophical differences between those who sit opposite and those of us on this side of the House.

While I am a supersub in the debate, I do note that the member for Paterson is an omission from the speakers list. Where is the member for Paterson? Could it be that the member for Paterson has worked out that speaking on this bill in support of the government proposition might be a bad thing for him in his electorate, particularly his new electorate, where he now faces an uphill battle against a resurgent Labor Party in the region and boundaries which give Labor a notional advantage? It is not too late for the member for Paterson to come on down, participate in this debate and explain to his constituents, both present and potentially future, why it is that he is about to ensure that this place abolishes Labor's legislated commitment to universal national wholesale pricing.

We often have debates in this place which have a particular impact on rural and regional Australia. I concede that sometimes there are merits on both sides of those debates. You can argue philosophically, ideologically or in public policy terms which is the approach that will best serve rural and regional Australia, but in this case there could be no debate. This bill undermines the capacity of people living in rural and regional Australia to access the NBN at the same price as those living in our capital cities. We want to ensure that, whether you are living in rural areas like Cessnock, Maitland, Burnie in Tasmania, or Armidale in the electorate of the Deputy Prime Minister, you will get NBN at the same price as your city counterparts.

This is a basic philosophical question. Someone on the other side will no doubt say that the cap is still there on the wholesale price, but you will be able to work under the cap. This is where we differ. They think it is okay to let the market completely rip and let the market determine what the price impacts will be on consumers. I say something quite different. I say I too believe in the market, but where there is clear market failure government intervention is justified. What is the market failure here? The market failure is distance and geography. We want a country where those living in rural and regional Australia have the same opportunities as their city counterparts, for very many good reasons. Members of the government have to understand that we do not want everyone living in our capital cities. We want to develop populations in rural and regional Australia. To do that you need to be able to provide services in rural and regional Australia.

There is a sound economic proposition here. Cross-subsidising delivery of services in rural and regional Australia is a good thing for all of Australia. There could be no better example than this. The NBN can be a complex debate—I accept that—but people can grasp one thing very easily, and that is, it costs more to roll out a broadband service in the bush than it does in the capital cities purely because of distance. But should people who live in rural and regional Australia be disadvantaged by that? Of course not. They should not be disadvantaged by geography. If that is the approach we are going to take and we are going to accept that as a basic proposition, we will all be living in the capital cities, which of course is impossible. This is good economic policy, it is good population policy, it is good building economic infrastructure policy.

Those in the National Party who sit opposite often attempt to differentiate themselves from the Liberals, and I can understand that. But the fact is that time and again they confirm for us in their actions—not so much their words in this place—that there is nothing between those
who sit in this place under the Liberal banner and those who sit in this place under the banner of the Nationals. There can be no better example than their willingness to just roll over and accept this attack on universal wholesale pricing. Every resident in rural and regional Australia today should be making contact with their local member if he or she is a conservative and asking them why they are doing this. Of course, they are already asking an even more important question in some senses, and that is, why is this government delivering a second-rate NBN service?

This is another simple policy proposition that I think people find easy to grasp. I think they do understand the proposition that the now Prime Minister tried to put, and that is, it is cheaper to roll out the fibre just to the node and allow the extra distance to the premise to be delivered by copper wire. I think people understand that. Then it becomes a debate about whether the savings that might be involved there are worth it, given the inferior quality of the NBN service they will receive because they are going across that copper network for the last mile. The problem is that even those who would support the proposition that it is an overbuild, if you like, to go all the way to premise, or the cost is too great to justify it, would be absolutely shocked to learn that it is costing some $600-odd million to repair the copper wires. I must admit I was not aware of that figure until I was preparing for this contribution. I was astounded, and I am sure all Australians will be astounded. Those with investment in copper might be pretty happy about it.

It is just incredible that a government which said it would cost $55 million, I am told, to fix up the copper is going to spend $640 million on a 19th century technology. I cannot believe anyone would be so stupid, to be frank. It is a stupid proposition. We are going to have a second-class service. No-one would argue—not even the Prime Minister—that fibre to the premise is not better; of course they would not. Fibre to the premise is better. Having a bit of copper along the line—it is like a chain; it is only as strong as its weakest link—makes it an inferior service. That is just a scientific fact, a technical fact. What we are really only arguing is whether you spend the additional money to provide the first-class service. Let us be clear: Labor believes in a first-class service. Labor believes that everyone in rural and regional Australia, everyone in Australia, should get a first-class service. We certainly do not believe that spending $640 million to retain a second-class service is a good economic proposition. It clearly is not.

I issue some challenges to the member for Braddon, the member for Bass, the member for Eden-Monaro, the member for Page, the member for Hume and the member for New England, none other than the Deputy Prime Minister. I often see cabinet ministers these days, as you would have noted, Mr Deputy Speaker, coming in here and talking in second reading debates about issues that are outside their portfolio responsibilities. It is not very conventional, but they are doing it on a regular basis. There is nothing to stop the Deputy Prime Minister from coming into this place—I will make sure I do not sit down for another five minutes; I am sure he can sprint from his ministerial office to the chamber in that time—and justifying why they are launching or joining in the launch of this direct attack on rural and regional Australia and why they are supporting the proposition of spending $640 million to repair a 19th century technology as part of their alternative NBN proposition. They need to come in here and explain themselves. I could be wrong, but I think there probably will be an in-detail stage of debate on this bill, so there will be plenty of opportunities for them to come
down and explain themselves. Some of them are on the frontbench now and, as I have said, that should not stop them from speaking. They have set the new precedent, and they should be down here speaking on this bill.

Here are some facts. The Prime Minister said his new proposal—here is the member for Paterson now! I welcome the member for Paterson who, I understand, will now make a contribution to this debate. It is interesting that the member for Paterson has been crowing, in his local media, about the NBN rollouts in his local electorate. The fact is since his government took power, the rollout has been slower than it was under the former Labor government and the rollout has been inferior because, no doubt, some of that $640 million the government is spending to repair copper is being spent in the electorate of Paterson. I hope the member for Paterson has done his research. He can tell the House how much of the $640 million on copper has been spent in the Paterson electorate. I suspect it is quite a bit, and I will tell you why. I have had residents in the member for Paterson's electorate call me and say, 'I now have Malcolm Turnbull's version of the NBN and it's slower than ADSL2.' The service that people are receiving in rural and regional Australia under Prime Minister Malcolm Turnbull's plan is slower than they were enjoying under ADSL. I can see Minister Fletcher at the table frowning, and I understand why he is frowning. He cannot believe that! You would not believe that a government could spend some $60 billion on a project that delivers an inferior service to the one that people already had under ADSL. It is unbelievable, Minister. I can understand you frowning.

The member for Paterson has joined us, and I look forward to his attempt, at least, to justify why he is joining with his government on this proposition, and why he has been prepared to just roll over and accept this inferior NBN and this $640 million investment in copper. But I am still waiting for the member for Gippsland to come down. I am still waiting for the member for Riverina. They can all speak on this bill. The members for Page, Eden-Monaro, Bass, Braddon, the list goes on. All those who purport to represent rural and regional Australia—all those Nats who purport to be different from the Liberals; to be different from the member for Paterson—but who go missing in action when they are required to be in this House, defending the people they purport to represent.

But it does not stop on this issue. We have seen, in recent days and in recent months, their unpreparedness, on a whole range of issues, to defend rural and regional Australia. Their infrastructure rollout is hopeless. It is going backwards on what the former Labor government was doing. They like to crow about the inland rail build. They are spending less money than the former Labor government. The reality is there is only one party in this place that stands up for rural and regional Australia on a regular basis, and that is the Australian Labor Party. The member for Paterson; the member for Braddon; all those Tasmanian lower house members, including the member for Bass; and, as I said, the members for Eden-Monaro, Page and others—I hope they have found the member for Page, because they could not find him in the building when we asked, in Senate estimates, for his report on cooperatives to be tabled. They all need to be down here explaining why they are not defending their local residents. People living in rural and regional Australia deserve as good a service as their city cousins, and those members should be in this place, alongside the member for Paterson—at least he has been prepared to front up; I will give him credit for that—defending their local constituents.
Mr BALDWIN (Paterson) (09:42): I apologise to the House for not coming in earlier. I was dealing with a contamination issue in my electorate. It required some urgent attention.

Mr Fitzgibbon: About time you did something!

Mr BALDWIN: I will address that interjection. I speak today on the Telecommunications Legislation Amendment (Access Regime and NBN Companies) Bill 2015. What an absolutely fascinating speech that was from the member for Hunter! Prior to that speech, the contribution to the debate in this parliament by the member for Hunter had only been a fleeting one, across four speeches, with no detail or substance—the man who purports to stand up for his electorate. I would also remind the House that, prior to the 2007 election, the coalition government were putting into plan a system called OPEL, which would have provided high-speed broadband wireless across most of our nation at a cost of less than $1 billion.

One of the first things that the Labor government did, supported by the member for Hunter, was to abolish that. Then they rolled out the NBN broadband, which was, originally, about a $5 billion program, and then it just went up tenfold and more, and delivered nothing. So the question that the member for Hunter should ask himself and actually explain to his constituents is, indeed, particularly through the actions of the former member for Newcastle: given the NBN plan was their design, given they championed it so much, given they went to two elections pushing and promoting, what was the rollout in their electorate? I have to say that it was virtually nothing. In fact, this is the opposition that, when in government, wanted to provide the satellite services and did not even provide sufficient capacity for regional and rural Australians that we hear the member for Hunter standing up and wanting to represent so much. They could not even put enough capacity on the satellite, and it took the coalition government's actions to put into place a second satellite to carry the load.

The other thing I would remind the House about is how the former Labor government would approach the NBN rollout. They put out all these glorious sheets about build commence and what would happen in each area, when the reality was: it was only bit of paper and there was no action. By contrast, the coalition has implemented a policy and a plan that mean, when a build commence date comes, that is when the build commence happens.

I will go through and highlight to the House some areas, and, in particular, areas that are currently in the member for Hunter's seat and will soon come into the seat of Paterson. The fixed line build commencement date of October 2015 affected 7,180 households in Abermain, Chifley, Heddon Greta, Kurri Kurri, Neath, Pelaw Main, Stanford Merthyr and Weston. In Newcastle, in the fourth quarter of 2016 the build commence will go through Beresfield, Chisholm, Hexham, Tarro, Thornton, Woodberry, Fern Bay, Fullerton Cove, Kooragang and Stockton.

In my electorate, in the second half of 2017, the build commence will occur in Lemon Tree Passage, Mallabula, Medowie, Salt Ash and Tanilba Bay. In the third quarter of this year, it will go through Ferodale, Heatherbrae, Raymond Terrace and Tomago. And of course in December 2015 the build commence for fixed line happened in Anna Bay, Boat Harbour,
Corlette, Fingal Bay, Fishermans Bay, Nelson Bay, One Mile, Salamander Bay, Shoal Bay, Soldiers Point and Taylors Beach. Of course, there have been massive rollouts of the fixed wireless system. In October 2015 areas such as Buchanan, Hexham, Lenaghan, Raymond Terrace, Sawyers Gully and Telarah received that. In the first quarter of 2017 the build commence will occur for the fixed wireless in Anna Bay, Fullerton Bay and Salt Ash.

That is a definite plan. But I can remember being in this House in 2005-06 and raising the issue of Thornton, which was not in my electorate—it was across the road from my electorate—and how they were on pair gain copper and could not get ADSL. The then member for Newcastle, Sharon Grierson, campaigning in that election, said, 'It's got to be fixed. It's an urgent priority.' Well, guess what. Through the inception of the NBN rollout plan, through six years of Labor government, nothing was done in Thornton—absolutely nothing. The member for Hunter comes in here and complains about it not happening. I would ask him to be accountable for his plan, his six years of inactivity, his six years of failed representation of the people that he seeks to represent.

But then again, we know how he fails to represent people, because he has just taken the easy option. He lost half of his seat of Hunter to the seat of Paterson but, rather than standing up and having a fight in a marginal seat campaign, he wanted the safer option—a safe seat—and he has been locked in by the executive of the Labor Party to the seat of Hunter. He might make words upon the floor of this parliament about his ability to stand up and fight, but when it comes to the street, let me tell you, he put on that yellow coat and ran. He did not want to take me on. He has got no guts for a marginal seat fight. He just wanted that safe haven that he has always been used to. He has never had to fight a marginal seat campaign in his life. He has never been committed to delivering anything for his constituents. So don't you come in here and lecture me, Member for Hunter, because at the end of the day you lack the intestinal fortitude, the backbone, to stand up for your constituents and fight the fight.

The DEPUTY SPEAKER (Mr Mitchell): All right. The member for Paterson will get back to the bill. You have had a fair run. Stick to the bill, please.

Mr BALDWIN: I would have thought you might have reminded the member for Hunter, Deputy Speaker, when he was making his comments, but, be that as it may, I am getting back to the NBN.

A couple of key and critical issues have been reported to me about the NBN. People have come to me and said, 'I'm not getting the increased speed.' Well, a lot of the increased speed comes with cost to the individual. If people want higher bandwidth when they are on the NBN, then the plan that they must subscribe to will come at an increased cost. One of the unfortunate things is that the Labor Party, when in government, led everyone to believe they would have super high-speed broadband at no additional cost to them as an individual. It comes down to the basic plan. If you go onto the NBN and you want to pay the same price as you paid for the speed that you were getting under ADSL then that is the speed that you will get off the NBN optical fibre.

This government has rolled out the NBN across Australia and we are on time and on plan to deliver it across the nation. This was a basket case that we inherited. Labor kept putting out proposals of what they would do and where it would roll out, and, each time there was a plan, there were adjustments: 'We're not delivering. We're not going down that area.' Deputy
Speaker, what they were doing was playing with people. I give you proof of this. You only need to look, in our region of the Hunter, at how little was done with the commencement under the Labor government—nothing. In fact, more has been done by private developers who have had to install the optical fibre in new developments than was done by NBN when Labor were in government. More was done by private corporations installing optical fibre as a part of their development rollout, as required by legislation.

So enough of the rhetoric from the member for Hunter, who on, I think, about four occasions prior to today has made a fleeting mention of the NBN. Where was his standing-up, within his own party, to Senator Conroy and for his area, which he claims he so valiantly represented and has now deserted? Where was their NBN rollout? The same could be said for the former member for Newcastle, who used to carry on, up hill and down dale, about Thornton, but there was not one attempt to roll the NBN out through Thornton. I am glad to see that it is now in the current plan, and I am glad to see that the Turnbull government will deliver this NBN rollout as laid out. We are not giving false hopes. These are dates of build commencements when the community will see the trenches, the excavators and the pipe layers in the streets—delivery, real and measurable.

In relation to the optical fibre, anything is better than the pair gain that the people in areas like Thornton suffer. We need to make sure that they have access. Under the Labor Party they might have had their rolled gold system, but at the end of the day at what expense? At what expense to the taxpayer? Remember—and I ask people to go back—when the original NBN plan—

*Ms Rishworth interjecting—*

**Mr BALDWIN:** God, you sound like a raving parrot! Have you ever thought about having any manners?

**The DEPUTY SPEAKER (Mr Mitchell):** The member for Paterson will withdraw that remark.

**Mr BALDWIN:** I would ask you to draw her to account, Deputy Speaker. I cannot even hear myself think when she is carrying on like that—

**The DEPUTY SPEAKER:** Do not reflect on the chair. I have asked you to withdraw that remark or I will sit you down. It is your choice. I have asked you to withdraw that remark.

**Mr BALDWIN:** Which one? That she is parroting.

**The DEPUTY SPEAKER:** You know exactly what you said.

**Mr BALDWIN:** I withdraw the fact she is a parrot. It is probably derogatory to parrots.

**The DEPUTY SPEAKER:** No, you will withdraw unreservedly.

**Mr BALDWIN:** I withdraw unreservedly. The reality is, yes, we need improved communication systems. The expectations of community and the availability of programs, software and viewing options are increasing. It will not come about by just putting out bits of paper with what we think we are going to do, as under the former Labor government. It will actually come about with detailed plans and commitments to rollouts. That is what the coalition have done.

**Mr FLETCHER** (Bradfield—Minister for Major Projects, Territories and Local Government and Assistant Cabinet Secretary) (09:54): I am pleased to deliver this summing
up speech. I thank all members for their contribution to this debate. The Telecommunications Legislation Amendment (Access Regime and NBN Companies) Bill 2015 sought to enhance the telecommunications access regime and nbn co's line of business restrictions.

The government has amended the bill to include only the measures that are accepted by Labor and the Greens, or to be precise the government will shortly move amendments which will have the effect, if accepted, of amending the bill to include only the measures that are accepted by Labor and the Greens in the dissenting Senate Environment and Communications Legislation Committee report, to ensure that uncontested measures proceed.

There are now, or there will be should those amendments be accepted, four measures remaining in the bill which will take effect should the bill be passed in that form. Firstly, there are changes to the Telecommunications Act and the Competition and Consumer Act to clarify the regulation of facilities access. Secondly, there are changes to the standard access obligations, which will ensure that a service provider who controls or owns in-building cabling must provide access to that cabling as part of providing access to a declared service. This removes scope for restricting access to competitors and ensures end users can get faster access to broadband and telephone services. Thirdly, there are changes to the treatment of fixed principles in access determinations and special access undertakings, which will improve regulatory consistency and provide for more-effective regulation. Fourthly, changes to nbn co's line of business restrictions will ensure that nbn co can dispose of surplus assets to any person, whereas currently under the existing law it can only sell those assets to another carrier or service provider.

Some of the reasons which have been levelled against the measures that have been removed from the bill warrant a response. It is necessary to put on the record why the government considers that those proposed measures were important and worth pursuing. Some have argued that the bill was moving away from the NBN model highlighting proposed changes to non-discrimination obligations, to nbn co's line of business restrictions and to the law governing authorisations for nbn co's conduct. This was an ill-informed argument which did not reflect the reality that the government was proposing to fine tune the framework to provide some additional flexibility. The government sought to make some modest changes to non-discrimination obligations facing nbn co with a view to promoting innovation through pilots or trials.

In its review, the Vertigan panel recognised that that current obligations do not promote innovation. Other measures that the government proposed in the bill sought to improve the consistency of regulatory decision making, and to cement procedural fairness requirements, by clarifying the point at which the ACCC would be required to consult.

The government sought to introduce a regulation-making power that could be used to amend nbn co's line of business restrictions. This proposal responded to experience which has shown that the current restrictions are so sweeping that nbn co is being prevented from operating on an optimal basis. This power, however, could not have been used to allow nbn co to supply content or to supply retail communication services, and the exercise of this power would have taken the form of a disallowable instrument. This would have meant that the parliament would have been able to oversee any regulation made by the minister.

Finally, under the bill as originally put forward, the bill would have amended existing authorisations for the purposes of competition law, which allow nbn co to limit the number of
points of interconnection to the national broadband network and require its customers to purchase bundled services.

Some have erroneously sought to conflate the government's change in pricing policy already in place with the proposed change in legislation. The government went to the last election stating that it would remove uniform national pricing and it would require nbn co instead to operate under price caps.

This policy was reaffirmed in 2014 through the government's response to the Vertigan review, so this is nothing new. The measure contained in the bill as put before the House simply sought to continue the existing authorisations—introduced by the former government—without reference to the former government's pricing policy. The object of the government's authorisation provision was to ensure that superfast carriage services are reasonably accessible to all people in Australia, wherever they reside or carry on business.

Under this government the NBN rollout is finally back on track. The NBN plans to expand its footprint by 15,000 premises per week, rising to 25,000 per week by the middle of the year. The NBN is on track to meet its target to have 500,000 premises able to order a broadband service via fibre to the node by the end of June.

The facts speak for themselves. NBN has met its rollout and revenue targets for the past six quarters in a row and is on course to meet its financial year 2016 targets, published in the corporate plan. Under the Turnbull government the number of connected households and businesses using the NBN has increased more than tenfold since 2013. One in four premises will have access to the National Broadband Network by the end of this year, and around three-quarters of all premises will be in the footprint by 2018. nbn co reported strong revenues and activations for the half year to 31 December, just a few weeks ago, and it will continue to report quarterly, so the Australian community can judge for themselves.

We said we would make the rollout faster, and it is very clear from the weekly reports published on NBN's website that that is exactly what is happening. For example, the published weekly progress report shows that connections have been tracking above 14,000 per week since the start of February—connections above 14,000 since the start of February. This is in stark contrast to the rollout under Labor when the company managed to connect only 51,000 users to the built network in three years. We have 14,000 per week under the Turnbull government and 51,000 over three years under the previous government. The contrast is very stark indeed. The published corporate plans over the years from 2010 make it plain for all to see that the NBN under Labor was one of the most poorly-managed infrastructure projects in the history of the Commonwealth.

Question agreed to.

Bill read a second time.

Consideration in Detail

Bill—by leave—taken as a whole.

Mr FLETCHER (Bradfield—Minister for Major Projects, Territories and Local Government and Assistant Cabinet Secretary) (10:02): I present a supplementary explanatory memorandum to the bill and seek leave to move government amendments (1) to (5), as circulated, together.
Leave granted.

Mr FLETCHER: I move government amendments (1) to (5), as circulated, together:

(1) Schedule 1, Parts 3, 4 and 5, page 8 (line 1) to page 15 (line 10), omit the Parts.
(2) Schedule 1, Division 1, page 17 (lines 2 to 11), omit the Division.
(3) Schedule 1, heading to Division 2, page 17 (line 12), omit the heading.
(4) Schedule 1, Division 3, page 18 (line 7) to page 20 (line 13), omit the Division.
(5) Schedule 1, Part 8, page 21 (line 1) to page 23 (line 2), omit the Part.

Mr CLARE (Blaxland) (10:03): That was extraordinary. For those who missed it, what we just saw was the junior minister at the table, the Minister for Major Projects, Territories and Local Government, do a backflip worthy of Nadia Comaneci. In case you missed it, what he just did then was to gut this bill like a fish. He came into this parliament in December and tabled this bill and gave us a lecture about how important this legislation was, told us that it improved competition, that it improved efficiency, and now he has just ripped all of that out.

This bill has eight parts and the government has just ripped five of them out. How humiliating. In case you missed it, this is the first bill that has been introduced by this government on the NBN in 2½ years.

Mr Champion: And it's been gutted like a fish.

Mr CLARE: It has just been gutted like a fish, but I am glad to see the government capitulate so heavily, so quickly, because this is a bad bill. As I said when I spoke in the second reading debate, what the government has tried to do here is to roll back important consumer and competition benefits that we delivered when we were in government: things like universal wholesale pricing, things that provide fairness for people who live in regional Australia. It means that people who live in the bush pay the same wholesale price for equivalent services as people who live in our big cities. The Liberal Party want to get rid of that, and the hapless National Party stood here ready to help them. The only reason that it is not happening is because the Labor Party have stood in their way. Let us be very clear: the only reason they are doing this is not because they have changed their mind—the minister just told us in summing up that he still thinks this is the right thing to do. The only reason they are doing it is because they know they cannot get it through the Senate. And if they win the next election and they get control of the Senate, then you bet this legislation will be back, and they will be onto this like Donkey Kong. They will be back into this, trying to pass the same legislation again.

In the meantime, we have more of this mess that they have made of the NBN. Remember, the cost of the NBN is now double what Malcolm Turnbull said it would be. He said he would build it for $29.5 billion; that has now blown out to up to $56 billion. The NBN is now going to take twice as long as Malcolm said it would to deliver it to everyone in Australia. He said everyone in Australia would have access to the NBN this year. That has now blown out to the end of the decade. And the cost to fix up the copper to make this dodgy second-rate NBN work has blown out—not by 100 per cent, not by 200 per cent, not by 500 per cent—but more than 1,000 per cent. It was originally forecast to cost about $55 million; it is now over $600 million. A leaked document last year showed that the Optus HFC network that they want to use for the NBN is not fit for purpose and will cost more than $700 million to fix so they can
use that. Malcolm Turnbull said that it would be a modest cost to fix that. Now we know it has blown out to $700 million. The minister might have something to say about this, because he used to work at Optus. It begs the question: what did he know about this, and did he tell the now Prime Minister that it was not going to be a modest cost to fix the Optus HFC network? Why didn't he tell the Prime Minister that he was wrong—or did he?

I wonder whether the minister will tell us the truth?

Now, on top of this, this week we have seen two more damaging, leaked documents. The first, this document here, on the front page of *The Sydney Morning Herald* this week, revealed that the cost of building their dodgy, second-rate NBN, the copper fibre to the node, is going up and that the rollout of their fibre to the node is way behind their internal targets. This report, which is only just over a week old, says that they were supposed to be at 94,000 by the end of that week and it is only at 24,000. Then today, this report here reveals that they have done a trial of a new type of fibre in Ballarat and Karingal, and that the cost of fibre is going down.

To add to this, they have this humiliating backdown by the junior minister today, gutting this bill. I can tell you, Deputy Speaker Mitchell, we are very happy to assist the government in gutting their bill. They should be embarrassed.

Mr FLETCHER (Bradfield—Minister for Major Projects, Territories and Local Government and Assistant Cabinet Secretary) (10:08): There are a number of things that the shadow minister said which do require some response. I remind the House that when the previous Labor government left office, after six years in office, 4½ years after they had first announced the NBN mark 2, they had managed to build up the network to such a tiny extent that only just over 300,000 Australian premises were in a position to connect to the network, should they have chosen to exercise that desire. The number now stands at 1.775 million and is increasing at an extremely rapid rate. Not only is the total number of premises that can be connected increasing rapidly, we are also seeing the number of actual connections increasing rapidly. The weekly rate is now well above 14,000 per week compared to Labor's, frankly, pathetic performance of connecting just 51,000 premises in three years. In other words, in less than four weeks, at the current run rate under this government, the NBN is connecting more people and more premises than was achieved in three years under the previous government.

The reality is that nbn co is led by an experienced and competent board, chaired by Ziggy Switkowski, one of the most experienced telecommunications executive in Australia, let alone in the world—a former chief executive of both Telstra and Optus. It is led by CEO Bill Morrow, who is highly experienced. Across the management team there is a collection of highly qualified and experienced telecommunications executives. You may say that this is surely a fairly obvious and basic thing to do. But, bizarrely, it was not done under the previous government and that is one clear reason why the rollout performance under the previous government was hopeless.

Under the overall direction of the Turnbull government and, previously, I might add, under the very competent direction of the member for Wentworth as Minister for Communications, what nbn co is doing now is calmly, pragmatically and systematically getting on with rolling out the network and putting in place all the fundamental and basic corporate disciplines of planning, monitoring performance against plan and achieving against targets. That is why nbn co has met its published targets now for six quarters in a row.
It continues to be the case on the published numbers of nbn co and on its internal reporting that fibre-to-the-node connections are materially less expensive than fibre-to-the-premises connections, at the same time as the company has indicated in its public reporting that customer perceptions of fibre to the node show no difference to customer perceptions of fibre to the premises. So the ultimate test is what customers make of the services, and we are seeing that customer perceptions are consistent with the strategy that the coalition took to the 2013 election and the strategy that is now being implemented by nbn co.

The opposition spokesman continues to attempt to try to whip up some version of events which is at odds with reality. What we are seeing is a difficult and ambitious project, a project which we have consistently said is not one we would have started. We would not have chosen this as a starting point, but it fell to the coalition, as it so often does, to clean up Labor's mess. What we are doing is getting on with nbn co managing this ambitious rollout in a systematic, methodical and businesslike fashion. The results are there. There is a lot more to do. It is a big and ambitious project, but under the Turnbull government it is going very much in the right direction.

Mr HUSIC (Chifley) (10:12): What you just heard then was more of what the shadow minister pointed out: just extraordinary claims. We have the suggestion from the minister that they have had to come in and clean up nbn co. What an amazing job they have been doing! We have seen the cost double, slower rollout and people being left with a substandard service and denied an expectation that was fuelled by those opposite that they would deliver more, and they have not. You often hear the line from the coalition, which was repeated by the minister today, that after three years Labor did not do enough, that we did not roll out enough. The biggest infrastructure project in the nation's modern history and we did not do enough in three years—that from a mob who had 19 goes at fixing broadband over the 13 years of their government and they failed.

Ms Rowland: Optus said it.
Mr HUSIC: And Optus were saying that the HFC network was not fit for purpose. My own constituents tell me that the HFC network is not fit for purpose. They say, 'It is fantastic; it gives you great speeds at 4 am.' That is what they tell me. They tell me that Malcolm Turnbull's network provides you excellent download speeds if you get up at 4 am and no-one else is on that network. The HFC network cannot work when a lot of people use it, which is bizarre. You have this huge demand from people wanting a modern broadband network and they are told, 'You can get it, but if a lot of you use it it will be slow; so don't use it.' That is the compelling logic of the Turnbull government in terms of what they are putting forward.

Mr Champion: Brilliant; it is a cunning plan.

Mr HUSIC: It is a completely cunning plan, member for Wakefield.

Mr Champion: Baldrick's broadband network.

Mr HUSIC: It is. It is a broadband network absolutely designed by Blackadder's Baldrick, as the member for Wakefield rightly points out. And it may be the case that Baldrick is on the management team of nbn co. The minister pointed out the great management team. You have the CEO, Bill Morrow, who turns up to Senate estimates and is asked a series of questions about the network he is managing and probably 90 per cent of the questions that were raised with him were taken on notice. If this was a person who had command of the facts and was such a singularly impressive management representative, as the minister is suggesting, you would think he would be able to answer questions. But he cannot, and the reason he cannot is that he is not focused on the job of this rollout.

He is now in defensive mode trying to work out why there is leak after leak from his own organisation. nbn co's internal organisation are in revolt. They are in a rebellion. They do not believe in their heart of hearts that the network that is being foisted upon the Australian public by those opposite is one that will deliver, and that is why they are leaking. They do not have confidence in the CEO and they do not have confidence in Ziggy Switkowski. If Ziggy Switkowski is so great, why doesn't he spend more time talking about the NBN than telling us about the value of nuclear power? His Suncorp shareholders are equally concerned that it seems that he is not focused on the job that is required and is necessary. He always diverts his attention. That is why you have an organisation in revolt. That is why consumers are in revolt over this. And that is why we are being misled about this network rollout by those opposite—and they stand condemned for it.

Ms ROWLAND (Greenway) (10:17): What we heard from the minister at the table, the Minister for Major Projects, Territories and Local Government and Assistant Cabinet Secretary, was more of the spin and hypocrisy that has characterised this government's attitude from the get-go. You only have to look at the article in the Sydney Morning Herald of 19 February 2014 under the headline 'Coalition lied about true cost of NBN'. We had this person sitting at the table, the minister, and the then shadow communications minister telling us for years that the NBN under Labor was going to cost $90 billion—and they repeated this often. But we see in this article that when Minister Fletcher was asked:

… if the $90 billion estimate was then a 'political figure' floated to win votes, Mr Fletcher admitted that the figure was also wrong.

As the shadow minister said:

They just lied. They made that figure up.
I have a suggestion for the minister: maybe you should go back to Palmerston Hospital, dig a few more holes and fill them in with concrete—because that is what he is good at doing.

Only today we see yet another leak, and every member opposite spruiking an approach based on deception. And they should know about deception. Today in the *Sydney Morning Herald* we see the headline 'Trials point to cheaper fibre option'—oh, really! The article goes on to say about this new approach:

Its apparent success suggests that at the same time as costs of the federal government's fibre-to-the-node model have increased, the costs of the alternative fibre-to-the-premises option preferred by the previous Labor government may be coming down.

Well, who would have thought that that would be the case!

But you do not have to just take it from me. I think we should take it from a few people those on the other side would probably tend to agree with—someone like the Deputy Prime Minister, who said:

Most people are in agreement that copper like is becoming redundant.

The Copper age was 5,300 years ago, and that is where copper belongs.

So we have the Deputy Prime Minister saying, in his own words, that the approach of this government and this minister at the table is wrong. But you do not just have to take it from him. I think it was the now very senior Senator Nash who actually coined the phrase 'fraudband' in 2007, when she bagged fibre-to-the-node technology, and said:

It's widely understood in the telecommunications industry that FTTN will not deliver improved broadband speeds to rural and regional areas.

But if you do not want to take it from Senator Nash, let us have a look at Senator Barry O'Sullivan. Senator Barry O'Sullivan was quoted in an article in *The Age* of November 2014 under the headline 'NBN snub for Western Queensland sparks rift in coalition'. Who thought there would be a rift in the coalition? The article read:

Sparks are flying within the coalition as fiery Nationals Senator Barry O'Sullivan takes aim at Federal Communications Minister Malcolm Turnbull for subjecting rural communities to 'third world' services.

'It's a shame on our nation,' Senator O'Sullivan said.

And here is the good bit:

I'm embarrassed to be part of a party whose government would allow this to continue. That was Senator Barry O'Sullivan—and he should be embarrassed.

In this debate we have heard all the spin and all the lines trotted out by the backbench opposite—everyone repeating the same stuff. In my contribution to this debate, I primarily focused on actual real world constituents—those that I share partly with the member for Chifley in Blacktown—who know they are getting ripped off, who know that their children are missing out and who know that their small businesses are missing out and cannot properly function because of the abject failure by this government. You only have to look at the evidence. Under this government we continue to slip in the universal broadband rankings. Australia is slipping under this government

There has been nothing but untruths and spin from this government. These constituents know that this Prime Minister has failed them. He promised 'faster, sooner, more affordable'—fail, fail, fail. His key promise to deliver minimum speeds by the end of this year
did not even last the first year of this government. It did not even see out 2013. In fact, it was
probably the first key promise this government broke. It was an abject failure, and all of their
spin will not convince the people of Australia that they are getting a good deal under this
government.

Mr STEPHEN JONES (Throsby) (10:23): When it comes to the National Broadband
Network this government has systematically misled the Australian people. Let us not forget
that. You would think that a man who is credited with the grand title of having invented the
internet would know something about the policy that he once had stewardship of. Before the
last election they told the Australian people that they could roll the National Broadband
Network out to all Australian households by this year. By this year it was going to be cheaper,
it was going to be faster and it was going to be better.

Mr Fletcher: Deputy Speaker, I rise on a point of order. Under standing order 150(b)
debate is required to be relevant to the amendment before the House, and there are five
amendments that are before the House. Nothing that the member has said so far is relevant to
those amendments.

The DEPUTY SPEAKER (Mr Mitchell): It relates directly to the bill and the
amendment before it, and to the changes that are the bill, so I will allow it to continue.

Mr STEPHEN JONES: Before the election the then shadow minister for
communications, the member for Wentworth, said that he could deliver the National
Broadband Network—albeit a second-rate National Broadband Network—for $41 billion.
Within 18 months that $41 billion had blown out to $56 billion—a 37 per cent increase. So
much for being cheaper. The cost has blown out by over 37 per cent.

As far as being faster goes, there are suburbs within my electorate that were wetting their
lips at the prospect of having access to the National Broadband Network by Christmas. They
are going to be very disappointed indeed, because now it appears that they may not even be
connected by 2020. This is a region that is relying on the National Broadband Network to
assist it in its economic transition from manufacturing to more advanced forms of economic
activity. Then we get to being better. I would have expected the members who represent
regional Australia to have something more to say in their party rooms or in the joint party
rooms about this. In regional Australia, as with the rest of us, access to broadband—safe,
able, affordable broadband—is absolutely critical if you are running a small home-based
business, as an increased number of people in regional Australia are, or if you are educating
your children or you yourself are engaged in education and you are relying on broadband for
distance education. Connecting Indigenous communities through the National Broadband
Network is also absolutely critical. I would have expected more people to be standing up here
and having more to say about the importance of broadband in regional Australia, but it has
been absolutely crickets from that side.

We could forgive them for their incompetence if it could be proved that they did not know
better, but in this morning's Sydney Morning Herald it has become patently clear to
everybody who has followed this debate that, for over 18 months, they did know better. For
over 18 months they did know better, and they kept it a secret from the Australian people.
Their own trials, commissioned by this government and this minister and this Prime Minister,
have proven beyond doubt that Labor's model of connecting fibre to the household can be
done more cheaply, or at least as cheaply, as the second-rate broadband rollout that they are
currently engaged in. They are trying to convince the Australian people that they can do it cheaper, that they can do it faster, that they can do it better. But we know that the opposite is the truth. This was made patently obvious to all Australians when we picked up a copy of The Sydney Morning Herald today, when we learned that the trials commissioned by those opposite, themselves, are proving that the price to connect fibre to the household is coming down and that it will be at least half the price it was at the beginning of this rollout debate.

I could forgive those members of the Liberal Party who do not really know much about regional Australia for sticking their hands up for this bill, but for the National Party to stick their hands up and to vote for a bill that is going to increase prices for people in regional Australia is nothing more than a sin.

Ms HALL (Shortland—Opposition Whip) (10:28): My first contribution to this debate on the Telecommunications Legislation Amendment (Access Regime and NBN Companies) Bill 2015 is to offer an open invitation for the minister sitting at the table to visit my electorate. I will arrange a public meeting and invite the more than 100 people whose names I have here to come along and talk to the minister. Minister, what I have to say to you is that your NBN has caused absolute chaos in my electorate, as recently as last night. I might add that I have been receiving emails from constituents on a very, very regular basis in relation to this legislation. I think the backflip that the minister has taken in removing the amendments that are before the House today is quite humiliating. But I think it is better for there to be a backflip than for the minister to push ahead with the rollout of a NBN that is absolutely not working. I must share with the House one of the emails I recently received. It was from one of my constituents writing on behalf of his elderly parents, who live in a retirement village. What he wrote to me was that the retirement village—

Mr Fletcher: Mr Deputy Speaker, I rise on a point of order: relevance. Under standing order 150, debate must be relevant to the clause or amendment before the House. We are debating amendments (1) through to (5). I invite the member to indicate which amendment she is speaking about. If she cannot do that then obviously she ought not to be continuing.

Mr Clare: Further to the point of order, what the member is trying to outline here is the humiliating backflip by the junior minister in effectively gutting half of this legislation. The member is being relevant and the minister's point of order is not a valid point of order.

Mr Fletcher: There are five amendments before the House this morning. The first of them deals with pilots and trials, access determinations and special access undertakings. The second deals with line of business restrictions. The third deals with line of business restrictions and authorised conduct. The fourth deals with authorised conduct. And the fifth deals with declared services and eligible services. I invite the member to indicate which one of those she is addressing. If she cannot do that then obviously she is not eligible to speak under the standing orders.

Mr Clare: Further to the point of order, I appreciate the minister explaining in depth the breadth of his humiliating backflip by outlining every part of the bill that he is now deleting, but the point is the member is being relevant by talking about access to universal wholesale pricing.

The DEPUTY SPEAKER (Mr Goodenough): I ask the member to be relevant to the question.
Ms HALL: I must say, I understand why the minister wants to stop me speaking. He does not want to hear about elderly people living without phones. He does not want to hear about people who signed up to his NBN and were promised fast speed broadband but are getting a slower speed broadband than they were receiving previously. And, yes, I can speak to the amendments and, yes, I can speak to the actual legislation as well in consideration in detail. Minister, I do not need to identify which amendment I am talking to. In consideration of detail, we are considering the legislation before the House in detail. The details that I am referring to relate to this minister's total failure, to his backflip, and to the fact he is not prepared to front up to people and tell the truth. He may have worked for a telecommunications company but he has never been out there and spoken to people.

What I am doing is generously inviting him to come to my electorate and meet my constituents. They would love to talk to him. Ring my office. I will get my office to ring your office after my contribution to this debate. We will organise a time so you can come along and explain to all those people in the Shortland electorate, elderly people without any phones, without any NBN and without any action from this government— (Time expired)

Mr CHAMPION (Wakefield) (10:33): I was talking on the Telecommunications Legislation Amendment (Access Regime and NBN Companies) Bill 2015 before and there was a deathly silence from the Minister for Major Projects, Territories and Local Government sitting there. We very rarely see any animation from him. As the shadow minister said, those opposite have gutted this bill like a fish. They have stripped all the guts out of it, all the insides out of it.

The member for Higgins is here, replacing the colt from Kooyong—do not get me started. Here is another one playing fantasy frontbench late at night, working out when she is Prime Minister who is going to be a minister. Maybe the major projects minister will get the gig of Treasurer then and we will see some animation? At the moment it is only when you get onto telecommunications; that is the only time the mummy, the member for Bradfield, emerges from his crypt and wanders around. I have got to make sure I am talking about the amendments because those in the gallery would be fascinated to know all about the access to universal pricing and the like. They know they do not want to hear from the mummy again, the member for Bradfield, emerging from his crypt to the dispatch box to tell us all.

I have to confess I misled the House in my speech because I said that the Howard government had eight broadband plans. But you know what? It was 19. The member for Chifley tells me it was 19 plans over 11 years. What were they doing? Talk about being asleep at the wheel. Now we have their broadband bill after 2½ years. This is after the Prime Minister had been sent to destroy the National Broadband Network when he was the communications minister—that was his briefing note from the member for Warringah. Did you see them at the table last night at the anniversary of the Howard years? Instead of celebrating the 20-year anniversary of the Howard government, they could have been celebrating the 19 plans which did nothing for a national broadband network. There were some pretty uncomfortable camera shots there of them all sitting around the table.

I know, Deputy Speaker Goodenough, that you want me to speak about the amendments and I will be sure to because we do not want to remind the minister about how, when those opposite embarked on the copper plan, they started out with a costing of $29.5 billion and it
went to $56 billion. They promised that everybody would have the National Broadband Network by 2016. Here we are in 2016, but it is now going to be 2020.

For all of those in the gallery, the ability to run their small business and the ability of their child to download their homework and interact with the education system on the internet are diminished by this government's preoccupation with destroying a great national project. Now we see their first bill come into this place. You would think they had enough time to think about it after 2½ years but then the minister got up here and presented five amendments, destroying the integrity of this bill and all of their work over the last 2½ years. He got up here and gave a speech that lasted, what?

Mr Clare: There was no speech.

Mr CHAMPION: There was no speech? All right so there was no speech on these amendments and the only time we see any animation is when the minister lurches up here to pick on the poor old member for Shortland, who was just talking about her constituents and their need for broadband. How could that not relate to the amendments? Your time was consumed as well, Mr Deputy Speaker Goodenough. I am reminded by my good friend the member for Throsby—I kept on thinking about Port Kembla and steel as I am due to go to Port Kembla, but that is another story—of The Sydney Morning Herald's headline: 'Trials point to cheaper fibre option.' And you are embarking on a copper network and this hotchpotch of pay-TV cables. The minister comes here, gives no speech and guts the bill, because we all know they will end up building fibre. That is what they will end up doing, because that is the future option. That is what Labor was going to do and what everybody in the public wants you to do. But this government were so bent on destroying Labor's legacy that they embarked on a plan that is costlier, inhibits internet speeds and will cost the taxpayer dearly. The minister expects us to take all this lying down. We will not. We will stand up for the National Broadband Network.

Mr HUSIC (Chifley) (10:38): I take up the minister's invitation to address certain elements of the bill and the amendments. Through this debate we have constantly raised our concern about the prospect that universal wholesale pricing will be watered down and that this will lead to an exacerbation of what we are already concerned about—a digital divide, not just in the rollout of the network but in the pricing and people's ability to access broadband at the same price regardless of where they live in the country. That was the objective, the vision and the motivation: that we would not have the regions left behind either in terms of infrastructure or pricing. We have had these concerns and we have raised them through the debate in relation to the watering down of the safeguards and also the concern about pricing.

Through the course of the debate, too, we have raised the fact that the former CEO of nbn co has pointed out what he believes to be the cause of the $15 billion blow-out in this project, which is the emphasis on the HFC network and the fibre-to-the-node network that has been rolled out and the move away from what we had previously had in place. We have had some very serious concerns raised, as the member for Wakefield and the shadow minister for communications have raised, in relation to the article in The Sydney Morning Herald today, which indicated that there has been a trial. Pilots and trials are referred to in the amendments, but we have a pilot and trial here. This pilot and trial will use a new version of cabling that will allow fibre to the premises, yet we are not being told about it. Instead, we are having blow-outs on this project because of an alternative structuring of the project by the coalition
that has had an emphasis on HFC, which, as I indicated earlier, constituents have said to me does not work when a lot of people are on the network. We have a fibre-to-the-node network that is nowhere near achieving the reach that the coalition promised, and yet they are having pilots and trials of new systems that we are not being told about.

Nbn co flatly refused to respond to the issue raised in the leaked document about this trial, so this is the opportunity for the minister to tell the Australian parliament and the Australian people, are you going to move to a system we have long advocated, which is fibre to the premises, based on the savings achieved by this? If you are not, you are saying that you will continue to adopt the philosophy and approach which has led to this blow-out of $15 billion so far. It is this type of blow-out that is forcing you to put into this bill a requirement to water down universal pricing, because in effect you want the regions to pay more for broadband services because this is how you are making up the losses. You are accounting for the blow-out by changing the pricing, making the regions pay for your bad mistakes. Yet we have a trial that shows, through your own documents—this document shows it—that you are able to roll out this network along the same lines, of fibre to the premises, as we said, and you can do it cheaper.

We are happy if a way has been found to do it cheaper, because the reality is that, with infrastructure projects of this magnitude, as they rollout and progress you find ways to do things more efficiently and more cheaply. If that has been found, good. What you should be doing is delivering to the people of Australia what they want: faster broadband delivered through fibre to the premises. It can be done in a way that avoids the blow-out of $15 billion, avoids the watering down of the universal access pricing that will allow you to get the same wholesale pricing whether you are in a city or a region and would deliver to them a service they want.

What we want to know is this: if you are undertaking pilots and trials—you have done it in two spots in Australia already, Ballarat being one of them—tell the Australian people. You have the chance to tell them how you are changing the delivery of the service to make it efficient and cheaper and to do it in a way that people want. I certainly invite the minister to respond, because it is clear that they have been hiding these types of trials from view and refusing to be transparent about them.

**Mr STEPHEN JONES** (Throsby) (10:43): In considering the detail of the amendments and the bill before the House, it is important that we understand the history of the process that has led to this bill being before the House today. I take you back to the pre-election commitments that were made by the now Prime Minister, the then member for Wentworth, when he promised that he could deliver a national broadband network that his then leader did not believe in. Let us be very clear about this. His then leader did not believe in it because his then leader was committed to a style of politics that predates colour television. We are black, you are white; you are white, we are black; and unless it can be distilled down into three-word slogans—goodies and baddies, you are for us or against us—the then Leader of the Opposition—

**Mr Fletcher:** Mr Deputy Speaker, I rise on a point of order. The member must be relevant to an amendment before the House. He is not being relevant.

**The DEPUTY SPEAKER (Mr Goodenough):** I ask the member to be relevant.
Mr STEPHEN JONES: If members of this place are to cast a vote on the five enumerated schedules and the amendments they contain, they must understand the context of how these amendments have come before the House and how they have changed in their journey from the party room to the Senate and then to the House. I rather suspect that there are members of the National Party and regional members of the Liberal Party who do not even understand the changes that have been made to this bill from when it left their caucus room—when they all stuck their hands in the air and said to bush consumers, ‘I support higher prices for people living in regional and rural Australia.’ That is what they voted for in their party room.

They do not understand the changes that have been made as that bill went from the party room to the Senate and then from the Senate to this House today. It is important. We can be confident that the member for Bradfield, the shadow minister, will have no part in educating those members on his side on the bill they are voting for. So it is incumbent on members of this side of the House to provide some context and education to those poor, hapless members of the National Party and regional Liberals about the impact this bill is going to have upon their constituents.

Let us look at those issues. When the bill was before the Senate it had provisions within it which were wedded to ensuring that if you were a broadband client in regional and rural Australia, if you were one of the thousands of Australians who made a submission to the Regional Telecommunications Review and expressed your concerns about the impact of the failure of the government to deliver decent broadband services in the bush—Mr Deputy Speaker, I draw your attention to the report of the Regional Telecommunications Review. It is a very good report. It highlights the importance of having ubiquitous broadband services in the bush. If you are a farm based business or a regional based small business, broadband allows you to have broadband to access the markets in the supply chains of the world. It is absolutely critical. I know this because I have businesses in my electorate today who are making decisions about whether they move out of where they are currently based to an area where they have access to broadband—because of the abject failures of this government. That is why I go to the history of this bill—because it is incumbent upon this side of the House to explain to those hapless Nationals what they have supported.

The Vertigan committee was given the herculean task of providing some credibility, some evidence, to the pre-election commitments of the government. And it was a task equivalent to the cleaning of the Aegean stables! They have attempted to provide a factual basis about how the government could, with a scrap of credibility, destroy the engineering architecture of the National Broadband Network as well as the business model which underpinned it. They have failed. That is the background to this bill.

I want to emphasise that if you are living in regional and rural Australia, if you are trying to educate your kids, if you are trying to run a small home based business or just trying to have the social interactions that many of us take for granted, access to affordable broadband is critical—and these guys are against it. (Time expired)

Question agreed to.

Bill, as amended, agreed to.
Third Reading

Mr FLETCHER (Bradfield—Minister for Major Projects, Territories and Local Government and Assistant Cabinet Secretary) (10:48): by leave—I move:

That this bill be now read a third time.

Question agreed to.

Bill read a third time.

Tax and Superannuation Laws Amendment (2016 Measures No. 1) Bill 2016

Second Reading

Debate resumed on the motion:

That this bill be now read a second time.

Dr JENSEN (Tangney) (10:49): This legislation applies the OECD destination principle, which recommends consumption should be taxed in the destination country of the imported digital products or services. This measure is estimated to be a gain to GST revenue of $350 million over the forward estimates. Simultaneously, the GST system is also often not well adapted to the circumstances of foreign suppliers regarding their dealings with Australian based businesses. Therefore, in many cases, supplies between such entities result in little or no final GST being payable. This results in the current GST settings, which impose unnecessary obligations and compliance costs on foreign suppliers.

Schedule 2 of this bill amends the GST act to better target the way Australia's GST rules apply to cross-border supplies that involve nonresident entities. It seeks to avoid nonresidents being drawn into the Australian GST system unnecessarily, all the while maintaining the integrity of the GST base. Measure 2 is all about reducing inefficiencies and removing red tape to revitalise our tax system so that businesses can just get on with creating jobs and growth. Limiting when GST will apply to supplies involving nonresident businesses accomplishes this intent.

Small and local businesses are important and integral to our economy. These changes mean that certain supplies are no longer connected with the indirect tax zone, or ITZ, or are GST free. Unlike the changes in schedule 1 that bring into the tax base current supplies that are not taxed, this measure does not alter the GST tax base. Rather, the amendments relieve nonresident suppliers of the obligation to account for GST on certain supplies. The measure came from the Board of Taxation's review of the application of GST to cross-border transactions. They recognised that too many nonresidents were being drawn into the GST system on business-to-business transactions where it would make no difference. This places unnecessary compliance costs on nonresidents, leading to embedded taxation for Australian businesses.

This measure improves the balance between ensuring Australia's GST system does not unnecessarily draw in nonresidents and maintaining the existing GST base by updating the test for when an enterprise is carried on in the ITZ so that it is better aligned with key GST concepts and by relieving non-resident suppliers of the obligation to account for GST on certain supplies. This is achieved by shifting the responsibility for identifying and paying a GST liability to the recipient where the recipient is registered for GST and carries on an enterprise in the ITZ, switching off the GST liability for certain supplies between
nonresidents, extending the GST-free rules to certain supplies made to nonresidents and removing the GST registration requirements for nonresidents that only make GST-free supplies through an enterprise carried on outside the ITZ.

The amendments reduce compliance costs for GST-registered importers in calculating the value of taxable importations and simplify administration for the Australian Taxation Office. This allows them to focus on their principal job, which is ensuring compliance from those who should be remitting revenue to the Commonwealth. Together these two measures ensure that only those overseas businesses that should be in our GST system are in it and at the same time remove businesses that should not be caught in the system. These GST measures evidently show our government’s commitment to improving our tax system, making it more growth-friendly and adapting to the changing times.

In my electorate of Tangney over 90 per cent of businesses are small and local. My job as the elected member is to ensure that small and local businesses in my electorate are looked after. The changes put forward in this bill ensure that local businesses in my area are given a fair go. It allows small and local businesses in Tangney to compete on the same playing field as all cross-border companies.

It is our job as the government to provide equal opportunity for all businesses, whether that is online or on the street corner. As John F Kennedy so eloquently said:

All of us do not have equal talent, but all of us should have an equal opportunity to develop those talents.

Measures 1 and 2 of this bill guarantee that any businesses in my electorate, in Australia and online are given equal opportunity to develop and grow.

Schedule 3 of this bill, although unrelated to the other two matters, is just as important. It takes important steps to improve Australia’s taxation laws for primary producers. The changes reform the income tax treatment of farm management deposits by increasing their flexibility. This is an important and vital risk management tool for primary producers. It will aid and assist producers, giving them the ability to become more self-sufficient.

The changes were announced in the Agricultural competitiveness white paper on 4 July 2015 and are the result of extensive stakeholder feedback and consultation. FMDs will help Australian primary producers deal with uneven income between years. This frequently occurs as a result of weather variations, seasonal changes and natural disasters. Events like this are impossible to predict or plan for, in turn making it difficult to prepare financially. FMDs are an excellent example of how the tax system can be designed to fit the purpose and the needs of the taxpayers whom it should ultimately serve. Primary producers are an important and integral part of the Australian economy. They need to be safeguarded.

Farm management deposits assist primary producers with managing their financial risk by allowing them to set aside pretax income from primary production in a special account which can be drawn from in later years. Current restrictions placed on FMDs impair their effectiveness. However, this government is committed to continuously improving our tax system. These amendments double the maximum amount that can be held in FMDs by primary producers from $400,000 to $800,000. This change gives primary producers better flexibility to manage greater income instability with the funds they have set aside for when a downturn occurs.
Schedule 3 also allows primary producers who experience severe drought conditions to withdraw an amount held in an FMD within 12 months of a deposit. Previously, a declaration of exceptional circumstances would also allow for early access. However, this provision was removed when the farm household allowance was introduced, replacing a number of ad hoc forms of income support for primary producers. Now primary producers will be able to determine their eligibility by referring to rainfall data on the Australian Bureau of Agricultural and Resource Economics website at the time of withdrawal rather than waiting on ministerial decision.

We, the government, are determined to improve the tax system for the agricultural sector. We want to strengthen our approach to drought and risk management in order to facilitate more-effective risk management by primary producers. Agriculture is an important and vital part of the Australian economy. It is crucial that our tax system acknowledges this and gives primary producers a system that works for them.

In summary, both the GST amendments and the farm management deposit amendments respond to our changing economy and contemporary business needs. The first GST measure makes sure that overseas businesses pay GST on sales to Australian consumers; the second reduces red tape by removing from the GST system non-resident businesses which should not be brought in. Changes to the farm management deposits also reduce red tape, this time for primary producers, and create greater flexibility to manage their FMDs.

Our world is continually growing and changing. Technology has drastically changed the way our world communicates and operates. Ronald Reagan aptly said:

There are no great limits to growth because there are no limits of human intelligence, imagination, and wonder.

Our economy is growing and changing too. We need a tax system which reflects these real and tangible changes—a system which prepares today for the changes and problems of tomorrow. Our tax system must recognise and acknowledge that there is no great limit.

Mr HUSIC (Chifley) (10:59): When you think about the level of seriousness that has been attached to the Tax and Superannuation Laws Amendment (2016 Measures No. 1) Bill 2016, it is really a sad joke. This is a bill that has sought, in many respects, to be a fig leaf. In the whole debate about multinational tax reform, people were asking the coalition: ‘What are you going to do about the way in which multinationals game different tax systems all over the globe? What's your response?’ The coalition's response is, effectively, to target the 15-year-old who downloads a video or some other person who is getting some other digital product and to apply the GST to it—as if targeting a music download or a video download and applying the GST to it is the big answer and will fix multinational tax issues that are confronting the nation. It is simply a joke that that is the big answer in all of this. Yes, it will raise some money, no doubt. Yes, it is important that we find different ways to improve revenue. But, if reliance on this is evidence of a government's commitment to tackle the big, pressing problem of the complete erosion of revenue as a result of multinationals gaming taxation systems in the world, it is just a joke. It is symptomatic of a government that is not really committed to this issue.

Labor has put forward a series of policies designed to address this. In fact, we believe that our policies would raise more than $7 billion through the measures that we put forward, not the least of which would increase resources to the ATO to enable better compliance.
Targeting the 15-year-old who finds something cheaper on the internet and downloads it and hitting them with a GST—and this is apparently massive GST reform—is, as I said before, laughable.

What is also laughable is the speed at which the government took up this option. There have been concerns for quite some time about the way in which many of these large companies have gamed taxation systems, engaged in profit shifting and used transfer pricing to help themselves. Not only that but those acts—the use of transfer pricing and, in effect, profit shifting—have themselves impacted on Australian general consumers and small businesses. For years, we have been raising the issue of the way in which these companies set their pricing and overcharged Australian consumers and small businesses. In fact, a report went to the then Minister for Communications, now the Prime Minister, indicating that Australians were being ripped off and that we were paying, in some cases, 50 per cent or, in some cases, 200 per cent more. These prices reflect the way in which major companies charge their subsidiaries for product knowing that, if they charge in a particular way and the local entity does not make a profit, they will not be required to pay tax at a particular level. They will be able to sidestep the obligations expected of them by the way that they structure themselves.

The government have moved super-fast to charge some 15-year-old for downloading music and not having a GST applied to it—they have said, 'Well, we fixed that'—but what about the pricing overall? They have not dealt at all with those pricing issues that inject a level of inflation into the broader system. Their only answer has been: 'We're going to get those big multinationals. We're going to charge them GST.' That is not even half the job done properly.

It is all cosmetics. As is often the case with the government, it is all about the style; it is never about the substance. I think of the government and the way in which the Prime Minister has used his massive popularity. He has used the popularity of the government to, effectively, transform the government into a petting zoo. That is the equivalent of what they have done. This is a much cuter version of a government compared to the last lot. The last lot were the equivalent of a snake farm, and no-one really wanted to hang around them. Now they have brought in the petting zoo, with all these new, cute faces that they think will be there to answer for them. But, in most instances, when you turn to a petting zoo for a decision, they just blink back—they have no answer—and that is what we have got from the government.

Every time there is a hard decision to be made, they do not want to sacrifice their popularity. They do not want to sacrifice feeling good about the way they are.

Mr Hunt interjecting—

Mr HUSIC: I will take the interjection from the bestest minister in the world and thank him for it. Congratulations—

Mr Hunt: I think you are the best shadow parliamentary secretary in the world. We're batting for you.

The DEPUTY SPEAKER (Mr Goodenough): Order!

Mr HUSIC: That is equally high praise, Minister, as that praise of your good self. I thank you very much for it, world's bestest minister. Thank you very much.

Ms O'Dwyer interjecting—
Mr HUSIC: And, Assistant Treasurer, you have been notable in your performance in the last two weeks as well.

The problem with the government is that it is all about style. It is never about the hard decisions, and, when it is about the hard decisions, it is about the hard decision to take a scare campaign to the next level. That is why we get this type of flimsy proposed legislation put before us. We are not going to oppose it—of course not; it is about additional revenue—but, if they were fair dinkum about tackling this problem, they would look to the pricing that has been foisted upon Australian consumers and small businesses and the way in which they have been hit by the pricing approach that has been used. We do not get that; it is wrong.

I note in the chamber the presence of the member for Hughes, who, while we have differences of opinion, I know is a very strong advocate for small business with his previous advocacy background and the representational positions that he held. I am surprised that, on their side, they have not taken this issue up with gusto. I do have to say, though, that the member for Ryan, when she was a member of the Standing Committee on Infrastructure and Communications earlier in this parliament, also expressed concerns about the way in which pricing was handled by those big tech giants that operate in this country—but, again, nothing was done. Like I said, Malcolm Turnbull, the Prime Minister, the member for Wentworth, sat on that report when he was the communications minister. He did not respond to a parliamentary committee inquiry that detailed evidence of these higher costs. He has not taken any action to reduce those costs and see those costs flow through the broader economy, but the government moved super-fast to demonstrate, in some weak, limp effort, that they are tackling multinationals. Their big response is: 'We're going to impose the GST'. They hit young people who are accessing the internet to have digital downloads of the types of products and services that they want. As I said, it is simply farcical.

We will see if evidence demonstrates that their moves, for instance, to lower the threshold at which the GST is paid bring in more revenue than the cost of actually enforcing the system. Let us see if that works. A 2009 Productivity Commission report suggested you would not be able to achieve that. Let us see if they actually come through with the goods and are able to make more money out of lowering the threshold than the costs attributed to being able to follow this up. I remain a sceptic as to whether or not that will occur. Bear in mind that when they drop that threshold they are doing it to tax people more—this is from a government that said they were about lower taxes, not higher taxes. They will prevent people from being able to search out savings online for products and services they want, because they have now extended the breadth of the GST to that activity. So they are making people pay more and breaking a promise about lower taxes in the meantime.

Retailers will, obviously, cheer it. I have had a difference of opinion with retailers about this for some time. The internet has been able to completely smash the way in which production and distribution occur and has been able to deliver lower prices. That is the impact of disruption: changing the way that businesses work and delivering services at cheaper cost. From a government that is supposed to be pro-innovation and, particularly, from a Prime Minister that is supposed to be a champion of innovation, we often see decisions being taken that fly in the face of innovation. We have said that we will not stand in the way of this bill. We will support it, but I wish there was as much vigour to stand up for people.
This is quite unfair for young Australians who do not get a vote. They expect us to take decisions and actions that will help them at a time when they do not have the vote, because they cannot change a government on the basis of inaction, or action in particular ways that hurt them. Young Australians would expect that we would be able to deliver for them. Given the constraints on their disposable income, they use the internet to access products and services and digital downloads at a price that is cheaper for them. It would be nice to see a government actually stand up for those people who do not have a vote; not just chase votes but do the right thing for all Australians, regardless of their ability to cast a vote. I certainly would expect that the government do that and stand up for them, but, as evidence has shown, as history has shown, as their track record has shown, the government do not do it. The government figure young people do not have a vote, so they do not have to work hard for them at all. That is unacceptable. I have continually raised this issue on their behalf because I want to give them a voice in this place when they have had those concerns. I also want to give a voice to small businesses. When they look overseas and see the types of products that can be accessed online and at a price way cheaper than they have been charged here in Australia, I would imagine small businesses deserve a fairer go as well.

I will leave my comments at that. But, again, I call on the government to respond to the Productivity Commission report. It has been out for years, and those opposite have done absolutely nothing on it.

Ms PRICE (Durack) (11:11): Another end to a sitting week and yet another bill where I stand here in this chamber speaking about how the Turnbull government is fixing up the mess left by those on the other side. It bears repeating once again that it was a $310 billion bill, plus $123 billion in projected deficits in the following four financial years.

I am very pleased today to rise to speak on the Taxation and Superannuation Laws Amendment (2016 Measures No. 1) Bill 2016. This measure will extend GST to digital products and other services imported by consumers, simplify the GST cross-border business-to-business rules and double the maximum amount that can be held in farm management deposits to $800,000, which, of course, is great news for the hardworking farmers in Wheatbelt and the Mid West in my electorate of Durack.

Consultancy services, accountancy and legal services, financial and insurance services, telecommunications and broadcasting services, online supplies of software and software maintenance, and online gambling are all products which will now pay their fair share of GST under the measure we are discussing today. This bill will create a more level playing field for Australian businesses, ensuring that digital products and services will be subject to the same GST treatment.

Members sitting on this side of the chamber really understand the bush. Recently, I highlighted the work that the Turnbull government is doing in education in the country, such as a 42 per cent increase over the next four years in WA schools and the recent youth allowance reform, which will enable more regional, rural and remote students to further their education at tertiary level.

As well as cleaning up the financial mess that was left by the Labor Party, only members on this side of the chamber will provide the funding that is needed to educate Australia. The measure we are discussing today will go a long way to assist farmers in regional and rural towns of the Mid West and Wheatbelt, as agricultural businesses make up 26 per cent of small
businesses in my electorate of Durack. As well as doubling the farm management deposits, this measure will also allow primary producers who are experiencing severe drought conditions to withdraw an amount that has been held in a farm management deposit for less than 12 months, without affecting the income tax treatment of the farm management deposit in the earlier income year.

In a further boost to farmers, not just in Durack but, of course, right across Australia, this measure will also allow amounts held in farm management deposits to offset a loan or other debts relating to farm management deposit holders’ primary production business. Farm management deposits, as you well know, Deputy Speaker Goodenough, are a risk-management tool to help primary producers deal with uneven income between years, allowing eligible primary producers to set aside pre-tax income from primary production in a special account, which can be drawn upon in later years when times are tougher. Often, those times are much sooner than a farmer would expect them to be.

As I said earlier, it is unfair that international businesses selling goods to Australians do so without paying GST. It is a smack in the face to hardworking Australian business women and men and the nearly 13,500 small businesses, according to the Australian Bureau of Statistics, that are in my electorate. The Turnbull government understands this, and my message to the Australian business community is this: we will look after you because we understand you.

This measure we are discussing will bring in an estimated $350 million over the forward estimates—consisting of $150 million in 2017-18 and $200 million in 2018-19—to the federal government’s coffers. This is yet another example of the Turnbull government’s sound economic management, something which those opposite have failed to demonstrate that they understand.

As we heard from Treasurer Scott Morrison at his National Press Club speech recently, the economy is transitioning well out of the mining boom, with 298,300 new jobs added in the 12 months to January. This complements the government’s record in 2015, which saw a 10-year high of 301,300 new jobs created. I am very pleased to say that the annual jobs growth rate of 2.6 per cent is well above the decade average of 1.8 per cent. In the last two years, under the leadership of Trade Minister Andrew Robb, this government has signed the historic free trade agreements with Korea and China, and we know that the Trans-Pacific Partnership will also be a tonic to the improving economic statistics I have just mentioned.

When those opposite were running the show, employment growth was a measly 1,900 per month, with an annual growth rate of only 0.2 per cent. Compare that to this government’s record, where jobs growth has been more than 10 times that amount. More than 25,100 jobs have been created per month since we were elected, with an annual growth rate of 2.6 per cent. Job advertisements are at their highest level since July 2012, increasing by 11 per cent over the past year, according to ANZ. This side is truly working to identify ways we can make our tax system more job- and growth-friendly.

Those opposite—well, we have heard what they have been talking about lately; namely, their fabulous negative gearing policy, which will remove around one-third of the demand for established property, killing the value of homes, some of which have been in Durack families for hundreds of years. We think it has been poorly thought out, but do not take our word for it. I am interested in the report that was released by BIS Shrapnel just recently. This is what they say about the Labor Party’s negative gearing policy. They say it will raise rents by 10 per cent;
push 70,000 extra households into housing rental stress; result in four per cent fewer new homes being built; shrink GDP by $19 billion per year, on average, or one per cent of GDP—not to be sneezed at; result in 175,000 fewer jobs, increasing the unemployment rate by 0.1 per cent; and reduce government revenue by $1.65 billion per year.

This will no doubt decrease consumer confidence and growth, and, as I have said, it is going to smash house prices. So I stand here and I say very loudly and clearly that I do not support any changes whatsoever to negative gearing. I say that because, in Durack, we have double the national average of negative gearers—people in the mining industry, farmers, investors, in Geraldton, in Broome and in other towns, and there are many more that plan to do so. Through negative gearing, or their plan to negative gear, they want to create a nest egg for themselves and their families for the future. That is enough about negative gearing.

Despite the opposite side’s scare campaign on the GST, we have said very clearly that this government is not seeking to increase the GST. Treasury modelling shows that raising the GST, in exchange for lowering income tax, will not deliver significantly higher GDP growth. However, our ideas will oversee the expansion of the Australian economic pie. The National Innovation and Science Agenda has been warmly welcomed in Durack. This agenda will help to create a more modern, dynamic economy, which Australia desperately needs. We have announced 24 measures, involving $1.1 billion of spending, to create well-paid jobs and help Australia compete globally, encouraging every business across the country to be more innovative, entrepreneurial and prepared to take risks.

In conclusion, only this government will create the jobs for the future as well as ensuring hardworking Australians pay the least tax possible, with our debt reduction management. The bill we are discussing today will reap a predicted $350 million from international companies, lessening the Australian taxpayers’ burden. It will also assist my farmers in the Mid West and the Wheatbelt, who need this helping hand from the government. I commend this bill to the House.

Ms OWENS (Parramatta) (11:20): I am really pleased to be able to speak on the Tax and Superannuation Laws Amendment (2016 Measures No. 1) Bill 2016 today, particularly schedules 1 and 2, which are known around town, in the media, as the Netflix tax. It reminds me of the time when the GST was first introduced and I was in the music business. We were well and truly into international trade of intangible assets, and I remember at the time sitting down with my colleagues and wondering, with the way the world was changing, how on earth the GST would even be applicable in what we thought would be five or 10 years, but it turns out to have been a little slower than that.

This bill deals with the changes in the Australian economy in the last two decades, really, but certainly in the 15 years since the Liberals introduced the GST in the year 2000. It attempts to introduce collection of GST on intangible goods, but unfortunately the bill does not define how that will actually happen. So, while it is good in principle and Labor believes we do need to level the playing field, it is questionable whether or not it is actually enforceable at all, and we will be referring these sections to a Senate inquiry to investigate just that point.

I want to take the House back to the state of the industry in 1998, when the then Howard government campaigned on the GST, and in 1999 and 2000, to give an indication of how long this eroding of the tax base and unlevelling of the playing field between Australian companies
and international companies has been heading our way. I remember talking to David Bradbury when he was Assistant Treasurer, in this chamber, sitting on that side during a division, when the percentage of international sales was about five per cent. I remember saying to him: 'It's going to be 10, it's going to be 15, it's going to be 20, it's going to be 25. At the moment it would cost more to collect it than it would raise, but it's going to be a very short time before that changes.' That was apparent back in 1999 for those of us who were already working in the field that led some of the international sales of intangible assets.

The Internet Underground Music Archive, which anybody younger than me—probably a little older than Kate—would remember, was started by a group of kids at the California university in 1993. It was so large it crashed the US systems. Kids were using it so prolifically that every college in the US had to ban the downloading of music, because 60 per cent of downloads in the US in 1993, 1994 and 1995 were music. That is how big it was in 1993. I had one of the founders, Jeff Patterson—I swear he was 12, but I think he was about 18—over to Australia to talk at our national conference on music and the internet in about 1995. By that stage this trend of MP3 download was so huge it was already disrupting the entire music sector—and that was a good six or seven years before the introduction of the GST.

We had already had Bill Kreutzmann out for another forum on music and the internet. He is the drummer from the Grateful Dead. The Grateful Dead was still the biggest-grossing live band in the world, so that must have been before 1995. I think Jerry Garcia died in 1995, so it must have been in the early nineties—I know I had to scrounge for that one! The whole purpose of their talk here was that the Grateful Dead had used the internet. Unlike everyone else, who were so scared, they allowed people to bring cameras in, record their concerts, bootleg them, put them online and sell them any way they wanted to. They encouraged that kind of activity and they remained the biggest-grossing live band in the world. You could already see the beginning of a change in how companies marketed their work.

By the time the GST was actually introduced, Napster had 80 million registered subscribers. It lasted only a couple of years because of copyright issues—and at that stage they were not selling—but it absolutely demonstrated how quickly the world was going to change because the technology made it possible for that early peer-to-peer platform. That is what Napster was: a very early version of what we now hail as something new, which is peer-to-peer—80 million registered subscribers to Napster by the time we introduced the GST. We introduced a GST at a time when it was going to become very difficult to collect tax that way because the world was changing very fast.

Alison Wenham, who was my equivalent in the UK—she was the head of the UK Association of Independent Music—had already come over and met with me to talk about a click-and-drag, cross-border copyright management system that would allow a person in Australia to go to the central website, click on a song and drag it to the Australian continent, and that would form the contract; that would be it. Everything else would be done behind that scene—the payment of royalties. It was incredibly forward thinking by Alison. The UK put funding into it. We started building the Australian national music database to prepare for that future. We started doing that around the same time as John Howard was introducing the GST. Again, those of us who were in the music industry knew that the world was changing very fast and it was only going to be a matter of time before this GST notion of a trader and a purchaser
being in the same country would disappear very quickly. We knew that digital sales were
going to go through the roof.

If you thought that was really going to change the world, the UK independents and all the
copyrighters have now built their copyright hub. They have built a hub, which is an industry
owned open data portal, where any piece of copyright—including a photo you put on
Facebook—can be registered and traded through click and drag. They have done it. Once that
system expands into other territories—and I know the Australian copyright owners are very
keen to adopt it as well—there will be an open data system of copyright ownership that will
allow an infinite number of small companies to come on and trade in intangible assets of all
kinds and in all sorts of ways that we have not even thought of. So, if you think what is
happening now is exploding, that is nothing compared with what is going to happen when this
very forward-thinking sector—who has been working in the international trade of intangible
assets for close to 30 years—gets this large international open data portal up and running. It
will explode. It will make a trade in intangibles possible in ways that it currently is not
because the difficulty of tracking down copyright ownership and going through the process of
getting the right owner et cetera is incredibly complex. This will turbocharge the trade in
intangible assets.

At AIRLA—Australian Independent Record Labels Association—as I said, we were well
on the way to building the national music database. We had already negotiated a deal with an
online distributor that allowed any self-released artist to sell online. We had buy buttons
available and a distributer set-up, which meant that all the difficulties in payment at the time
were gone. We set-up that system and the database ready for MP3. We were ready to go then.
We were sitting there watching a GST come in, which could not have captured what we were
talking about even then. Even then legislation lagged behind what the sector was doing in an
extraordinary way.

It was in many ways a really exciting time to be alive for those of us who were pushing the
future and those of us who were champing at the bit to get to this high-speed transfer. I have
said before in this chamber that I asked a tradie to put the ducts and the drawstrings in for
fibre when I renovated an office building because I was so ready. As soon as the fibre arrived
I wanted it. That was in 1984, and I was ready. Then I waited through the rest of the Hawke-
Keating years, then I waited through the Howard years, and then I heard Kevin Rudd talking
about the NBN and I thought, 'Finally!' That building is demolished now, but I thought that I
might finally get the fibre I had been waiting for since 1984. Then we had a government
change and my suburb was taken off the plan and still is not on it. So I am still waiting, some
30 years later. The ducting is gone now.

Many in the music and film industry had been waiting for this. By the year 2000
composers, musicians and post-production people in film were already doing the overnight
shift for the US. They were already sending over to Australia the footage they had shot during
the day, and it was having soundtracks, editing and everything done in our day and then sent
back. They were starting to work 24-hour production shifts on the back of that possibility. We
knew that that was only going to grow. We knew that it was not going to be only intangible
assets like music and film but also the transfer of labour and skills, and we knew that it was
going to come very fast. I had already done my first soundtrack for German cable that way by
2000. Again, it was a world that was changing rapidly. Globalisation in the music and film
industry was not about goods and services; it was about the genuine mixing of supply chains—and not the global supply chain in goods and services that we talk about now but the global supply chain in skills, which we are not talking about yet. That is on its way and has been on its way since 1994-95. When we talk about the GST problems in the sale of intangible goods we should also be talking about the transfer across borders—in fact the demolition of borders in terms of the transfer of labour.

Elance—the precursor to Upwork—was founded in 1999. It partnered with oDesk a few years later and created Upwork, which is one of the biggest online portals for freelancers. If you have not had a look, it is quite extraordinary. It literally takes down all borders for freelance work. All borders are gone. Finding skill wherever it is, and using it and paying for it is now as easy as looking something up in the yellow pages used to be. In fact, it is easier; it is incredibly easy. That existed in 1999. The technology and the possibility for those global skill chains, which we are still only seeing developed now, was already there when the GST was introduced. It will be really interesting to see how governments respond to that when it comes to collecting tax. It will be really interesting to see how governments respond to that.

It is good to see the government beginning to act on this. I think they will find it is a much harder tax reform, and it is actually genuine tax reform if it is done properly. I am not sure this is that. It is going to be much harder than they think. Trade online is not a shop. In fact, it will not necessarily be even one business anymore. We see the capacity of peer-to-peer trade changing the whole nature of what a seller is—as you can see through the Airbnb and Uber style portals. They are really just the beginning. They are very close to what we already have. When it genuinely gets going, sales will not necessarily be between Myer and a customer. This legislation treats the collection of GST on intangible products as if that is what we are talking about. We are not. In future years, in a very short period of time, we will see transactions online explode out of a small number of companies and through intermediaries in ways that we cannot imagine.

I would seriously ask the government to consider this. What they have done already is a good start. It is hard to see how they are going to make it stick. It is hard to see how they are going to check it, let alone enforce it. But it is at least an attempt to recognise that there is a major issue looming for small businesses that will find it difficult to compete when we have a tax regime which is different from those they compete with elsewhere. It will erode our tax base much faster than we expect. Congratulations to the government for identifying it, even though it is now 2½ years since they did. Two-and-a-half years is a long time in this business—Napster had 80 million subscribers in two years. It is good to see them starting to move but, my goodness, it needs more work than this. It needs a way of dealing with the flow of money across international borders for intangible services of all kinds, including labour, in ways that are not caught in our current tax system and that put our local businesses at a disadvantage to those that are using those free-flowing international channels. Still, it is a start and I thank the government for that.

Mr CRAIG KELLY (Hughes) (11:35): I am pleased to rise this morning to speak on the Tax and Superannuation Laws Amendment (2016 Measures No. 1) Bill 2016. There are three schedules in the bill. The first schedule is ‘tax integrity: extending GST to digital products and other services imported by consumers’. The second schedule deals with GST treatment of
cross-border transactions between businesses, and the third schedule is changes to the farm management deposit scheme.

Before I get into some of the nitty-gritty of the bill, I would like to respond to a few comments made by other members during the debate on this bill. I will start with the contribution of the member for Melbourne. The member for Melbourne was talking about how he had to go to five or six auctions before buying a house. He talked about other buyers who were part of a tax scheme that allowed them to rent it out—meaning the residential property that they were purchasing—at a lower rent. The member for Melbourne is exactly correct, because if we remove negative gearing you will get higher rents. It is the fact that we allow negative gearing that rents are lower in this country than they would otherwise be. Backing up the member for Melbourne's assumption that this leads to lower rents, this is exactly what we have seen overnight in the BIS Shrapnel report. They found that if this country were to adopt Labor's policy of repealing the ability of individuals to use negative gearing, it would result in capital city rents increasing by up to 10 per cent. BIS Shrapnel said: 'The policy intervention'—that is, Labor's changes to negative gearing—'would raise rents.' For anyone listening to this: if Labor were to be elected to government later this year and they implemented this policy, BIS Shrapnel say rents would increase on average across this nation by $2,600. How are people going to find another $2,600? That will be the outcome of Labor's policy.

At the moment in Sydney the median rental is $510 a week per property. If negative gearing were to be taken away, to compensate for the losses landlords would need to raise rents in Sydney by $73 a week for the median rent. I ask the constituents of my electorate who are renting to consider that the election of a Labor government would see their rents increase by $73. This is a finding from one of the nation's most respected economic-modelling companies.

The member for Melbourne was complaining about housing prices and having to go to five or six auctions. He fails to understand that policies from Greens- and Labor-controlled state councils and governments, year after year after year, have simply failed to release enough land. The problem with housing affordability is not because of negative gearing but because of supply. It is simple economics. We know what the demand will be. We know there will be more demand for housing in this nation every year.

Demand from our immigration policy, demand from overseas and demand from our population will see an increase in demand every year. But the supply is not allowed to respond like a normal market would to meet that increase in demand because of all the artificial restraints from Labor- and Greens-controlled state councils and local governments. For a member of the Greens to come into this parliament and whinge about how difficult it was for him to get into the housing market and to blame negative gearing is simply missing the point. The point is we must fix the issues of supply to deal with the housing affordability crisis, not play with negative gearing.

A lot is said about negative gearing. I found a quote from former Treasurer Peter Costello. One day after the 20th anniversary of the election of the Howard government in 1996, the government that brought so much prosperity and wealth to this country, I thought it worthwhile to quote the former Treasurer. He said:

When I was treasurer we looked at all of these things—

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referring to negative gearing—
and the basic principle of the tax law is this—if you have an expenditure, a necessary expenditure, incurred in the course of producing income that expenditure is deductible.
The cost of interest is a necessary expenditure in the course of producing a rent return from a particular asset. Former Treasurer Costello also said:
Expenditures are deductible against income that is the basic principle of our tax law.
What Labor want to do is change all that, put all these distortions in without dealing with the main problem which is supply, supply, supply, supply. We have seen the damage that this would cause.
Also in this debate we had the speech from the shadow Assistant Treasurer, the member for Fraser, in which he rabbited on and said, 'We have announced measures on housing affordability which will boost housing supply.' Wrong. The BIS Shrapnel report has shown the exact opposite. This would not be the first time we have seen that the effect of a Labor policy is completely the opposite to what they think it would be. The shadow Assistant Treasurer says their policy will boost housing supply. Far from boosting supply, the BIS Shrapnel report says of Labor's policy: 'At the end of a 10-year horizon'—this is after the implementation of Labor's policy—the market would find a new normal but the legacy would be a lost decade. The dwelling stock deficiency will be 60,000 homes instead of 20,000.'
So we are going to see a decline in housing construction of 7,200 new houses per year. The shadow Assistant Treasurer could not be more wrong. If Labor's policy will cost 7,200 new houses not being built, just think of all the jobs that that will affect. Think of the carpet-layers, the kitchen-makers, the plumbers, the builders, the electricians, the landscapers, the tilers, the painters and so on who will not have work. The BIS Shrapnel report estimates that as a result of Labor's ill-conceived and ill-thought out policy, the net job loss over the next decade will be 175,000. This is complete insanity, but this is the policy of the Labor Party of Australia.
The shadow Assistant Treasurer talks about 'improving housing affordability' and 'helping young Australians attain the dream of owning their own home.' He says that Labor's policies on negative gearing and capital gains tax will deliver $32 billion to budget over the next decade—but he is dead wrong again. The BIS Shrapnel report estimates that, yes, if Labor introduce these changes, at first they will get an extra $2.1 billion a year—you beauty; the Labor Party can spend that over and over again—but they also calculated the secondary effects. They said that, firstly, there would be a loss to government revenue of $1.8 billion from a drop-off in building activity. So we get $2.1 billion but we lose $1.8 billion in revenue. So we are only $300 million in front. But then we have to add an extra $1.95 billion loss on lower tax receipts, lower stamp duties, lower GST receipts, lower council rates and lower land tax receipts. When all these are taken into account, we do not end up with more revenue; we end up with less. We actually end up with a cost to the budget of $1.65 billion a year.
So here we have classic Labor policy, thinking, 'This is great; we'll get all this extra revenue that we can then go and spend'tax and spend, tax and spend—but the damage that they will do to the economy will have a negative effect on revenue. So, at the end of the day, the money flowing into the government's treasury will be $1.65 billion less than if they had not implemented this policy. It just goes on and on and on. We have seen this before from the Labor Party. We saw this during their six years of government—poorly thought through policy brought in on the run. We saw it with the BER, we saw it with green loans schemes,
we saw it with the carbon tax and we saw it with the mining tax. I could go on and on and on about their ill-conceived policies, damaging the very people they think they are helping. History is repeating itself with the current Labor policy. The Labor Party's change to negative gearing—which was brought up by the member for Fraser during debate on this bill—will damage the economy. The risk to our economic prosperity should now be crystal clear to every single Australian.

We have this economy on the right track. We saw yesterday GDP growth in this nation hitting three per cent for the last year. That places us above every single G7 nation. We are well above the average of the OECD nations. In addition, over the last two years, we have seen 400,000 new jobs created in this economy—not created by government, but created by business, and mainly small business, because we have been getting the economic settings right to encourage them to go out and take risks. What do the Labor Party want to do to those people we have encouraged to take risks, to start new businesses and to try new ideas? They want to increase the capital gains tax. They want to slug the very people out there in our society creating wealth, taking risks and creating new jobs with a 50 per cent hit in capital gains tax.

What is quite tragic in this is that it is clear that many in the Labor Party simply do not understand the capital gains tax system in this country. That was shown during this debate, when we heard the member for Melbourne talk about a capital gains discount at the end of it. The 50 per cent allowance on capital gains tax is not a discount. That came about from a change made back in 1999. The simple principle of a capital gain is that it is only the gain you get over and above the rate of inflation. So, if you bought an asset for a million dollars in the year 2000, with the rate of inflation, you would need a 50 per cent increase just to keep up with the rate of inflation. It is only anything above that that is true capital gain. That is how we used to tax capital gains in this country. We have taken away that allowance for inflation but the offset is that you now get a 50 per cent reduction on the tax rate that you pay. It is simple economics 101—something this Labor Party simply do not understand.

Mr STEPHEN JONES (Throsby) (11:50): It is a great pleasure to be speaking on the Tax and Superannuation Laws Amendment (2016 Measures No. 1) Bill 2016, which concerns taxation and superannuation laws amendments. I want to start by making an observation. If the rumours sweeping their way around this building are true, we have no more than five sitting days between now and the next federal election. That is right: the speculation running rife around this building is that the government are going to rush to a double dissolution election after having secured the agreement of the Greens to their Senate voting reform bill; that they are going to basically gag the proceedings of the parliament immediately after or immediately before budget day and then rush to the polls.

You would think that, if a government had a plan such as this, after three years, they would have an economic story, an economic plan, for the country. But, sadly, this is not the case. You have a 'push me-pull you' approach, where you have half the Liberal Party caucus running in one direction and half the Liberal Party caucus running in the other direction. Of course, we cannot be blaming them for that, because their elders and betters, half the cabinet, are running in one direction on this and half the cabinet are running in the other direction on this. They are divided when it comes to taxation and they are divided when it comes to what you do with the money that you collect as a government.
We have a Prime Minister who is like a man in a room. He knows that he has to get out of that room, but he is busy going around closing off every door and every window that is a path out of the room he finds himself trapped in.

We know that there is a way forward for this country, and we have carefully prepared the policies and are rolling them out and explaining them to the Australian people. Before the last election the government promised us there would be a tax white paper within two years of the new government. The white paper was meant to be a clear and concise explanation of the government's views on this admittedly complex matter. But it is little wonder that they are unable to put that down on paper, because they cannot explain their views. They cannot even agree on the taxation reforms.

The government have spent over a million dollars in consultation fees. They like to talk about waste and mismanagement. Here is a place where they might start: over a million dollars in consultants' fees to produce a tax white paper that will never see the light of day. The finance minister has now described it as 'stationery'. The Treasury secretary, John Fraser, said that he was 'waiting for further direction from the government'. He is a man waiting for Godot. There is still no white paper, because the government are so hopelessly divided that they cannot agree on what they want to do, despite the fact that they received over 800 community and business group submissions. Not surprisingly, these groups are all disappointed at the government's inaction, and Australians are still none the wiser on what the government will decide to do. But, worse still, the Prime Minister and the Treasurer are none the wiser on where they are going to go when it comes to tax reform on this important issue.

Let us deal with the GST. Malcolm Turnbull and co.—the Prime Minister and co.—were keen on having a wide-ranging conversation about tax, but it was a conversation that began and ended with the GST. A proposal for an increase in the GST was being strongly floated and we know was seriously discussed with state premiers and chief ministers around the country. There was speculation about a 50 per cent increase in the GST, which would add 15 per cent to the price of everything, being possible and about broadening the tax base to food, to medicine and even to drinking water. The Prime Minister—we are yet to find out what he does believe or what convictions he maintains on any of these issues—appears to have been spooked by what the Treasurer describes as 'the bedwetters on his backbench' and, after months of deliberation, that one has been ditched as well. At least for now.

Multinational tax avoidance is something that we believe we need to address. We believe we have a problem with base erosion. On one day the government will say, 'We don't have a revenue problem; we've got a spending problem,' and on the other day they will say, 'We've got a revenue problem; we really need to do something about it.' We understand that there needs to be fiscal discipline, which is why we have put in place a range of savings measures, but we also believe there is an issue with base erosion.

First and foremost the area that we need to look at is multinational tax avoidance. Almost 600 of the largest companies operating in Australia did not pay income tax in the 2013-14 financial year. I want to repeat that for all of those hard-working pay-as-you-earn taxpayers, who would be devastated to know, that over 600 of the country's largest companies did not pay income tax in 2013-14. So after talking a big game, the Abbott and now Turnbull government have delivered literally nothing when it comes to multinational tax avoidance. We were promised a comprehensive tax reform that would see the big end of town pay their
fair share, but instead the government's own budget papers have a series of asterisks where revenue estimates should be. That is right. They talk a big game when it comes to multinational tax reform, but when we asked them—and, in fact, when the budget processes mandate—in place of their estimates of the revenue that will be gained by their tax changes over the forwards we have asterisks. That is the budgetary equivalent of crickets.

They have not even bothered to predict how much money they are going to raise, because they know they would be held accountable to their dodgy claims and accounting practices. In contrast, Labor's plan, which has been independently costed, will deliver $7.2 billion to the budget bottom line. Under Labor multinational companies will no longer be able to claim up to 60 per cent debt-to-equity ratio for their Australian operations; instead, we will use their global debt-to-equity ratio. We will be cracking down on the common practice of cost shifting from a reasonable tax jurisdiction like Australia to a low- or no-tax jurisdiction, effectively shifting the tax burden to those wage and salary earners who are doing the right thing. Labor will standardise our tax laws with other countries so that companies cannot double dip. A Labor government will improve compliance with the ATO by ensuring that it is properly funded to do the job that all Australians expect it to do.

Labor will also increase the effort when it comes to data matching. We are going to bring forward third-party reporting and data matching early to improve compliance when it comes to tax payment. The Turnbull government have been too scared to take on the challenge of closing the loopholes for multinational tax avoidance. Worse still, on the final sitting day of last year the Turnbull government did a dirty deal with the Greens political party—they trashed tax transparency laws, taking two out of every three private companies out of the tax transparency net. That is right—two out of every three private companies have now been relieved of their obligation to have some tax transparency when it comes to disclosure.

The Prime Minister and the Treasurer—divided, clueless and with no vision for tax reform in this country—surely cannot be trusted with the future of our economy. They cannot even be trusted with each other! When it comes to superannuation the government still have no plan about what they are doing in this area, either. It is often the case that people give their most honest speeches in their last appearance in this place. We had the former Treasurer, the former member for North Sydney, single out this and capital gains tax as areas that are desperately in need of reform. There are 475 people with superannuation balances in excess of $10 million who are earning tax-free income of about $1.5 million a year. People in the gallery, who I am sure are earning modest incomes, might be surprised to know that there are people—it is perfectly legal; I make no criticism of them, as they are doing nothing that is illegal—who are earning a tax-free income of $1.5 million a year. Surely something has to be done about that, because it simply is not fair. But the government does not want to disadvantage these people. We think—and I am sure that the majority of them think—that this is not a sustainable situation.

Labor has a positive plan that will end the tax concessions the government is currently giving to the very rich. Labor will reform the tax exemption for earnings on superannuation balances that exceed $1.5 million. That is only about 60,000 of the most wealthy Australians. Labor will tax superannuation pensions at a rate of 15 per cent for people drawing down in excess of $75,000 or more per annum, dealing with that issue. I think most people would agree that a retirement income of $75,000 per annum is a very comfortable income,
particularly if you are in a position to own your own home, as the majority of people who are earning returns from their superannuation investments of $1.5 million most certainly would.

We will reduce the higher income superannuation charge threshold from $300,000 to $250,000. We will thereby reduce the tax concessions for 110,000 of the highest superannuation contributors. Labor's changes, which have been independently costed, will save over $500 million over the forward estimates and $5.1 billion over the decade. We argue, and the majority of respected economists and financial commentators agree, that these are changes that the Australian government cannot afford not to do. They are responsible, well costed and well planned. These are changes that the Australian government cannot afford not to do, and Labor will do it.

I want to say something about tobacco, because it is important to note that there is still at least one political party in this parliament—and that is the party of the Deputy Prime Minister and, ironically, the Minister for Rural Health—that still accepts donations from tobacco companies. We do not, which means we are unencumbered when it comes to setting policy which is in the national interest and puts the interest of Australian's health at the front. Last year, the Nationals accepted close to $11,000 in donations from Phillip Morris. That is at the same time the coalition government has frozen the Tackling Indigenous Smoking program by cutting $130 million over five years. Labor has not accepted donations from tobacco companies for over a decade. We developed the Tackling Indigenous Smoking program, we introduced plain packaging and we have defended those bans in the parliament, in the community and in the courts.

Labor will increase the tobacco excise and bring us into line with the World Health Organization's view that tobacco taxes should be set at more than 75 per cent of the retail price to be the most effective and cost-effective tobacco control interventions. The policy has been independently costed—again, by the Parliamentary Budget Office—to raise $3.8 billion over the current forward estimates period and $4.7 billion over the medium term. Again, viewed from a revenue point of view, viewed from a budgetary point or viewed—as I like to see it—as a health initiative, these are changes that Australia cannot afford to avoid. These are changes that any responsible government would implement, and Labor will do it.

I want to talk about negative gearing. There is a bit of a buzz around Parliament House today. It is one of the greatest horn swallows that we have seen in a long time. I am sure a cartoonist is busy somewhere in the press gallery drawing a picture of the Treasurer with egg on his face, swallowing the horn that he was out there blowing through yesterday and this morning. Labor has a plan for negative gearing. It is a responsible plan that every responsible economist in the country is backing. I think Australians are attuning to it because they can see that it is fair and reasonable.

I want to say something: it is unfortunate that the member for Hughes did not switch on the radio before he raced into the parliament with the government speaking points from yesterday. That is because if he had tuned in to the radio and looked at the government speaking points from yesterday he would have realised that this fantastic report that he was championing as conclusive evidence of some great killer point was actually a study of something else. It certainly was not Labor's policy. In fact, it was a study that was conducted months ago. The Treasurer claims he does not know who commissioned it, but we will interrogate him further on this, because I am sure his fingerprints are all over it.
But seriously, they suggested that a study that was conducted sometime over Christmas was a serious analysis of a policy that was released a couple of weeks ago. A serious Treasurer, a serious government and a serious Prime Minister would not commit such a C-grade error. There are many people in the community who had hoped that the man who rolled Tony Abbott in August last year was a different guy—(Time expired)

Mr THISTLETHWAITE (Kingsford Smith) (12:06): I am pleased to make a few comments regarding the Tax and Superannuation Laws Amendment (2016 Measures No. 1) Bill 2016 and this important reform. Other speakers and the shadow Assistant Treasurer have outlined that Labor is reserving its position on this bill until the Senate Economics Legislation Committee has conducted an inquiry into the operation of the bill and heard the views of Australians regarding how this bill will operate.

I do understand the need to ensure that our tax system keeps pace with technological development and its effect on commercial transactions. There is no doubt that particularly over the last decade there has been a large increase in the number of Australians purchasing goods and services from offshore suppliers over the internet and the value of those purchased goods and services. The effect of this has been to shrink the Australian tax base and to leave locally based suppliers at a competitive disadvantage compared with those foreign suppliers. When the GST was first implemented in the late 1990s we did not see the volumes of purchases being made over the internet, and the decision was made that the GST would not be charged on certain purchases from foreign suppliers made under those circumstances. Those circumstances of course have changed. There are now a large number of transactions done on a daily basis over the internet from between Australians and foreign suppliers of intangible goods, such as, in particular, music, videos and the like.

The intent of this bill is to modernise our tax system to ensure that those digital products and intangible goods and services supplied to Australian consumers by overseas businesses are subject to GST, as Australian based businesses are. In principle, that is a noble objective. We do not want to see Australian businesses at a competitive disadvantage compared with foreign businesses, and I support the concept of extending those taxation arrangements to ensure that we do level the playing field. The issue I have with this bill is how you do it. I have had a good look at the explanatory memorandum, and I am somewhat confused about how these provisions are going to operate and, importantly, how they are going to be enforced.

The bill is to take effect from 1 July 2017 next year. The amendments are modelled on the European Union rules regarding the supply of digital goods. A number of other nations have taken up this challenge of looking at how you charge consumption taxes on goods that are purchased from foreign suppliers over the internet and the like and have made some amendments. I am not au fait with the ways other nations have done it, but I have read the explanatory memorandum in the case of this bill and it is still not clear to me how this bill will operate in practice—in particular, how the government will collect the GST from foreign suppliers and, importantly, how they will enforce the measures contained in the bill if a foreign supplier just simply refuses to collect and remit the GST to Australia.

The explanatory memorandum makes all suppliers of things other than goods or real property connected with the indirect tax zone where they are made to an Australian consumer. This amendment will make that connection with Australia for the purposes of GST. It means that a supplier of digital products, such as streaming or downloading of music, movies, apps,
games et cetera, and, indeed, consultancy and professional services, will be subject to the goods and services tax if they are supplied by a foreign supplier. That sounds fair in theory and it sounds achievable in theory but the issue for me is how you do it in practice. Reading the explanatory memorandum, it appears there are two ways this will occur. One way is that it will be the responsibility of the operator of an electronic distribution platform, if that operator controls the authorising of billing, the authorising of delivery of supply and the setting of the terms and conditions under the supply.

That is somewhat confusing in itself; indeed, there are many operators of these electronic platforms that are supplying goods into Australia that do not operate within Australia and operate offshore, and it is not clear how they are caught by these provisions. The second manner in which I understand a supplier will be caught by the GST obligation if they are supplying goods and services from overseas is based on whether or not the Australian consumer is registered for GST and whether or not the supplier believes, and has taken reasonable steps to obtain information concerning whether, the recipient of the supply is an Australian consumer. Examples that are given in the explanatory memorandum highlight how some of the confusion around this particular provision could come about. I take it that this would be a rare example, but we are given the example of an Australian dual citizen who may be in London at the time that they make a purchase of, say, an app or particular music over the internet. They use their London address but an Australia credit card. It is not exactly clear whether or not the supplier is then liable to charge GST and remit that to the Australian government.

These, no doubt, are issues that will have to be resolved in the course of the operation of this bill, most notably, probably, by the tax commissioner, but in my view they are confusing. I think this is why this particular bill should be the subject of an inquiry by the Senate Standing Committee on Economics to tease out all of the issues about how the particular provisions are going to work and, importantly, whether or not the operation of the scheme and the enforcement of the scheme is going to cost more than the actual revenue that is going to be raised by this scheme being put in place. This is an issue that has been highlighted in the past. The former Assistant Treasurer in the former government, David Bradbury, did a lot of work on this and used the inquiry and the report of the Productivity Commission, which highlighted this exact issue. The Productivity Commission reached the conclusion that the change of extending the GST to the provision of goods and services from international suppliers below $1,000 was not worth it, because the cost of the operation of the scheme and the enforcement of the scheme would be much greater than the actual revenue that would be raised for the government.

This is a key point, particularly when we have a tight budget scenario at the moment. It is something that I think needs to be teased out by the Senate economics committee: will the difficulties with the operation of this scheme and the costs associated with it outweigh the revenue that will be raised?

When the government came to office in September 2013, they promised a white paper on tax reform for Australia, and they promised that within two years. It is now almost three years, and we still do not have the white paper. The former Prime Minister, Tony Abbott, promised the most comprehensive review of Australia's taxes to ensure that there was fairness and said that they would be—in their words—looking at lowering taxes for Australians. That
was almost three years ago, so this is another broken commitment from the Liberal-Nationals government. They promised the white paper within two years, and we are yet to receive it.

There is now beginning to be some doubt about whether or not that white paper will ever be delivered by the government. They are now saying that they will do some sort of statement in the lead-up to the budget about tax reform and that the major elements of their tax reform package will be contained in the budget. There is even confusion now about whether or not this white paper will be delivered. They have floated these ideas about increasing the GST, and there is no doubt that the Prime Minister gave the Treasurer the obligation to go out and look at increasing the GST, to get the business community to get out there and support this campaign and to get the various state Liberal premiers to get out there and do the same, and they did. And then they dumped it for no apparent reason and left all of those people in the lurch.

Obviously, as Labor members of parliament, we support the dumping of an increase in the GST because it would have been unfair, and it would have been a handbrake on economic growth in our economy, in my view. But it is a great symbol of the chaos and dysfunction of this government when it comes to developing a plan for tax reform that is needed within Australia. We saw the Treasurer over the last couple of weeks, after he dumped the GST, then begin to talk about negative gearing. He mentioned—they are his words—‘the excesses of negative gearing’ as something that his government would look at targeting through its tax reform package. It now appears that that has been dumped as well.

Two major tax policy reforms that were floated by the Liberal Party—it was not us who put these on the agenda; they were floated by the Liberal Party—were dumped in a matter of moments. Some would say it is because the former Prime Minister, Tony Abbott, has begun to agitate on these issues and has begun to stir up the pot about it within the Liberal Party caucus and get people onto his side for his comeback to the prime ministership, and that has meant that Malcolm Turnbull, the current Prime Minister, has become timid on tax reform and unable to make a decision—while the Australian people suffer the whole time.

And now today we have this utter embarrassment for the Treasurer. It proves what a joke this Treasurer has become, when he goes out there and starts spruiking a BIS Shrapnel report done on negative gearing in Australia. In his words, it is 'an indictment on Labor's policy' and shows that 'they just haven't done their homework'. It appears that the person who has not done his homework is the Treasurer. It appears that the Treasurer never even read the report. If he did read the report, what an embarrassment, because he does not know the value of the Australian economy. On the first page of the report, it says that the value of the Australian economy—our GDP, if you like—is $190 billion. That is actually the GDP of New Zealand, one of Australia's nearest neighbours. Here we have the Treasurer of this nation, and he does not even know the value of the Australian economy. What an embarrassment! The study was also released before Christmas, and the authors of the study have today admitted that it was not a study of Labor's recently announced negative-gearing policy at all; it was done before this policy was announced.

So, firstly, the Treasurer does not know the value of the Australian economy. Secondly, the report is discredited because it gets severely wrong the value of the Australian economy, one of the key assumptions in the report that underlies the findings that were made in respect of negative gearing. Thirdly, the report was done before Labor even released its policy on
negative gearing. So how can this Treasurer claim that it is 'an indictment on Labor's policy'? All it is is an indictment of his performance as the nation's Treasurer and the fact that he cannot even get these fundamentals of the Australian economy right.

This is the reason the Prime Minister, it appears, has taken the issue of tax reform away from the Treasurer completely. The major part of the Treasurer's portfolio has been taken away from him and given to the head of the Department of the Prime Minister and Cabinet. This proves that the Treasurer is just not up to it when it comes to tax reform. He is not up to it when it comes to managing our economy. More dastardly and more importantly, the division and chaos and dysfunction of this government is actually harming the Australian economy.

That is why the Tax and Superannuation Laws Amendment (2016 Measures No. 1) Bill 2016, in respect of the GST, needs to be inquired into by a Senate inquiry before this parliament makes a decision on it.

Mr ZAPPIA (Makin) (12:21): I am pleased to follow the member for Kingsford Smith in speaking on the Tax and Superannuation Laws Amendment (2016 Measures No. 1) Bill 2016. This legislation highlights the difficulty of administering a fair tax system in a globalised world in which everyone is connected by the internet. The legislation has three schedules to it. Schedules 1 and 2 relate to proposed changes to GST policy in the country. In particular, schedule 1 seeks to ensure that digital products and intangible goods and services supplied to Australian consumers by overseas businesses are subject to the same GST as applies to suppliers within Australia. Schedule 2 relates to the treatment of GST with respect to cross-border supplies that involve nonresident companies. The internet has opened up world markets to everyone and online shopping for goods and services is now widespread. If time permits, I will come back to that a bit later on.

This legislation is presented as legislation that seeks to create a level playing field to overcome an existing unfairness arising from the current application of the GST. I have previously raised questions about a level playing field and how Australian entities are disadvantaged when competing with international counterparts. The legislation is also about tax revenue raising. I suspect that that is the prime objective of it. Both ensuring a level playing field and having a fair tax system are legitimate arguments for change; however, the level playing field argument should not be limited to services, as appears to be the intent with this legislation. Why has the government taken an interest in an uneven playing field on this occasion? Most likely because the government is missing out on GST tax revenue. However, when the victim of an uneven playing field is private enterprise then the government seems to show little concern. The free marketeers response is that if you cannot survive then get out.

Australia's high standard of living is increasingly being made possible by Australia's willingness to buy goods and services provided by people working under conditions that Australians would never accept for themselves. Claims that we are helping developing countries out of poverty by buying their cheap products may have some merit but are also an excuse for turning a blind eye to unethical conditions—likewise with claims about improved competitiveness.

Recent decisions by the government to allow foreign flagged vessels to operate within Australian waters will of course result in lower shipping costs because the vessels used are poorly maintained, are registered in low-tax jurisdictions and pay slave labour rates, with
workers having little or no rights and the ship operators having little regard for environmental safeguards. Yet that is exactly what the Turnbull government did when it provided temporary licences to foreign flagged vessels to replace the MV Portland and CSL Melbourne. The Australian government is, however, also foolishly ignoring the fact that the shipping operators, to my knowledge, pay no tax to the Australian government and the employees on board the vessels pay no Australian income tax for work carried out within and for the Australian economy.

Let me turn to other products or services—whether it is a call centre operating from within a developing country or a product manufactured overseas—where there are no industrial relations protections, no environmental standards and lower government taxes. Australian entities complying with all of their industrial and environmental obligations simply cannot compete where there is no level playing field. The concept of free trade between countries has merit only if a level playing field exists, but that is not the case. Tariffs, government subsidies and other bureaucratic barriers are commonly used to protect local markets in other countries.

Those who argue that tariff protection stifles innovation and modernisation fail to acknowledge that tariffs may equally be used to create a level playing field against goods or services provided or produced without adequate human or environmental safeguards. That is why we have in this country antidumping laws and that is why other countries have antidumping laws. Those laws allow the government to impose duties—in other words, tariffs—on imports found to be dumped onto their markets. It is a common practice used around the world and the antidumping laws were brought in for good reason—to create a level playing field.

Indeed, we are now having debates about Australia’s antidumping laws. I note that they have been changed in recent months, and I accept that they have been changed for the better. There is still, nevertheless, a real problem in being able to properly administer the intent of those antidumping laws. Only this week I and several of my colleagues met with some of the steelmakers of this country. They are in a situation where they find it almost impossible to compete with overseas steel imports on two grounds: one, because the cost of producing steel overseas is much cheaper because, as I referred to earlier, the industrial relations conditions that apply and the wages and so on make it much cheaper to produce overseas and, two, because the products do not comply with Australian standards. How we can manage and monitor that is extremely difficult but the reality is that our producers are not competing on a level playing field and that comes at the expense of industry in this country that not only pays taxes but also employs hundreds of people who in turn pay weekly income tax. We have seen again in recent weeks the difficulty that Arrium Steel in Whyalla is facing. Some 600 employees have already been laid off as a result of the difficulty that that steel company has in competing with the overseas imports.

There is another matter I will refer to. The government is currently attempting to enter into the WTO Agreement on Government Procurement. My view is that the application to become a member to the WTO government procurement agreement should not be rushed and should be carefully considered. In a submission to the government on this very matter last year the Australian Forest Products Association noted the uneven playing field that Australian paper suppliers were operating in and the inconsistency across government departments in the paper that they purchased. It seems to me absurd that a consistent procurement policy approach does
not even exist across all federal government departments, let alone the three levels of government. The submission by the Australian Forest Products Association highlighted that six out of 22 federal government departments procured Australian-made paper and the other 16 bought their paper from offshore, mainly from Germany, Austria or Indonesia. If six departments can justify buying the Australian-made paper, why cannot the other 16 and, indeed, why cannot all levels of government?

I also note that, when faced with an election, the government rolls out a string of spending projects, often specifically brought forward for the purpose of boosting the local jobs that can be created from those projects and in turn injecting money into the local economy. There were plenty such announcements made in recent days related to the defence white paper. Indeed, only yesterday we heard of one particular electorate perhaps benefiting to the tune of $1 billion as a result of procurements that will take place in that electorate. So clearly the government understands that government procurement can be a very effective lever, but it chooses to apply that principle only when it is facing an election or when it is under pressure.

The strategic use of government procurement is well understood. It can be used as an effective economic lever, and many other countries have done so where they have very clear government procurement policies which support their local industries and in turn their local communities. One of the issues that concerns me is that when we enter into agreements with other countries, whether it is the procurement agreement that I was referring to earlier or free trade agreements, I do not know to what extent we write into those agreements that the products and services we will get from those countries must comply with the standards that we expect here in Australia. But, even if we do write that in, the reality is that we have no way of policing whether that is the case. We do not even test most of the products that come into this country to ensure that they comply with the standards that they claim to comply with, let alone have any ability to ensure that the workers who make those products are working in conditions that we would find appropriate. So writing in standards might sound good, and it might appease some people, but the reality is that they become meaningless. That applies to this legislation as well, and again I will come back to that in just a moment.

The world is not a level playing field. Not only should the government intervene in order to protect its own tax base, as it is doing with this legislation; but the government should equally intervene to ensure that all Australian businesses can genuinely compete on an international level playing field. The fact is, if they cannot, they have two options: they can either close down or relocate to an offshore country, as many of them have done. When they do that, again our tax base goes down. The people they employ will not pay tax and the company will not pay tax here in Australia. So it is not in Australia’s long-term interests to force companies that are currently based here to move offshore. The reality is that it is Australian businesses that sustain our economy, that pay taxes and that employ people. Every time one of them leaves this country, the nation is worse off for it.

In 2014-15, some $54 billion was raised in GST in Australia. This legislation seeks to increase that by another $150 million in the year 2017-18 and then $200 million in 2018-19. I point out that, whilst that might be an appropriate ambition, there are other areas where we could similarly be looking to increase the GST in this country. One of the matters that I refer to is the online gambling that is occurring in Australia. My understanding is that two out of every three online gambling dollars is estimated to go offshore. I do not know what the exact
figures are, but the estimates are that in excess of $1 billion is now spent each year on offshore gambling. Again, that is money going offshore to gambling operators who pay no tax whatsoever, let alone contribute anything to the Australian economy. I am aware that is an issue that is being discussed broadly around the community, but those are the kinds of loopholes and areas where we should also be looking if we want to close down the tax loopholes in this country and if we genuinely want to lift the tax base.

I now turn to this legislation as it currently stands. Whilst the intent of the legislation is something that we on this side of the House have no problem with, it raises a real question, and that is: how do we ensure that the intent of this legislation is complied with? How do we ensure that we have good enforcement measures in place? Other speakers on Labor's side have pointed that out. The reality is we cannot ensure that and there is no assurance provided within this legislation that gives me any confidence that, even if we enact it, we will be able to implement it in an effective way. It seems pointless to implement legislation that may ultimately cost us more than it is going to return to government.

There just may be a better way of dealing with the matter that we are trying to address. As Labor has proposed, this legislation should be referred to the Senate Economics Legislation Committee for consideration for that very reason. Ultimately, creating a level playing field for all players within the Australian market should be an objective of this parliament. Everyone should be treated equally. Doing that, however, is not as easy as it sounds. Perhaps, just perhaps, we can come up with a better form of legislation once the Senate committee has had a look at it.

Mr HAWKE (Mitchell—Assistant Minister to the Treasurer) (12:35): Firstly, let me thank all members who have contributed to this debate. This bill is making important changes to the application of the GST to cross-border transactions and the operation of the Farm Management Deposits Scheme.

The first element of this bill changes the goods and services tax, the GST law. Schedule 1 applies the GST to digital products and other services imported by Australian consumers. Under current law, digital supplies and products imported by consumers are not captured by the GST legislation. This is, of course, an anomaly from when the GST legislation was first implemented back in the year 2000, when the potential growth in the digital economy was not well understood and thus not captured by the legislation at the time. This measure seeks to rectify this gap, and digital products and other services imported by consumers will now be subject to the GST, under similar GST laws as those that apply to resident businesses. This measure is the product of extensive stakeholder feedback and consultation.

The government will require overseas businesses making supplies to Australian consumers to register, collect and remit GST on sales to Australian consumers, in the same way as Australian businesses. We are able to implement such a system through the strong and collegiate engagement we have had with international tax authorities and bodies such as the OECD and the EU, who are pursuing similar models and, in Europe's case, have already implemented them.

Schedule 2 complements this measure with a second GST amendment, which implements an announced but unenacted measure from the 2010-11 budget which limits when GST will apply to supplies involving non-resident businesses. The origin of the measure was the Board of Taxation's review of how GST is applied to cross-border business-to-business transactions.
This measure ensures that fewer non-resident businesses are unnecessarily drawn into Australia's GST system, reducing the costs of compliance for business and simplifying administration for the Australian Taxation Office. These measures are a good example of the government's objective to pursue a simpler and fairer tax system.

Schedule 3—the second element of this bill—makes three important reforms to farm management deposits. It doubles the maximum amount that can be held in a farm management deposit to $800,000 and allows primary producers experiencing severe drought conditions to withdraw an amount that has been held in a farm management deposit for less than 12 months without losing the tax concession. It also allows amounts held in a farm management deposit to be utilised as an offset to reduce the interest on a primary production business loan or debt.

These changes were announced in the Agricultural competitiveness white paper on 4 July 2015 and are the product of extensive stakeholder feedback and consultation. Farm management deposits are a risk management tool to help primary producers deal with uneven income between years, which frequently occurs as a result of weather variations, the occurrence of natural disasters and changing market conditions. Farm management deposits allow primary producers to set aside pretax income from primary production in a special account that can be drawn on in a future year. Income deposited is tax deductible in the year the deposit is made and is included in assessable income in the year it is withdrawn.

However, we have heard from stakeholders that the current rules impose a number of unnecessary restrictions. The current rules limit the total amount that can be deposited to $400,000, bring forward tax paid where a primary producer affected by drought needs to access their funds within 12 months and prevent financial institutions from offering farm management deposits as an interest loan offset.

The reforms in this bill seek to alter these restrictions, ensuring that farm management deposits remain a useful tool and provide farmers with enough flexibility to be self-reliant and adapt to harsh conditions in the longer term. This schedule provides farmers with higher amounts to build up larger cash reserves to act as a buffer in hard times. The schedule reintroduces earlier access provisions to ensure that primary producers are not discouraged from making deposits if they fear they may have to withdraw them within 12 months as a result of severe drought. This schedule also removes the restriction that prevents financial institutions from allowing farm management deposits to offset loans, providing the potential for farmers to have greater flexibility in how they manage debt and improve cash flows. Full policy details are in the explanatory memorandum.

Both the GST and farm management deposit amendments adapt Australia's tax laws to meet contemporary business needs and respond to our changing economy. Australia's GST law needs to evolve to capture the international digital economy, and our domestic law needs to adapt, be adaptable and account for the difficult and trying conditions that our farmers may encounter. The two GST measures contained in this bill ensure that the overseas businesses that should be in our GST system are in the system and paying the GST on their sales to Australian consumers. At the same time, businesses that should not be caught in the system are removed, reducing red tape and simplifying administration and compliance. A similar principle applies to the farm management deposit amendments. These amendments reduce red tape for primary producers and provide them with the vital flexibility that they need to
prepare for hard times. These measures seek to ensure that Australian taxes are contemporary to the needs of the economy and are fairer, simpler and more consistent.

Question agreed to.

Bill read a second time.

Message from the Governor-General recommending appropriation announced.

Third Reading

Mr HAWKE (Mitchell—Assistant Minister to the Treasurer) (12:41): by leave—I move:

That this bill be now read a third time.

Question agreed to.

Bill read a third time.

Corporations Amendment (Life Insurance Remuneration Arrangements) Bill 2016

Second Reading

Debate resumed on the motion:

That this bill be now read a second time.

Dr CHALMERS (Rankin) (12:42): Thank you for the opportunity to outline Labor's position on the Corporations Amendment (Life Insurance Remuneration Arrangements) Bill 2016. When it comes to financial advice, Labor's priority is a robust system that prioritises good consumer outcomes. That is what drove our final victory this week on the Future of Financial Advice legislation, and it is what drives our approach to this bill before us now. It has been pleasing to see the growing and now substantial recognition that there is much room for improvement in the life insurance industry. This has come from some very welcome attention from ASIC in its review, the review by John Trowbridge and the Financial System Inquiry, all three of which called for action on life insurance advice. This bill picks up some of the concerns in these reviews and begins—in a fairly modest way, it must be said—the task of reforming the remuneration model in the life insurance industry.

While Labor supports this legislation, we do have some issues and reservations with the package, which I will come to in a moment. We think that the ASIC review in 2018 will be an important opportunity to see what else might need to be done. Labor has a proud record when it comes to financial advice. The Future of Financial Advice reforms that I mentioned were the most substantial reforms of the financial services industry in a generation, improving outcomes for millions of consumers. FoFA banned many forms of conflicted remuneration for financial advisers, including life insurance policies held inside group life policies and super, but other life insurance policies remain exempt from the FoFA ban on conflicted remuneration. It has been argued that this loophole is leading to some questionable behaviour in the life insurance industry. The aim of this legislation is to improve outcomes for consumers while still allowing some commissions in recognition of the need to lower underinsurance rates in the life insurance industry. As a start, the bill will reduce the capacity for conflicted remuneration by reining in up-front commissions and removing some of the incentive for policy churn.
Currently, remuneration structures for life insurance advisers do provide an incentive to churn people through products, which can lead to poor advice and poor consumer outcomes. Around 82 per cent of the life insurance industry uses an up-front commission model and these up-front commissions for advisers are generally between 100 to 130 per cent of the product premium. APRA statistics have shown lapse rates for life insurance increased year-on-year every year since 2006, from around 12 per cent per annum to 17 per cent—evidence of growing product churn in the industry. These statistics are a cause for concern. That is one reason why the industry commissioned the Trowbridge review, and the financial system inquiry concluded that there was a clear need to change the way that life insurance advisers are remunerated. The Trowbridge review recommended a significant reduction in up-front premiums; the FSI recommended their complete abolition.

This bill makes some important changes to up-front commissions and introduces a retention period to try and minimise that churn that I mentioned. Up-front commissions on life insurance will be capped at 60 per cent, with ongoing commissions at 20 per cent. These caps on commissions are being phased in to minimise harm to advisers, from 80 per cent from 1 July 2016 to 70 per cent a year later and meeting that 60 per cent target in 2018. Advisers will also be required to repay premiums received in the case of a policy lapse in the first two years of a policy. If the policy lapses in the first year, the adviser must repay 100 per cent of the premium. If the policy lapses in the second year, the adviser must repay 60 per cent of the premium. This structure strikes some kind of balance between the interests of advisers and consumers by reducing the incentive to churn while ensuring some commission can be paid for the life of the product.

The changes to the commissions of life insurers introduced by this bill are a step towards improving consumer protection. But the Labor Party do have some concerns about aspects of the bill. Our priority is consumer protection and we think this bill could do better in some respects. One concern is with the clawback provisions in the final package. The clawback provisions are limited to the first two years of a life insurance policy. We do not want to see financial advisers pressure customers to unnecessarily change their life insurance policy after two years as a result of these changes. Another concern we have is around the calculation of the commission, particularly as it relates to stamp duty.

The exposure draft legislation also excluded stamp duty and government taxes from the calculation of permitted commissions payable to advisers. But this explicit exclusion was removed from the bill presented to parliament, leaving details of the calculation to the accompanying regulations which we still have not seen. This could become the first time that a commission may be paid on government taxes and stamp duty, which could be a very troubling thing. The government has indicated that this explicit exclusion was removed due to industry expressing concerns about the cost of systems change required to implement this exclusion. It is the practice of insurers not to separate out the cost of stamp duty and other government taxes in life insurance products. Labor would like to see the regulations which will accompany this bill either exclude stamp duty and government taxes from the calculation of commissions or to set out a timetable to achieving this outcome which would be acceptable to industry. The regulatory impact statement in the bill was revised upwards to $27.8 million from $18.2 million in the draft bill to reflect the additional costs of systems change, so we would like to see this borne out in practice.
Some consumer groups have suggested that these changes do not go far enough. Choice chief executive, Alan Kirkland, said:

Commission-driven churn is one of the major problems in this industry and we think that provisions to claw back commissions should extend for at least three years as originally proposed.

At this point, we cannot be certain that the new commission structure will be enough to stop the high levels of noncompliant advice in the industry, so we will monitor this aspect closely as well.

These concerns really underline the importance of the review of the industry by ASIC in 2018 that is required by this legislation. Labor are strongly of the view that if we do not see significant improvement the government needs to keep its word and move to legislate for a level commission structure. It is important to note that ASIC will commence its review of the reforms in the second half of 2018. But the transitional commission arrangements for the bill will only be in force from 1 July 2018. So the data ASIC relies on for its review will be largely based on transitional commission levels and might not give a sufficiently clear picture of the impact of the reforms. We want to be sure that the ASIC review is fulsome and carefully scrutinises the impact of this package. That is why—and I have said this in this chamber on previous occasions over and over again—if we want ASIC to do its job properly, we have to make sure that it is adequately resourced to do that job.

Despite these concerns, Labor do support the passage of this legislation that will make incremental improvement to the life insurance remuneration structures. We know that that view is not universal in the sector or in the community but we think all of these bills are, on-balance calls and we think, on balance, this bill is worth supporting. But we must use these changes as an opportunity to consider the industry more widely.

In its review of retail life insurance advice, ASIC found that 45 per cent of advice provided under an up-front commission model failed to comply with the law. This is a shocking and shameful statistic. We are fully supportive of ASIC holding advisers to the highest standards. People put a lot of trust in the system and they should be confident that they are not being taken advantage of. If further evidence emerges that advisers are doing the wrong thing by people—and we cannot rule that out—then we need to be ready to consider and respond to that behaviour as well.

So it is my view that although these changes are worthy of our support, we should consider them as a step in the right direction and not the arrival at a final destination. The ASIC review will help in that regard, as I have said. We strongly believe that the new framework must be monitored following implementation to establish whether it is working or not working or whether more needs to be done.

I would like to thank all the stakeholders for taking the time to share their thoughts on the bill with my office, including the Association of Financial Advisers, the Financial Services Council, John Trowbridge, the Financial Planning Association of Australia, the Independent Financial Advisers Association and individual advisers. I would also like to thank the Treasury for the briefing they provided me and my office.

Even though there are a variety of views among stakeholders on this package, we all want to see the life insurance industry working at its best and in the interests of middle Australia.
Labor believes these reforms are not perfect but they will start to improve the industry. We will continue to seek ways to make the system work even better for consumers.

Debate adjourned.

**MINISTERIAL STATEMENTS**

**Malaysia Airlines Flight MH370**

Mr CHESTER (Gippsland—Minister for Infrastructure and Transport) (12:53): by leave—Tuesday, 8 March 2016 marks two years since the disappearance of Malaysia Airlines Flight MH370. Members will recall that the scheduled flight between Kuala Lumpur and Beijing disappeared with 239 people on board, including seven people who called Australia home, six of them Australian citizens. It is fitting today that we take time to remember the people on board the flight and those who grieve for them.

For the families and friends of those on board, the last two years have been nothing short of harrowing, intensified by the protracted uncertainty around the circumstances in which the aircraft disappeared. We share the burden of their sorrow.

The Australian government is working systematically and intensively to locate the aircraft, together with our search partners, Malaysia and China. We have utilised the skills of international experts to identify the most likely resting place of the aircraft and are using cutting edge technology to scour the ocean floor. Around 90,000 square kilometres of the seafloor have been searched so far—of a total search area of 120,000 square kilometres.

Through our collective efforts, we hope to locate the aircraft and give some comfort to the families and friends of those on board and help us understand what happened to flight MH370. Regrettably the aircraft may never be found and we may never know what happened.

Members of the House may be aware that a piece of debris, approximately one metre in length, has been found on a beach in Mozambique—a location consistent with drift modelling commissioned by the Australian Transport Safety Bureau. This piece of debris will be transferred to Australia for assessment. It is too early to speculate on the origin of the debris at this stage.

I would like to take the opportunity to acknowledge the work of the crews on the search vessels. These men and women work around the clock to keep the ship moving while highly skilled technicians on board analyse a constant stream of sonar data. They work in often treacherous conditions for weeks at a time, away from their homes and loved ones, to carry out this important mission. I know they have been deeply affected by the tragedy of MH370 and that they are keenly aware of the hope many have invested in them. I thank all those involved for their sustained efforts.

As we search the remaining area, I remain hopeful the aircraft will be found. I assure the family and friends of those on board that their loved ones have not been forgotten and remain in our thoughts. I thank the House. I present a copy of my ministerial statement.

Ms MacTIERNAN (Perth) (12:56): We join the government today in marking the second anniversary of the very tragic disappearance of Malaysia Airlines Flight MH370 and the 239 people on board that fateful flight. We know that each anniversary of such a tragedy brings the ache of loss into sharper focus. The thoughts of Australians are once again with the families and friends of those who have been lost.
We note the most recent development: a piece of debris has been found in Mozambique in a location that leaves open the possibility that it is, indeed, from MH370. We all await the results of assessment of the debris in hope that it will help solve this terrible mystery. Each time something like this occurs it gives hope to the families and friends of those lost that an answer may not be far off. While locating the aircraft will never remove the grief of their loss, it is the not-knowing that makes this tragedy all the more profound.

We join the government in paying tribute to the hard work and dedication of the search teams, who continue to scour the ocean in sometimes the most trying circumstances to help bring the sense of closure to those affected by this tragedy. We thank those involved for their efforts, which we remain hopeful will one day bear fruit.

**BILLS**

**Corporations Amendment (Life Insurance Remuneration Arrangements) Bill 2016**

Debate resumed on the motion:

That this bill be now read a second time.

**Mr VAN MANEN** (Forde) (12:58): I rise to speak today on the Corporations Amendment (Life Insurance Remuneration Arrangements) Bill 2016. The changes outlined in this bill have been announced in response to the Trowbridge, ASIC and financial systems inquiry reports. This important bill amends the Corporations Act 2001 in an attempt to better align the interests of financial advisers who sell life insurance products with the interests of their clients. The changes outlined in the bill are anticipated to reduce or limit the incentive to churn clients through products.

In order to achieve this, the bill will allow ASIC, via a legislative instrument, to place a maximum level on the up-front commission that can be received by an adviser. The cap will apply from 1 July 2016, with an initial cap of 80 per cent, reducing to 70 per cent in 2017 and 60 per cent in 2018. Importantly, these caps will not apply to level commissions. Equally, ongoing commissions will also be capped at 20 per cent unless the commissions are being paid on a level basis.

In addition, the bill introduces extended clawback arrangements extending the period in which commissions can be clawed back by insurance companies when a policy lapses in the first two years. Importantly, the legislation does not define 'lapse'. The commission clawback will be 100 per cent of commission paid if cancelled in year 1 of the policy and 60 per cent if cancelled in year 2. It should be noted at the outset that commissions are a legitimate form of remuneration to compensate advisers for time taken in client meetings, product research, strategy development and meeting regulatory obligations and continuing professional development.

There are a number of other changes in this bill. However, I wish to focus on a couple of key areas. Firstly, I acknowledge the work that is being done by the Assistant Treasurer and the industry bodies—namely, the FSC, the FPA and the AFA—in reaching this agreement. However, it is fair to say that many experienced advisers in the industry do not believe that the issues raised in the report have been adequately dealt with. In this regard, they feel that
their industry bodies have let them down. As one adviser has remarked, life insurance has been sold around the world for over 100 years in at least 40 countries without commission terms being centrally controlled by government.

There are two key issues for the industry to resolve. The first is the quality of advice. The second is ensuring the economic sustainability of the industry for all participants—clients, advisers and insurance companies. I would like to touch also on the responsibility of insurance companies. But firstly I would like to touch on the quality of advice. Everyone in the industry acknowledges that there are those advisers who do the wrong thing by their clients and consequently compromise client outcomes. In their submission to the Assistant Treasurer the CEO of Lifespan Financial Planning, Eugene Ardino, and the Executive Chairman, John Ardino, make the following point:

Upfront commissions are neither a necessary nor sufficient condition of poor advice as poor advice can occur with or without upfront commissions. While there may be a correlation between upfront commissions and poor advice the solution to addressing poor advice cannot be arrived at until insurers, licensees, regulators and consumer groups agree on the major casual factor without which poor advice cannot exist.

They go on to say that 'attacking remuneration won't solve the attitudinal problems of a sales culture'.

What is essential for good insurance advice is a move to an advisory and fiduciary culture which focuses on strategic life insurance advice on a basis that is as holistic as possible. Whilst this bill reduces the financial incentives it does not address the root causes of poor advice. I quote the Lifespan submission again:

Bad training, supervision, ethics and competency of low quality advisers and their freedom to operate without sanction because of poor licensee supervision and the relative absence of risk to their professional reputation.

The life insurance framework reforms are not a debate about churn or poor quality advice. Even ASIC acknowledged that there may only be a few bad apples and the culture and values of an institution are to blame for poor outcomes for some consumers. It is important to understand in this debate what 'churn' is and is not. Life insurance policy churn occurs when an adviser moves customers between different insurers without any benefit to the client. That, simply, is what churn is—no benefit to the client but a benefit to the adviser. The 2014 ASIC report failed to properly identify what percentage of policy lapses occurred as a result of this activity by advisers and consequently made the incorrect conclusion that an increase in lapse rates equated to an increased level of churn. This is at best sloppy analysis and at worst a deliberate attempt to misrepresent the data to obtain a predetermined outcome.

If, however, a client's life insurance policy is replaced because an adviser has found them a better policy or they needed to replace a policy due to unaffordable premium increases then arguably the adviser has met their 'best interest duty' to the client by broking the market to obtain a genuinely better deal for their client. This may occur if a person's circumstances have changed or, as ample evidence has shown, insurance companies have substantially increased premiums. For example, I have a list for a policy that was taken out in 2001 and is still current in 2016. The minimum increase over that period was 14 per cent, with a maximum increase of 21.6 per cent—that is, annual increase. The policy started at $872 a month, and it is now $2,052 a month. That is an example of where a policy is moved by the adviser to benefit the
client by reducing the cost of holding their policy, and I believe they are acting in the best interest of the clients. This is not churn, it is ensuring the client's best interests are observed by the adviser.

As can be seen, there is a significant and important difference between lapses occurring as a result of churn and lapses occurring as a result of policy replacement. Consumers rely on the capacity of independent advisers to be aware of the opportunities in the market. Advisers are obliged by client pressure to seek alternatives. Insurers have increased premiums significantly over the past year—by up to 28 per cent—with CPI and age increases on top of that. Advisers are obliged by a 'best interest duty' to seek alternatives. Clients are demanding that advisers look at better options. Advisers work at saving the policy by negotiating reduced cover and premiums—especially if the client's needs and circumstances have changed, which can happen anytime. This reduction in premium is counted as a lapse. Yet business was saved, and the cost is incurred by the adviser assisting in this administration.

Asteron Life Executive Manager Mark Vilo acknowledged in *riskinfo* on 10 November 2015 that the top reason for policy lapses is price increases. Yet under the proposed remuneration structure the adviser is going to pay the price even though they have acted in the best interest of the client or the policy lapse is simply the result of a change in client circumstances. This in large part is my concern with this legislation. Advisers carry all the risk, and the insurance companies get off scot-free, whereas at least the current system has more balance.

The remuneration model proposed will result in a transfer of profits, business stability and longevity from independent financial advisers to the insurance companies, many of which are owned by the major banks. It will radically alter a market based system that has been in place for 100 years and replace it with a regulated system which favours the insurance companies over the independent financial advisers.

This brings me to the responsibility of the life insurance companies and the issues identified in their conduct in the report by reinsurer Munich Re. Ultimately, this is a debate about profitability and returns to the insurer shareholders, not about consumer benefits. These reforms cannot be rushed without understanding the significant collateral damage being done by insurance companies to IFAs. Consumers will, unfortunately, be the losers from these reforms if there is no obligation on insurers to deliver any benefit to the consumer.

The problem for the FSC, the representative of the insurance companies, is the legitimate replacement of policies and losing policies because the next insurer has a better offer—for example, 'market forces' of their own making. It is a vicious circle of product arms race. The product arms race manifests itself in a number of ways. Insurers encourage incoming new business, doing all they can to attract new business without considering long-term impact on their book of business. They certainly do not consider the impact on other insurance companies' books of business. Policies become unaffordable, with premiums getting higher and higher through constant increases, as I have touched on before.

So what do the insurance companies do? Rather than review their practices, they seek to convince a regulator to reduce commissions to the point where it is not a viable business option for unaligned adviser businesses to advise on insurance. To make sure it is unviable, they push all responsibility onto advisers by introducing an extended year clawback period. Insurers avoid issues named in the product arms race. This means insurers with a dependence
on independent financial adviser networks will be disadvantaged but insurers with aligned
distribution models—like the banks—will benefit.

What does this all potentially mean? It could drive consumers to the direct space where
insurers can access for eligibility at claim time and thereby deny more claims. There is no
adviser there to support and rally for the client at claim time. Premiums are higher in the
direct mode, but consumers will not be able to tell. Customer needs will not be properly
evaluated, but there is no obligation on that channel of distribution to do that anyway. It could
result in more consumers seeking advice from vertically aligned advice space where the
advisers can only recommend their own product or have limited product lists available. The
winners as a result of this legislation are the insurers with aligned distribution and with a
direct presence. The product manufacturers will retain profits to distribute to shareholders and
have no obligation to pass these savings on to consumers.

However, there will be significant collateral damage. We risk losing our independent
financial advisers as a result of this bill, exposing consumers to the risk of losing access to
unbiased, broad-ranging market research, and they do not even know. The solution to this is
not to reduce commission or increase clawback to align adviser behaviour but rather to focus
on the true causes of poor advice.

In conclusion, to again quote the Lifespan submission:
LIF will simply result in the relatively few bad advisers being paid less for bad advice while the many
good advisers will be made to suffer unnecessarily and be induced to exit.

I am pleased that this bill has been referred to the Senate Economics Legislation Committee
for further consideration; however, it is disappointing to note that no public hearings are
going to be held to give advisers the opportunity to voice the concerns they have that their
industry bodies failed to properly represent.

It disappoints me to say that I cannot support this bill in its present form due to the
significant damage it will inflict on independent financial advisers, in particular those who
specialise in the provision of life insurance advice, and to the fact that it does not deliver any
substantive consumer protections although that is a primary objective of the bill.

Mr HAWKE (Mitchell—Assistant Minister to the Treasurer) (13:13): Today the Turnbull
government is delivering on its commitment to address the misalignment of interests between
consumers and financial firms in the life insurance sector as announced as part of its response
to the financial system inquiry. There is no doubt that there is a clear need for changing the
remuneration structures in the life insurance sector. We have the Australian Securities and
Investments Commission report, the industry commissioned Trowbridge report and, of
course, the Financial System Inquiry evidencing alarming levels of poor-quality advice and a
strong link between high up-front commissions and poor consumer outcomes.

There is evidence not only that poor-quality advice is being provided but also that life
insurance policies are lapsing at very high rates. It is imperative that these findings are
addressed given life insurance is a key product through which consumers manage risk for
themselves and their families. The government wants to ensure that remuneration structures in
the life insurance advice industry support good-quality advice that prioritises the needs of
consumers. Currently, up-front commission arrangements are the dominant remuneration
arrangement, covering 82 per cent of advisers. It is not uncommon for up-front commission
models to pay 110 per cent of a new business premium to an adviser, with an ongoing commission of around 10 per cent.

The Australian Securities and Investments Commission, otherwise known as ASIC, as part of its 2014 review into the life insurance advice sector found that, of the 202 files reviewed where the adviser was paid under an up-front commission model, the pass rate was 55 per cent, with a 45 per cent fail rate—that is, 45 per cent did not meet the legal minimum for the quality of advice. Where the adviser was paid under another commission structure, the pass rate was 93 per cent, with a seven per cent fail rate. These findings are alarming and a real-life case study into ASIC's review only sheds more light on the poor consumer outcomes.

This is the example of Michelle. Michelle is 50 years old, is married, works full time and has a salary of $56,800. With an existing annual premium for life insurance policies totalling $1,676, Michelle sought advice on how this life cover could be paid from her superannuation benefits and not from her personal cash flow. At the time, $1,174 of the premiums was being paid from her personal cash flow. The adviser in this instance recommended that Michelle increase her life cover, total and permanent disability cover and trauma cover, and also take out income protection cover. The new total annual premium was $10,772. Michelle ended up paying $5,353 from her superannuation benefits and the balance of $5,419 from her personal cash flow. This payment represents 9.5 per cent of Michelle's gross income—clearly a large financial commitment. In this case, there was an up-front commission representing 110 per cent of the premium, or $11,849. The advice clearly did not address Michelle's stated objective, which was to reduce the impact of her existing premium on her current personal cash flow.

This bill addresses the misaligned incentive that resulted in this egregious consumer outcome. Specifically, the changes in this bill will remove the current exemption in the Corporations Act from the ban on conflicted remuneration for commissions paid for selling certain life risk insurance products and enable ASIC to determine the acceptable benefits payable in relation to these products. An ASIC instrument will be able to set the maximum commission amount for certain life risk insurance products. Payments which are at or below these amounts will not be considered conflicted remuneration. The maximum permissible commissions will apply to the first year of the premium, known as the up-front commission, and for subsequent years, known as the ongoing commissions. This will not prevent insurers from paying level commissions with no maximum cap in place under this remuneration structure. Given the evidence of the strong link between the high up-front commissions and the poor consumer outcomes, these changes seek to better align firm incentives with consumer interests by capping the commissions provided in the first year of the premium, while still allowing for other remuneration structures in the sector.

Another major feature of this bill relates to the clawback arrangements. Clawback arrangements imposed by product issuers are designed to provide a disincentive to advisers to rewrite insurance cover for existing clients during the clawback period. However, clawback arrangements across the industry are not uniform and typically only apply to the first year of the premium. Reducing the incentive to churn or replace policy is a major objective of the government's reforms and clawback is essential to addressing the problem. Clawback will occur in the first two years of a policy where the product is cancelled or the sum insured decreases, subject to limited exemptions. ASIC will have the ability in its instrument to
determine how much is required to be clawed back from life risk insurers each year. The stipulated clawback arrangements will only apply when an adviser is remunerated on an upfront commission basis.

The government of course recognises that the life insurance sector is vital for our community. Life insurance advisers help to provide important financial security to Australians and their families. To assist in this transition and to provide stability, advisers will have a three-year transition period to adjust their business models to the new regime, grandfathered arrangements for existing policies and a reduced two-year clawback period from the three-year clawback period which was originally proposed.

This bill is just one part of the government's package to help improve consumer outcomes in the sector. Later this year, ASIC will review statements of advice. The objective of the review will be to make disclosure simpler and more effective for consumers as well as assisting advisers to better make use of these documents. The industry is also creating a new industry code of practice which will include consideration of how approved product lists can be widened to broaden consumer choice. The government is also lifting the professional standards of financial advisers across the board. Raising standards will deliver better quality advice in this industry and more broadly in the financial services sector. The government will monitor the effects of these reforms and ASIC will conduct a review in 2018 to assess the quality of life insurance advice provided to consumers, in light of these reforms. If the review does not identify significant improvement, the government will move to mandate level commissions, as was recommended by the financial systems inquiry.

Access to appropriate life insurance products is in the long-term interests of Australian consumers. The bill and the government's package of reforms will fundamentally shift the industry to better align commercial incentives with the interests of consumers. This will benefit consumers through improved advice and better sustain industry into the future as a result of the improved consumer trust. I commend the bill to the House.

Question agreed to.

Bill read a second time.

The DEPUTY SPEAKER (Mr Craig Kelly): Is leave granted for the third reading to be moved immediately?

Leave not granted.

Consideration in Detail

Dr CHALMERS (Rankin) (13:20): On a day when the government is already a total shambles over negative gearing, a day when the Treasurer of Australia, according to one of the commentators upstairs, is a guy who pulled the pin out of the grenade and threw the pin instead of the grenade, and a day when it is just total mayhem on that side of the House, now we have the extraordinary prospect that a member of the government has said that he does not support the government's bill. No wonder the relevant minister, the Assistant Treasurer, has not shown up to sum up her own bill. No wonder she has sent the member for Mitchell. The Assistant Treasurer of this country will not show her face in here to defend her own bill, knowing that she has put a bill before the parliament that is not supported by her own party. This is a very big part of the shambles, the chaos and the confusion that reign in economic
policy on that side of House. We have this extraordinary situation where Labor has a view on the life insurance bill, and the Assistant Treasurer has a very different view to her own members of her own government when it comes to the life insurance bill.

When you look right through economic policy, at capital gains, negative gearing and superannuation—at all of the important components of a credible economic policy in this country—we can now add to a very long list the shambles that is occurring over there when it comes to life insurance policy and financial advice in this country. For the Assistant Treasurer not to have checked with her own colleagues that they support her bill is an extraordinary gaffe. This is a very big deal. We have a backbencher who has stood up and said, in this place, moments ago, that he does not support his own government's life insurance bill. On a day when there are all these other shambles, we cannot let it go unnoticed, in this parliament, that the government is hopelessly divided when it comes to economic policy.

We know that the member for Warringah is in the party room, shirt-fronting the Prime Minister when it comes to negative gearing, and savings versus taxes and all of this. We now know that the member for Forde wants to shirt-front the cabinet of this country when it comes to life insurance reforms. This is an extraordinary thing. It may be that the Assistant Treasurer, who is probably, right now, hiding in her office, does not want to enter this chamber, does not want to come in and explain this extraordinary shambles that she has presided over—in this case, life insurance. It may be that she is in there thinking about the shambles of negative gearing that the Treasurer is presiding over and the shambles that the Prime Minister is presiding over as the member for Warringah leaks sensitive information against him. It may be that the Assistant Treasurer of this country thinks, 'With all of this other stuff going on, all of these other huge problems in the government, maybe my problem won't get any attention.'

We need to mark on the parliamentary record what is happening, right now, in this place, as it relates to life insurance. We have an Assistant Treasurer who not only cannot get her story straight on this big scare campaign of the Prime Minister's on house prices—after days and days of the Prime Minister saying, 'This'll force house prices down', the hapless Assistant Treasurer went on Sunrise and said it will force prices up—she was forced into this humiliation. It was day after day after day of extraordinary humiliation; she cannot even get her story straight when it comes to house prices. And now, to add to a very long list of gaffes, this error-prone Assistant Treasurer has to deal with the fact that her backbench is in revolt over her bill. She cannot even come into this place and defend this shambles, this pile of humiliation that has accumulated around her, as she gets one thing after another wrong in this place and beyond.

In the absence of the Assistant Treasurer, my question to the assistant minister who, at least, showed up, is: what is your response to the fact that the member for Forde, a backbencher from the Liberal side of the parliament, does not support the government's legislation?

Mr HAWKE (Mitchell—Assistant Minister to the Treasurer) (13:25): I want to thank the member for Rankin for that five-minute presentation, which, really, amounted to a series of abuses against the Assistant Treasurer. There was no comment about the bill or the impacts of the bill, which, I understand, the Labor Party is completely supporting, as it is the government's amendments. I understand the opposition supports every objective of the
government in this important area—the Corporations Amendment (Life Insurance Remuneration Arrangements) Bill 2016. Not only does the opposition support the government's intention, but they also support the government's legislation and processes and, indeed, they have spoken so in the House.

The member for Rankin asked me a question in relation to the operation of the Liberal Party in Australia. I will give him an answer, because I think it deserves an answer. In the Liberal Party, disagreement is not division. If you have a different opinion on something, you are allowed to disagree. Let us contrast that with what happens in the Labor Party. If you disagree on something—if you are Joe Bullock and you believe that marriage is between a man and a woman—you are forced to resign from your own party. You are forced to resign from parliament because you disagree. That is what the modern Labor Party has come to. We handle disagreement well. You are allowed to disagree on policy. It is a genuinely liberal party.

*Opposition members interjecting—*

**Mr HAWKE:** You laugh, because you are a collective. You laugh, because you are a bunch of communists. You laugh, because you execute anyone who disagrees with you. That is what you do. You execute them. You force them out. You stood here yesterday and said, 'Let's have a free vote on gay marriage.' But you have already forced anyone who disagrees with you out of your own party. In the Labor Party, you are not allowed to disagree. You are not allowed to have a disagreement. So I understand why you do not understand the Liberal Party. I understand why you do not understand how a government can reconcile different points of view into the same conclusions. Why? Bert van Manen, the member for Forde and someone who has a lifetime experience in this industry, has a different view. He is able to reconcile his view and stay part of this government, because he knows that this government is best for Australia. He knows that this government is best for his constituents. But he is allowed to disagree because we are a liberal party.

I would say to you that it is not a great system for this parliament, not a good way for the modern Labor Party to be, to execute members of parliament who disagree on any issues. I do not stand for that system. I believe you should allow people to have disagreements within their own party. I have had disagreements with my own party. I have some today. You do not have to agree on 10 out of 10 things. You can disagree on one or two of 10 single issues. That is the question you asked me here, as a minister in this place. I believe our parliament is better and stronger if you are allowed to disagree within the confines of your own government; absolutely so. That is the question you have asked, and that is the way I will answer it. I would also say that, if you have a comment about this bill, if you have an objection about this serious bill about the provision of life insurance risk products in Australia, make it. If you do not, if you are here for a cheap political game—we are here to govern the country. We are here to do these serious amendments and reforms. We have had the discussions. We are all here, and we will support this. You support these amendments. Let us pass this legislation, and let us get on with the government of Australia. Let us not play these ridiculous games.

Frankly, just because you disagree on something does not mean you should have to resign from parliament, like Joe Bullock. If you disagree on something, you should not have to resign your parliamentary seat. That is certainly not the case in the Liberal or National Party. If you disagree on a policy issue, you can remain in our party. You can stay. You are
welcomed. Your disagreement on a policy is absolutely welcomed. We know that that is not the case in the Labor Party. It does not make good government. It does not make good legislation. I would say to the member for Rankin: I do not think you have made any good points.

Dr CHALMERS (Rankin) (13:29): What an extraordinary display! The fact that the Assistant Treasurer could not come in and defend her own mess leaves the assistant minister in this awful position where he has to say that his main criticism of what I have just said is that there are communists everywhere! Everywhere you look—under the dispatch box, under the desk—there are communists! That is what explains the economic omnishambles that exists on that side of House—that there are communists everywhere. What a complete joke this government is when it comes to economic policy!

The DEPUTY SPEAKER (Hon. BC Scott): Order! The debate is interrupted in accordance with standing order 43. The debate may be resumed at a later hour.

STATEMENTS BY MEMBERS

Turnbull Government

Mr WATTS (Gellibrand) (13:30): A well-known tale of a man who, consumed by ambition, murders his king to take the throne for himself infamously culminates with the protagonist lamenting:

*Life's but a walking shadow, a poor player*

That struts and frets his hour upon the stage

And then is heard no more: it is a tale

Told by an idiot, full of sound and fury,

Signifying nothing.

And so it is with the tale of the protagonist of this place, Prime Minister 'MacTurnbull'. While we have heard many lengthy soliloquies from the Prime Minister—and the knives of vengeance pile more bloodied bodies of betrayed ministers on the backbench by the day—all the sound and fury signifies nothing: no change from the Abbott government's marriage equality policy; no change from the Abbott government's climate change policy; no change from the Abbott government's $80 billion cuts to schools and hospitals; no change from the Abbott government's desire to roll out $100,000 university degrees; and, of course, the same baseless scare campaigns and lack of economic leadership. As we enter the final act of this tale of betrayal, in service of nothing more than personal ambition, we see that the talented member for Wentworth knifed the previous Prime Minister only to become him. He looks to the backbench and he knows that something wicked this way comes. Banquo's ghost lurks, cavorting with *The Australian*. And we all know how this play ends. There are already bodies piling up on the backbench. We will see more before this play is out.

Salty Lake Film Fest

Ms HENDERSON (Corangamite) (13:31): I am very proud of an initiative I have launched to celebrate the innovation and creativity of young people in my electorate of Corangamite and across the broader region. The Salty Lake Film Fest is a young filmmakers competition which seeks to celebrate the creativity of young Australians as well as showcase our wonderful region. It is underpinned by the message 'Our home, your story'. The Cotton
On Group, I am very proud to say, is providing a total of $10,000 in prize money, including $3,000 for the major prize. This is a very significant investment in giving young people across our region a voice. Last year, we launched the Salty Lake Film Fest with the Assistant Minister for Innovation, Wyatt Roy, and it has been received very positively. Applications are now open at saltylakefilmfest.com.au. Our government very proudly is focused on innovation, on the digital economy, on harnessing the wonderful ideas of young Australians, on developing those jobs for the future—and what a great way to do it this is, giving young people a chance to make a film of between two and five minutes in duration, to tell their story and to be proud of the home in which they live. I repeat the address: saltylakefilmfest.com.au.

Turnbull Government

Ms RYAN (Lalor—Opposition Whip) (13:33): I rise today to ask one simple question: when does good government start? We asked this question 2½ years ago. We asked it a year ago. And we are still asking that question. Australians are getting tired of waiting for the people opposite to find some unity. All they are getting is more and more division. What they have seen—today again—is a government at war with itself, the same as the government they changed. This one is still at war with itself. Still we are nowhere on marriage equality. We are still looking at family payment cuts of up to $5,000 a year. We are still looking at $100,000 degrees. We have still got the same lack of action on climate change happening over there, with that great 'Indirect' Action policy! We have got attacks on Medicare, including a task force to privatise Medicare. We have got the second-rate copper NBN. We have got cuts to schools and hospitals. To top it off, today we have got a Treasurer who does not know Australia's GDP from New Zealand's GDP, and we have got the member for Deakin, in my city's paper, demonstrating that he does not trust teachers or principals. This is from a man who has had not one word to say about the $30 billion cuts to schools.

Bexley North Public School Student-Led Parliament

Mr VARVARIS (Barton) (13:34): Recently I had the pleasure of attending Bexley North Public School's student-led parliament in my electorate of Barton. I was fortunate enough to open the student mock parliament, along with discussing some of my insights into being the federal member for Barton and shedding light on parliamentary proceedings to the students and teachers. Opportunities like this allow students to gain a sense of leadership and perspective on parliamentary processes from an early age, conveying the quality of education we have in our schools today. The power of education has become an entrenched value in our society, empowering each individual and instilling a sense of confidence like no other.

We, as parliamentarians, have the responsibility of setting an example for future generations to come. I made sure to discuss the importance of education and exploring new areas that they may not be familiar with. I also encouraged the students to always give something a try, as mistakes are not failures but simply learning experiences. It was great to see the interaction and initiative taken in the student-led parliament, with a couple of ministers being represented—an environment minister and a minister for innovation and science—demonstrating an accurate portrayal of parliament. This provided a clearer understanding of what each portfolio contains and the responsibilities that are carried out by each minister. I congratulate both the students and teachers involved in the proceedings.
Ms McGOWAN (Indi) (13:36): Today I focus my comments on women's safety, particularly the safety of women who live in rural and regional Australia. Women need to feel safe in their homes and communities, and, for many women, this is not the case. Addressing the problem of violence against women needs a whole-of-community approach. Everybody needs to stand up, speak out and take action. In Wangaratta people are standing up, speaking out and taking action. Women's Health Goulburn North East, based in Wangaratta, has undertaken groundbreaking research on this issue, publishing the reports Preventing violence against girls and women before it occurs and Beating the flames: women escaping and surviving Black Saturday.

Next Sunday a public rally, 'Enough is Enough', will be held in Wangaratta. Congratulations to the organisers, Tania Maxwell and Carol Roadknight. The rally's call is for community safety to be the No. 1 priority. As we celebrate International Women's Day, it is important that the whole of the community stands up, speaks out and takes action to get change; that our laws reflect community sentiment; and that we have trust in our court system to deliver appropriate sentences. I will take any issues from the rally that can be resolved at the federal level to Canberra. I stand here today proudly supporting safety for all people in their homes, and I particularly say to Wangaratta: well done, thank you for taking action and I look forward to hearing a report of the rally.

Mr SIMPKINS (Cowan) (13:37): Today I would like to talk about the arrangements for Clean Up Australia Day on 6 March. This year I am sponsoring a clean-up day in the vicinity of Highview Park in Alexander Heights. I certainly call upon all the locals to come out and lend a hand. This park is an excellent park in the area of Cowan. It is right in the middle of Cowan in Alexander Heights.

Next to the play oval area there is a fenced off, open space bushland area. Several years ago, I worked with the state government and got them to fence this area, and that stopped a lot of the dumping issues around Highview Park. Nevertheless, the fence and traffic past it causes a lot of garbage to accumulate in the vicinity of Highview Park. We have identified that. We are working with some local groups to come out and increase the numbers and we are going to do a really good clean-up job of that place. It is on Sunday 6 March between 11.30 pm and 2.15 pm.

I think this reflects the needs of the local community. People have talked about problems regarding the garbage around the park. I look forward to a big day and a much cleaner Highview Park as a result of our efforts.

Mr GILES (Scullin) (13:39): Australia's Prime Minister today resembles nothing quite so much as the dog who caught the car. The role that he coveted for so long he has now acquired but has nothing to do with it, or at least he has done nothing to distinguish his government from that led by Tony Abbott. The question arises: what is the point of Malcolm Turnbull as Prime Minister? What is the point of this Prime Minister? It is a question that is in the community. It is also a matter that is being raised within his party room. The 39 members of it
who voted for a blank space in place of the member for Warringah made the right choice, because they identified a clear alternative. An alternative was needed.

The leadership change achieved nothing. We have instead, as the member for Grayndler has said, 'Tony Abbott in a top hat'. The new Prime Minister raised expectations. He talked about a different economic narrative. He talked about intelligent debate, but instead we have more of the same cheap, baseless scare campaigns and a continuation of policies—like on marriage and climate—that we know the Prime Minister disagrees with.

I will put the question I raised earlier a different way: what difference does it make that Malcolm Turnbull has replaced the member for Warringah as our Prime Minister? What difference does it make to the people of Australia that the Prime Minister's name has changed? It makes none.

Liberal Party

Dr SOUTHCOTT (Boothby) (13:40): Twenty years ago yesterday I, along with 50 other members, was elected as part of the class of '96. On this side of the House there was a bumper crop of 39 Liberal and National Party MPs, some returning but most of them new. Last night was an opportunity to reflect on the achievements of the Howard government—eliminating debt, introducing gun control laws, supporting East Timor as an independent nation and introducing a new tax system. It was a time when tax cuts were a regular part of budget night. I am proud to have played a supporting role in what was a very good Australian government by any measure.

For me, it was also a time to reflect on the changes that have happened over the last two decades both in politics generally and in my local electorate. Campaigns 20 years ago were quite different—no Twitter, no Facebook, no websites and no emails. The fax machines in the campaign office would whir away with updates from campaign headquarters. In my electorate there was no aquatic centre or cancer centre. The Flinders campus at Tonsley was instead the Mitsubishi car plant, with 5½ thousand workers. My current constituents in Aberfoyle Park were represented by Alexander Downer.

I would like to thank the voters of Boothby, my campaign teams, the Liberal Party FEC and my family, without whose support I could never have represented my local community in federal parliament for the last 20 years.

Turnbull Government

Ms MACKLIN (Jagajaga) (13:42): For the last six months the Turnbull government has flagged tax changes to the GST, negative gearing and superannuation. But as the Liberal backbench and the member for Warringah pressure him to take each item off the table, Prime Minister Turnbull is leading Australia back to the future, back to the 2014 budget, back to massive cuts to pensioners, back to increasing the pension age to 70, back to $5,000-a-year cuts to families, back to $100,000 degrees and back to $80 billion of cuts to schools and hospitals. This is not the economic leadership that this Prime Minister promised. Instead, we are left with national security leaks and internal divisions within the Liberal Party. We are left with a government that is completely bereft of any tax policy. What a disappointment this Prime Minister is.

It is the families and pensioners right around Australia who are going to pay the price for this Prime Minister's lack of leadership. They are the people who are going to bear the burden
of this government's savage cuts—the same old cuts, the same old chaos, the same old division and the same old Liberals.

Hindmarsh Electorate: Marine Discovery Centre

Mr WILLIAMS (Hindmarsh) (13:43): Recently I visited the Marine Discovery Centre in my electorate of Hindmarsh in South Australia with the education minister, Senator Simon Birmingham, and his young daughter Amelia. I have been working with the Marine Discovery Centre for some time and I am impressed by their commitment to educate children about the importance of our marine environment. It is the only remaining centre of its kind in South Australia where primary school children can have a real hands-on experience and interact with displays. The education minister and I were lucky enough to be taken on a tour by Ruby, Macy, Edward and Alex from the local Star of the Sea School. I thank them for all they taught and showed us during the hour we were with them. I would like to congratulate the Marine Discovery Centre director, Tim Hoile, and the Star of the Sea School for their support and dedication. Another organisation supporting the centre is the Henley Beach Parish, so well done to them.

I would like to congratulate and recognise the dedicated volunteers who have kept the centre running for almost 20 years. Importantly, the federal government currently provides the centre with a $20,000-a-year funding commitment through the South Australian Environment Protection Authority as part of the Catchment to Coast focus for water quality improvement across urban Adelaide projects.

It is so important that the next generation of leaders learn to care for our beaches, oceans and marine life. When my children visited it, they found it both interesting and educational. They came home with many new facts about the sea to tell me.

The Marine Discovery Centre has discussed a proposal with the education minister and I would like to make sure that the centre remains a relevant resource in our increasingly digital education environment. I am a strong supporter. (Time expired)

Turnbull Government

Ms MacTIERNAN (Perth) (13:45): Regrettably, I must rise today and disagree with some of my colleagues. They say there is no difference between Tony Abbott and Malcolm Turnbull, but I think that is completely untrue because we, as a nation, have made a great leap forward. We have moved from the three-word slogans to the five-word slogan. 'Axe the tax' is no more. Instead we have, 'Vote Labor and be poorer'. That is a real difference; we have added verbosity. Of course, our Prime Minister does not quite have his predecessor's knack for the sound bite, but he does have the same capacity for vacuous repetition. And remember, this is the man who, in his pitch for the prime ministership, told us, 'We need advocacy, not slogans'—which, oxymoronically, has itself become just another slogan.

The Prime Minister has been unable to produce one shred of credible evidence to support his five-word slogan. This morning his Treasurer was desperately trying to tout a BIS Shrapnel report, even though the author of the report said it was not based on Labor's policy. It was such a credible report that it actually cited Australia's annual income as— (Time expired)
Local Government

Mrs SUDMALIS (Gilmore) (13:46): Today I speak again on the topic of local government.

Government members interjecting—

Mrs SUDMALIS: Guys! Currently three local councils—Kiama, Shellharbour and Shoalhaven—are part of Gilmore. They are each uniquely placed to represent their communities. The draft amalgamation proposal for these regional councils has been the subject of many community meetings and many submissions to the delegate. My state colleagues have been working on methods to best represent the community as a whole. We all acknowledge that the local government system needs addressing, especially in urban locations but perhaps not quite so much in the regions.

The communities in the Gilmore councils have been vocal and passionate in fighting against amalgamation. I am hopeful that the process can be as collegiate as possible and that the decision making can be kept as transparent as possible. On Friday last week, the AEC gazetted changes to the boundaries of Gilmore. After the next election the residents of Shellharbour will move out of the electorate. I will continue to work on their behalf until then. However, residents in parts of the Eurobodalla shire will be added to Gilmore. The boundary now extends from South Durras through to Tuross Head and Turlinjah, including Batemans Bay, Mogo, Nelligen, Moruya and many other beautiful locations.

It was great to meet the mayor, Lindsay Brown, the council team, many business owners and the chamber of commerce presidents. I continue to look forward to finding out what this new community needs and working hard for them, as I have been doing.

Turnbull Government

Mr STEPHEN JONES (Throsby) (13:48): There is a good chance that we have no more than five sitting days before the Prime Minister pulls the pin and calls a double dissolution election. But Australians have still got no idea about what this guy stands for. At least with the former Prime Minister we had a pretty good idea about what he was on about: cuts to Medicare and over $80 billion worth of cuts to schools and hospitals. He was about ripping money out of the budgets of families, with family tax benefit cuts. He was about having a go at pensioners. At least we knew what that bloke stood for.

But, as we have less than five sitting days before this bloke pulls the pin on a double dissolution election, we have no tax policy, we have the Prime Minister and the Treasurer out there with his big 'gotcha' moment—it reminded you a bit of Godwin Grech, didn't it? He had this big gotcha that was going to pull us down, only to have to admit that the big gotcha report was produced two months before the policy it was supposed to criticise. With gotcha moments like that, come in spinner.

I got a phone call from Max from my electorate before I came down here for question time, and Max said, 'Steve, how many Malcolm Turnbulls does it take to change a light globe?' I said, 'I don't know, Max.' He said, 'None, because Malcolm Turnbull changes nothing.' Ain't that the truth.
Stronger Communities Program

Mr SUKKAR (Deakin) (13:49): I did not practice in front of the mirror like the member for Throsby. Over the past few weeks it has been my absolute privilege to support a number of great local projects which have received support through the Stronger Communities Program.

This program is delivering great capital support for a number of sporting clubs and other associations in my electorate. Last Saturday, for example, I was very pleased to join with members and supporters from the Laburnum Cricket Club to help celebrate the opening of their new club rooms. This new facility will help a wonderful local club to continue to grow for years. I was also pleased to be able to provide support under the Stronger Communities Program to help furnish the new club rooms.

I have also been able to announce or progress funding for a range of other local sporting clubs, including the Ainslie Park Cricket Club, Blackburn Football Club, Croydon Junior Football Club, Heathmont Football Club, the Maroondah Calisthenics Club, the Maroondah Toy Library, Ringwood Football Club, South Croydon Football Club and the Vermont Junior Football Club. All of these clubs rely on the hard work of local volunteers who put in their time to make our communities a better place to be. I am very proud to be supporting them with projects that will assist each of the children who participate in those clubs. I will continue to provide that support long into the future.

Prime Minister

Ms CHESTERS (Bendigo) (13:51): This is going to sound a bit controversial. I slightly disagree with the member for Throsby, with all respect, because I believe there is a lot in common between the current Prime Minister and the former Prime Minister. I reckon they are quite equal. They will do whatever and say whatever to keep their job. The former Prime Minister, before the election, said there would be a unity ticket on funding for education and health. What happened after the election? In the first budget we had $80 billion cut from health and education. This Prime Minister, before he became Prime Minister, said, 'I want to do the right thing by the Australian people.' But now that he is Prime Minister he is backing in those cuts all the way. Eighty billion dollars has still been cut from health and education. This is a Prime Minister who, like the previous guy, will do whatever to save his job.

He will not go and talk to the workers who are on the lawn out the front of Parliament House who have lost their jobs under this government. He will not go and talk to the cleaners, the cleaners who keep Parliament House clean, and support them in a fair wage claim—no. He will do whatever he can to save his own job, just like the previous guy, who would do whatever and say whatever to save his job, and do nothing whatsoever to stand up for Australian workers and stand up for Australian families. The Australian people know it. Doing whatever to save your own job is just not good enough for the Australia people.

Taxation

Mr VAN MANEN (Forde) (13:52): I rise today to speak on the negative impact that we will see from Labor's proposed changes to negative gearing in my electorate of Forde. I had a meeting with several of my real estate agency principals last week to discuss the impact on property values and rents in Forde. The story from the agents is that, across the board, people in the electorate of Forde, who are already struggling to meet the day-to-day costs of living,
will be impacted if there are any rental increases as a result of Labor's negative gearing policy changes and capital gains tax policy changes—

*Opposition members interjecting—*

**Mr VAN MANEN:** Yes, they get two bites at the cherry because they need capital gains to make their negative gearing strategy work. In the electorate of Forde, we have not had the large property price increases that we have seen in Sydney and Melbourne. Those in my electorate who are already struggling to make ends meet, the very people that those opposite purport to support, are going to be the ones most hurt and most disadvantaged by Labor's policies. The people of Forde are the sorts of people who are looking to build their wealth and grow their wealth through property and it is going to be more difficult for them as well. It is all negative for the people in my electorate—*(Time expired)*

**Prime Minister**

**Ms CLAYDON** (Newcastle) (13:54): Last September when the Prime Minister disposed of the former Prime Minister, the now member for Warringah, there was a collective sigh of relief across the nation. I admit that. I was part of that, no doubt. There was renewed hope and anticipation that the new Prime Minister, who did what he had to do to wrest the top job might actually be a man of conviction. Do you know what? The one thing that is even worse than the most unpopular Prime Minister Australia has ever had is the new Prime Minister, who says one thing before he becomes leader and then parks all his convictions and his moral compass to one side when it comes to making a decision. So all those people who were looking for some hope on marriage equality, some hope on Australia becoming a republic, some hope around delivering on climate change or some hope on delivering a real national broadband network for the country have been sorely let down. There is no doubt that this man who promised intelligent debate and greater economic leadership has let down this nation. There is no doubt about that at all. The new Malcolm is a very different man to the old Malcolm, apparently. The new Malcolm sold his soul to get the top job last time around. *(Time expired)*

**Lindsay Electorate: Llandilo Public School**

**Ms SCOTT** (Lindsay) (13:56): Today, I rise to acknowledge an incredible local public school in the Lindsay electorate—that is, Llandilo Public School, which is turning 150 this year. The member for Macquarie tells me that Llandilo Public School was once in her electorate. I am sure she is wishing them happy birthday this year as well. This is a wonderful school. Llandilo still has so much country charm. Principal Deborah Getley has said the school is becoming absorbed by some of the growth areas of Western Sydney, being right next to Jordan Springs. So we will see a lot of changes happening to Llandilo over the next few years.

A good friend of mine Charlie Oxenham, who is now 86, and Roxana Jensen, who is 93, recently went back to the school and reminisced about when the school was completely surrounded by cow paddocks and had dirt floors. The school is very different today than what it was a hundred years ago.

Today, the school boasts a wonderful vegetable patch, a museum in a 1913 classroom and a wonderful continuity of family connections, such as through assistant principal Nicole Waugh—her grandmother Amy Luxford was a student, as was her father Noel Paul and now
her son Riley. I wish the entire school community at Llandilo Public School a very happy birthday. You have a wonderfully rich history in the area. Congratulations. *(Time expired)*

**Prime Minister**

Mr PERRETT (Moreton) (13:57): Sadly, the only cut that is different between Malcolm Turnbull and Tony Abbott is the cut of their suits.

The SPEAKER: The member for Moreton—

Mr PERRETT: Sorry, Speaker, the member for Wentworth and the member for Warringah. Before the last election, we heard the commitment from the LNP that there would be no cuts to education. What happened after it? They said there would be a unity ticket on Gonski. What happened afterwards? They said there would be no cuts to health. What happened afterwards? There is $50 billion planned.

The Australian public are a little like Charlie Brown. We have the LNP prime ministers who are like Lucy holding the football. They say, 'No, I won't pull it away. I won't pull it away. Trust me this time. I won't make cuts to education. I won't make cuts to health. I will have a unity ticket on Gonski. We won't have $100,000 degrees. We won't sack public servants. We'll look after the environment.' What happens every time they say that? Just like with Lucy and Charlie Brown in the *Peanuts* comics, the ball is whipped away and the Australian people are left to suffer. For too long we have seen the LNP prime ministers trot out one promise before the election and then do something else afterwards. It is time that we held them to account. We need the member for Wentworth to actually be true to what he was before the election, where he actually made some commitments and some promises rather than transmogrifying— *(Time expired)*

**Northern Tasmania: Federal Circuit Court Judge**

Mr WHITELEY (Braddon—Government Whip) (13:59): The ALP's scare campaign over the replacement of the Northern Tasmanian Federal Circuit Court judge is irresponsible and is needlessly concerning vulnerable families. The position is not vacant for another few months and an announcement of the appointment will be made closer to the time the position needs to be filled. I can report to the people of north-west and Northern Tasmania that consideration is being given to Justice Roberts's replacement. It is well advanced and normal practice will see an appointment made just a few weeks out. This sordid campaign was always about creating fear in vulnerable people. Their inflated objection is overruled.

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

**QUESTIONS WITHOUT NOTICE**

Royal Commission into Institutional Responses to Child Sexual Abuse

Mr SHORTEN (Maribyrnong—Leader of the Opposition) (14:00): My question is to the Prime Minister. Australians have been shocked and angered by evidence revealed at the royal commission into child sexual abuse. In September last year the royal commission's final report on redress and litigation recommended a single national redress scheme for survivors of child sexual abuse. Labor committed to a single national redress scheme in October last year. Will the Prime Minister join with Labor and commit to a single national redress scheme for survivors of child sexual abuse?
Mr TURNBULL (Wentworth—Prime Minister) (14:00): I thank the Leader of the Opposition for his question on this very important matter. The government has carefully considered the royal commission's recommendations and will lead the development of a national approach to redress for victims of institutional child sexual abuse. We recognise the importance of developing such a national approach to redress as quickly as possible. Survivors want redress—they deserve redress—to assist with the healing process. We have commenced discussions with the states and territories to carefully work through these many complex issues. Mr Speaker, I am going to invite the Minister for Social Services to add to this. As you know, he is a former Treasurer and Attorney-General of Western Australia and administered the redress scheme in that state while he was a minister in Western Australia.

Mr PORTER (Pearce—Minister for Social Services) (14:01): I thank the Prime Minister, and I thank the Leader of the Opposition for his question. It is the case that I did have the opportunity to fund and administer the redress scheme in Western Australia. Also, as a Crown prosecutor, I prosecuted many trials where I saw firsthand the anguish of victims of sexual offences, and I am very well aware of the need not to revictimise people through a process such as this.

Leader of the Opposition, you make the point that there were two models that were considered by the royal commission. The first was a national scheme, which is of course fully administered by the Commonwealth. The second, at page 27, was described like this: 'We accept that state and territory schemes involving government and nongovernment institutions are the next best option and are significantly preferable to schemes operated by individual institutions or groups of institutions.' The Prime Minister has described the fact that we have commenced negotiation around schemes which are of that type, which is a national approach; the idea being that in each state-based scheme there would be a federated option and consistency of outcome so that anyone who applied through a scheme in a starting jurisdiction like South Australia, Victoria or Western Australia would be treated in the same way.

I do not think anyone in this House should underestimate the intense difficulty that will be occasioned in trying to negotiate either a national scheme or a national approach—and we favour the latter. This will of course revolve around issues of funding. After careful consideration, one of the reasons that we determined to follow the second of the two options that the royal commission noted is that it will necessarily involve cooperation and agreement from each and every jurisdiction. There is a difficulty that I think that we face up-front, and I will read some comments from the South Australian Premier. He said:

If the commonwealth want to establish their own scheme and fund it, well and good.
I know for many it might seem like the payment of money is the most important thing, but the truth is it can often not be the salve that many people think.
We note that a national scheme is being proposed. We do not think it properly takes into account the steps we have already taken here in South Australia.
The difficulty is that we have already had one state effectively say no to the approach that the royal commission recommended first and that those opposite have adopted. We are trying the second way and I do believe we can be successful.
**Economy**

**Mrs GRIGGS (Solomon) (14:04):** My question is to the Prime Minister. Will the Prime Minister please outline to the House how rural and regional Australia is successfully transitioning to the new economy?

**Mr TURNBULL (Wentworth—Prime Minister) (14:04):** I thank the member for Solomon for her question. Ours is a government directing every effort to ensure we continue our successful transition from the mining-led investment boom to broader-based growth driven by services, exports, innovation and technology—the new economy which offers our children and grandchildren the greatest opportunities imaginable and that ensures in these, the most exciting times for Australians, that we are able to seize those great opportunities.

Some of Australia's greatest exports—agriculture, international education and tourism—are spearheading this transition, and they have helped to add more than 300,000 new jobs to our economy over the past year. We have seen through the year strong economic growth of three per cent. Yesterday's national accounts show how well we are transitioning, how well we are progressing and how much better we are doing than other comparable economies. But we have to use carefully every lever of government, every instrument of policy, to ensure that we make this successful transition.

Our initiatives include the $1.1 billion innovation agenda. This is working to generate more and better paid jobs. It is serving to encourage investment, to inspire people to have a go and take risks, and to inspire entrepreneurship. It is encouraging scientists and technologists to cooperate better with business and industry. Of course, integrally connected to this is the defence white paper, which will also spur jobs growth and investment right across the country and especially in regional Australia. Local jobs will be generated through a range of projects—from the RAAF base in Amberley in Queensland, to work on the Puckapunyal military area in Victoria and upgrades to the Cultana training area and Woomera range complex in South Australia. Our defence estate will be upgraded right around the country. We will see defence industry contractors getting more work and more opportunities for innovation.

The innovation is not just about lab research or technology start-ups. Examples abound of leading-edge technology revolutionising food and fibre production by farm businesses small and large across Australia. When visiting Bundaberg, Queensland, recently we witnessed Craig Van Rooyen, a lychee, avocado and macadamia grower, using drones that looked as though they had stepped out of a science fiction movie to chase away bats and birds and reduce the losses on his crops from 30 per cent to five per cent. That is real innovation. *(Time expired)*

**Turnbull Government**

**Mr SHORTEN (Maribyrnong—Leader of the Opposition) (14:07):** My question is to the Prime Minister. I refer to the Australian Federal Police investigation into leaked national security documents. The Treasurer said this morning:

… whoever the culprit was, well, I certainly hope the Secretary of Defence gets their man or woman.

Will the Prime Minister today explicitly express confidence that this leak has not come from any current or former member of the National Security Committee of Cabinet?
Mr Pyne: Mr Speaker, I rise on a point of order. How could that possibly be within the Prime Minister's knowledge when, obviously, the purpose of the investigation is to determine from where the leak has come?

Mr Husic interjecting—

The SPEAKER: The member for Chifley will cease interjecting.

Mr Snowdon interjecting—

Mr Dreyfus interjecting—

The SPEAKER: The member for Lingiari will cease interjecting and the member for Isaacs will cease interjecting.

Mr Burke: Mr Speaker, on that point of order: previously the Prime Minister has expressed confidence in ministers who are under investigation. We are now asking him whether he will express confidence in the National Security Committee and its former members. It would be extraordinary if that is a question that is somehow not allowed, particularly when investigations previously have provided no bar for the Prime Minister to express confidence in some of his former ministers.

The SPEAKER: I will make a brief comment. The question was broader than the way it was portrayed by the Manager of Opposition Business. The first part of the question was certainly within order, and I will ask the Prime Minister to address that. He can address any aspect of it, if he wishes.

Mr TURNBULL (Wentworth—Prime Minister) (14:09): Of course I have confidence in all of my ministers. As this matter is part of an ongoing investigation, including careful investigation by the Australian Federal Police, I am not going to comment on it any further. The Leader of the Opposition should consider whether he wants to continue to make mischief out of what is a very serious matter.

Economy

Mr RAMSEY (Grey) (14:10): My question is to the Deputy Prime Minister and Minister for Agriculture and Water Resources. Will the Deputy Prime Minister update the House on how the government's policies are helping to grow Australia's rural exports. How is this growth playing a key role in rebalancing the Australian economy following the resources boom? Is the Deputy Prime Minister aware of any threats to the progress the government is making?

Mr JOYCE (New England—Deputy Prime Minister) (14:10): I thank the honourable member for his question. I note that the honourable member lives in an area which has large-scale farming and is obviously one of the largest electorates in Australia—certainly the largest electorate in South Australia—and that he is a person with extensive farming experience.

It is good to note the returns that we are getting as a manifest expression of the good economic management of this side of the House in the agricultural sector. We note that, as the latest figures show, Australia's economic growth is about three per cent, which is better than the OECD average. That is also a sign of the overall management of our nation. But the gross value of farm production for the financial year ending 2015-16 is predicted by ABARES to be at 9.3 per cent. This in itself is three times better than the national average growth across the
whole economy, and vastly—four times—better at least than the OECD growth. This is what is happening in our nation now.

Livestock is another classic example of this. In the financial year we are looking at a 13.3 per cent gross value increase in livestock production, which in itself is going all the way back through the farm gate and giving us a net average farm cash income of $179,000 from a gross income of around about $519,000. This is the highest in 20 years, and it shows that we are standing behind and delivering on our promise—we are delivering a better return through the farm gate. Of course the difference between those two figures, of around about $340,000, is the money that is going to the farm businesses, the hardware suppliers, the fuel suppliers and all of the other sections in those regional towns, boosting their economy as well. We stand behind this economic narrative with our white paper, which is delivering up to a quarter of a billion dollars a year in concessional loans to help those in droughts. We have the country of origin labelling which we are bringing forward; we have the ag commissioners who are now residing overseas to draw that product through; and we have a new ACCC commissioner in Mick Keogh.

Today we announced $31 million to increase the water infrastructure for Bothwell in the seat of Lyons, and in Riverina and Farrer we announced a further $12 million for irrigation infrastructure. We are building the architecture that stands behind agriculture production.

Finally, you asked if there are any threats to this. Quite obviously, one threat is a side of government—the Labor-Independent-Green side—which, at this point, has never come to this dispatch box and actually talked about an agricultural policy. This is the second-biggest export in this nation after iron ore, and they cannot even give it the dignity—(Time expired)

Taxation

Mr BOWEN (McMahon) (14:13): My question is to the Treasurer. This morning the Treasurer staked his reputation on the credibility of the BIS Shrapnel report, claiming that it was about Labor’s negative gearing reforms. But BIS Shrapnel has subsequently said: ... the assumptions do not align with Labor’s policy. Will the Treasurer admit his claims are entirely wrong and will he also acknowledge that he attached himself to a report with a $1 trillion error?

Honourable members interjecting—

The SPEAKER: The members on both sides will cease interjecting.

Mr Sukkar interjecting—

The SPEAKER: The member for Deakin is warned.

Mr MORRISON (Cook—Treasurer) (14:14): I thank the member very much for his question. Let us look at what the report has modelled. It has modelled, for established dwellings, the removal of a tax deductibility of losses on established residential property against general income—that is their policy. New properties are exempt—that is their policy. The change applies to established dwellings only. New dwellings continue to attract concessions as per usual—this is their policy. It has grandfathering as well—that is their policy. Tick, tick, tick—that is their policy.

It is true that the BIS Shrapnel modelling does not include all the elements of Labor’s policy. It does not include the 50 per cent increase in capital gains tax. It does not include that
at all. But what it does conclude—even just on the few things that it has picked up—is that rents will rise by 10 per cent. It does pick up that new home building will shrink by four per cent nationally. It does say that it will hit GDP by $19 billion a year. It does say that 70,000 extra households will go into rental stress. It does say all of that. What it says is Labor's policy is bad if you own a home—

Honourable members interjecting—

The SPEAKER: The level of interjections on both sides is far too loud.

Ms Butler interjecting—

The SPEAKER: The member for Griffith is warned.

Mr MORRISON: It says, under Labor's proposals, it is bad if you own a home, it is bad if you invest in a home and it is bad if you rent a home. They hit them all. The member for McMahon has come to the dispatch box all hairy chinned and hairy chested and talked about a typo in the report. Well, the member for McMahon was very kind when I became Treasurer. He gave me a copy of his book and I read his book. When he was talking about the superannuation reforms under his hero, PJ, he said:

It was estimated the national pool of savings would increase by $500 million by 2037. Didn't you mean billion? If you want to talk about typos, check your own book.

DISTINGUISHED VISITORS

The SPEAKER (14:17): I would like to inform members we have present in the gallery this afternoon the Premier of Tasmania, Mr Will Hodgman. On behalf of the House, I give you a warm welcome. We also have present former minister and member for Hughes, the Hon. Danna Vale.

Honourable members: Hear, hear!

QUESTIONS WITHOUT NOTICE

Taxation

Mr KATTER (Kennedy) (14:17): My question is to the Treasurer. Far North Queensland—paradise—is Australia's No. 2 destination for tourists, a quarter of whom are backpackers. It is a tourism industry only facilitated by working on bananas, mangoes, avocados and horticulture. Surely imposing a punitive backpacker tax combined with pointless superannuation pain threatens $1 billion a year in tourism and $1 billion a year in horticulture?

Mr MORRISON (Cook—Treasurer) (14:18): I thank the member for Kennedy for his question and I thank him for his concern about these issues and those concerns are reflected by a number of members on this side of the House who I have been working with, particularly the Leader of the Nationals, the member for Murray, the member for Mallee, the member for Leichhardt and the list goes on. They are issues that are being addressed in relation to the measure that was introduced in the last budget and that is true. Let us understand what was done in the last budget. What was done was the tax-free threshold was increased to $18,200—for the benefit of the member for McMahon. When that was increased, backpackers who had been paying tax because the threshold had been a lot lower were no longer playing tax. So in the last last budget backpackers were treated as foreign residents for the purposes of the tax act. If
there are implementation or transition issues that need to be addressed then of course I will continue to work with the government members who have raised this with me, particularly the Leader of the Nationals.

But what we need to understand is if we are to address this issue then we need to address the fundamental question of what is being asked for—that is, that there be a taxpayer funded incentive to employ foreign workers to work in particular industries. That is basically the proposal because it would be saying backpackers would not be treated as foreign resident income taxpayers in Australia. Now if that is an incentive or a concession that needs to be addressed in a particular sector then we would need to identify which sector—is it the hospitality sector, is it agriculture, is it abattoirs or any of these? These are very genuine questions and we will work through those issues. We will also ensure that we will do so in a way that does not impair the budget.

Economy

Mr SUKKAR (Deakin) (14:20): My question is to the Treasurer. Will the Treasurer update the House on how Australia is successfully transitioning to a more diversified economy. Is the Treasurer aware of any risks to jobs and growth during this transition and, in particular, any alternative policies that could potentially dent confidence and reduce investment?

Mr MORRISON (Cook—Treasurer) (14:20): I thank the member for Deakin for his question. He, like so many members on this side, is very pleased about the fact that our economy, as the Prime Minister was saying, is transitioning positively. This is a good thing. Yesterday's national accounts with real GDP growth through the year of three per cent is something we on this side of the House are very pleased to see and we are very pleased to see that continuing increased household consumer confidence. New dwelling investment, particularly in the apartment sector, which is often driven by investors, and services in agricultural exports is improving. But today we have further data which shows that the AiG Performance of Services Index recorded in February the strongest rise in 14 months. The VFACTS new vehicle sales data for February was up 14.3 per cent—6.7 per cent over the past year. Importantly, business buyers for vehicles were up 15.6 per cent over the year. Our economy is successfully transitioning and how we manage that transition is the key challenge facing the country going forward. That is an important responsibility for the government. It is one we continue to manage well.

But there are threats to it. Those threats sit opposite in the proposals that are put forward. The negative gearing proposal that they have put forward, as I just referred to in a previous answer—there is independent modelling, which I should stress is by an organisation which was quoted by the member for Fraser when he wanted to talk about property prices in Canberra; it has been quoted by the former union of the Leader of the Opposition, the AWU; and it has been quoted by the ACTU as well. They have delivered a report which shows that rents will be up; GDP will be hit by $19 billion; there will be 175,000 fewer jobs; house prices will fall; 70,000 householders will be put into housing stress and that $1 billion a year in revenue will be lost to the states.

It is bad if you own a home. It is bad if you want to invest in a home. It is bad if you rent a home. It is also bad if you want to build a home. And that is not the full story, as I said, because the increase of 50 per cent in capital gains tax is not included in those numbers. It
shows that those opposite have rushed out there without doing their homework on an important area of economic policy. That is why they cannot be trusted to manage the successful transition that is occurring in this economy.

Mr Watts interjecting—

The SPEAKER: The member for Gellibrand is warned.

**Taxation**

Mr SHORTEN (Maribyrnong—Leader of the Opposition) (14:23): My question is to the Prime Minister. Today the Treasurer has continually staked his credibility on the credibility of the BIS Shrapnel report. Is the Prime Minister aware that respected economist John Daley of the Grattan Institute has rejected that same report, saying:

Voters should be asking themselves whether a responsible government would rely on this sort of nonsense in a public policy debate.

Is this morning's farcical performance from the Treasurer what the Prime Minister meant when he promised to respect the intelligence of the Australian people?

Mr TURNBULL (Wentworth—Prime Minister) (14:24): I thank the opposition leader for his question. As honourable members are aware, more than 65 per cent of Australian households' net worth is in residential real estate. The family home is the largest single asset class in Australia. It is about $5.6 trillion, nearly three times the size of the total amount held in superannuation. ABS data shows that investors account for about 37 per cent of new lending for housing. Labor's policy would mean that a significant number of these investors would withdraw from the market for existing houses. It would push down existing house prices. It would result in a reduction of the amount of property available for tenants to rent.

The honourable members opposite have gone much further than simply dealing with housing affordability. They have a policy document, which I have a copy of here, which says, 'Positive plan to help housing affordability'. There has been a lot of discussion about negative gearing as it relates to existing residential properties. What honourable members may not be aware of is that the opposition proposes to eliminate negative gearing in respect of shares and any other assets. They will limit negative gearing only to new residential properties.

That would mean that if a wage earner decided to go into partnership with a friend and buy a truck, borrowed money to pay for that truck, operated that trucking business and that trucking business ran at a loss, they would not be able to offset those losses against their ordinary income. It means that if a person set out to borrow money to buy shares—it might be shares in a private company that is operating a business—and if that did not generate the returns they expected and their investment lost money, they would not be able to offset that against their wage or salary income.

In addition to that, of course, the Labor policy reduces the discount for capital gains tax. It adds 50 per cent to capital gains tax. The honourable members opposite are right that the BIS Shrapnel report did not take into account those matters. The Labor policy is so much more extreme, so much worse than that contemplated by BIS Shrapnel. No-one could have imagined such a reckless assault on Australians' economic freedom as this. (Time expired)

Ms Plibersek interjecting—

The SPEAKER: The member for Sydney will cease interjecting.
DISTINGUISHED VISITORS

The SPEAKER (14:27): We also have present in the gallery Tasmanian minister Matthew Groom. We welcome you. I also inform the House that we have present in the gallery this afternoon a delegation from Papua New Guinea who are here for the 24th Australia-PNG forum. I extend a very warm welcome to you.

Honourable members: Hear, hear!

QUESTIONS WITHOUT NOTICE

Housing Affordability

Mrs MARKUS (Macquarie) (14:28): My question is to the Minister for Social Services. Will the minister update the House on what the government is doing to help Australians with the important issues of housing and rental affordability. Is the minister aware of any impediments to addressing housing and rental affordability for everyday Australians?

Mr PORTER (Pearce—Minister for Social Services) (14:28): I thank the member for her question and I note her great interest in this area. Perhaps the starting point to answering that question is to note something that is probably not known very broadly. That is that the Commonwealth government spends $6 billion annually on housing and homelessness, including Commonwealth rent assistance of $4.4 billion per year.

We have established a working group with assistance that has been led by the Assistant Minister to the Treasurer, the member for Mitchell. We are looking at the way in which we can cooperatively work with the states. The short answer to the question from the member is that this must be a process about investigating the supply side of the market. It is a very complex, multicausal issue, but ultimately you cannot affect rental affordability and housing affordability without affecting the supply side of the market. We have representatives from the New South Wales, Victorian and Western Australian governments helping to look at the way we are spending money and the way in which they are spending money, but it must address the supply side of the market.

In fact, we think the supply side is important and that is what members opposite used to think was important. It is precisely because supply is critical to housing and rental affordability that members opposite developed NRAS, the National Rental Affordability Scheme. At least that had the virtue of tackling supply, which is the problem. It did not work very well—unless, of course, you are a university trying to attract a foreign student—but at least it had the virtue of looking at the supply side of the market.

What we have here is a situation where Labor used to think that by looking at the supply side of the market they would make a difference. Now they think you can improve housing and rental affordability by placing a tax increase on the demand for established homes. We have heard some quotes from the BIS document today. But I would just like to quote a different document—not a political document, not from anyone involved in politics whatsoever. Two New South Wales academics wrote a great article called 'Price and efficiency effects of taxes and subsidies'. Keep in mind that what Labor are proposing is a tax rake on investor-owned properties, an increased tax on rental incomes. These two academics modelled a 10 per cent tax increase on rental incomes. This is modelling, by the way, member for Fraser; you can explain it to the rest of the caucus. They found that that 10 per cent tax increase on rental incomes causes investor demand for housing to fall: 'Given that investors
own 30 per cent of dwellings, and a price elasticity of demand in home owner markets of
minus one, the price for houses will fall by three per cent. To recover the 10 per cent increase
in costs, investors raise rents by seven per cent and pay three per cent less for properties.'
(Time expired)

Taxation

Mr BOWEN (McMahon) (14:31): My question is to the Treasurer. This morning, when
speaking about Labor's negative gearing policy, the Treasurer said, 'That's three strikes and
you're out.' Is the Treasurer aware that the BIS Shrapnel report was paid for by an anonymous
client with a commercial interest, confused the GDP of Australia and New Zealand and was
done before Labor's policy was even released? Isn't it 'three strikes and you're out' for the
Treasurer?

Mr MORRISON (Cook—Treasurer) (14:32): I thank the member for McMahon for his
question. I refer him to the comments of his own alleged modeller, Professor Holden. When
asked about negative gearing 12 months ago, Professor Holden said:

Ending negative gearing could obliterate the housing market, and at a minimum would hurt those
invested in rental properties.

That is what the good friend of the member for Fraser said. The member for Fraser blogs on
attending weddings with Labor's modellers. In this case we have his comment in relation to
negative gearing.

Dr Leigh interjecting—

The SPEAKER: The member for Fraser will put down his prop.

Mr MORRISON: He also makes reference to the timing of BIS Shrapnel's report. Well, the
McKell report, which those opposite rely on, was published six months before Labor's
announcement. And the NATSEM modelling that they rely on—this is all the modelling they
talk about—was published nearly a year before Labor's policy was released. So those opposite
have not only modelled their own policy, but now, when a respected organisation like BIS
Shrapnel has conducted work on key elements of the policy which has been put forward—and,
as the Prime Minister said, not in their wildest dreams could BIS Shrapnel have predicted
that Labor would not only smash negative gearing in the way they propose to do but on top of
that would actually put up the capital gains tax by 50 per cent on those same investments.
They could not even imagine a policy that would be so daft.

Mr Bowen interjecting—

Mr MORRISON: The member for McMahon makes reference again to this typo in the
report. What it was referring to was $1.9 trillion in terms of the average of the economy over
the next 10 years. The MYEFO forecasts themselves have a medium-term projection which is
consistent with that, which I would suggest to the member for McMahon that he might want
to familiarise himself with. When the member for McMahon wrote his own book, he could
not get $500 million and $500 billion worked out! The member for McMahon is out there
with a policy which we know is going to attack homeowners, renters and investors. And who
are those investors that he wants to attack? As we have said time and time again, two-thirds of
those claiming net rental losses have a taxable income of $80,000 or less. Those opposite are
saying to the policemen, policewomen, nurses, teachers, paramedics, mums and dads and
servicemen and women that it is over.; you cannot go out and invest to try and make a future
for yourself. They are going to preserve that right for chief executives earning $2 million a year and $100,000 a year in share dividends.

Opposition members interjecting—

The SPEAKER: The member for Parramatta will cease interjecting. The members for Sydney and Isaacs are continually interjecting. They are warned.

Workplace Relations

Mr VAN MANEN (Forde) (14:35): My question is to the Minister for Industry, Innovation and Science representing the Minister for Employment. Will the minister outline to the House the government's commitment to ensure that employer and employee organisations always act in the best interests of their members? What steps are the government taking to end systematic corruption and are there any obstacles to cleaning up union governance for the benefit of workers and the economy?

Mr PYNE (Sturt—Leader of the House, Minister for Industry and Innovation and Science) (14:35): I thank the member for Forde for his question. He, like me and every member on this side of the House, takes very seriously the cleaning up of the workplaces of Australia, the cleaning up of unions and creating fair workplaces. In contrast, the other side of the House are blocking the parliament from doing just that. We were elected on a platform of reinstituting the Australian Building and Construction Commission and creating the Registered Organisations Commission.

Mr Champion interjecting—

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

The member for Wakefield then left the chamber.

Mr PYNE: This was done before the election. We won the election and we have a mandate to do both of those things. We want to support honest union bosses and remove the bad apples from the union bosses' barrel who give unions a bad name. Now what is wrong with that? What is wrong with trying to remove from the barrel of bad apples those union bosses who give good union bosses a bad name? There are very good unions and there are good union bosses, and their reputation should not be stained by the dodgy practices of union bosses who are not doing the right thing.

We want to end the practice of secret payments, unlawful payments and secret commissions to trade union slush funds and their associated entities. We want to end the practice that allowed, for example, the cleaners who worked for Cleanevent having their penalty rates traded away in exchange for cash payments and lists to the union which were then used for membership purposes within the ALP—one of the greatest industrial scandals in Australia's recent history, carried on by the AWU.

Labor, by contrast, have a very weak policy in this area. Not only are they opposing the Australian Building and Construction Commission; they are also opposing the Registered Organisations Commission. They were lukewarm in their support of the royal commission and in fact have not supported the recommendations that the royal commission handed down. Their policy in this area includes tougher sanctions for the auditor than it does for the dodgy union boss. In fact, the only criminal sanction included in the Labor Party's new policy in this area is on the auditor, not the dodgy union boss. The auditor gets a criminal sanction. The
 auditor can go to prison. The dodgy union boss is allowed to escape unscathed. They may have a civil penalty but certainly not a criminal penalty.

The only side of the House that is serious about cleaning up the union movement through the Registered Organisations Commission is this side of the House. While the economy is in transition, we need safe and fair workplaces. We need unions that are working for the workers' interests, not for their own interests. If you want a clean and fair workplace then you need to vote for the coalition.

Taxation

Ms Kate Ellis (Adelaide) (14:38): My question is to the Prime Minister. Are the reports accurate that the Prime Minister is preparing to walk away from changes to negative gearing because he has been backed into a corner by a full-frontal assault from the former Prime Minister and the backbench? Isn't it the case that, by rejecting Labor's housing affordability plan, the Prime Minister is choosing to protect $32 billion of tax loopholes at the same time he is cutting $30 billion from our schools?

Mr Turnbull (Wentworth—Prime Minister) (14:39): I do thank the member for Adelaide for her question, touching as it does on the Labor Party's negative-gearing policy—or, as she described it and as it is headlined, its plan to help housing affordability. It is perfectly clear that the consequence of the Labor Party's policy will be to reduce the supply of rental housing, to increase rents and to reduce the value of the family home. It constitutes a massive shock to the housing market.

But it goes much further than that. I suspect that at least some honourable members opposite were not aware of how radical this policy is. The policy document is headed 'housing affordability', but in fact what it does is it removes the right to offset the losses from any investment against wages or salary—personal income—unless that investment is a piece of new residential housing. It expressly prohibits negatively gearing investments in shares and other assets, as the shadow Treasurer said this morning.

What this would mean, as I said earlier, in this extraordinary assault on business and especially small business is that, if people clubbed together in a partnership and bought a truck and it operated at a loss, they could not offset that against their wages. If some people set up a business and borrowed money to buy the shares in the company to capitalise the company, they could not offset any losses against their income. What this constitutes is a full-frontal assault on business in Australia. It seeks to restrict citizens' ability to invest not just in established residential property but in every single asset class other than new residential property. The scale of this disruption is enormous. It goes well beyond property. It is no surprise that honourable members and, I suspect, the public assumed that this only related to housing because it was expressed in a document headed 'housing affordability'. This is an assault on private enterprise, it is an assault on economic freedom and, when the Labor Party talks about modelling and criticising modelling that was done before their policy was released, the real question is: why haven't they modelled their policy? Where is their modelling? Where is their assurance? (Time expired)
DISTINGUISHED VISITORS

The SPEAKER (14:42): I inform the House that we have present in the gallery this afternoon a delegation from Germany led by Mr Volkmar Klein and also accompanied by the German ambassador, Mr Christoph Muller. I extend a very warm welcome to all of you.

Honourable members: Hear, hear!

QUESTIONS WITHOUT NOTICE

Workplace Relations

Mr WOOD (La Trobe) (14:43): My question is to the Minister for Justice and Minister Assisting the Prime Minister on Counter-Terrorism. Will the minister update the House on the Joint Police Taskforce into Industrial Criminality and Corruption? How is the taskforce tackling corrupt practices in the union movement?

Mr KEENAN (Stirling—Minister for Justice and Minister Assisting the Prime Minister on Counter-Terrorism) (14:43): I thank the member for La Trobe for that question. I acknowledge that he, as a former police officer, is always interested in respect for the rule of law. Late last year the Royal Commission into Trade Union Governance and Corruption revealed evidence of widespread and deep seated corruption and lawlessness amongst some union officials. The commissioner conducted investigations for approximately 21 months, held 189 days of hearings and heard from more than 500 witnesses, but even after these extensive investigations the report only revealed ‘the small tip of an enormous iceberg’, according to Commissioner Heydon. The report contained allegations of bribery, extortion, kickbacks, blackmail, intimidation and collusion with organised criminals in a wide range of industries and unions.

For evidence of the sorts of behaviour that we are talking about, you need to look no further than the extraordinary criminal record of Victoria’s state secretary of the CFMEU, John Setka. He has been convicted and fined in relation to more than 40 charges—offences such as theft, assault, blackmail, criminal damage and assaulting police. But this criminal and corrupt behaviour is not isolated to a few rogue union officials, like the Labor Party would like us to believe; it is widespread and ingrained in union culture. The royal commission made 93 referrals to agencies, many of which were criminal referrals.

The coalition will not tolerate corruption, criminality and organised crime links within the union movement. Some union officials—and this is very clear—either facilitate that corruption or are complicit in those activities. Criminal acts and association with serious criminals and outlaw motorcycle gangs is not acceptable for organisations charged with protecting the rights of their members. Hardworking and decent Australians are entitled to go to work free from fear and intimidation. That is why the government established a joint police task force in New South Wales, Queensland, Victoria and the ACT to investigate and expose potential illegal activity uncovered during the royal commission. Eleven defendants are currently before the courts, and charges include providing false evidence, obstruction of Commonwealth officials, common assault, breach of bail and blackmail.

Equally troubling evidence heard before the commission includes numerous examples of gross mismanagement and unauthorised use of union members’ funds—for example, to buy box tickets to a Kiss concert, to buy Tiffany bracelets or, in some cases, to buy luxury cars.
Labor have a very clear choice. They can continue to turn a blind eye to this sort of activity or they can join with us and stand for decency and rule of law. (Time expired)

The SPEAKER: The members for Barker and Melbourne Ports keep interjecting across the chamber in a conversation. They can both leave under 94(a).

The members for Barker and Melbourne Ports then left the chamber.

Taxation

Ms PLIBERSEK (Sydney—Deputy Leader of the Opposition) (14:47): My question is to the Prime Minister. Isn't it the case that, by not addressing what the Treasurer calls 'excesses' in negative gearing, the Prime Minister is choosing to protect tax breaks for people buying their seventh home, or their 10th or their 30th, over protecting Medicare and Australia's universal healthcare system?

Mr TURNBULL (Wentworth—Prime Minister) (14:47): Let me detail the Labor Party's policy that the honourable member seeks to defend. The Labor Party's policy makes it clear that Labor will limit negative gearing to new housing from 1 July 2017, and investments made before this date will not be affected and will be grandfathered. It defines negative gearing as the situations where investors make an investment, mostly in property, that loses money in the short term in the expectation of making gains in the future, and the investor can deduct any losses associated with the investment from their salary and wage income.

The assumption, I think, that honourable members and, clearly, the public had made was that, when Labor said they will limit negative gearing to new housing, they meant new housing as distinct from established housing. But it is clear that the Labor Party's proposal is to outlaw negative gearing from new investments in any other asset classes apart from new housing. Indeed, only today the shadow Treasurer said in his critique of the BIS report: 'They say that investment will be sucked out of property because you'll still be able to invest and negatively gear in shares and other assets. That's just wrong—wrong, in fact.' He said: 'Labor's policy is clear. You will be able to gear into new real properties but not into the asset classes which they are saying you can under Labor's policy.'

What this means is that, under the cover of a policy document that refers to housing affordability, you have an extraordinary restriction on Australians' ability to invest. Negative gearing is just income tax 101: the interest on a loan incurred to buy an income-producing asset can be offset against other income. That is basic income tax principles. What this document does is restrict the ability of every Australian to invest in any other asset class apart from new residential property and claim a net loss against their other income. So no more business partnerships unless you want to run the risk of paying for the losses out of after-tax income; no more investing in businesses or in setting up a company. It might be a couple of tradesmen or tradeswomen setting up a company. They will not be able to do that because, if they borrow money to buy the shares and they do not get enough dividends to offset the interest, they will not be able to deduct against income. This is an extraordinary assault on economic freedom. (Time expired)

Mr Pyne interjecting—

The SPEAKER: The Leader of the House will cease interjecting.
Defence White Paper

Ms PRICE (Durack) (14:50): My question is to the Minister for Small Business and Assistant Treasurer. Will the minister outline how the defence white paper and defence industry policy statement are supporting Australian small businesses to grow, create jobs and help with the transition of the economy?

Ms O’DWYER (Higgins—Minister for Small Business and Assistant Treasurer) (14:51): I thank the member for Durack for her question. She is a very strong and powerful advocate for the small businesses in her community, of which there are around 1,300. The member for Durack understands that the defence white paper that was released last week adds more than $30 billion of additional investment into our Australian defence forces over 10 years, bringing the total Defence Force spending to $447 billion over the decade. This is our action plan, and it contrasts to those opposite, who did not have a plan during those wasted Rudd-Gillard-Rudd years.

The reason this plan is so important is that there are around 3,000 small and medium enterprises in the defence industry, an industry that employs more than 25,000 people, around half of whom are employed by those small and medium enterprises. In the member for Durack’s electorate, alone, she knows that there are around about 3,000 people who work in the defence industry. She knows that, with our plan, we will be seeing $26 billion worth of upgrades to Defence bases through the defence integrated investment program and, for her, that this means $2.4 billion will be spent upgrading the Royal Australian Air Force bases in Curtin and Learmonth, both of which are in her electorate. As I have said, there will be small to medium sized enterprises that will benefit from those upgraded works and from doing those works.

But it is not just those small businesses that will benefit. Many others will benefit from the investment in innovation that is at the heart of our investment in defence and security—$1.6 billion of our $30 billion investment has been earmarked for Australian industry, to make the most of this broader investment. That amount includes $730 million allocated for research into emerging technologies and $640 million into a new defence innovation hub. It will help those small to medium sized enterprises who are innovating and being agile in the way they engage—for example, companies like Quickstep, who produce high-tech high-quality custom metal components for a range of specialised defence and automotive equipment. This particular company is a small to medium sized enterprise that was highlighted in last year’s Australian Defence Magazine for manufacturing composite wing flaps for the C130J Super Hercules. These are the sorts of businesses that will be encouraged by the investment that we are having in to our defence forces. These are the sorts of small businesses that will see the benefits of that particular investment. (Time expired)

Budget

Mr BOWEN (McMahon) (14:54): My question is to the Prime Minister. Given the Prime Minister has been backed into a corner by the former Prime Minister and the backbench on almost every other part of the budget, will the Prime Minister, today, rule out making changes to superannuation that will leave average income earners worse off in retirement?

Mr Dutton interjecting—

Government members interjecting—
Mr Joyce interjecting—

The SPEAKER: The Deputy Prime Minister and the Minister for Immigration will cease interjecting.

Mr Joyce interjecting—

The SPEAKER: The Deputy Prime Minister will cease interjecting.

Mr TURNBULL (Wentworth—Prime Minister) (14:54): I thank the shadow Treasurer for his question. The government's approach to the consideration of these important issues, tax issues in particular, is to analyse them with great care, to work through the implications of any change, to consider them through our traditional cabinet processes and then come to a conclusion. What we are not going to do is to make policy on the run, as the Labor Party has done. The consequences of the Labor Party approach are very clear. Under the cover of a document, 'A plan to help housing affordability' which refers to issues relating to real estate, the Labor Party has gone much further than anybody imagined. It is not simply going to send rents up, reduce housing availability, send property prices down—it is not simply going to do that. That is plain. Those impacts will plainly occur. The only controversial point would be to what extent—and, of course, the extent of the drop in housing values will, obviously, be different from one place to another. Closer to the city it will be less; in outer suburbs and regional areas it will be much higher. This will damage outer suburbs of our big cities and regional Australia the most. That is what their policy would do. But it is not simply limited to real estate. It beggars belief that, in a document that purports to be all about housing, what the opposition is proposing is that there can be no negative gearing in respect of any other asset class, including shares, other than new residential property.

We know the Labor Party has not modelled the impact of their policy on housing. Nobody would have ever modelled this proposal, because it is so inconceivable. It is so reckless. What possible relationship is there to housing affordability does a person's capacity, under normal income tax principles, to negatively gear an investment in shares or some machinery or a vehicle? What possible relevance to housing affordability does that have? It has none. What Labor is seeking to do here is dramatically restrict the economic freedom of Australians. This will impact, most directly, on small business. At a time when we need more investment, more entrepreneurship and more risk-taking, Labor is dramatically constraining, to the detriment of our future, the economic freedom of every Australian.

Defence White Paper

Mr EWEN JONES (Herbert—Government Whip) (14:57): My question is to the Minister for Resources, Energy and Northern Australia. Will the minister please update the House on the government's commitment to strengthen Australia's defence presence in northern Australia? How will the government's defence white paper and defence industry policy statement provide jobs, opportunities and security for the people of northern Australia, including in my electorate of Herbert and city of Townsville?

Mr FRYDENBERG (Kooyong—Minister for Resources, Energy and Northern Australia) (14:58): I thank the member for Herbert for his question. I acknowledge that his electorate is home to Australia's largest army base and he has been a staunch advocate for the ADF, both in Townsville and beyond.
Last week, the Prime Minister, the defence minister, the Minister for Defence Materiel and the assistant defence minister released the defence white paper, which included an additional $30 billion worth of defence spending and a host of new initiatives, particularly focusing on innovation, including a new centre for defence industry capability. While all Australians were great beneficiaries of the new white paper, it was particularly so for northern Australia, because it is incredibly important, from a geostrategic sense, to Australia's defence outlook.

In Queensland, the Shoalwater Bay training area, in the seat of Capricornia, will receive an investment of up to $150 million over the next decade to upgrade its facilities. The accommodation facilities at Lavarack Barracks in Townsville, in the member for Herbert's electorate, will receive an investment of around $50 million over the next decade and hundreds of millions after that. RAAF Base Townsville will receive an additional $100 million, with investment to support the introduction of the Joint Strike Fighter. For RAAF Base Scherger, additional wharf space in Weipa and support facilities in Cairns, both in the electorate of Leichhardt, will also receive further investment.

In Western Australia, the Harold E Holt communications facility in Exmouth will receive around $200 million in investment, and the RAAF bases in Derby and Exmouth, all in the member for Durack's electorate, will be upgraded to support new air combat capabilities.

In the Northern Territory, the electorate of Solomon will get a huge benefit. HMAS Coonawarra and the Larrakeyah Barracks will together receive $1.2 billion in additional investment in infrastructure upgrades. As well, there will be a substantial investment in RAAF Base Darwin. RAAF Base Tindal, in the member for Lingiari's electorate, will be upgraded as well, to support aircraft.

The defence white paper is a historic document. It provides Australia with the strategy, the assets and the innovation to advance our interests in a complex world. Northern Australia is a big beneficiary of this, because the white paper underlines its geostrategic importance to our defence outlook.

**Turnbull Government**

*Mr SHORTEN* (Maribyrnong—Leader of the Opposition) (15:01): My question is to the Prime Minister. Since he took the top job, the Prime Minister has put on the table tax changes to the GST, negative gearing and superannuation. But, as the former Prime Minister pressures him to take each item off the table, when will the Prime Minister admit that this year's budget is looking more and more like a repeat of the Abbott government's budget of 2014, with its cuts to families, pensions, health and education?

*Ms Macklin interjecting—*

**The SPEAKER:** The member for Jagajaga has already been warned.

*Mr TURNBULL* (Wentworth—Prime Minister) (15:01): I thank the Leader of the Opposition for his question. Speaking of budgets, the first budget of a Shorten government would devastate small business, would devastate investment, right across Australia. The successful transition to the new economy requires an innovative Australia. It requires a technologically sophisticated Australia. It requires science to work with industry. It requires open markets. It requires continuing the great work of Andrew Robb in opening up free trade agreements with the economic giants of Asia. All of those things we are doing. It requires a commitment to ensuring that as much of our defence materiel, defence assets and defence
science is created here in Australia with the best Australian innovation and technology, and we are doing that. But, above all, it requires entrepreneurship. It requires Australians to have confidence in the future and be prepared to take a risk and be prepared very often, if not most of the time, to borrow some money, invest in a business, invest in an asset, and actually have a go. That is what entrepreneurship is all about. What we are doing is we are providing very real incentives for investors to invest—

*Opposition members interjecting—*

**The SPEAKER:** On my left!

*Ms Owens interjecting—*

**The SPEAKER:** The member for Parramatta is warned.

**Mr TURNBULL:** in early-stage start-ups, early-stage companies, high-risk ventures. We know many of them do not succeed, but nonetheless we want to make sure that seed capital is there.

What Labor are doing is saying, in the words of their own shadow Treasurer today, in his own policy document, a policy document which was purportedly about housing but in fact covers the whole economy—this document would result in the situation that, if a person went to the bank and borrowed money to capitalise a company, perhaps with some friends, to start a business, and then if the income from that company, if the dividends from those shares, were less than the costs—

*Mr Conroy interjecting—*

**The SPEAKER:** The member for Charlton will cease interjecting. The member for Charlton is warned.

**Mr TURNBULL:** of the loan, less than the interest, he or she would have to pay that loss out of their after-tax income. It is difficult to imagine anything that would more dramatically cramp, block, investment and entrepreneurship than that. I have never heard of a proposal to deal with negative gearing beyond the residential housing sector. Maybe there have been. I have not seen them. This proposal is a dramatic, extensive attack on the entire Australian economy. It puts our whole economy at risk. *(Time expired)*

**Business Investment**

**Mr COLEMAN** (Banks) *(15:05):* My question is to the Deputy Prime Minister. How is the government encouraging investment in our economy, and are there other, alternative approaches?

**Mr JOYCE** (New England—Deputy Prime Minister) *(15:05):* I thank the honourable member for his question. I think it is incredibly pertinent today, because today we have found that there is apparently an alternative policy. In my previous life, my previous role, as an accountant, I never came across an alternative policy quite like this one. This one truly is Zoolander economics. This one believes that the inception, the whole purpose, of people going into business, when those people first come into your accountancy practice and say, 'I want to start up a business,' and you set them up in a simple structure, a partnership, for which either the income or the losses are distributed back to the individuals—but of course in this instance, under the Labor Party policy, they would not be allowed to claim those losses from

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the partnership. That means the whole reason for them going into that business is almost removed, because they are wearing totally the risk for all the losses.

This is amazing. We have spent today waiting for a clarifying statement from the alternative Treasurer of the Commonwealth of Australia and yet we cannot get one. So what we currently have is this belief of this complete re-engineering of the Australian economy has got this far this week, and this is what we have to set our sights for. What do we do with things such as margin lending? What do we do with things such as negative gearing on houses? How do we deal with partnerships? How does this economy work under this form of Zoolander economics? We have an alternative Treasurer with a very snappy tie but not a clue how to run the economy. This is quite bizarre. I am receiving texts, as we speak, from other accountants. They are absolutely amazed that you could get this far, that you are apparently the pre-eminent light in the Labor Party frontbench on the affairs of the nation and you have come forward with this. I think there is always a time—

Mr Bowen interjecting—

The SPEAKER: The member for McMahon is warned.

Mr JOYCE: There is an epiphany for the Australian people and that epiphany for the Australian people is today, to have the alternate Treasurer come up with such an absolutely absurd proposition as to put under threat the genesis of so many businesses in this nation today.

Turnbull Government

Mr SHORTEN (Maribyrnong—Leader of the Opposition) (15:08): In the past two weeks alone, Australians have seen leaked national security documents, the Prime Minister contradicted twice by his own office, an Assistant Treasurer contradicting the Prime Minister's own scare campaign, a beleaguered Treasurer in witness protection, a Prime Minister overruling the Treasurer time and time again and an insurgent former Prime Minister forced to defend his legacy. How is it possible this government has become more chaotic and shambolic than the Abbott government?

Mr TURNBULL (Wentworth—Prime Minister) (15:08): The government continues to examine important policy issues with care. We take on the big issues: Senate reform—where is the Labor party? There was a fine fleeting moment when our friend—

Mr Brendan O'Connor interjecting—

The SPEAKER: The member for Gorton is warned.

Mr TURNBULL: the member for Brand stood up for democracy and he agreed that voters should decide where their preferences went on the Senate ballot paper, and he spoke for the Labor Party. They put democratic principle ahead of any tactical interest. Now when the Senate is considering that very amendment, the Labor Party abandons principle and abandons big reform because of a perceived particular tactical interest. You would think the Labor Party after all of the ill-considered economic decisions of its time in government—the mining tax said to raise billions raised millions, pink batts and the school halls. One disaster after another—cash for clunkers, who can forget that—

Ms Plibersek interjecting—

The SPEAKER: The member for Sydney will not interject again. She has been warned.
Mr TURNBULL: One misconceived economic measure after another. You would think that now they are in opposition, and learning from their six disastrous years in government, they would actually think through their policies. We have a sweeping set of changes to the Australian economy—

Ms Plibersek interjecting—

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

The member for Sydney then left the chamber.

Mr Shorten interjecting—

Mr TURNBULL: The Leader of the Opposition just said 'sweeping' in a mocking tone. He does not think it is sweeping. He does not think that the housing sector is important. He does not think the largest single asset class in Australia is important. He does not think rental supply is important. He does not think any Australian's home value is important—it is not a big deal. And apparently he does not think that the changes that the shadow Treasurer proposes to prohibit negative gearing in respect of every single asset class other than new residential property are sweeping either. What do you need to have a sweeping change to the Australian economy? How much freedom does Labor have to take away before it becomes a big deal? They laugh and they mock but they are mocking people's savings. They are mocking homes, they are mocking Australian's ability to find a rental property and they are mocking Australian's ability to start a business. On that note, I ask that further questions be placed on the Notice Paper.

DOCUMENTS

Presentation

Mr PYNE (Sturt—Leader of the House, Minister for Industry and Innovation and Science) (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.

QUESTIONS TO THE SPEAKER

Questions in Writing

Mr PERRETT (Moreton) (15:12): Mr speaker, under standing order 105(b) where replies have not been received 60 days after a question as first appeared on the Notice Paper, could I ask you to write to the Minister representing the Attorney-General about question in writing No. 1736 about retiring judges seeking a reason for the delay.

The SPEAKER: I will write to the minister in the usual way.

MATTERS OF PUBLIC IMPORTANCE

Education

The SPEAKER (15:13): I have received a letter from the honourable member for Adelaide proposing that a definite matter of public importance be submitted to the House for discussion namely:

The government undermining the future of Australian children by attacking schools.

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—

Ms KATE ELLIS (Adelaide) (15:13): Every single member of this parliament should recognise that there is an urgent need for us to invest in school reform. The evidence is compelling and it is overwhelming. Yet we noticed, again, today in question time when the Prime Minister was asked a question about his proposed $30 billion in cuts to our school system he failed in his answer to mention the word 'education' once, to mention the word 'student' once or to mention the words 'school' and 'schooling' once. That is because this is a government that has absolutely no plan for the future of our education system except to inflict the biggest cuts to school funding in this nation's history, which is what has been included in this government's last two budgets.

After the $30 billion cuts to schools, after they dumped their so-called unity ticket on school funding—which you might recall they told the Australian public they were on before the last election—after they trashed the Gonski reforms which they pledged to keep in place, as we head towards the next election, there are reports that the Prime Minister is suddenly scrambling to pull together $7 billion in hush money to mask his government's cuts and try and buy the silence of state governments to cover-up the massive hole in school and hospital funding. Those opposite do not have a solution to school funding. All they have is chaos and all they are looking for is short-term political answers to get them past the next election before they once more break the hearts of everybody who cares about Australia's education system.

I want to remind members of the House why it is so critically important that we invest in reforming our school system. It is not just because I or the Labor Party say so; it is because, after the biggest review of Australia's school system in over 40 years, the evidence is compelling that we need to change. When we look at the international evidence, whether it be PISA or whether it be reports from the OECD, the evidence is compelling. Let us place on the record what is currently happening in Australian schools so that we can front up to the problem and then talk about the solutions that are required.

In Australian schools right now we know that the gap is growing larger and larger between those students and those schools that are performing well and those students and those schools that are falling behind. In fact, the gap in Australia between these two sorts of schools is now wider than the OECD average. Anybody who believes—like every person who sits on this side of the House—that the key to a fair Australia and an equitable society is for every single child at every single school to have a great education and equal access to opportunities knows that we need to close this gap as a matter of urgency.

It is not just about equity. When we look at the skills that are required for the jobs of the future we know that these are the very same areas where all of the international comparisons show that Australia is slipping behind. We know that our international performance is slipping when it comes to maths, when it comes to science and when it comes to the critical STEM topics which we know Australian students will rely upon in the international economy of the future. We know, and the OECD has told us, that if we want to boost Australia's future economic growth we need to urgently address the fact that we need improvement in our schools. All of this evidence is well known. All of this evidence has been discussed and all of this evidence should be accepted by every single member of this parliament.

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We do not know just the problems; we also know the solution. Having gone through the biggest review of the Australian school system in over 40 years, we were given a road map for reform. We were given a way that we can bridge the gap, a way that we can ensure that every student in every school gets the support and the funding levels that they need and that that funding is directed towards the programs and policies which we know make a difference. At the last election, those opposite claimed that they were on board when it came to reform. People may recall that the member for Sturt said prior to the last election, 'You can vote Liberal or Labor and you will get exactly the same amount of funding for your school.' If only that were true. The now former Prime Minister said before the last election, 'We are on an absolute unity ticket when it comes to school funding.' If only that had turned out to be true. At the last election, the very last thing that voters saw before they went in to cast their ballots were large signs that were displayed at polling booths. The signs read, 'The Liberals will match Labor's school funding dollar for dollar.' Every single one of these statements turned out to be nothing but empty promises, nothing but tricks in the lead-up to an election. It shows that those opposite do not care about schools. The reality is that every time they stand up and claim that they care about innovation, every time they stand up and claim that they care about future economic growth, every time that they stand up and claim that they care about Australia's international competitiveness, we know that those are nothing more than empty promises and more tricky slogans if they continue with their policy to rip $30 billion from our schools, because everything else collapses if you do not have a quality school education system.

Now we are starting to see some new promises from this government. After ripping up agreements, after ripping money out of school budgets, after attacking education time and again, as we get closer to the election we are starting to hear some new promises coming out of those opposite. We know, for example, that the new education minister has said that we will have a new school funding model in place. Sure, we had reviews, we had experts, we had academics, but the new education minister is going to put in place a new school funding model that he is apparently going to come up with himself. We have heard promises like this before. For example, we heard the former education minister say, 'We are going to have a new funding model which is beginning in 2015.'

Mr Fitzgibbon: Who was he?

Ms KATE ELLIS: The member for Sturt promised that when he ripped up Labor's agreements. He said there was going to be a new school funding model beginning in 2015. It did not happen. It did not happen in 2016. In 2017, we are now told, we will have a new school funding model. But only this week, we have now heard from the current education minister, who has made a new promise to the Australian community. The new education minister has now said, 'We expect new funding agreements will exist from 2018 onwards.' This is the mob opposite making it up as they go along. They are now consumed by their own internal chaos; they are now preoccupied with looking over their shoulders at each other, trying to see who is in the camp of the Prime Minister and who is in the camp of the previous Prime Minister. They have absolutely no options on the table when it comes to tax reform and when it comes to policy change so that they can fund things like schools and hospitals. They are making it up as they go along, and every single Australian student will pay the price if this
government do not get on board and come back to a so-called unity ticket when it comes to schools.

We on this side of the House are very proud that we will stand up for the reform and the investment that is required for a strong Australian future. We are incredibly proud. I stood alongside the Leader of the Opposition when he announced our 'Your Child. Our Future' policy, ensuring that we will not only fund the rest of the current agreements but also reverse all of the cuts of those opposite over the next 10 years with a $37 billion investment to make sure that every school and every student gets the support that they need.

Ms Price: Where are you going to get the money from?

Ms KATE ELLIS: Those opposite interject and ask, 'How are you going to pay for it?' We have just spent all of question time talking about our tax policy and about how we are going to pay for things. We have outlined all of our savings measures so that we can invest in the priorities.

The truth is government is about priorities. We stand here and we say very clearly that education is our No. 1 priority. We know that a strong economy relies upon a strong education system. We know that a fair community relies upon a strong education system. So we are quite up-front about saying that we have made some hard decisions across a number of portfolios because we think it is worth it to make sure that every child in this country gets the opportunity for a great education, no matter what postcode they happen to live in, no matter what school system they happen to be enrolled in. I would say to those opposite, particularly those from regional areas, all of the evidence shows that country students are falling behind at the quickest rate at the moment. Those opposite who are meant to represent those areas might get on board. (Time expired)

Mr TUDGE (Aston—Minister for Human Services) (15:23): I listened closely to the shadow education spokesperson during her 10-minute address. She levelled a number of criticisms at the coalition with regard to our schools policy. Most of those I just dismissed, but there was one truth in what she said. She said that we did not deliver on our commitment that we would match dollar for dollar what Labor promised. That is true. We did not match dollar for dollar; we exceeded it by $1.2 billion.

When the Labor Party made their promises and put their commitments forward for the Gonski funding when they were in government, they held a number of negotiations with state governments but neglected to negotiate with Queensland, and they could not get a deal with Western Australia and the Northern Territory. Consequently, those three jurisdictions were $1.2 billion worse off. When we came to government, we made the commitment, on the eve of the election, that we would not only match dollar for dollar what Labor said but put that $1.2 billion back into schools so that Western Australian, Queensland and Northern Territorian schools would also be the beneficiaries of that additional money.

I want to go back to what we said before the election. I was there with the then opposition leader and the then shadow education spokesperson when the announcement was made. It was very clear that we said we would match dollar for dollar the four-year funding commitment over the forward estimates. That is what we promised. We did not promise beyond that. We said that we would commit to the four-year funding commitment and we have done exactly that, plus more.
Look at our funding growth forecasts for school funding, for example: 11.1 per cent, last year's growth; 7.9 per cent, this year's growth; 8.6 per cent, next year's growth; and 6.5 per cent the year after. This means that it is a record level of funding of $69.4 billion going to Australian schools over the four-year period—a record level of funding.

The Labor Party come in here, day in day out, and say that we are cutting funding to schools. I do not know how they can say that when I have just given the figures for the growth rates we are putting in to schools—11.1 per cent growth in year 1; 7.9 per cent growth in year 2; 8.6 per cent growth in year 3; and 6.5 per cent in year 4. That is our commitment to schools. That is the record funding that schools have never before seen. We will continue to invest in schools.

The other point I would make in relation to school funding is that while the funding is important and we will continue to invest in schools, and that funding will continue to grow, it is not the only thing. We know that because when you look at the funding over the last decade, you will see that there has actually been a 44 per cent real increase in funding to schools. But over that period our standards have actually declined both in real terms and in absolute terms compared to other nations.

If you look at our results compared to our OECD competitors, our schools were always in the very top band of performance. For most of those, we have now dropped down to the second band. For example: year 4 reading, we are now 27th in the world; year 4 maths, we are 18th; year 4 science, we are 25th; year 8 maths, we are 12th; year 8 science, we are 12th. Compared to some of the Asian countries that we now increasingly compete with, in some respects we are two or three years behind them at various stages of an individual's schooling by the time a child reaches 15, for example.

Despite all that investment in schools and the fact that we have funding in our schools which is above the OECD average, our standards have actually gone backwards relative to ourselves and certainly relative to other countries. Clearly on that evidence alone, funding is not the only thing. Yes, it is important. Yes, we will continue to invest record amounts, but it is not the only thing.

What all the academics tell us is what really counts is teacher quality, a rigorous curriculum and parental engagement. They are the things which really make a difference. So that is why this government has been so determined to make an impact on those things. Deputy Speaker, as you know, we did a full review of the national curriculum with the aim of having a much more rigorous curriculum, which reaches similar standards to some of our international competitors. You know the efforts that we have made to have higher quality teacher graduates and to have higher quality teaching occurring in our schools. I personally have been concerned in relation to the dropping ATAR scores for entrance into some of the teacher education courses around this country. I think that is something of deep concern to many people, certainly on this side of the chamber. There has been some good action on this front already and there needs to be further action on this front. These are the things which really make a difference to school performance.

It is about having that quality teacher in front of the classroom. We all know that. Every parent knows that, because every parent is so concerned about which teacher they get for their son or daughter. They know that you can have a great year in a school one year and have a less great year the following year even though you are in the same school with the same
school principal, with the same curriculum and with the same funding. The difference for that student is the quality of the teacher standing in front of the classroom. We want to see exemplar teachers right across the board, and that is exactly what we are aiming to achieve.

Let me in the last few minutes that I have speak about Labor's policy. The member for Adelaide was very passionate about their policy, where they say that they are going to be investing $33 billion into schools over the next decade. I ask the Labor Party: where is the money going to come from? They say they are going to invest $33 billion in schools, yet we know that they already have a $51 billion black hole. Everybody knows the state of the budget presently—that we are in deficit and we are still trying to pay back the debt which Labor gave to us when we came into government just a couple of years ago. Everybody knows that we have had very significant budget deficits—they were as far as the eye could see when we came to government a couple of years ago—and they know the work that we are doing to get the budget back under control. That requires very disciplined spending restraint and disciplined work to grow the economy and do the types of things that we are doing.

So when we see these types of figures, you shake your head and say, 'Where is Labor going to fund that from?' They have not identified that. Are they going to do it from (a) new taxes or (b) just add it to the credit card bill for the next generation to pay for it? It can only be from one of those two sources. They are the two sources that they went to when they were in government. They whacked everything on the credit card for the next generation to pay for. So the younger people who are in the gallery today are going to be paying for Labor's debt for years to come. The children who are in the gallery up the top at the moment will particularly be paying for Labor's debt for years to come through higher taxes.

That is what they did—and, if they get back into government, that is exactly what they are going to do again. They are going to get the credit card out and they are going to place it all on the credit card and make future generations pay for it. In addition to that, they are going to look for new taxes after new taxes. They have already placed billions of dollars of new taxes on the table and yet have only put about $1 billion of actual savings on the table—one measly billion dollars of savings; yet they have billions of dollars of tax proposals on the table. That is not responsible. If you want to invest in schools, you have to be able to run a good economy. You have to be able to run a budget which is under control. You have to be able to have a growing economy, which is what we aim to do, and you have to have the money to invest in it for our children's future—and that is exactly what this government is doing.

Mr SNOWDON (Lingiari) (15:33): I sit here every day and I see Tony Abbott in drag sitting across the other side. There he is, Tony Abbott, in drag, masquerading, while the member for Wentworth talks to us about government policy, when we know the policies are exactly the same as the policies his predecessor, the member for Warringah, had—and that includes policies on education. We need to understand precisely what the government are doing. We know that they are cutting funding from schools in the out years. We know this, because they have said they are going to do it. It is no surprise; we all know it. We know what the impact will be on the education system, on every school and on every student around this country. We know that it will have a dramatic impact and that it will have the worst impact on people who live in remote and rural communities.

I am surprised that the National Party, the coalition partners of the government, are standing back and supporting these proposals, when they know, as I know, that the people
with the worst educational outcomes in the country are people in the bush. The people with the worst employment outcomes in the country are people in the bush. The people with the worst health outcomes in the country are people in the bush. What the government are doing is compounding the differential between the country and city by undertaking these cuts. We know that every school in the bush will be negatively impacted by these cuts. Cutting teachers and cutting school expenditure will mean that kids get a poorer outcome. In the Northern Territory alone, $335 million will be ripped out of classrooms, with $179 million being ripped out of classrooms in my own electorate, Lingiari. The people in Lingiari, the bush communities, have the worst educational outcomes in the country. They have the worst health outcomes in the country.

The member for Aston spoke about the importance of quality teaching. We all accept the importance of quality teaching. But, if you hang your hat on the notion that, if you improve teaching quality, you will get the better outcomes you are after, you are kidding yourself—because there are a whole lot of support systems that need to operate which this government will not fund. I went to a community very recently where a seven-year-old girl was identified as having type 2 diabetes. These kids have chronic diseases. We have moving into the education system kids with mental health issues that are not being addressed. This funding cut that is being proposed by the government will compound the difficulties of providing support for those students and support for the very, very good teachers that teach them.

You are not going to improve things by continually cutting funding. As the member for Adelaide pointed out, all you are doing is increasing the growing gap between communities that are worse off and those that are well off. As she said, that gap is wider than the OECD average. We cannot tolerate this rubbish. We in this place need to have a genuine dialogue about how we properly address the concerns of parents and students around the nation regardless of where they live.

The government went to the last election promising people that they could vote Liberal or Labor and they would get exactly the same amount of funding for their school. It is no wonder people do not trust politicians. It is no wonder people have raised questions about the honesty of politicians, when the Leader of the Opposition comes into the chamber and argues against the government and says these things, and the shadow minister asserts the importance of understanding the truth about what the government said when it was in opposition. Understanding the impacts of what they have done in government and masquerading as a government that is actually trying to improve the outcomes, they have doubled the deficit since they have been in government. Is that a problem for the Labor Party? Yes, it is a problem for the Labor Party, because we will inherit it if we are in government.

But we have not made the outlandish claims that this government has made about how they are going to achieve a better outcome. What we know is this: we have identified the savings required for the investments in education which have been announced. We have identified those savings and we have had our expenditure properly costed. We invite the government to demonstrate some authenticity with the Australian people. Do not be dishonest. Tell us the truth and make sure you do the right thing by every Australian child, every Australian parent and every Australian school—something you are not doing.

Mr TEHAN (Wannon—Minister for Veterans’ Affairs, Minister Assisting the Prime Minister for the Centenary of ANZAC and Minister for Defence Materiel) (15:38): What a
pleasure it is to follow the member for Aston in this debate, because, sadly, what we have heard from the member for Adelaide and the member for Lingiari has not been worth following. As a matter of fact, it has been nonsense. It is actually rather problematic, because we are talking about education, and the sad thing about this debate is that Labor thinks that throwing money at a problem is how you fix it. And I say to young Australians, especially young Australian students, that the worrying thing about this is that we are already trying to pay back the legacy that Labor left for you—a budget that is in structural deficit and a large, large amount of debt. Yet if they get back into office you will have to pay back even more. Think about that while you are doing your studies. Labor's legacy for you will be an extra tax burden for you, and that is the sad thing about how they approach everything.

What we want to see from the Labor Party is a proper discussion about how we can further improve education in this nation in a way that does not saddle future generations with large amounts of debt. We as a government are improving education outcomes. We are doing it in a meaningful way and we are doing it in a way that continues to increase funding. I want to go through the MYEFO figures to end the debate about cutting funding to education. This is what we are spending: for 2013-14 to 2014-15, an extra 11.1 per cent; for 2014-15 to 2015-16, an extra 7.9 per cent; for 2015-16 to 2016-17, an additional 8.6 per cent; and for 2016-17 to 2017-18, an extra 6.5 per cent. How can you come into this place and say with a straight face that education funding is being cut when those figures are in the MYEFO? You talk about scare campaigns. Well, this has to be one of the grubbiest, most dishonest scare campaigns that has ever been run. Those MYEFO figures quite clearly show education funding going up: 11.1 per cent, 7.9 per cent, 8.6 per cent and 6.5 per cent. Yet you continue to run a dishonest campaign.

When the member for Adelaide boasted about how much extra money you were going to throw at education there was an interjection from this side. That interjection was: 'How are you going to pay for it?' And the member said: 'We've just outlined in question time how we're going to pay for it. We're going to pay for it through our negative gearing policy and we're going to pay for it through our capital gains tax policy.' How is that going to help to pay for it? As the Prime Minister has incredibly astutely said, Labor's tax policies will make people poorer. And if people are poorer, they will not be earning extra income, they will not be paying extra taxes and therefore we will be going backwards as a nation. How they can come in here, as the member for Adelaide did, and say that Labor's tax plan will help to pay for their extra education funding beggars belief.

When it comes to arithmetic, I am sad to say that those opposite have no credibility. We do, and we want to make sure that we have the budget in a position where we can continue to increase funding in a sensible and methodical way for education. We want to make sure that those 11.1 per cent, 7.9 per cent, 8.6 per cent and 6.5 per cent increases will continue and that we will be able to provide a proper education for future young Australians. We will not use dishonest tactics in this debate. We will use real figures and keep delivering for Australian students.

Mr ZAPPIA (Makin) (15:43): I say to the member for Wannon that Labor's education policy has been very well received by the people I have spoken to since we announced it, including as recently as this week, when I met with the principals of the Primary Principals...
Association here in Canberra. They made it very, very clear that they welcome this policy, as does every other education commentator whose reports I have read.

Before the election the member for Sturt, who was then the shadow education minister, said, on 29 August:

You can vote Liberal or Labor and you'll get exactly the same amount of funding for your school.

The then opposition leader, just before the election, said:

… no cuts to education, no cuts to health, no change to pensions, no change to the GST and no cuts to the ABC or SBS.

Included in that was 'no cuts to education'. The promises were clear. After promising that there would be no cuts to education, time and again this government cut $30 billion of education funds. And I say again to the member for Wannon that he does not have to listen to this side of parliament to accept the $30 billion of cuts. Every education minister across Australia has acknowledged that there has been $30 billion cut from future education funding in this country. That is a reality that those opposite cannot walk away from as much as they try.

The $30 billion of cuts were particularly bad for South Australia because the cuts were made to years 5 and 6 of Gonski education funding. For my state of South Australia, that meant that we lost most of the Gonski funding. That cut hit the hardest. Not only would South Australia miss out on years 5 and 6 of Gonski education funding but also forward funding increases would then be based on the lower value figure. It is interesting that we hear today that the government is trying to negotiate $7 billion of relief funding prior to the next election. It was $7 billion or thereabouts that was cut from years 5 and 6 of the Gonski education program that was announced prior to the 2013 election. Not surprisingly, we are facing another election in only a few weeks or perhaps a few months.

It has also been said by members opposite time and time again—and we heard it again from the member for Aston—that education funding simply does not matter, that other things affect education outcomes. It is the same line that was used in the USA, where they tried to cut education funding in different places. There was a report put together by the Albert Shanker Institute which looked at whether education funding matters. That report concluded that education funding does matter. Yes, there might be other considerations but education funding makes a difference. If it did not make a difference, why would David Gonski have recommended in his report that funding should be increased for the education sector?

The truth of the matter is that cuts to education funding are another example of the cruelty of this coalition government because most of the funding that was cut, which was Gonski funding, would have gone to disadvantaged families across Australia—families from low-socioeconomic areas, Indigenous communities, schools with high levels of children with a disability or children from overseas with limited English and children in remote communities. These are the communities where education outcomes are well below average, as other members have said and are fully aware of, and these are the communities that would have benefited most had the funding not been cut.

This government has a track record of hitting the most needy in this country the hardest. Contrast that with Labor's 'Your Child. Our Future' policy which was announced recently, a policy that picks up on our 2013 election commitments, which is absolutely clear and which
the government that we now have in place tried to link itself to. It is a policy which will reinstate $4.5 billion in education funding over the years 2018-19. It is $37.3 billion of additional funding over the next decade. For my state of South Australia, it means an additional $415 million over years 2018 and 2019.

Labor’s plan would mean an additional $2 billion in dedicated support for low-socioeconomic students around this country. We all know that there are children with disabilities across the country. What is concerning is that the number of students currently that have a disability is nearly 200,000 and the number is increasing. The cuts made by this cruel government hit those students the hardest. Those students are the ones who are going to miss out because most of the funding that would have been allocated had we been elected would have gone to the students that needed it the most.

Mr LAMING (Bowman) (15:48): Late on this Thursday afternoon, spectators in the gallery must be listening to this most important of national topics only to hear two sides of politics on completely separate lines of argument. To summarise where we have got to so far, we have had a very clear elaboration by the government of the actual facts of education funding. At the same time, you have heard a very shrill attack from the opposition that we on this side are not meeting their commitments to education and there is a very good reason why—because there is no proof in the pudding like the pudding itself.

When this lot opposite were in government, they were utterly fixated on pink batts and the wacky Green Loans scheme. But when it came to investing in schools, it was mostly school halls. There was not really a great deal of talk about anything other than Gonski reports for long into the future—where they would not be accountable for where that money would come from. That is why the Labor Party, when they are pressed on numbers, moved it all out of the important four-year forward estimates and stacked it in the five-plus years away because they do not want to tell you where the money was ever going to come from—it was five years or more away. Now we are in government, those opposite have these fanciful and elevated figures that were never fundable by any Australian government. Now they say that we are cruel, hard and inconsiderate for not meeting their ephemeral and vacuous promises back when they did not have to tell us where the money was going to come from in the first place.

I will cover the facts and summarise the two coalition speakers before me. The government are funding schools at four per cent—way more than the OECD average of 3.6 per cent. We are growing education funding every year but of course we are not meeting the vacuous and empty promises that Julia Gillard made up just months before her election loss in the hope she would win the election. Those figures of course were never funded—that means that Julia Gillard never told you where the money would come from to achieve those extraordinary increases in school funding. So you know that increases are between eight per cent and 11 per cent. You know that the Commonwealth is doing the bulk of the increase in school funding, not the states. You know that over a generation the contribution into school funding has been enormous and the growth in state school funding has way overshadowed the very tiny increases in independent school funding. That is what the gallery will understand from here.

Now I want a focus on what is a very broadly worded and emotive topic of debate today—that is, ‘undermining the future of Australian children by attacking schools’—which basically could cover any topic you choose. I do want to divert to the area of the Safe Schools Coalition, which has been a true talking point this week. It is material produced by the former
Labor government that, in the guise of preventing bullying, is basically bringing in a gender and sex education program for state schools around the country. That to me is a far greater attack on the values of Australians because what they want is an end to bullying but they did not ask for this package in particular.

I think it is very important today, without me taking sides, to look at the evidence base behind this program before we can actually, in this debate, work out whether or not we are undermining the futures of children in Australian schools. This is a package that has been developed by one or two academics and the extent of the evidence base behind it—I say to members of the opposition—is some focus groups with teachers. It was very qualitative, feeling related research on whether they liked the package. If you are going to change the curriculum, I would like a bit more than that as evidence. Particularly in these areas of morals, ethics and sexual issues, I think parents are an equal partner in the discussion. Parents have been completely isolated from the collection of that evidence. I think that is unacceptable. Call me a little extreme in this regard for saying that parents need to have some say, or at least an equal and collaborative say, in the education of children.

This coalition director, Sally Richardson, told media recently that this manual has now been picked up by about 350 schools and many of them are secret. It raises a very important libertarian question about whether parents deserve to know what their children are being taught. I think it is completely reasonable that, if you are going to introduce that material, you should be letting your parent body know. I am not insisting on that for history and geography, but I am saying that issues around gender and sexual education should be a matter that parents have a say in. I do not want to see the role of parents completely expropriated by schools, but I would like to think that they are focusing on those important core issues. Where they move into these, it is important to have an open discussion. You do not have the evidence. I do not think that getting 11-year-olds role-playing as queer is evidence based at all. From all the evidence provided, it is extraordinarily thin. I would like to see a way broader group of people involved in developing this material, including psychologists, psychiatrists and paediatricians, who understand what these children actually go through and the services available in this community to protect those children's future.

Ms BRODTMANN (Canberra) (15:53): Shortly after I was preselected and I was running my first campaign in 2010, I was interviewed by the ACT 7.30. One of the questions I was asked in that interview was why I am Labor. I cited a number of reasons why I am Labor to my bootstraps. One of the chief reasons was Labor's commitment to education. Labor has a deep understanding of the transformative powers of education and it puts its money where its mouth is.

How do I know this? How do I know that Labor is deeply committed to and understands the transformative powers of education? It is because my sisters and I are living proof of the transformative powers of education. I come from what I call a working class matriarchy. My great-grandmother left school at 11 and worked as a domestic in the western district of Victoria. My grandmother left school at 13 and was a single mother, like my great-grandmother. She brought up seven kids on her own and worked at three jobs to keep food on the table and to pay the rent in their housing commission house. My mother, as a result of the cycle of disadvantage that my grandmother was in, had to leave school at the age of 15. She loved school, but she was dragged kicking and screaming from school at 15. Thanks to my
mother's tenacity, thanks to a great public education and thanks to Labor's investment in education, my sisters and I escaped that cycle of disadvantage, those three generations of disadvantage—my great-grandmother, my grandmother and my mother. It was through those transformative powers of education.

I want and Labor wants every child to have access to those transformative powers of education, no matter what their background, where they live or what their parents earn. I want every child, particularly those experiencing disadvantage, to have access to the potential that is unlocked as a result of a great education.

Through 'Your Child. Our Future' Labor will target the needs of individual students no matter what school they go to—be it a government school, a Catholic school or an independent school. 'Your Child. Our Future' is not just about completing the Gonski reforms. It is a permanent change in our education system. Needs-based funding, which is what is so central about this program, will make sure it reaches the students who will benefit most, including students from low SES backgrounds—we have heard from my colleagues about their experiences of students from low SES backgrounds in their electorates—Indigenous students, students with a disability, students with limited English, students in small schools or in regional or remote and rural areas. This will mean a strong focus on every single child's needs. It will mean more individual attention for students. It will mean better trained teachers. It will mean more targeted resources, better equipped classrooms and more support for students with disability and special learning needs.

The government has spent its entire term putting nothing on the table but savage cuts. Labor, in contrast, has put education at the centre of our priorities through 'Your Child. Our Future'. We will honour the six-year needs-based funding agreement with the states and we will provide long-term certainty for schools by reversing the government school cuts across the next decade. As my colleague has just said, that means a $4.5 billion investment in 2018-19 alone. For the ACT, for the people of my electorate and of the electorate of my colleague the member for Fraser that will mean a $30 million investment.

Our policy has been shaped by extensive research and extensive consultation with parents, teachers, students and academics. Our policy has been shaped by best practice research and models. Our policy puts students and schools at the centre of education. It allows everyone in Australia to realise their potential, no matter how much their parents earn, where they live or their background. Our policy allows every Australian to realise their potential through the transformative powers of education. As we have heard abundantly from my colleague the member for Adelaide and my other colleagues this afternoon, we are putting our money where our mouth is. We are deeply committed to the transformative powers of education.

Mr CRAIG KELLY (Hughes) (15:58): One of the obligations that we all have here in this parliament is that when we speak, either from our places as backbenchers or as frontbenchers from the dispatch box, we should tell the truth. Therefore it is very disappointing, and does our profession no good whatsoever, for members of the Labor Party to stand up in this debate one after the other and claim that the coalition is cutting funds to education.

There are no cuts to Commonwealth spending now or in the future. Let us go through the facts. These are the budget papers. Let us look at Commonwealth funding over four years, from MYEFO. From 2013-14 to 2014-15—the last financial year—there is an 11.1 per cent
increase. In the current financial year, there is a 7.9 per cent increase. For those of you who do not know, 'increase' means you spend more money! From 2015-16 to 2016-17 there is an 8.6 per cent increase—another one. In the following year, there is a further 6.5 per cent increase. So over those four years there is an increase of 27.3 per cent. As someone who proudly comes from a public school background, I am proud to say that the majority of that increase is actually weighted towards our public schools. The public schools' increase over that four-year period is 36.1 per cent. We are spending record amounts on education.

As for Labor's claim that there are cuts, I rely on no greater source to finalise this issue than the good old ABC Fact Check. The member for Charlton loves to quote ABC Fact Check, so I will read to him what it says about Labor's claim of so-called cuts to education. It says: 'The verdict is that the government did not cut $30 billion from schools in the May budget.' It says that Ms Ellis, the member for Adelaide, is sprouting 'rubbery figures'—very generous words. I know that the word 'lie' is unparliamentary. If I look through the dictionary to find another word, I come up with 'fraudulent', 'hoodwink', 'untruthful', 'misleading', 'deception', 'mendacity' and 'falsehood'. All those words fit Labor's claim that this government has cut spending, when we have increased it to record levels.

What was very frightening in this parliament over the last few hours was what we saw during question time and in the member for Adelaide's speech on this MPI. When asked where the money was coming from she said we were told in question time. Labor's plans to try and fund this extra spending will come from abolishing negative gearing across all asset classes and increasing capital gains tax. What they do not understand is that the taxation revenue they gain from that will actually decrease the economy, destroy opportunity and send government revenue backwards.

If we are to look at what we need to be doing on education, we need to look at what is being taught in our schools. We need to be teaching our kids that wealth is created—that it does not come out of thin air—and how it is created. In history, we need to teach them the failures of central planning and socialism. We should have Venezuela as a case study—the economic policies that members of Labor and the Greens thought so wonderful they wanted to lecture to us about them. We should teach our kids about the importance of market prices and property rights—the importance of having an economic system with incentives in it. Most of all, we need to encourage an entrepreneurial spirit among our schoolkids. Labor's policies will crush that entrepreneurial spirit and they are the complete opposite of what we need to be doing for our children's future.

Mr CONROY (Charlton) (16:04): I cannot help but reflect on that contribution from the member for Hughes. He bragged about the power of markets and the importance of price signalling but he is a man who has comprehensively rejected applying a market signal to combat climate change. He is a man who is mired in, at best, inconsistency. I will leave his contribution there—and that is doing a favour to the fine gentlemen opposite. Tempers have been known to run ragged in the chamber, and sometimes we use intemperate rhetoric. I must admit that I am occasionally guilty of that, so I choose my next words very carefully. The coalition's education policy is a crime against our children because it is robbing them of their future.

You need only look at the budget papers. The member for Hughes asked where we got this figure of $30 billion from—did we pluck it out of the air? No, we did not; it was in your own
budget papers. The 2014 budget was the tombstone on the careers of the member for Warringah and the former member for North Sydney—although the member for Warringah is like a zombie reaching through the dirt and trying to come back. The 2014 budget papers brag about '$80 billion of savings' across the health and education sectors—those were the exact words. Unfortunately, $30 billion of that is in the education sector. That hit has been extreme. In my own region, that hit has been extreme. There has been nearly $900 million ripped out of Hunter schools. There has been a $162 million impact on the schools in Charlton, almost $3½ million in each school in my area—money that is so desperately needed to give our kids the best start in life.

That is why I say without any attempt at hyperbole, without any attempt at exaggeration, that the coalition is robbing our kids of a future. They are committing a crime against future generations by denying them the best education funding possible. And that is why I am so proud of Labor's policy. I am so proud of a policy that puts needs first. It says: 'We're ending the sectarian debate. We don't care if you go to a Catholic school, a state school, a Christian school an independent school or whatever, we'll fund our students based on need.'

Mr Conroy: I do not care if they go to a private school, a Catholic school or a state school. We will fund them on need, and that is the way it should be. I am proud of our policy. I am proud of a policy that only has weightings for five specific categories that increase the needs for those students. I am incredibly proud of our Gonski reforms that will revolutionise education in this country. It is a compact between this generation and future generations. It is a compact that says education is not just a private investment, it is about the public good, and that we advance Australia by investing in our kids' education.

I am also proud of the fact that we will fund it by putting a price signal and changing incentives on things we actually want to reduce in this country. By applying a further price signal on cigarette consumption—the member for Hughes might want to listen to this—we discourage smoking and we also raise revenue to fund education. By changing tax incentives that are skewed toward speculative activity in the housing sector to divert investment into productive investment in new dwellings rather than speculative housing bubbles, not only do we improve housing affordability, not only do we make housing more achievable for our kids, not only do we get rid of an outrageous tax break in the 50 per cent capital gains tax concession that says that gains from capital should be taxed at half the gains from your own labour—an outrageous move put in place by Peter Costello—but we use the funds raised to invest in our kids' future.

That is why I am proud of Labor's policy. That is why I will be campaigning every day on our policies that improve our society and that give our kids the best chance. Those on the other side stand for nothing more than dodgy tax practices and cutting $30 billion from the future of our kids.

Mr Wilson (O'Connor) (16:08): It saddens me a little today to have to respond to this matter of public importance, because my four children, aged between six and 12, and I think every other child of school age in the country, are being used as a political football. I think it is a disgraceful scare campaign that is being run. It is a shame that I have to respond to this but it is an opportunity to speak last here today to tidy up some of the facts.
My sainted wife is a schoolteacher, and I have to say it is possibly the noblest profession and I absolutely support her and every other schoolteacher that I have met. I know they work very hard to educate our children across the country. It really is those schoolteachers and their individual abilities that make all the difference to our children's education.

In response to the member for Canberra: I have a similar situation where my own mother struggled through school. She completed her education by correspondence and she worked enormously hard to enable me to be the first member of my family to graduate from university.

But let us get some facts on the table here. I want to say emphatically that there are no cuts to Commonwealth spending on schools now or in the forward estimates. As we have heard today from previous speakers on this side, the government is investing record levels of funding in Australian schools, with total Commonwealth funding to all schools across Australia of $69.4 billion over the four years to 2018-19. This is an increase of 27 per cent since the 2014-15 year. I want to spell this out in fine detail so that those on the other side understand what 'cut' means and what 'increase' means.

In 2014-15—this is from MYEFO—funding was increased by 11.1 per cent. From 2014-15 to 2015-16 it was increased by 7.9 per cent. From 2015-16 to 2016-17 it will increase by 8.6 per cent. From 2016-17 to 2017-18 it will increase by 6.5 per cent. I know the other side are not that good at arithmetic, but that is very plainly a massive increase in spending. I would also like to say that the Commonwealth funding to government schools is increasing at a much faster rate than it is to the private sector. As mentioned by the previous speaker on this side, government school funding growth was 36.1 per cent over the period 2014 to 2018-19, compared to 23 per cent growth in the non-government sector.

Along with the Commonwealth government, Western Australia recognises the importance of the education system. Our students in Western Australia are the best funded of any state. In 2015 a new student centred funding model was introduced in public schools in Western Australia. The model provides a base level of funding for each student, with additional funding provided for Aboriginality, disability, social disadvantage and English as a second language.

While I am on facts, it is worth repeating, as my colleague did previously, the ABC fact check from 2014. I am a great friend of the ABC and I did take the opportunity to join the Friends of the ABC when they were here in the House yesterday. But the verdict was that the government did not cut $30 billion from schools in the May budget; the $30 billion figure is calculated over a 10-year period starting in 2017. There is too much uncertainty for such a long-term estimate to be a reliable measure of either cuts or savings. Ms Ellis is spouting rubbery figures. I think that sums this whole debate up.

I want to take the opportunity to talk a little bit about some of the great educational outcomes and initiatives that are happening in my electorate of O'Connor. The Clontarf Foundation, which was set up by Gerard Neesham, is a program for young Aboriginal boys but is also now starting to include girls and is—excuse the pun—kicking goals all over my electorate. We have Clontarf programs in my home town of Katanning, in Albany, in the Goldfields and in Esperance. They are doing a great job and encouraging the young Indigenous boys to attend school and meet certain benchmarks so that they can pursue their football dreams. What a wonderful program it is.
Another thing I am noticing across my electorate is the success of the Independent Public Schools system. Introduced by the Western Australian coalition government in 2009, it has been an enormous success. There are over 22 schools in my electorate that have now opted to be in the Independent Public Schools program. *(Time expired)*

**The DEPUTY SPEAKER (Mr Goodenough):** The discussion has concluded.

**COMMITTEES**

**Joint Standing Committee on Electoral Matters**

*Report*


**Public Works Committee**

*Reference*

Dr **HENDY** (Eden-Monaro—Assistant Cabinet Secretary and Assistant Minister for Finance) (16:14):

I move:

That, in accordance with the provisions of the Public Works Committee Act 1969, the following proposed work be referred to the Parliamentary Standing Committee on Public Works for consideration and report: C17 Maintenance Facility, Aircraft Apron and Associated Infrastructure Project, Royal Australian Air Force Base Amberley, Queensland.

The Department of Defence is proposing to construct new facilities at the Royal Australian Air Force Base Amberley, Queensland to maintain, operate and sustain the eight C17 Globemaster aircraft already acquired by the Australian Defence Force. The project will provide modern, purpose-built facilities and improved infrastructure to support the operational readiness, security and capability requirements of No. 36 Squadron. The squadron's role includes conducting airlift operations from a range of rudimentary airstrips from battlefields to humanitarian missions in remote areas. The proposed works include a new C17 maintenance facility comprising a hangar with telescopic docking and maintenance workshops capable of accommodating a C17 or other aircraft, an additional aircraft parking apron for eight C17s, and associated support services and base infrastructure at RAAF Base Amberley.

The estimated total cost to deliver the project is $219.4 million, excluding GST. This includes construction costs, escalation allowances, professional service fees, design, construction and Defence contingencies, and information technology equipment. The project will provide opportunities for jobs and growth throughout the construction period. Subject to parliamentary approval of the project, construction is expected to begin in early 2017 with all construction completed by the end of 2018. I commend the motion to the House.

Question agreed to.
Debate resumed.

Mr GOODENOUGH (Moore) (16:17): The question is that the bill be agreed to.
Bill agreed to.

Third Reading

Mr HAWKE (Mitchell—Assistant Minister to the Treasurer) (16:17): by leave—I move:
That this bill be now read a third time.
Question agreed to.
Bill read a third time.

Migration Amendment (Character Cancellation Consequential Provisions) Bill 2016

Second Reading

Debate resumed on the motion:
That this bill be now read a second time.

Mr MARLES (Corio) (16:18): I rise to support the Migration Amendment (Character Cancellation Consequential Provisions) Bill 2016. This bill makes a number of amendments which are consequential to the Migration Amendment (Character and General Visa Cancellation) Act 2014. Labor supported that act through this House and through the parliament. The 2014 act was designed to strengthen the existing character and general visa cancellation provisions within the Migration Act to ensure that noncitizens who commit crimes in Australia and pose a risk to the Australian community, or represent an integrity concern, are appropriately considered for visa refusal or cancellation. It also introduced a mandatory cancellation power for noncitizens who failed to pass an objective character test. That test is deemed to be met if a person has served a custodial sentence of a minimum of 12 months or has committed a serious crime such as child sex offences.

The purpose of the bill before us today is to make consequential amendments to those that I have just outlined so that character related provisions are dealt with consistently throughout the Migration Act. Specifically, this bill does that in three broad ways. The first is to amend the definition of the term 'character concern' to make it consistent with the definitions contained within the character test as amended by the 2014 act. In that way, it will ensure that existing information disclosure provisions are consistent across the Migration Act with regard to the character test. The second general area of consequential amendments relates to section 501BA of the Migration Act. In that respect, this bill deals with decisions made under that provision, which relates to the minister's power to override a decision of the Administrative Appeals Tribunal or a delegate and cancel a person's visa on character grounds. It is a particular type of decision that the minister makes in relation to the character test. The purpose of a series of amendments found in the current bill is to ensure that decisions of that
kind, made under section 501BA, are treated in a consistent way with other decisions that the minister makes in respect of character test visa cancellations.

The final group of amendments relates to section 501CA of the Migration Act. This is another sort of decision that the minister makes in relation to character test visa cancellations—specifically, the minister's power to reinstate a person's visa that was cancelled under the mandatory cancellation provision. Again, the purpose of these consequential amendments is to ensure that a decision of that kind is treated in a consistent way across the Migration Act with those other decisions that the minister may make, in relation to cancelling or dealing with a person's visa in respect of character-test grounds.

Labor supports these amendments. They are technical in nature, but they are a faithful set of amendments which provide consistency, consequential to the bill, that Labor supported when it went through this parliament in 2014. Having said that, it is becoming clear that the government is utilising ministerial discretion to cancel visas on character grounds to a greater extent than was the case under the former Labor government. The cancellation of a person's visa on character grounds is, clearly, a sensitive issue. It has to be done on a case-by-case basis, because we are talking about a different story in respect of each individual. So, I think that, all that can be said from the point of view of Labor in respect of the use of ministerial discretion in this regard, is that we will maintain a close regard, in terms of how the minister is using his discretionary powers but, that, if, in fact, what we are seeing is a toughening up of the system in relation to this, that it is very important for that to be explained to the Australian people by the government. As always, transparency is the key to ensuring that the Australian people understand exactly how discretion is being used and how the laws that pass through this parliament are being used.

That said, as I stated earlier, Labor will be supporting this bill. We do so in the House, but I do note that the Senate is currently undertaking an inquiry into the bill and, so, obviously, our final position, in terms of how we handle this legislation in the Senate, is dependent upon the outcome of that inquiry. But until that outcome has occurred Labor stands supporting this bill in the House.

Mr HOGAN (Page) (16:24): I rise to speak in support of the Migration Amendment (Character Cancellation Consequential Provisions) Bill 2016. As you would know, Acting Deputy Speaker Goodenough, from the previous member's statement, a number of amendments in this bill give full effect to the substance of amendments made by the Migration Amendment (Character and General Visa Cancellation) Bill 2014.

The Migration Amendment (Character and General Visa Cancellation) Bill 2014 significantly strengthened the character and general visa cancellation provisions in the Migration Act to ensure that non-citizens who commit crimes in Australia, who pose a risk to the Australian community or who represent an integrity concern are appropriately considered for visa refusal or cancellation. I think any reasonable Australian would consider this to be very fair. If there are people in this country who are here on a visa and involved in crimes that are offensive to us, as a country, then the right to refuse or cancel their visa is very warranted.

The Migration Amendment (Character Cancellation Consequential Provisions) Bill 2016 has also introduced mandatory cancellation of visas held by non-citizens in prison who do not pass certain limbs of the character test; a relocation power, specifically for mandatory cancellation decisions; and, importantly, a new power for the minister to personally set aside,
in the national interest, a decision made by his or her delegate or the AAT to revoke a mandatory visa cancellation decision.

The consequential amendments set out in this bill will ensure that the mandatory cancellation related powers are reflected consistently—this is important—and comprehensively throughout the Migration Act, according to the original intent of the changes made in late 2014. This will ensure that the government has the capability to proactively and robustly address character and integrity concerns. In particular, the bill will ensure that confidential information critical to decision making under the new character cancellation provisions is given the same level of protection that is currently afforded to confidential information relating to other character provisions in the Migration Act. The bill will also give full effect to the policy of mandatory cancellation by putting, beyond doubt, that, a non-citizen who is a subject of a mandatory character cancellation decision is available for removal from Australia if they do not seek revocation within the relevant time period or are unsuccessful in having their visa reinstated. Further, the bill seeks to strengthen our ability to identify non-citizens suspected of being of character concern by aligning the definition of 'character concern' in the act with the strengthened character test in section 501. Again, consistent with the original intent of the Migration Amendment (Character and General Visa Cancellation) Bill 2014, this will facilitate the lawful disclosure of non-citizens identifying information where a non-citizen is suspected of being of character concern.

This bill demonstrates this government's clear and continuing commitment to ensuring that non-citizens who pose a risk to the Australian community are dealt with effectively, efficiently and comprehensively. I commend this bill to the House.

Ms MacTIERNAN (Perth) (16:29): I have a very short time to commence my remarks.

The SPEAKER: You have just used about 20 per cent of them!

Ms MacTIERNAN: There are some very important issues here about the trigger which we use to invoke the character test, and the impact that this has on a number of permanent residents who have spent the vast majority of their lives in this country, whose families may, indeed, have spent their entire lives in this country and, for all intents and purposes, consider themselves to be Australians.

I will seek, when parliament resumes, and we resume debate on this legislation, to really set out some of the examples in Western Australia where these triggers have been—

Debate interrupted.

ADJOURNMENT

The SPEAKER (16:30): I propose the question:

That the House do now adjourn.

Poliversity

Dr LEIGH (Fraser) (16:30): The 2016 Lunar New Year celebrations, acknowledging the Year of the Monkey, were recently hosted by the member for Berowra, the Father of the House, and me here in one of our courtyards. Members and senators were joined by community representatives including Sam Wong AM; Donni and Samuel Pho, from the Australian Salvation Army; Mrs Chin Wong; and Gary Lee, the 2016 New Australian of the Year. The Leader of the Opposition, Bill Shorten, also spoke at the celebrations and
welcomed the inauguration of what will hopefully be an annual fixture on the parliamentary calendar. We launched traditional floating lanterns into one of the parliamentary ponds—possibly the first time this has happened—and then moved to the public lawns on Federation Mall to enjoy the skills of David Wong's Prosperous Mountain Lion Dance group.

The event was co-hosted by Poliversity, an organisation founded by Wesa Chau and Jieh-yung Lo. Poliversity's mission is to advocate for cultural diversity in politics, to achieve more balanced and equitable political representation, to recognise the multicultural make-up of Australia—in short, to promote parliamentary candidates who look like the Australia we know and love. Poliversity has been founded to promote engagement and participation and to provide opportunities for people from culturally and linguistically diverse backgrounds to put up their hands to serve as representatives in parliaments and public institutions. Poliversity will promote better representation of cultural diversity in Australian politics, and I acknowledge the hard work of people like the member for Calwell, Maria Vamvakinou, and the member for Kingsford Smith, Matt Thistlethwaite, who are the co-patrons of this new organisation. I recommend to the House the launch speech of the member for Greenway, Michelle Rowland, who reached right back through Australian history in talking about the value of an organisation like Poliversity.

There are those who have served in Australian parliaments who were trailblazers so that others could come behind them. You think of Irina Dunn, the Independent senator for New South Wales, who was the first parliamentarian of Chinese descent. Other parliamentarians of Chinese descent have since followed her. Dick Klugman, as member for Prospect, was the first refugee to become a federal member of parliament. Milivoj Lajovic, a senator for New South Wales, was the first non-British post-World War II migrant in parliament. He was born in Yugoslavia in 1921. Con Sciacca was the first Italian-born parliamentarian. Sam Dastyari was the first Iranian-born parliamentarian. Michelle Rowland was the first parliamentarian of Fijian descent. Indeed, it happens that Labor Prime Minister Chris Watson was the first Prime Minister from a non-English-speaking background.

In the spirit of diversity, I acknowledge Neville Bonner, the first Indigenous parliamentarian, and Nova Peris, the first female Indigenous parliamentarian. In that vein, it is a great pleasure to me that, at the next election, the Labor Party will be going to the people of Australia with Senators Nova Peris and Patrick Dodson on our team. Patrick Dodson's stepping into the other place as a Labor senator is a great thing. He is the father of reconciliation, whose grandfather Paddy Djigweneet met the Queen in Broome in 1963 and asked, 'Why can't we have the same rights as the white man?' Professor Dodson reflected on how his grandfather would feel about the fact that Patrick Dodson is putting up his hand to be a Labor senator, and he said, 'He'd probably think I was a brave man, going into a white man's world.'

I also want to inform the House that, at the next election, I expect that our candidate for Barton will be Linda Burney, an Indigenous woman from New South Wales, and our candidate for Swan will be Tammy Solonec, an Indigenous woman from Western Australia.

Mr Snowdon: Durack as well—Carol Martin.

Dr LEIGH: And Carol Martin will be our Indigenous candidate for Durack. It is beyond time that the Labor Party's candidates included an appropriate number of Indigenous Australians. I commend these candidates for putting up their hands and I commend
Poliversity for its work in ensuring that Australia's rich migrant history is reflected in the candidates that run for the Labor Party at the next election.

**Redcliffe Opportunities for People's Enhancement**

**Dolphins Stadium**

Mr HOWARTH (Petrie) (16:35): As school leavers, I am sure that we all wanted to integrate into working society and feel that we were valued members of the community. But this integration is sometimes harder for some than for others. In particular, people with intellectual disabilities need and deserve the opportunity to develop socially, emotionally and educationally, especially after they have completed year 12 and finished school. My electorate is very lucky to be graced by a community organisation that is helping people with intellectual disabilities grow and develop their abilities, talents and interests. It is called Redcliffe Opportunities for People's Enhancement, or ROPE. I have had the privilege to go out to ROPE on several occasions and see what it does firsthand. It does a wonderful job.

I was very pleased to be able to ring ROPE today with the great news that its application to our government's Stronger Communities Program has been successful. ROPE will use the funding of $10,000 to purchase a people mover vehicle for its My Future program, which does exactly what I was talking about a moment ago, helping young people get into the workforce after they have finished school. As I said, this program is about helping young people transition from school to employment and will provide work experience opportunities for young locals. The young people involved in the project will also be able to use the vehicle to start a social enterprise—making and selling dog treats at local dog parks and local markets on the Redcliffe peninsula on the weekend. It will teach them a little bit about how to develop their business and work skills and about income-producing assets. Congratulations once again to ROPE on their successful application. Thank you to the group for what you do. I want to especially mention Wes Bleakley, the executive officer, and Julianne Keane-Jones, who is the project co-ordinator who will be using the vehicle and who put in the application.

I would also like to update locals on the progress of the Dolphins stadium upgrade. With community support I was able to secure $4 million of federal funding for this upgrade, which will be an enormous boost for jobs, tourism and sporting facilities in the Moreton Bay region. This redevelopment started late last year. If you have driven by recently you will see that they are working on the far side of the stadium. If you have visited the Dolphins health precinct you will have seen clearly that the stadium is underway, which is fantastic news. The first stage will see a new toilet block and cafeteria and 4,000 new shaded seats installed.

The first stage of the project will be completed mid this year, just in time—perfect timing—for the Moreton Bay Rail Link, which will be open in July this year. This is a $983 million rail link, for which $500 million has been poured in by the federal government over the last two years. Both of these projects together is great news for the people of Petrie and a big win for the community. The stadium will be only about a one-kilometre walk from the station. Congratulations as well to the club president, Bob Jones, and the club CEO, Tony Murphy, as well as all the staff who work at the Dolphins. I have met a lot of them. They all do a wonderful job down there. Congratulations for the work done so far. The Dolphins Leagues Club is the second biggest employer on the Redcliffe Peninsula, behind only Redcliffe Hospital, which is the largest employer. This project will only see increased opportunities for jobs in the seat of Petrie.
Mr SNOWDON (Lingiari) (16:39): I rise to talk about my mate Pat Dodson, who as we now know has been nominated by the Labor Party to fill an occasional vacancy as a result of a resignation from the Senate. I want to talk about Pat for a number of reasons, not the least of which is that he is my mate; it is a good reason. I used to work for him, and he happens to be the godfather of our eldest daughter. So we go back a long way. Pat is an extraordinary individual—someone, I think, we are going to be very proud of as he serves in this parliament.

From very humble beginnings on the banks of the Katherine River, effectively, he was sent away to boarding school at the age of 13 after becoming orphaned; his sisters sent him away to Monivae, in Victoria and then became the first Aboriginal Catholic priest in the country. He then worked at the Central Land Council, starting in 1981, which is when I first met Pat. I was then working with Nugget Coombs at the Australian National University, and then later I went to work for Pat as his policy adviser. That was immediately prior to my entering the parliament. So it is sort of cyclical. I was employed by Pat when I entered parliament and now I hope to work with Pat as he enters the parliament as a member of the Senate.

He has by any measure already made a tremendous impact on the Australian community and on Australian society. He has many accolades—too many for me to mention here. I want to say to the Australian Labor Party, I am very proud of what has happened now. This could have been an issue which might have met some obduracy from some—some resistance—but in fact we have now seen the Labor Party say to Bill Shorten, ‘This is a magnificent thing you have done, a really good choice.’ Last night we had the admin committee of the Western Australian branch of the Labor Party unanimously endorse Pat to fill the casual vacancy. That is no mean thing. It is very important that we see him in the role he wants to play beyond the normal party conflict that happens in this place, to work across the parliament with all of us—engaged—to deal with issues of national and indeed international importance.

We do not often get people of such stature in this place. In fact, it is a very rare occasion. Pat Dodson is not some 30-year-old; he is a mature-age gent, if I might describe him like that—close to my own age, I might say. He will bring here much wisdom, and for that we can be incredibly grateful.

Many comments have been made about Pat over the years. I note one from when he was awarded his honorary doctorate at the University of Melbourne. The award-of-degree statement said:

Patrick Dodson has taught the Australian community that reconciliation is not an elusive ideal, but a practical, achievable reality for the future of our continent and all its peoples.

When announcing his proposal to appoint Pat as our candidate, Bill Shorten described him as:

… a truth teller, a powerful advocate for recognition, justice, equality and fairness for Aboriginal and Torres Strait Islander people.

Mr Shorten also said:

His advocacy and perspectives will continue to challenge all of us to face up to our shortcomings.

Noel Pearson, an eminent Australian in his own right, said:
I congratulate Pat and the Labor Party for giving one of the most important voices of our people a national platform. He will continue to be a voice for reconciliation … A man of such stature should give welcome ballast to our national parliament.

I think we can all be proud of this.

This is not just the Labor Party. We as Australian members of parliament across the aisle should be lauding this appointment and saying that we want to work with you to address those issues of common concern and give away the normal argy-bargy of this joint to work cooperatively together. I know we can. We just have to make sure we do. The conflict which often emerges in this place is often unnecessary. This gives us an opportunity to refocus, to recast, to have a different conversation and to create a different narrative into the future which shows how concerned citizens—as we are in this parliament—can work with an eminent Australian to get better outcomes for all of us.

**Pacific Oyster Mortality Syndrome**

Mr HUTCHINSON (Lyons) (16:44): This evening I want to raise the issue of the outbreak of Pacific Oyster Mortality Syndrome—more commonly known as POMS—that has occurred in Tasmania in recent weeks. This is an absolute disaster for a very important industry in my state, and in my electorate particularly. There are potentially 400 jobs at risk as a result of this devastating outbreak, which is largely contained in south-east Tasmania but ongoing testing will be done in areas further north in the area around the Swan River, Georges Bay and up on the north-west coast.

For those who are not aware, whilst none of the hatcheries in Tasmania have tested positive to POMS, obviously restrictions are being put on. Tasmania supplies somewhere between 80 and 90 per cent of all the spat that goes to other parts of the country for Pacific oysters—South Australia, New South Wales, Victoria and other places. It is a huge concern. The outbreak was discovered in early February of this year and really has brought the whole industry to a standstill. The impact it is having on family businesses is quite phenomenal. It has been detected in areas in the south and as far north as Little Swanport, on the east coast and also in a wild population in the Derwent Estuary.

I had a long conversation earlier this week with Patrick Hone from Fisheries Research and Development Corporation, and I thank him for being very open about this and helping to improve my knowledge of what is a very complicated situation. The difficulty for the hatcheries is that the oysters that have shown some resistance to disease, in populations that have survived, are unlikely to be brought back into hatcheries that are deemed to be clean at the moment. One of my staff attended two meetings in the last two weeks, one at Dunalley last week and one at Sorell this week, and I thank Lorraine Anderson from my office at Brighton for doing that. This is going to have a huge impact. It is of great concern and it will be a long road to recovery.

Biosecurity is a fundamental responsibility for us as an island nation. There was an initial emergency response, and I acknowledge the work done by Minister Rockliff. The Tasmanian government immediately allowed the exemption of nearly $775,000 in fees to affected businesses. The Commonwealth stands ready to support the state government to deliver what positive outcomes they can. There is a stronger biosecurity and quarantine initiative—SBQI, sometimes known as the flying squad—and I know they have had success in Queensland and other places with the Panama disease in bananas. There is also, of course, the Immediate...
Assistance Fund in the agricultural white paper. It is a matter of the industry and the department in Tasmania working collaboratively to come up with a plan that can be submitted to the Commonwealth, and we stand ready to support those businesses.

My thoughts are with Neil Stump of the Tasmania Seafood Industry Council; Ray and Sue Schwanke of Blue Lagoon Oysters; Tom Gray from Bangor Wine and Oyster Shed; Yvonne Young and Steve Leslie, who raise angasi oysters—fortuitously, the angasi species is not impacted by this; Ben Cameron, who operates a hatchery at Dunalley, and all the staff he employs; Tim Pauley from Southern Cross Marine Culture; Todd England; Jeff and Sheila Peddell; and Max Cunningham. All of these businesses are impacted. The issue is going to be ongoing for a long time, but we stand ready to help.

**Turnbull Government**

Ms BRODTMANN (Canberra) (16:50): The Abbott-Turnbull government is tearing itself apart. It is dedicating all of its time to arguing with itself and none of its time delivering for Australians. This government is focusing on self-interest, not on the national interest.

This morning's papers further revealed the disgraceful depths to which this government will go. National security is the principal concern of any government, so it is utterly disgraceful to see the former Prime Minister and the current Prime Minister using national security policy as a way to settle old scores. It is irresponsible and dangerous behaviour from the Prime Minister and the former Prime Minister. This is less about submarines and more about the former Prime Minister trying to sink the current Prime Minister.

The strangest thing about all the bickering and infighting is that, when you get down to brass tacks, the Prime Minister is just the former Prime Minister in a more expensive suit. Take the government's second-rate copper NBN, for example. The NBN has been a constant frustration for people in my electorate. If you were to go 15 to 20 kilometres down the road from here, Parliament House in the nation's capital, you would experience some of the worst broadband coverage in the country in terms of availability and quality. These are people in my electorate, who have had their hopes for a world-class NBN raised and dashed, time and time again. These are people who have been identified by the Minister for Communications as living in 'underserved regions'. The quality of broadband for many people in my electorate is among the worst in the country.

I delivered a petition, signed by hundreds of my constituents, to the Minister for Communications demanding that the Tuggeranong region be prioritised in the NBN rollout. We had conducted that petition over a long period of time after a community forum I held in Tuggeranong with the shadow minister for communications, where we had 100-plus people turn out to vent their spleen and frustration about the lack of connectivity they are experiencing in the nation's capital, just 15 to 20 kilometres from Parliament House.

Despite the fact that this petition had been signed by hundreds of Canberrans, who were expressing their concern and frustration, it took the minister 11 weeks to reply. And what did the minister have to say in that letter? What was the minister's reply? The Minister for Communications replied with a promise to prioritise underserved homes and businesses in the NBN rollout. He promised that by 2017-18 more than 65 per cent of those underserved homes and businesses will be able to order a service on the NBN. The one thing he did not promise was to include Tuggeranong. That is right: we are nowhere in that 65 per cent of underserved
homes and businesses to be prioritised in the NBN rollout. I say to Canberrans: if you were hoping for a positive change under a Turnbull government, stop hoping. That was the message that came through loud and clear from the Minister for Communications.

Mr Deputy Speaker, what about the Turnbull government's—sorry, 'Mr Speaker'; I beg your pardon—shameful multimillion dollar cuts to Australia's flagship cultural institutions? The Prime Minister is planning to cut 22 full-time equivalent staff from the National Library by the end of the next financial year. That is a cut to crucial staff and the library's crucial services. Mr Deputy Speaker, I have heard from the people in these agencies, our cultural institutions. They are saying that we are not cutting into fat, we are not cutting into bone; we are now cutting into vital organs. So if you thought it was only Mr Abbott who wanted to cut the heart out of Canberra, you would be wrong. New Prime Minister Turnbull is following Mr Abbott's script.

The SPEAKER: The member will refer to members by their correct titles.

Ms BRODTMANN: Yes, I am trying to, Mr Deputy Speaker—including you, Mr Speaker. It has been a long day, Mr Speaker. It has been a long fortnight, Mr Speaker.

The SPEAKER: Tell me about it.

Ms BRODTMANN: The Prime Minister has the power to reverse his predecessor's cuts to the National Gallery, the National Portrait Gallery, the National Museum, the Museum of Australian Democracy and the National Film and Sound Archive, as well as his cuts to the National Library. But what does he do instead? He doubles down. He doubles down on attacking Canberra's cultural institutions and doubles down on the lack of priority given in the NBN rollout to Canberra's underserved homes and businesses. And he has doubled down on the aggressive industrial relations agenda of the former Prime Minister, who never found a worker's right he did not want to strip away.

The SPEAKER: I thank the member for Canberra. I hope people reading the Hansard in the years to come do not think that the Speaker and the Deputy Speaker were changing chair duty that frequently.

Swan Electorate: National Stronger Regions Fund

Mr IRONS (Swan) (16:55): For something a bit different from the constant negativity coming from that side of the House I am going to speak about something positive from this side of the House. I rise to inform the House about the positive impact the federal government's National Stronger Regions Fund is having in my electorate of Swan.

The program makes available $1 billion over five years for capital projects involving the construction of new infrastructure or the upgrade or extension of existing facilities. There is a strong weighting in this program towards projects that create economic growth, particularly in regions of disadvantage. In my electorate it has made the local council, not-for-profits and other groups and organisations focus on potential projects within the electorate, which they were not able to under the previous government.

Already in the electorate of Swan we have the Belmont Business Park project underway, which was funded in round 1, with a Commonwealth contribution of approximately $6 million. This will be a fantastic economic boost for the area. Now there is another opportunity with a new round of the program. The local governments in my electorate have embraced the program and have developed some visionary plans for the new round to generate economic
growth and address disadvantage. These applications are being finalised over the next couple of weeks and I have been working with local governments over the past months to provide any help that I can.

The City of Canning has a fantastic proposal, the Canning city centre proposal, which will establish a main street in the Cannington area and build economic activity around it. Canning is a large local government area but does not really have an established economic centre of activity other than the Westfield shopping mall at Cannington. This plan will establish a new main street next to the Westfield shopping centre as part of an overall structure which also incorporates the new Cannington greyhound stadium and the train station. This application could not have better economic credentials, and I think it will be a strong contender in this round.

The City of South Perth also has a strong economic activity based application, centred on Mends Street in South Perth. Improving economic activity in Mends Street is something I have been working on for quite some time, as businesses there have been focused on improving the vibrancy of their local community. Some time back we held a meeting of retailers in the South Shore Piazza and they raised their concerns, including about amenities and parking. The City of South Perth proposal for the Connect South Perth and South Perth Foreshore plans seeks to address this by creating a gateway for the Mends Street precinct with an active piazza and promenade and an arrival place with day/night activities. The proposal certainly has regional significance given the proximity of the zoo and connection to the new Elizabeth Quay.

The City of Belmont has a fantastic proposal for a Belmont community centre, which will address disadvantage in the region. The centre will combine a number of current facilities that are falling apart or past their use-by date in one place, in a cost-effective way, in a new facility. It will also incorporate space for not-for-profit organisations to operate from. The City of Belmont is the second lowest SES region in Perth, so this is certainly a welcome and much-needed facility for my constituents. It is actually essential if services are to continue to be provided into the future. Unfortunately, the local Labor MLC has not supported this project.

I want to commend the City of Canning, the City of South Perth and the City of Belmont for seeking feedback on their applications since the second round. They all listened, took on board the feedback and have considerably strengthened their applications, and I think they will all be competitive in what is sure to be a very competitive round 3.

Finally, the Town of Victoria Park has partnered with the Perth Football Club to apply for funding to replace the ageing grandstand at Lathlain Park, which was built in 1958. If successful, this will activate the economic benefits of the Lathlain precinct redevelopment, which I have been very closely involved with. It will potentially bring thousands of people to the development each week and also provide administrative facilities to develop a regional sporting economy centred on the world-class facilities at Lathlain Park, which will complement the fantastic new stadium on the Burswood Peninsula in my electorate, which is being built by the WA state Liberal government.

I provided letters of support for all the applications in my electorate and have been happy to be involved in helping the local governments develop their proposals. I encourage other stakeholders and the community to provide letters of support as well. I congratulate the local
governments in my electorate on their visionary plans and the federal coalition government for this visionary program.

The SPEAKER: It being 5 pm, the debate is interrupted.

House adjourned at 17:00

NOTICES

The following notice(s) were given:

Dr Leigh: to move:
That this House:
(1) recognises that:
   (a) four out of five charities and not for profit organisations want to keep the Australian Charities and Not-for-profits Commission (ACNC);
   (b) accountability of charities is critical to maintaining public confidence, accountability and transparency in the not for profit sector;
   (c) the work of the ACNC under Commissioner Susan Pascoe has strengthened organisational governance and compliance and reduced reporting duplication for charities;
   (d) the ACT and South Australian Governments have already moved to streamline regulation and reporting for not for profits by aligning regulatory frameworks with the ACNC; and
   (e) not for profits operating in states and territories that cede regulatory oversight to the ACNC will have only one layer of reporting obligation, and will be able to spend more time helping their clients and less time on red tape;
(2) expresses concern that:
   (a) legislation to repeal the ACNC still sits on the government's legislative agenda;
   (b) after the former Minister for Social Services tried to dismantle the ACNC, and his successor moved its repeal to the margins of the government’s agenda, the current Minister is squandering the opportunity to recognise the value of the ACNC and provide the sector with a certain future by declaring it safe from repeal; and
   (c) decision making relating to the future of the ACNC has passed through the hands of three successive Ministers, but the sector still has not been given the certainty it is asking for; and
(3) calls on the Minister to:
   (a) trust the experience and judgement of those working in the not for profit sector;
   (b) support a transparent and visible charities and not for profit sector;
   (c) end the uncertainty around the future of the ACNC; and
   (d) accept the wishes of sector players and experts in this field by declaring the ACNC safe.

Ms Gambaro: to move:
That this House:
(1) notes the:
   (a) enormous contributions the men and women of the Australian Defence Force have made to keeping our borders safe and protecting our national interest;
   (b) unique, varied and impressive skills that defence force personnel acquire in their military careers and that these skills are invaluable to future employers; and
   (c) Government’s ongoing support for veterans; and
(2) calls on the Government to:

(a) acknowledge that veterans bring skills not scars, and make a valuable contribution to our workforce and industry;

(b) continue to work with not for profit and ex-service charitable organisations in developing employment transition programs for veterans so that this expertise can be harnessed for jobs in civilian life; and

(c) continue to provide important mental health support for veterans so that they can contribute to civilian life.
Thursday, 3 March 2016

The DEPUTY SPEAKER (Ms O’Neil) took the chair at 09:30.

CONSTITUENCY STATEMENTS

Animal Welfare

Mr DANBY (Melbourne Ports) (09:30): It is very fortuitous that you are in the chair, Deputy Speaker O’Neil. We have been shocked at the too-frequent revelations of needless cruelty in foreign abattoirs to Australian processed livestock. I know this is of key concern to my constituents in Melbourne Ports, as it is to me personally. I have raised this issue a number of times in this House.

Additionally, I am very pleased with the activities of the Deputy Speaker, in her non-Speaker’s capacity, in introducing proposed legislation banning the use of live animals in laboratory testing for cosmetic product development and banning the sale in Australia of cosmetics tested on animals. Labor’s bill will create offences for importing into Australia any new cosmetics or existing cosmetics featuring new ingredients that have been tested on animals. This legislation also creates offences for testing cosmetics on animals within Australia. This is a good idea. This is occurring after the member for Hotham, the Deputy Speaker at this very moment, organised community consultations, with over 13,000 people making submissions.

The large majority of cosmetics that sit on our shelves contain an ingredient or ingredients that at some point have been tested on rabbits, guinea pigs, mice, rats and other animals to ascertain the safety of cosmetic ingredients. These tests are often conducted without pain relief due to the potential for results being compromised, subjecting the animals to distress and pain. These practices include testing for skin irritation, dripping ingredients into the eyes of animals, testing for skin sensitisation, tests for allergies et cetera. There are no reliable figures on how many animals die each year as a result of this kind of testing. The RSPCA estimates tens of thousands of animals are tested each year via these methods. Of course, with modern manufacturing one can do this without this terrible process of inflicting pain on sentient beings.

I am going to have the shadow agriculture minister, Joel Fitzgibbon, in Melbourne Ports next week. We are going to be addressing the issue of the Exporter Supply Chain Assurance Scheme, created by Labor, and Labor’s policy to establish an inspector-general for animal welfare and live animal exports. I believe in a clean and green Australia. I support continuing animal exports, but we do not have to do this in an unnecessarily cruel way. The current agriculture minister and Deputy Prime Minister’s abandonment of all of the safety nets that we had for this export is ruining Australia’s image as a clean and green country, and it is compromising those exports and inflicting unnecessary pain on animals.

Foreign Investment

Mr PASIN (Barker) (09:33): I rise today to address the concerns raised by an increasing number of constituents in Barker regarding foreign ownership of agricultural land. These concerns are being expressed to me via my electorate offices or in person as I travel around my electorate establishing mobile offices. I would like to take this opportunity to address these concerns.
I can assure the people of Barker and the wider nation that the coalition government is committed to a stringent foreign investment regime. The Australian community can have confidence that under measures enacted by this government foreign investment is being managed carefully in our national interests. Since coming to government, we have enacted legislation to significantly lower the threshold for Foreign Investment Review Board screening of proposed foreign investment in agricultural land and, indeed, in agribusinesses also. Prior to our coming to government, a foreigner or foreign entity could purchase a property to a value of $252 million before the FIRB would be required to consider the said purchase. Thanks to changes that we have enacted, that threshold is now set at $15 million for agricultural land and $55 million for agribusinesses. In addition, all foreign governments, their agencies or related state-owned enterprises continue to be required to notify the FIRB and receive approval before making any direct investment in Australia, regardless of the investment amount. That is essentially a threshold set at zero dollars. Our legislation has also established stricter penalties for foreign investors who breach the rules and increased application fees to ensure that Australian taxpayers no longer subsidise the cost of managing the Foreign Investment Review Board process.

The coalition government is also committed to compiling a comprehensive register of foreign ownership of agricultural land because, without that tool and without accurate details of what agricultural land is currently held by foreign entities, it is impossible to set our policy settings appropriately. Because of the acts of this government, from 1 July 2015 the Australian Taxation Office began collecting information on all new and existing foreign investment purchases in agricultural land, regardless of value. The ATO is compiling this information to establish a national register of foreign investors and their holdings, which will provide a complete and transparent picture of foreign investment in Australian agricultural land.

The government has also begun a conversation about establishing a register of foreign ownership of Australian water entitlements. I, of course, support the establishment of that register. These measures are not the complete solution, but they are a considerable step in the right direction to ensure that investment across my electorate of Barker and, indeed, the nation are made in the national interest. I look forward to ensuring further steps are taken to address the concerns of my constituents in Barker and those of the wider nation. As long as there is a coalition government, the people of rural, regional and remote Australia can rest assured that we will be acting in the national interest and that I remain, as their member, committed to ensuring they have a strong voice in this place.

Illicit Drugs

Ms MacTIERNAN (Perth) (09:36): At the outset, I want to make it very clear that I strongly support drug law reform—our prohibitionist policies have not worked. Indeed, one of my very real concerns, shared by many who attended yesterday's drug summit in this place, is that prohibition fuels organised crime.

For the last four months I have been working with state MPs, local councillors, residents and business owners in Highgate to get action taken on Cloud 9, supposedly a smoking paraphernalia shop but a place that has been generating some very antisocial behaviour. It is hard not to believe that the prime business of this outfit is selling drugs—most probably synthetic cannabinoids. I have stood across the road; I have watched it in operation.
Customers are in and out in a couple of minutes and I have never seen anyone exit the shop with a bong sized parcel. Residents and workers report this is also their experience. They say they see people popping the pills in their cars as soon as they leave. People are queuing up at 8 am in the morning, waiting nervously for the shop to open. You do not queue for bongs. And whilst most customers do not present a problem, quite a number are clearly strung-out and prone to aggression if they have to wait or find the shop closed.

You do not have to be Warren Buffett to see that even if the bongs were moving they would not be funding Beaufort Street rents. The highly popular Vietnamese grocer, Capital Trading, had to move out of the premises because the rents were too high. The gentleman who owns this business is expanding rapidly. He now has nine Cloud 9 premises around Perth. Clearly, this is a lucrative business thriving in plain sight of law enforcement officers. Residents are frequently calling police when they find customers passed out in the back lane or slumped over the wheels of their cars. In one case I witnessed, it took hours to get the police to attend a man who was in a car with no number plates, parked right on a busy corner, semicomatose with the doors wide open.

Police originally said, 'We are waiting for new comprehensive laws on synthetic drugs,' but it took a good four months after the laws were in operation, and a lot of resident activism, to get any action. After a one-day blip in trading after the raid, it is now business as usual. We will never be able to stop people using drugs, and we should be looking at regulating this trade. This would allow councils to insist on those operations being located in places where they do not cause grief to others, and, in particular, to not be located within 200 metres of a primary school. It would stop criminal operators becoming rich and powerful. Please, let us do something here.

Medicinal Marijuana

Mr HUTCHINSON (Lyons) (09:39): Last year I was invited—and took pleasure in accepting the invitation—to attend a forum in St Marys on medicinal cannabis. Around 50 people attended to advocate for changes to legislation in this area.

Particularly, I must acknowledge Hannah Rubenach from St Marys, who organised the meeting and also spoke of the suffering of her brother, who developed toxicity to pharmaceutical anticonvulsants after relying on them from age five to age 18. Cannabis oil has provided a significant reduction of the seizures that her brother, Tim, had been suffering. He was suffering at least 10 severe tonic-clonic seizures and thousands of complex partial seizures each week. Now he is going up to 24 days between seizures since using the medicinal cannabis. In addition, on some days Tim is able to walk without assistance, feed himself, have better body temperature regulation, indicate when he is in pain, do jigsaw puzzles and artwork, et cetera. He is able to watch a DVD right through for the first time in his life and to understand the storyline, no longer having continual complex partial seizures that have interrupted his life. He has some control over his challenging behaviours and at times can understand the consequences of those behaviours. This is a significant health and wellbeing outcome of medicinal cannabis for those who are suffering in our communities.

The Turnbull government's historic legislation is indeed the missing piece for Australian patients and their doctors to access a safe, legal and reliable supply of medicinal cannabis products for the management of painful and chronic conditions. While there are existing mechanisms by which medicinal cannabis from overseas can be accessed, the problem has
been limited supply and export barriers in some of those countries. For the first time, we will be able to produce these products here in Australia. This will be very much welcomed by many people around the country.

It does not, however, resolve the issue around industrial hemp, which is still the subject of a law and order study of the food forum. I look forward to that study being completed and the benefits that I think will flow to many parts of Australia where farmers are going to be able to also produce industrial hemp—as opposed to medicinal cannabis—for human consumption in this country.

**Blair Electorate: Ipswich Motorway**

Mr NEUMANN (Blair) (09:42): Over the last decade, 20 per cent of Australia's economic and employment growth has occurred in South-East Queensland. One in seven Australians now live in the region, and by 2031 it will be one in six. Ipswich and the Somerset region in the Blair electorate are major contributors to the region's growth and are well placed to benefit from it. But challenges accompany these opportunities, including the pressure this growth places on the road network.

Any conversation about road infrastructure affecting Blair must include the Ipswich Motorway. The motorway is an essential link in the region's road network. It is vital for local jobs and economic growth, and the necessary upgrade of the motorway to meet increasing demand is fundamental to the region's prosperity. Indeed, it is one of the projects supported by the South-East Queensland Council of Mayors, and I commend them for their advocacy.

However, not everyone shares that opinion. Historically, for example, the coalition has not shown much interest in the Ipswich Motorway. It took a Labor government to design, build and deliver the upgrade from Dinmore to Darra, funding at a cost of $2.8 billion and supporting 10,000 jobs during construction. The coalition opposed the upgrade at every step and at every election except for the last, in 2013. Today, the final section of the upgrade, from Darra to Rocklea remains uncompleted. That section lies outside of the Blair electorate but is crucial for the people of Ipswich and the Somerset region.

In the May 2013 budget, the former Labor government committed $279 million to kick-start this upgrade. The coalition broke form, promising to match and even fast-track Labor's funding in the days before the election. However, in the 2½ years since it was elected, the coalition government has done nothing about Ipswich Motorway, when indeed for much of that time Campbell Newman and the LNP ruled in office from George Street in Brisbane. The fate of the $279 million it promised for the upgrade of the final section was revealed by Mark Bailey, the Queensland Minister for Main Roads, in his letter to The Queensland Times on 22 February 2016. Minister Bailey stated that the previous Deputy Prime Minister and minister for infrastructure, Warren Truss, had written to him in July 2015 to inform him:

I have directed my department to remove funding for the project from the Queensland program.

This is a devastating blow to the people of Blair.

Infrastructure Australia wants this upgrade dealt with in the next five years as a priority for the people of the region. I am writing to the new Minister for Infrastructure and Regional Development, Darren Chester, to seek a meeting with him about what is going to happen in terms of the government's priorities and to ask him to put the $279 million back on the table, to listen to the voice of Infrastructure Australia, who want this upgrade undertaken, and also
to find out what is happening with the intersection of the Cunningham Highway and Amberley intersection, so vital for the redevelopment of the RAAF base at Amberley, particularly with the white paper being announced last week.

**Durack Electorate: Port Hedland**

Ms PRICE (Durack) (09:45): I am very pleased today to speak about one of the fabulous towns in my electorate, Port Hedland. Later this year Port Hedland will celebrate its 120th birthday. In one of Australia's most important economic regions, the Pilbara, Port Hedland is home to more than 20,000 people and has the largest bulk export port in the world. The town of Port Hedland is encouraging locals to submit ideas for how the town can celebrate the occasion and for logos to symbolise the occasion.

To submit a suggestion for the month-long festivities, people can visit the following website: yoursay.porthedland.wa.gov.au. Logos can be based on the town's centenary logo or a new concept. The artistic genius who designs the winning logo will be etched into Port Hedland history and acknowledged in the community. I know that Mayor Kelly Howlett is very excited about this milestone and I look forward to celebrating the occasion with the mayor and the locals.

Port Hedland has a rich Aboriginal history which dates back hundreds of years and there are a number of places in and around the town with Indigenous names—history that we know we cannot buy. The traditional owners of the area are the Kariyarra people and they call Port Hedland Marapikurrinya. 'Mara' means hand, 'pikurr' means pointing straight and 'nya' is a location marker. This name refers to the hand-shaped formation of the natural tidal creeks moving in and out of the coast. With more than 31 Aboriginal language groups in the Pilbara, I encourage anyone with an interest in Australian history or Aboriginal history and languages to put this town on the map for a visit.

In 1960, the federal government lifted restrictions on the trading of iron ore, due to international demand. This was a real turning point for the port's history. In the 2005-06 financial year, the port of Port Hedland became the first port in Australian history to exceed 100 million tonnes of iron ore exports. What a fabulous achievement. This port is vital infrastructure, not just for the Pilbara but for this nation.

The Port Hedland International Airport is a busy regional airport, with 500,000 passengers walking through its terminals every year and with flights to the east coast and Bali. But it is more than just an iron ore town. It also has a thriving arts community. It also hosts a number of cruise ships on an annual basis, providing international passengers with a unique tourist experience, including a handmade market at the port. I look forward to celebrating the 120th anniversary of the town.

**Holt Electorate: Community Organisations**

Mr BYRNE (Holt) (09:48): In the outer suburbs of Melbourne in my electorate of Holt and in many other electorates, it is vital that we support and invest in community organisations. The Cranbourne Information and Support Service, run by the Leanne Petrides, is not being supported and is actually facing budget cuts under the Turnbull coalition government. On 30 October 2015, services funded under the Financial Wellbeing and Capability Activity were notified that from 1 December 2015 the Translating and Interpreting Service, or TIS, would no longer be directly funded by the Department of Social Services.
Agencies like CISS have now been directed to set up fee-paying accounts with TIS National to be billed directly for interpreting services. Agencies like the Cranbourne Information and Support Service provide a vital service to the community. They have uncertainty over their budget, and it is causing great distress to the many people who work to provide that service to the people of Cranbourne.

The Cranbourne Information and Support Service provides services including information, referral, negotiation, financial counselling, personal counselling and a no-interest loans scheme. The most requested service, however, is that of material aid which they provide in the form of food parcels, food vouchers, chemist vouchers, petrol vouchers, public transport, toiletries and baby goods, including formula and nappies. It obviously goes without saying that it is absolutely crucial for their clients and the organisation to be able to communicate effectively with each other in order for the services to be delivered appropriately. Imagine receiving legal documents or complicated bills and not being able to understand what is being demanded of you.

It is deeply concerning to me, and should be concerning to people in this place, that the most basic right to speak to another human being and be understood when you are in need is now being taken away from clients, many of whom are extremely vulnerable and marginalised. I would hope that funding to the TIS interpreting service will be restored by the Turnbull government so that the Cranbourne Information and Support Service can get back to running their vital services as usual.

In the outer suburbs there has been an ongoing growth in the number of people of non-English-speaking backgrounds, people with refugee backgrounds who have come to this country for different reasons. These people who come to the Cranbourne Information and Support Service and need help are amongst the most vulnerable in our community. The fact that this information and support service, in providing support to these people most in need, have to be billed to provide this service so they can understand the people they are seeking to help is a disgrace. The Prime Minister likes to portray himself as someone that is a great friend of the community. This is a disgrace. It needs to be fixed up. If he is serious about being seen as a man of the people he will fix up this disgrace.

**Capricornia Electorate: Water Infrastructure**

Ms LANDRY (Capricornia) (09:51): I am often talking up the need for this government to support water infrastructure in Capricornia. In the southern part of my electorate I have been pushing for Commonwealth and state funding for the raising of Rookwood and Eden Bann weirs. That would create 2,100 jobs near Rockhampton. Over the past two years I have also been advocating for water infrastructure to benefit the northern area of Capricornia—namely, the need to construct Urannah dam near Mackay. Recently I toured the potential Urannah dam site with my colleague the member for Dawson to gain a firsthand insight into the views of local industry in the area. I was delighted to meet a range of people who are also advocating for Urannah dam, including Joanne Freegard, Wayne Smith, Ian Smith, Fiona Matheson from Eungella Reality, and landholder Troy McEvoy.

Urannah dam would not only provide new opportunities to the Burdekin region but also potentially provide economic stimulus for an area stretching from Eungella—in the Pioneer Valley—to Collinsville. Wayne Smith and Jo Freegard run Smith's Sawmill in Eungella and told me of the advantages to the local timber industry if Urannah were to proceed. They say...
the dam site offers an abundance of timber that could be cleared prior to the dam basin being flooded, which would create a stockpile of timber to process at the Eungella sawmill. In short, more timber means a busier mill, which means more local jobs. Local farmers were telling me that a new dam would spell greater grazing opportunities for the beef industry, leading to a further growth in local jobs and rural supplies. If the dam proceeds they are hopeful an old local abattoir might even reopen.

I am backing Urannah for partial Commonwealth funding. It would provide important jobs and the opportunity to open up new areas of unexplored agriculture. According to regional economic group Bowen Collinsville Enterprise, Urannah dam would spell a boon for the struggling coal town of Collinsville. It could be used for organic horticulture and organic sugar production, as well as coalmining in the Bowen Basin, and to supply electricity to Collinsville.

During my trip to the Eungella area I was also delighted to meet small business owners in the district, including Michaela Pritchard from Eungella General Store, Tess Ford from Eungella Chalet, Fiona Matheson from Eungella Realty and Ian 'Stringy' Smith. The whole day was a great success. I encourage people to go and visit this great tourist destination.

Taxation

Mr SWAN (Lilley) (09:54): Today's BIS Shrapnel report is yet another attempt by the coalition's dirty tricks department to discredit the Labor Party's evidence based and very sound negative gearing policy. The Liberal Party has form in this area. Who could ever forget the dodgy accountants the Liberals hired to cost their 2010 election platform, who were found after the election to have breached professional accounting standards in their costings? So too with this document today, and so too will it be judged. It is simply a piece of Tea Party propaganda and it demeans the stature and the credibility of our Treasurer, who seeks to use it as evidence based policy when it is nothing more than a piece of dirty propaganda from the Liberal Party's dirty tricks department. It is another example of the Treasurer simply being out of his depth and his commitment to ideology over fact based policy. It is ultimately the Trumpification of the policy process in this country. As John Daley said, it does not pass the giggle test.

Another statement that does not pass the giggle test is a statement that was made here last night, on the 20th anniversary of the election of the Howard government. Former Treasurer Costello said that it is important that we get expenditure under control. Unfortunately, in a fact based world, the facts are that Treasurer Costello was one of the biggest spenders in Australian history. During his treasurership, revenue flows were upgraded by an unprecedented $334 billion, of which he managed to spend $314 billion. In the final years of the Howard government, gold bars were raining down from heaven and Treasurer Costello spent 94 per cent of that boost to revenue.

Of course, Treasurer Morrison follows in his footsteps. He went to the Press Club three weeks ago and admitted that, of the $80 billion of savings made by the Turnbull-Abbott governments in 2½ years, he spent nearly every last dollar. So this is a government driven by ideology. They claim they are concerned about the budget deficit, but they spend all of their savings. What they are really about is ripping into the social safety net to create an environment to give them permission to take away the essence of the Australian settlement, which provides benefit to so many people in this community through enhanced social
mobility as well as a more prosperous economy. They claimed for five years there was a 'deficit and debt disaster' and then spent all of their savings in 2½ years. Their real priority is to rip up the social safety net and increase the tax burden on low- and middle-income earners.

*(Time expired)*

**International Women's Day**

Mrs MARKUS (Macquarie) (09:57): Today we are acknowledging the significance of women on International Women's Day, which is celebrated or acknowledged on 8 March annually. This morning with many of my colleagues I had the pleasure of attending an International Women's Day event hosted by the Australian National Committee for UN Women, an organisation that coordinates the national celebration of International Women's Day activities particularly in this nation, Australia.

We have come a long way as women in our society, which has developed and grown and become increasingly aware of the challenges that face women and girls. However, as many of us in this place know, there is much to do. In a developed nation like Australia, where it is against the law to discriminate based on gender, we still see the manifestation of gender inequality. This is no more evident than in the 17 per cent pay gap between men and women. As governments, parents, teachers, politicians, brothers, sisters and colleagues across this nation, we all have a role to play in working towards eradicating inequality.

The experience of violence in our nation is indeed a scourge, where one in three Australian women and girls experience or view violence. In our region, among our neighbours, whether it be PNG, Fiji or across the Pacific, this is doubled if not tripled. Last week the Minister for Foreign Affairs announced the launch of the Gender Equality and Women's Empowerment Strategy. This strategy brings all of the work we are doing in our neighbouring nations together under one umbrella, not just in the aid section of the department but in our diplomatic and international engagement, in our trade. Wherever Australia is engaged, we want to ensure that our gender equality and women's empowerment strategy is at the heart of what Australia is doing. We have put unrelenting focus on gender equality and women's empowerment. The minister has mandated that a minimum of 80 per cent of aid program would target and respond to the issues of gender equality, and women's issues and their empowerment. This will be our central focus.

In the coming weeks many of us will be attending International Women's Day events across our electorates, and I particularly want to acknowledge those organisations that serve our community and help to particularly rescue women and girls from violence. I conclude that, having a very strong connection to the Pacific, education of our women is key to them accessing a free and equal future.

The DEPUTY SPEAKER (Ms O'Neil): If no member objects, constituency statements may continue for a total of 60 minutes.

**Royal Canberra Show**

Ms BRODTMANN (Canberra) (10:00): Last year I had the pleasure of meeting with a number of bread bakers and bread-making judges at the Canberra Show. I was out there working on a Labor stand, and I gravitated, as I always do, to Harvest Hall, where I saw the entrance and the winners of the bread-making competition as well as the preserves, the cakes, the vegetable growing and also the flowers. I want to get on the record, it so inspired me that,
coupled with a gift from my husband at Christmas—the CWA cookbook—I was inspired to enter the show this year. I put in two entries: an orange cake—I spent two months trying to master the orange cake—and a tea cake. Despite the fact that I got the thumbs down for my orange cake—but it was not disqualified—I got a highly commended for my teacake.

As a result of being at the show last year and talking to these bread makers and judges, I was thrilled to be invited back this year by the Royal National Capital Agricultural Society to present the awards to a number of winners of the ActewAGL Royal Canberra Bread Show. The awards were for best apprenticed exhibit in the first and second year apprenticeships. The awards were also for the best apprentice exhibit in the open show, as well as the best in show. It was wonderful to meet with these young bread makers and their families who were incredibly excited and thrilled about the fact that they had won these awards.

The show, as we know, is a celebration of Canberra's talented bread-making community, and this year people turned out in full force. There was nearly 400 entries in the bread-making area. Canberrans are great bread makers, and they were out in full force.

I want to take this opportunity to congratulate and commend again Deion Mottramm—who took out best in show—Matthew Miller, Dean Elliott, David Damour and Lucinda Shiel who split the pool of the champion trophies and ribbons between them. All of them from bakeries within the ACT, many of them in my electorate. I am looking forward, particularly in winter, to getting out and tasting their award-winning products. They were worthy winners, and I congratulate them.

Following the presentations, a father of one of the bread makers competing in the show took me aside. He was brimming with pride as he explained to me that the his son's decision to take an apprenticeship in baking had been nothing short of life changing. Like so many other teenagers, his son had found himself a little lost, searching for a purpose. He got this apprenticeship, and, low and behold, here it is, really enjoying the apprenticeship and taking out awards in the bread-making competition. I am a huge fan of vocational education. What I saw on Saturday was evidence of how it can transform lives, and I congratulate again all of the winners.

**Exports**

**Lismore Samson Fitness Challenge**

*Mr HOGAN (Page) (10:04):* The beef industry is very important to my region, not only to the producers but also to the over 1,000 people who work at the local meatworks in Casino. I say to the locals who work there, 'What you do is important to not only to our town but the whole region, and indeed our country, because 70 per cent of what the meatworks produces is exported.' That is similar for other agricultural exports in our region like macadamias and blueberries. This provides exceptionally crucial export income to our country. It is industries and businesses like these that provide income to fund the standards of living and the way of life that we have.

The new free trade agreements help businesses like the meatworks. It is allowing new markets and access for our products. We now have better markets into China, South Korea and Japan and are currently working on one with India. This is helping our meatworks. This is helping our farmers in all areas like beef, dairy macadamias blueberries, sugar and the list
goes on. Ensuring job security and export income is a primary focus of this government as it should be.

This Saturday I will be attending the 2016 Lismore Samson Fitness Challenge. This gruelling challenge has become an annual event in the Northern Rivers to raise money for the charity Our Kids, which raises funds to purchase paediatric equipment for the children's ward and special care nursery at Lismore Base Hospital.

The Samson Challenge is a four-person team event with each team put through nine challenges, which includes a farmer's walk with jerry cans, a prowler push, 136-kilogram truck tyre flip, a burpee challenge, two by two-kilometre run, a one-kilometre swim, a mystery leg and a crazy obstacle course to complete. I will not be competing but I will certainly be there enjoying the day.

The quickest team to complete all the challenges wins the coveted Samson Title and bragging rights for the next twelve months. Since the Samson Challenge started a couple of years ago, it has raised more than $75,000 for Our Kids.

I would like to acknowledge the hard work of the executive of Our Kids and its fundraising coordinator, Rebekka Battista. And of course, not of this would be possible without the support of local businesses. I would like to acknowledge some of this year's sponsors: Telstra, Southern Cross University, Far North Coast Law Society, NBN Television, Northern Star, ABC North Coast, Woollam Constructions, Goonellabah Sports and Aquatic Centre, Frank Vanz Tyre Company, Lismore City Council, Bank of Queensland, TNR Wealth Management, Trinity Catholic College, Sullivan Nicolaides; and community sponsors such as Richmond Waste and the Richmond Hotel, Sportspower, Elgas, B&B Produce, Bunnings Warehouse and B&T Garages and Sheds. Thank you.

**Canberra International Flights**

**Dr LEIGH** (Fraser) (10:07): Travel broadens the mind. One reason Canberra is such a cosmopolitan city is that it is a city of travellers. Canberra has always traded confidently in the international marketplace of experiences and ideas—Nobel laureate and ANU Vice-Chancellor once told me that Canberra was the only place that he could have done his internationally engaged research in astrophysics, because that is the way in which our city thinks.

But, up until now, the doorway to the rest of the world has been at the end of a three-hour drive. Canberrans struggle along the M31 and the M5 before finally ending up in the traffic clogged bad lands of the Airport East Precinct. And when you return, jet-lagged and unwashed, you face the same choices: a domestic connection or pushing on, somewhat hallucinating, on a bus a car trip back down the Hume.

But that is about to change. Whether Canberrans are travelling for work or play, they are going to benefit in some cases from being able to avoid that extra hop. From September this year, Singapore Airlines' new Capital Express will link Singapore, Canberra and Wellington, creating a direct international pathway for commerce, business and tourism.

Most people in the ACT live within half an hour of the airport. Flying out of Canberra Airport, a traveller stands to save around five hours on an international round trip. With the routes running four times a week, carrying 266 passengers, around 1,000 people could travel in any given week. That represents a saving of 5,000 hours of travel time. Over a year, that is
260,000 extra hours, or close to 35,000 working days, available for relaxing, thinking, researching, building, planning or just spending time with friends and family.

Canberrans have rightly been excited by this coming of age for Canberra Airport. Travellers are celebrating an end to the tedious preamble to overseas trips, and the Canberra Business Chamber is anticipating increased tourism, exports and business through the city.

I want to particularly acknowledge Chief Minister Andrew Barr whose many trips to Singapore have helped to make this possible and I also recognise the management of Canberra Airport. All of those who serve in this place will be familiar with the terrific redevelopment of Canberra Airport and the new hotel facilities. They will have had a strong sense of the progressive sensibilities of those who run Canberra Airport from the way in which it was lit up to support marriage equality. I join other Canberrans in congratulating Canberra Airport's vision for our city as a regional hub for internationally engaged industry, business and trade.

The Essington School

Mrs GRIGGS (Solomon) (10:10): I rise to advise the House of a visit I had last Friday to The Essington School in my electorate of Solomon. It was a great opportunity for me to meet with the new student leadership team. I was able to present the student country ambassadors with their badges. The junior school ambassador program involves students from year 5 and they are each allocated a country. The students are encouraged to research the country that they are the ambassador for, and they have to present their findings in a verbal format at an assembly or in a written piece which is presented in the weekly newsletter.

I think this is a great opportunity for the students to research and learn about other countries and cultures and to share their learnings with the whole school community. It also help them develop attitudes and values that accept and value cultural diversity. My electorate, as I keep saying over and over again, is one of the most multicultural communities in the country. We have a very tolerant and very vibrant multicultural community. I think that, when we are teaching our students at school about cultural diversity, it is only going to stand us in good stead.

I would like to put on record the names of the ambassadors for this year. For China we have Jie Ren and Grace Li-Hunnam; for Malaysia we have Archer Watkins and Pannita Clark; for Cambodia we have Sahasra Linga and Aaliya O'Connell; for Thailand we have Shan Aughterson and Paityn Laidler; for Japan we have Raj Fordyce and Caitlyn Kangaharan; for India we have Kishi Stephen-Bolaji and Rosy Michael; for Greece we have Zaivier Page and Chloe Cooper; for Myanmar we have Conrad Venturin and Emma Hornby; and for Indonesia we have Felix Walker-Sangster and Emily Horder.

It was an absolute pleasure to meet these wonderful students, and I am confident that they will be great role models for their peers. I am also pleased that the school gave me a teddy bear, which is their mascot. I said to them that I would bring it to Canberra. It is now sitting on my desk. Unfortunately, I have left it there, otherwise I would have brought it in here as proof. It is sitting on my desk and it will be put on the bookshelf. I am very pleased and delighted that Essington is doing such a good job, and I thank them for having me as part of their school community.
Vocational Education and Training

Ms BURKE (Chisholm) (10:13): An unemployed constituent in my electorate has contacted me and is greatly concerned about the practices of agencies that mark themselves as jobs boards and use job seeker contact details to push training courses onto those job seekers instead of placing them in jobs. My constituent rightly wants these companies that exploit unemployed people to enrol in training courses to be banned.

My constituent, as well as others, state that one company undertaking such practice is OneShift. OneShift is an online job network which matches employees with employers. Many job seekers assert that, after applying for one of the jobs advertised on the website, they receive calls, not about a job from a prospective employer, but from a training organisation wanting them to sign up for courses. These courses are after job seekers vocational education and training, VET FEE-HELP, loan money. These VET funds cover all or part of the job seeker's tuition course costs with a student loan.

Desperate job seekers who wish to improve their chances of getting a job sign up for these courses, all in the hope that a resultant job will allow them to pay off the loan at a much later date, once their income from work reaches the compulsory repayment threshold. For 2015-16 this is $54,126. Some of these so-called colleges offering training courses charge outrageous fees. It is claimed that some charge up to $12,000 for only six months of online training with no face-to-face contact at all.

In a significant number of cases it is alleged that advertised jobs may not even have existed in the first place. In the cases that have been drawn to my attention it can prove difficult, for those who have changed their minds after signing up, to withdraw enrolment. Some of the biggest companies are able to get away with these practices, as they are both a recruiter and a training provider. Their approach can be very aggressive, persistently urging job seekers to sign up to training courses, then and there, over the phone.

My constituent is dismayed that such practices are allowed to occur. For the vast majority of unemployed people who desperately want a job, like my constituent, applying for jobs in the face of constant rejection is trying and often dispiriting. These companies that exploit the desperation of job seekers only worsen the experience of being unemployed. My constituent feels that these registered training organisations are preying on people when they are at their lowest. She rightly feels that the fact that these companies are allowed to continue their dodgy practices reflects that the government does not seem to care at all.

On behalf of those trying their best to find work and to contribute to society—like my constituent, who has tried absolutely everything to get back into the employment market—I urge the government to act now to stop these practices. These companies are exploiting vulnerable people. They are not providing the training that is desperately needed. And they are not finding jobs. It is an absolute sham. It has been going on for too long. These are the people who are currently in the system. I also have many who have come here from overseas to try these courses and have also found that they have signed up to absolutely dodgy deals. It cannot be allowed to continue and more needs to be done to stop this loophole now.

Taxation

Mr LAMING (Bowman) (10:16): Housing is central to the Australian economy for a whole range of historical reasons, so today's BIS Shrapnel report on Labor's negative gearing
policy and economic data released today bring this to a point. Australia is now one of the fastest-growing economies in the OECD—almost as fast as South Korea, and almost twice as fast as Canada, the other great resource economy of comparable size. This shows that Australia, post GFC, is keeping unemployment down, the way very few other economies are managing to do, and driving consumption, public spending and home-building in particular, keeping our economy moving, particularly in the southern states where we have seen 4.6 per cent growth year-on-year. Of course, what is most impressive is that, in the first quarter of the Turnbull government, we have had 0.6 per cent GDP growth, taking our economy now to over $1.6 trillion. That really does show that Australia is right on track.

Obviously we have low interest rates. The low Australian dollar is starting to yield dividends. Plus there is a wealth effect as Australians become a little more confident to loosen the purse strings and reduce some of their savings rates as they start to have a little more confidence to spend—and that is despite low wage growth, which is obviously a problem right across the developed world.

But that does bring me to this point: what are the potential threats to that trajectory? And, hey, it is always easier when you are sitting in opposition and not releasing policies—and I have said a number of times: ‘Congratulations to Bill Shorten for releasing a policy.’ But right now he must feel very much like Donald Trump without any cash, because here we have a situation where he has finally come out with a policy that everyone is listening to, but increasingly we are seeing that there are a lot of rough edges and barnacles on that policy. That is because there are really no easy answers in tax reform. I do really sense that it was rushed by Bill Shorten when he saw, two weeks ago, a political opportunity to come out with a big, bold policy. But there are so few in tax, and it is very wise to be very cautious.

As BIS Shrapnel has emphasised overnight, renters, low-income households and young people are most at risk from changes to negative gearing.

An opposition member interjecting—

Mr LAMING: I know this does evoke some emotion from the other side, but look: you cannot simply rule out 90 per cent of sales from the negative gearing option and force 40 per cent of your investors into the remaining 10 per cent: new properties. It will cause extraordinary distortions, whether a bubble in the apartment market, or a drying up of rental opportunities; it is very hard to model the first-round and second-round effects. The first-round effects are that investors go and chase where they can get a reasonable deduction—that is, new properties. But do councils release land for new properties? Potentially, no faster than they currently do. Then you have the second-round effect that people know that it is just like the car that you drive out of the car yard: the minute the keys go in the ignition the value falls. Here the value falls because you know the next person will not get the negative gearing benefit from it.

I urge the Labor Party one more time: you are in a world of pain; this will hang around your neck at the next election; please reconsider your policy for negative gearing, because right now, around this nation, you are walking around with a massive target on your back.
DISTINGUISHED VISITORS

The DEPUTY SPEAKER (Ms O’Neil) (10:19): Before I call the next member, we have present in the gallery the former Speaker of the House of Representatives, David Hawker, and on behalf of the Federation Chamber I wish him a warm welcome.

Honourable members: Hear, hear!

CONSTITUENCY STATEMENTS

Hunter Electorate: Working Holiday Visas

Mr FITZGIBBON (Hunter) (10:19): More than two years ago now, I contacted the Department of Immigration and Border Protection to express concern about the conditions or legitimacy of foreign workers at a mushroom farm just outside of the township of Singleton in my electorate. My office was told by the department that it had no concerns about the firm and the foreign workers, and that if I wanted to pursue it further they would need a formal complaint from someone outside of my office. I do not know what has become of a system when a department takes no real note of a complaint from a member of parliament. I also raised the issue with an industry leader in the mushroom sector who assured me that Gromor, the firm involved, was one that does the right thing. He was confident that everything that was done there was legitimate and within the rules.

Always reluctant to attack a local company, I left it at that—maybe wrongly. Maybe I should have put the James Bond sunglasses on and delved further into Gromor. But, having been reassured by the industry leader—who I choose, rightfully, not to name—and the department, I chose to let it go and not go on a public attack against a public company. So you can imagine my distress today when I learned, courtesy of The Newcastle Herald, that the foreign workers—mainly Asian workers with little or no English—have been collectively underpaid to the tune of some $90,000 in one financial year. This story comes thanks to the work of the Fair Work Ombudsman. I assume that at some point there was a formal complaint to the Fair Work Ombudsman, or they may have picked it up in their auditing processes. This is not only of concern as to the system that is allowing this to repeatedly happen, but it is of great concern to my constituents, who are now learning that foreign workers are displacing local workers because they are cheaper to the employer. I do not know whether the firm involved knew about the pay arrangements because, like so many, it had engaged a labour provider known as TDS International.

We in this place have seen this too often. It happened at another facility in the Hunter region, Baiada’s Beresfield chicken facility. It is happening too often. We need to have a debate beyond the ill-conceived backpacker’s tax. We need to look at 417s and 462s to assure ourselves that workers are not being exploited and that Australians are not being denied jobs because of the use of foreign workers.

Building and Construction Industry

Ms GAMBARO (Brisbane) (10:22): Bring back the ABCC! I rise today to speak of the union wrongdoing and thuggery in my electorate of Brisbane. The royal commission into union corruption was an explosive inquiry which, despite partisan approaches to industrial relations in Australia, would horrify any objective Australian. Clearly, the union movement is in disarray. It is broken. Equally bereft of membership and morality, it is evident more than ever that we must reform the industrial relations system after six years of Labor disparity.
Union membership has plunged from 40 per cent of the workforce to 15 per cent in a little over two decades. They have become unrepresentative of the general population and their relevance to them.

The construction industry stands apart from other sectors in terms of industrial lawlessness. Industrial laws and penalties in this industry are seen as no more serious than a speeding ticket. You speed, you pay the fine and then the offending conduct continues, time and time again.

The government has a responsibility to ensure that our laws are strong enough to deter people from breaking the law and that there is an effective regulator to prosecute wrongdoers when they act unlawfully. When laws are repeatedly flouted and do not act as a deterrent, it is really clear that those laws have to be strengthened. When there is an effective regulator on the job who enforces the law with meaningful penalties, people will think twice about breaking those laws.

As soon as Labor abolished the ABCC, the industry returned to the bad old days. I just want to recount one of those bad-old-days incidents: the building of Common Ground. This is a wonderful project in South Brisbane. It is a 10-storey complex for homeless people. The unions even instigated delays at Common Ground. They delayed the building of a magnificent building to help the homeless and the vulnerable in Brisbane. How did the CFMEU do that? They glued the padlocks so that construction workers could not get in and they parked trucks across the driveway. On one occasion, this went on for more than a week. It was absolutely disgraceful behaviour.

Throughout the country, and in my electorate of Brisbane, the CFMEU have had many flagrant violations of the law. That was outlined by the Heydon inquiry in absolutely breathtaking detail. Thanks to Labor, they allowed this to continue. When there is an effective regulator enforcing laws with meaningful penalties, there will, once again, be deterrents for breaking the law. We must bring back the rule of law to the union movement. We must bring back the ABCC and allow them to do the great job that they have done in the past and allow productivity to flourish.

Ms PARKE (Fremantle) (10:25): As representatives in this place we can be defined by various aspects of our work—by the places and communities we represent or by the issues we care about. But we are also defined by the people we work for and with, and often by people who choose us—people who seek us out as local members and decide to share with us their ideas and questions, their frustrations, hopes and encouragement. Today I want to talk about one of the people who shaped me in my work as a representative through that kind of persistent, almost pastoral, contact: an original, wise and gentle man, Dennis Tarrant, who died last week.

From early on in my time as the member for Fremantle, Dennis attended various events I was speaking at in Fremantle and made appointments to meet with me and discuss matters of importance. He wanted to share his thoughts, to support me and to challenge me, but also to give me the strength to lift my spirits for the important political contests ahead. And that is exactly what he did.
Dennis was born in Yorkshire from a long line of coalminers and farmers. He served in the RAF and afterwards completed a degree in microbiology at Nottingham. In 1952, he married his sweetheart, Mary Wheatley, a fellow student from his Thorne Grammar School days. Mary and Dennis were together 74 happy years.

In 1964, Denison, Mary and their four children migrated to Australia, where a fifth child was born. Dennis worked in the dairy industry and, in 1974, a WesFarmers study tour to China sparked a lifelong interest. He would later return to university and complete a degree in Chinese studies. Amazingly, he also completed a diploma in education and worked for five years teaching English to Vietnamese and Cambodian refugees at an education centre he helped establish at the United Nation's Sungai Besi refugee camp in Malaysia.

It would be impossible to understand Dennis Tarrant without understanding his lifelong devotion to organic gardening. Dennis helped create the rooftop community garden in the city of Fremantle. He also contributed to the Apace community garden in North Fremantle and conducted gardening classes for many years. When I met Dennis, he presented as a gardening evangelist, a Sinophile, a poet and a wit. He brought me vegetables, flowers and poems that were pointed and funny. The vegetables could be pointed and funny too. It was challenging in the end, because Dennis wanted, quite rightly, to simply be himself through every day there was.

When I visited him recently, he grumbled that everyone was sending him eulogies, saying all these nice things, when what he was interested in was talking about the big ideas and issues that mattered about politics and geopolitics, climate change and gardening, poetry and China, and about the Australian government's decision to allow a US Marine base in Darwin. He was pleased to know that Malcolm Fraser had spoken to me about that too.

On those last few occasions, the nurses were making arrangements to deal with the fact that Dennis' pain management was not working, yet his main concern was for us to agree on a more focused agenda for our conversation the next week. He was frustrated that his body was failing him. I said to him that whatever was happening to his body, his being was still shining bright.

I was just one of many people nourished and enriched by their friendship with Dennis. Dennis Tarrant is loved and missed by his wife, Mary; by his children, Jane, Simon, Lucy, Stella and Emily; and by the 10 grandchildren to whom I know he must have been the most wonderful grandfather. I love and miss him too.

Mr BALDWIN (Paterson) (10:28): I rise today to again put on the public record my disdain and absolute objection to the operations of the Geelong Star. I was opposed to the FV Margiris super trawler that was to be implemented under the Labor government. Right from the very start, through the backdoor corridors when I was on the executive to the then Prime Minister, Tony Abbott—and, indeed, to the current Prime Minister, to the former minister for fisheries, Richard Colbeck and the current minister for fisheries, Anne Ruston—I have expressed my opposition.

My opposition is based on a number of reasons, some of them environmental. Those are, of course, the bycatches and deaths of dolphins, seals, albatrosses, sharks, turtles and, recently, the whale shark that was caught up on its nets. This is not acceptable.
I have had meetings with Professor Jessica Meeuwig from the University of Western Australia, who is a world-renowned researcher in marine sciences. These mackerel that they are catching are not young, rapidly growing fish; in fact, I understand from Professor Meeuwig that the catch is around 25 years old.

The operations of the supertrawler provide the economic benefit of an industry worth around $20 million per year that employs 66 people, of which 58 are Australians—remembering that this company pays no GST and no fuel tax. If they make a profit, we will receive some company tax. At best we will get PAYG tax. I want to compare that with the recreational fishing industry, which is worth around $10 billion. There are 3,000 tackle stores, 90,000 direct and indirect employees, and five million recreational fishermen, all of whom pay GST and all of whom pay fuel tax. All of those businesses pay PAYG tax and, of course, they pay company tax if they make a profit. The idea of allowing 50 per cent of the total allowable catch to be caught by the supertrawler across species such as blue mackerel, jack mackerel and redbaits is unconscionable. I call on the government to stop this in its tracks.

On 25 November the operators and the government reached voluntary agreement. If they intend to adhere to it then I would ask the minister to put these voluntary exclusion zones, which are manageable, into regulations, because what we are seeing with the supertrawler is a constant breach of regulations. I want to see what fines are applied; I want to see what actions are taken. I will not rest until it stops completely, because I think it is bad for our environment, I think it is bad for our recreational fishing industry, I think it is just bad business.

The DEPUTY SPEAKER (Mrs Wicks): In accordance with the resolution agreed to earlier, the time for members' constituency statements has concluded.

ADJOURNMENT

Mr BALDWIN (Paterson) (10:32): I move:

That the Federation Chamber do now adjourn.

Drugs

Ms PARKE (Fremantle) (10:32): Yesterday Senator Richard Di Natale, Dr Sharman Stone and I, as co-convenors of the Parliamentary Group on Drug Policy and Law Reform, co-hosted a drugs summit here in Parliament House with the object of starting a meaningful conversation in this place about drug reform. It is becoming increasingly evident that the supply reduction, law and order, crime and punishment approach to drugs is not working. We see drug bust after drug bust paraded on TV. It seems to make little difference to the market for drugs while having enormous impacts on the lives of families and individuals, whose prospects for employment, travel et cetera are significantly reduced with a conviction for drug use. Our jails are crammed to overflowing with people who have done what people have done for time immemorial, and that is to take drugs, whether for spiritual or recreational purposes or to escape temporarily the misery of their lives.

Prohibition not only does not work, as we have seen with alcohol prohibition in the US in the 1920s, but directly fuels crime. Increasingly there is a growing realisation, around the world and here in Australia, that drug use should really be treated as a health issue rather than a law enforcement issue. As John Rogerson, the Chief Executive Officer of the Australian Drug Foundation wrote in Monday's Sydney Morning Herald:
Even the Prime Minister and senior police are saying to us 'we can't arrest our way out of this problem'. There is a growing call for drug use or possession, as opposed to the manufacture or supply of drugs, to be decriminalised. As John Rogerson explains it: Decriminalisation is not legalising drugs. What it means is that drugs remain illegal, but those who are caught with small quantities are put through the health system, rather than the justice system.

There was a packed audience at the drugs summit that included parliamentary colleagues, a number of state and territory MPs, Indigenous leaders, representatives of users and families, health and police professionals, academics and interested community members. There were several panels of speakers, who contributed their knowledge, expertise and insights to this discussion, including many Australian experts as well as the New Zealand Associate Minister of Health, Peter Dunne, and Beau Kilmer from the Rand Drug Policy Research Centre in the US. The international experience reinforced the fact that dealing with the issues around drug use is something that every country, every community faces and always has faced, so it makes sense to look at other approaches to see what has worked and what has not worked. Portugal, for instance, decriminalised illicit drugs 15 years ago. It redirected 90 per cent of funding into the health and welfare sectors for treatment, prevention and reducing harm and directed just 10 per cent to policing. As a result, in Portugal deaths from drug overdose decreased from 80 in 2001 to 16 in 2012 and there was a significant reduction in HIV infections and problematic drug use. As Johann Hari writes of Portugal in his excellent book *Chasing the Scream: The First and Last Days of the War on Drugs*: 'Crimes related to drug consumption are now finished. It doesn't happen. They are all either on methadone, in treatment or recovering, so they don't need to rob cars or assault people. This is a complete change.'

The National Drug and Alcohol Research Centre at UNSW has reported that the research evidence indicates that decriminalisation of drug use reduces the cost to society, especially the criminal justice system costs; reduces social costs to individuals, including by improving employment prospects; does not increase drug use; and does not increase other crime. It was observed at the summit that political leadership is needed to allow innovative health and social approaches to be tried—the kind of leadership that led to the establishment of a safe injecting room in Kings Cross, which has been so effective but unfortunately has not been repeated anywhere else in the country. As demonstrated in several European countries, drug or pill testing at events saves lives. It is also something we should be trialling here in Australia.

At present, two-thirds of Australian government funding is directed to law enforcement, while the remaining funding is applied to treatment, prevention and harm reduction. The evidence all leads to the conclusion that the priorities should be reversed. We need to reorient the three pillars approach so that more energy and resources are put into treatment, harm reduction and prevention, with a reduced emphasis on supply reduction and law enforcement, which have been shown to be less effective. We need to ensure that drug users and their families and communities are consulted and involved in any decisions and programs dealing with these issues.

I want to particularly thank my co-conveners, Dr Sharman Stone and Dr Richard Di Natale. Richard was the driving force behind the summit and the reinvigoration of the Parliamentary Group for Drug Policy and Law Reform. Sharman and I have been happy to support Richard's incredible determination and efforts in this matter. The recent medicinal cannabis debate and
its successful conclusion has shown us that, when politics is put aside and all parties contribute their goodwill and energy to acting in the national interest, change for the better is possible. As Johann Hari has written:

Drugs are not what we think they are. Drug addiction is not what we have been told it is. The drug war is not what our politicians have sold it as for one hundred years and counting. And there is a very different story out there waiting for us when we are ready to hear it—one that should leave us thrumming with hope.

**RAAF Base Williamtown Contamination**

*Mr BALDWIN (Paterson) (10:37)*: I awoke with shock on 3 September to the *Newcastle Herald* headline 'Williamtown contaminated water warning: avoid bore water, fish, eggs'. The revelation that the PFOS contamination emanating from Lake Cochran on RAAF Base Williamtown had spread across the surrounding areas—spreading out via Moors Drain to the Tilligerry Creek and Salt Ash area, and via Dawsons Drain, which runs into Fullerton Cove—is extremely concerning. As a consequence, commercial fishing has stopped in the Fullerton Cove. Bores were discovered to contain unacceptable levels of PFOS. Livelihoods have been affected. Properties have been immediately devalued. Finance and loans were blacklisted by banks and there has been an increase in mental health issues across the area. Basically, the area has been quarantined, rendering it relatively useless.

Now we have found out via the *Newcastle Herald* on 25 February that waste allegedly—and I want to state it clearly: allegedly—transferred from RAAF Base Williamtown for processing by Australian Waste Oil Refineries at Rutherford was improperly treated before discharge, exacerbating the situation. This latest fiasco caused PFOS and PFOA pollution in Fishery Creek at Rutherford in Maitland. The Australian Waste Oil Refineries waste water sample showed a very high level—116 milligrams per litre—of PFOS and 1.14 micrograms per litre of PFOA, while the Farley Wastewater Treatment Works discharge point sample showed 1.48 micrograms per litre of PFOS and 0.13 micrograms per litre of PFOA.

What is disappointing is that we have to learn this again from the media. If the allegation that the waste came from RAAF Base Williamtown is correct, I have to question the competence of those sourcing and authorising the contract. If it did not come from RAAF Base Williamtown, then where did it come from with such high levels of PFOS and PFOA? What was the source? Where was the due diligence in ensuring the competence and compliance of the contract letting?

And were Australia Waste Oil Refineries suitably qualified and appropriately licensed to process this waste? The resultant illegal discharge would suggest not. Who checked the licences and qualifications for processing the waste before the contracts were let? No matter where the waste came from, where was the due diligence of those who let the contracts to ensure that it was to be properly treated? What actions have been taken to identify the weak links in the chain that allowed this to happen?

Hunter Water advised the NSW EPA of the test results on the 22nd of February and suspended the PFOS and PFOA found in samples collected from the site on February 12th. My question to the EPA is: why did it take 10 days to process and suspend the licence, given this has been a hot topic of immense concern to all of my community? Fortunately, the samples collected at Farley Wastewater Treatment Works discharge point at Fishery Point do
not affect Hunter Water's drinking supply and relate to discharges into sewer only. However, it does not mitigate the impact or the concerns of my community.

I have many unanswered questions in relation to these contamination scandals overall and I demand answers. Going back to RAAF Williamtown and the recent Senate inquiry, it was revealed that Hunter Water knew that there was contamination in the water pumping station directly downstream from RAAF base as early as 2009. So why did it take six years to act? Admittedly, Hunter Water and NSW EPA are not the source of the problem but why did they not act when they discovered the problem—after all, they are the guardians of our water and our environment respectively?

The fact that the Chief Executive of the NSW EPA, Barry Buffier, admitted to the inquiry that the agency knew but did not act sufficiently early or sufficiently strongly after it was told about the existence of PFOS and PFOA in the groundwater is totally unacceptable. Why did all these agencies not act earlier? Had this been acted on in 2009, we would now be six years down the track in finding a solution. Why didn't the then defence minister Joel Fitzgibbon—or followed by John Faulkner, Stephen Smith or David Johnston—act on this, or brief me or the member for Newcastle, on the situation? Or did Defence think it was not an issue the minister and the community needed to know about? My question is: why?

As I said in previous speeches, the first job is to stop the spread of contamination flowing from Lake Cochrane and it has to be done before any remediation works can occur. I do not want to play the blame game; I just want answers and solutions for my community.

Red Tape Reduction

Ms ROWLAND (Greenway) (10:42): We hear a lot in this House about red tape. We hear a lot about the need to reduce it. We remember the infamous red tape repeal days—some of the best hits repealing redundant amendment acts that had no financial impact; taking the hyphen out of email across legislation; and removing a couple of commas and full stops here and there. When you talk about red tape reduction, you cannot just say it; you need to follow through.

The government would have us believe the billions of dollars in savings appeared almost overnight as a result of these acts. This is all talk and no action just like the rest of the Abbott-Turnbull government's agenda. Today, in contrast, I would like to point to some real-world examples. The Corporations Amendment (Crowd-sourced Funding) Bill is currently before the House. Labor supports the intention of the bill, yet what we do not support is the onerous red tape the government is intent on ramming through. I look, for example, at the headline from StartupSmart, which reads: 'Labor moves to amend government's "dead duck" equity crowdfunding bill by removing "onerous red tape" for startups'.

Restricting access only to incorporated entities excludes the vast majority of small businesses. This government should listen to the small business community. CrowdfundUP commented that the legislation was riddled with, 'undue compliance costs, administration costs and regulatory burdens'. BDO Australia said the red tape contained would be 'a significant deterrent'. VentureCrowd's Tim Heasley said it was a dead duck and would make start-ups jump through hoops.

You cannot just talk about making life easier for small business. You cannot talk the buzz words of being agile and having innovation at heart, and just throw those words around and
leave it to the market to fix it. Instead of an ideological war dressed up as regulatory reform, Labor's approach to small business will be grounded in practical measures to help small business owners, operators, employees and those seeking to become those. The member for Chifley's amendments to the crowdfunding bill are testament to this approach. Look what happened, for example, to single touch payroll. This was supposed to be a measure of red-tape reduction, but have a look at the reality. The headline from 21 July 2015, authored by Stuart Norman, the Chief Executive of the Association of Accounting Technicians Australia, reads:

The rollout of single-touch payroll treats businesses with contempt

The article continues:

To use electronic payments such as ‘Single Touch Payroll’ every business will need access to the internet and will more than likely require accounting or payroll software that links to their bank accounts to make ‘real time’ payments.

Some small businesses are pretty much ready for a system such as ‘Single Touch Payroll’ to be rolled out …

But, at the moment, many will not be ready because their internet access is so slow. Enter the then communications minister, Malcolm Turnbull:

The Communications Minister would have us believe that the rollout of the NBN is going swimmingly and that in this country we have no issues with getting internet access at reasonable speeds. Now, this doesn’t even pass the bulldust test as people try and use the internet for their business daily and many know that it’s not up to scratch.

Just like the absence of tax policy from this government, there is lots of talk and little action. The ATO has been lumped with sorting out this mess, and apparently the next time we will hear about it will be in 2017.

Also take, for example, issues with the myGov and myTax portals. Then Parliamentary Secretary Porter said:

Implementing additional functionality for myGov users to allow customers to update their details in one place using the myGov Tell Us Once Service to obtain secure and convenient access to online services with a single account and one set of credentials.

There is only one problem: it does not work. On 11 August last year a headline in The Sydney Morning Herald read: “They're in denial”: MyGov users vent anger'. The article continues:

The Commonwealth government is “in denial” over the performance of its online service portals, with MyGov coming in for savage criticisms from frustrated users of the system.

And how about the red tape and duplication stemming from the ministerial merry-go-round in this area? First we had the member for Kooyong, then the member for Pearce and now it is the member for Eden-Monaro. The amount of red tape spent just changing the headers on websites and stationery must be enormous even in itself. But do not worry. The member for Eden-Monaro says: do not worry; red tape is not an issue anymore. The problem is, even according to ACCI's own 2015 report, 73 per cent of small businesses said the regulatory burden had increased in the previous 12 months, on this government's watch.

Road Infrastructure

Mr WOOD (La Trobe) (10:47): A huge issue in my electorate and in the outer eastern suburbs of Melbourne—I see the member for Bruce is in the chamber and I am sure he would agree—is that the Monash Freeway is in dire need of a major upgrade. We have been running
a campaign to upgrade the Monash Freeway. It is a huge issue in the electorate of La Trobe, and the state government has come out and announced a $400 million commitment to that project. At this stage, I cannot see whether it is one cent of state government funding. I assume they are planning to use Transurban to toll it as part of the Western Distributor project. The Western Distributor proposal is $5.5 billion, and the state Labor government only allocates a commitment of seven per cent of this project's funding towards the Monash upgrade. To me, it is totally unfair that residents out in La Trobe would need to be paying their tolls to help upgrade or create the Western Distributor project. The Andrews government continues to focus on the west and short-change the east, and is happy to waste $1 billion of taxpayers' funding by not building the critical east-west infrastructure. To top this off, Daniel Andrews is asking the Commonwealth government to increase taxes to pay for more infrastructure when it comes to the upgrades of the Monash and other projects. I am absolutely committed to a major upgrade of the Monash Freeway. I am looking at two lanes in either direction—one lane will not do. I am very committed to this and very focused on it.

Some other road projects in Latrobe I am looking at include the diamond exchange. This is a project in Beaconsfield, where the Monash did not have on and off ramps to allow people to travel towards the Pakenham bypass at the Princess Highway interchange in Beaconsfield. That is the location. It is otherwise known as the Beaconsfield diamond interchange. This means if residents want to drive up to Gippsland they have to go along other roads to access the Monash Freeway. It causes major traffic congestion.

The other local road issue is the O'Sheas Road interchange. O'Sheas Road stops at Soldiers Road. We need this to continue on into Beaconsfield, where there is a big development proposed. The great concern I have is that when this development of residential land is opened these new residents will be adding to the traffic congestion on Clyde Road and surrounding roads. The roads out there are a nightmare, and everyone can tell horror stories about them.

The Casey council put a fantastic proposal to me—and I know it is supported by Cardinia council—of an information technology business park. This is why I am fighting so hard to upgrade the O'Sheas Road as part of a bigger package for the Monash, including the diamond exchange. We want to stop local residents needing to travel to the CBD and out of the electorate each day to work. If we can keep local residents working in high-level jobs in the IT industry, in our local area, this has to be great for locals. They would not need to travel and they could spend more time with the family. It would also take great pressure off the Monash each day because residents would be working in the local area. With La Trobe there is huge growth, in suburbs like Cranbourne North, Cranbourne East and Clyde North Precinct, in structural plans. That is why this local road projects are so good.

Another issue is Puffing Billy. John Robinson, the CEO, is determined to have the discovery centre in Lakeside up in Emerald. When tourists get off at Lakeside, unfortunately, there is nothing for them to do when it is raining. They have a beautiful lake path to walk around but in the rain it is not that comfortable. So I am very supportive of this project. I am also supportive of restoring or upgrading the old red rattlers that used to travel in Melbourne and getting those recommissioned to bring international tourists out from the CBD. Get them on Puffing Billy. Help the local tourist areas. Get these tourists to stay in the hills.
Health: Stroke

Ms HALL (Shortland—Opposition Whip) (10:52): Stroke is one of Australia's biggest killers and is the leading cause of disability. One in six people has a stroke in their lifetime. Everyone who has a stroke has someone else who's life has been impacted upon because they have had a stroke. In 2015 there were 50 new and recurrent strokes and 1,000 every week. That equals one stroke every 10 minutes. In 2015 there were almost 440,000 people living with the effects of stroke. That figure is predicted to increase to 709,000 by 2032.

I am quite concerned that we as a nation have not taken strokes seriously enough. We have not dealt with the issue surrounding it. Unless there is some action, this will continue to escalate. In 1996 the Australian health minister named stroke as a national health priority but, since then, very little has happened. In 2016 it is now a national health emergency. There has been the clot-busting drug, and a constituent in my Shortland electorate was one of those responsible for coming up with that drug, but very few people get access to it. Internationally, patients receive thrombolysis within 60 minutes of arriving at hospital. In the UK it is 56 per cent. In the US it is 43 per cent. In Australia it is 26 per cent. So we are not stepping up to the mark. We are not doing a good enough job.

Patient care is another area where we have failed. Of the 30,000 people that have a stroke each year, almost 20,000 leave hospital and do not receive the full benefit from a stroke care unit. Forty-four per cent are discharged without a care plan and one-third are discharged without preventative medicine. I think that is a national disgrace. I think all of us in this parliament should recognise what a big issue it is, and it impacts on each and every one of our electorates. As a government and an opposition, all members need to join together to call for action. Stroke kills more women than breast cancer and more men that prostate cancer, yet still there is very little action.

We have the FAST test—face, arms, speech and time—which looks at the identification of stroke. In addition to that there is very else little around. There is StrokeConnect for stroke survivors and InformMe for stroke health professionals. The telemedicine pilot is very limited. The monitoring of stroke care is not good and we need to improve that. We also need to look at prevention of stroke.

The Stroke Foundation have a proposal that I am very supportive of, and I hope that members in this House will be very supportive of it. We need to cut that increase of 135,000 new strokes each year and see whether we can stop them. It is preventable, but we need to get messages out. A solution is making sure that there is $10 million over four years for the FAST campaign. We know about it. The information is out there but we need to make sure that it gets out to everyone so that people know, very quickly, when they are having a stroke, which is time sensitive. There is also the national rollout of the StrokeConnect program with post hospital support Australia-wide. The InformMe program for health professionals needs to be rolled out and shared as best practice. There needs to be expansion of telemedicine. We also need monitoring of Australia's stroke care and an update of absolute risk cardiovascular prevention guidelines. We need action and it is time for us as a parliament, both sides, to join together to address stroke.
Israel

Mr SUKKAR (Deakin) (10:57): It is with some dismay that I rise today to acknowledge that 2016 marks 15 years since the seeds of the Boycott, Divestment and Sanctions campaign, also known as BDS, began against Israel at the World Conference against Racism held in Durban in 2001. What passes for left-wing thought in our day and age has never been noted for coherent logic or factual accuracy. Nowhere are these leftist moral and intellectual failings more obvious than on the question of Israel in general and on the BDS campaign against the only democracy in the Middle East.

The member for Fremantle, who, I must say, made my day with her recent announcement of her departure from this place, exemplifies the Left's noxious intellectual bankruptcy on matters Middle Eastern. By hitching her wagon to the anti-Israel BDS she exemplified how those who claim the rubric of progressive are actually quite oppressive when it comes to the Jewish people.

Make no mistake, BDS is nothing more than a declaration of economic war against the Jewish people. We have all seen the BDS causes and the anti-Semitic ugliness. We saw this on the streets in mob-scene blockades of Jewish owned businesses in Melbourne. We have also seen BDS in all of its genocidal ugliness when its founder, the Palestinian activist Omar Barghouti, made it clear that the movement would settle for nothing less than the elimination of Israel as we know it.

Barghouti makes no bones about his ultimate objective. He declared in 2014:

Definitely, most definitely we oppose a Jewish state in any part of Palestine. No Palestinian, rational Palestinian, not a sell-out Palestinian, will ever accept a Jewish state in Palestine.

It is clear that all those who support BDS, including the member for Fremantle, would grant the right of national self-determination to the Palestinian people but are determined to deny that right to the Jewish people. Support for the BDS program, at the very time we watch the rest of the Middle East sink into the bloody abyss of interethnic and interfaith conflict, can only be explained by two possibilities. Either the member for Fremantle and her BDS buddies are afflicted by a terminal state of delusion or a more ancient and insidious bigotry lurks beneath their fine words and lofty proclamations.

Proponents of BDS like to claim that they hold the moral high ground, but their uncritical endorsement of Barghouti and others like him puts them in very dubious company indeed. It is a strange bedfellows relationship when feminists and socialists put themselves in league with the sharia-law-advocating Jihadi fanatics of Hamas. In fact, just a few days ago in Gaza a senior Hamas commander, Mahmoud Ishiwi, was tortured and executed because he was gay.

According to the New York Times, the Hamas minister for defence:

…is harsher than other leaders—he wants his army to be pure.

But I guess disagreements over the status of women and gay rights pale by comparison to the fundamental issue that unites the so-called progressive left and the ultraconservative sharia-compliant Islamic right—and that is a mutual hatred of the Jewish state.

The Palestinian constitution declares that a future Palestine will be an explicitly ethnic Arab state whose legal code will be founded upon Islamic sharia law. The Palestinian President, Mahmoud Abbas, has vowed it will be a Jew-free country, declaring he 'won't agree to the presence of one Israeli' within its borders.
I will conclude with a simple observation that BDS is anti-Semitism pure and simple. It is anti-Semitic because it seeks to deny to the Jewish people the same rights of national self-determination that it supports for the Palestinians. BDS is also anti-Semitic because it supports the cause of a Palestinian state ethnically cleansed of Jews. It is for these reasons that BDS has been categorically rejected by the Australian people, who have consigned this movement to the extreme margins of our society.

**Men's Shed Week**

**Ms OWENS** (Parramatta) (11:02): Next week is Men's Shed Week, and what a great week that is. Men's sheds are uniquely Australian. A lot of us do not know that. They are everywhere now, by the way. I have two in my electorate, in Parramatta and Granville, and one just across the border in Northmead, to the north. We all have them but they are quite a recent invention. They were first created following a conference on mental health for men in 1995. The first one was opened in Tongala, Victoria on 26 July 1998. Since then, not that many years later, there are well over a thousand.

I remember standing here about three years ago and are saying that there were 700. Now there are well over a thousand and they are growing every day. And they have spread to the rest of the world—New Zealand has about 30, Ireland has over 100 and the Scottish association was formed in 2012 for their men's sheds. It is a great Australian initiative that provides a place for men to come together to talk, share their skills and spend that mysterious shed time that men seem to like—secret men's business. It is a place where men come together to do those secret shed things, and a great thing it is.

Next week I will be heading out to visit mine. I will be visiting the Parramatta men's shed early in the week. In fact, they are having a bit of a get-together on Monday with 10 students from Parramatta High School. Those 10 students and the guys from the men's shed have been making possum boxes for Parramatta High School in conjunction with WIRES and Karabi—which was formerly Toongabbie Community Centres. It is an excellent mentoring program for young people.

I am looking forward to getting out there and having a cup of tea with all the guys and of course their board. Kerry Boyce, who is the president, and Rob Colless, who is the secretary, are two great blokes. Lawrence Flood is the vice president. I have done lots of selfies with these blokes over the years. Ian McHugh is the treasurer. Brett Evans, the safety coordinator, does a great job at the men's shed. Robert McKenzie is a member representative. And of course I will get down to Granville too if I can later in the week and say hello to Bill Tibben, who does an extraordinary job down there as well.

For all the men's sheds around Australia: happy Men's Shed Week for next week. I would expect that all of my colleagues across the parliament will be out picking up some tools and having a cuppa with the blokes next week.

Tomorrow—before next week—is National Ride2School Day. Schools right across my electorate of Parramatta will be encouraging their young students to ride their bikes to school. There was a time, when I was young, when we all did it. Eighty per cent of children rode their bikes to school. I remember us all crowding at the gate—the gate closed at the end of the day—and someone making sure there was no traffic before we all careered out onto the road to make our way home. Hopefully, we went straight home, although I think there were a few
local creeks in my area that occupied us on the way, as I am sure they did for many of us back in those days. But not so many children ride to school now, in spite of the health benefits which we all know about and in spite of the pure joy you can have just from being on a bike and knowing how to ride it well.

Tomorrow morning I will be heading down to Darcy Road. I rode to school with them last year. I joined them in a park. It was on the top of the hill, so I had to ride up there to get there, and then we all rode down the hill to the school. But tomorrow they are doing something different. They are rewarding some of the students who have passed their bike training test. Darcy Road has a bike track in its school ground so the children can ride round and round safely in the school ground, and they have training to ensure that they know the road rules and they can ride safely. So I am going to be there to present some certificates. I am hoping that they actually let me do the test too. I understand that some children are doing it tomorrow morning, so I hope I get to do the test too. My staff tell me I want to make sure that I pass it or it could cause a scandal because I ride my bike on the road on a regular basis.

It is going to be an absolute pleasure to join the children at Darcy Road to celebrate one of the great activities not just of childhood but of life, which is riding a bike. I will see you guys at Darcy Road tomorrow.

**World Plumbing Day**

Mr IRONS (Swan) (11:07): I rise today in support of World Plumbing Day, which is coming up next week on 11 March. Last year I spoke about World Plumbing Day in this place, and I am pleased to again raise the awareness of the vital role of plumbing and sanitation in the modern world.

I would also like to acknowledge the former member for Hasluck, Stuart Henry, who is in the chamber. His official role and title now is World Plumbing Council Secretariat. I know he is a great advocate for the WELS and WaterMark programs and represents his association and the master plumbers association extremely well, not only in this place but in industry and all around the world, advocating for the plumbing industry and water.

While I am on this case, I would also like to mention Murray Thomas, who I work closely with in Perth, who is with the Master Plumbers & Gasfitters Association of Western Australia. He works well with the industry and with the parliament in advocating for his industry as well.

I have a bit of a personal connection to plumbing as well. After finishing my apprenticeship as an electrician, I spent six months digging sewers in the Dandenong hills for one of the blokes I played footy with, which was an interesting experience. It got right down to the nitty-gritty of seeing what plumbers do at the lower level of their trade.

Plumbing is something we take for granted in most parts of Australia. It is true that there are still parts of remote Australia without adequate plumbing, and this can be a problem for those very remote communities. Around the globe, poor sanitation is a major cause of disease and impacts life expectancy. According to the World Health Organization, 1.1 billion people do not have access to safe water supplies; 2.6 billion people do not have access to improved sanitation; and 3.1 million children die each year from water related diseases.

When I listen to the debates in this place on poverty, it seems that there is not enough focus on practical things that can be done to tackle poverty overseas. In the past, this has led to
misdirected priorities for the foreign aid budget. I can remember that when Kevin Rudd was Prime Minister he used the foreign aid budget to pay for a new parliament house for Granada. It is crazy that we would waste money on something like this for a country high in the human development index rankings. Also former minister Bob Carr spent the foreign aid budget on preserving architectural heritage in Myanmar.

It is great that we talk about all these things but we need to look at the most effective way that we can spend the foreign aid budget. The World Plumbing Association hit the mark when they said:

Attitudes will not necessarily change because of targets, health surveys or editorials and opinions in newspapers, which all too often preach only to the converted. Rather, it is the actions of the professionals working in the areas of health and sanitation which will demonstrate to the community how best to build local services and will educate local communities about the benefits of such an approach.

It is the practical action on the ground that can make a difference. On this note, one of the good initiatives we have seen since the last World Plumbing Day is the international Community Plumbing Challenge, which aims to contribute to improvements to public health in regions where communities are still threatened by a lack of basic sanitation and safe drinking water systems. It is a great initiative run as a partnership between the World Plumbing Council, the International Association of Plumbing and Mechanical Officials and the WorldSkills Foundation. It sees teams of professionals travel to a country or an area with poor sanitation and work to implement solutions. The community based projects address water and sanitation issues identified by community leaders and may involve repairs and maintenance to existing infrastructure, installation of new water and sanitation facilities, and the design of innovative systems aimed at achieving long-term environmental and economic sustainability.

The 2015 challenge took place in Nashik, India, with four teams, including Team Australia, Team Basque, Team India and Team USA. Each team included a plumber; an engineering lead, a water environment technician or architect; a construction lead, a carpenter or bricklayer; and a design lead, a CAD or graphic designer. Works were completed at a local school with the main works including installing new water storage tanks on the school roof, replumbing the water tanks, connecting a new water supply to two toilet areas and a hand-washing area, fixing leaks and completing design work for the other toilets on site.

I commend the organisations and participants for this initiative and hope that the program will continue this year. I am sure that World Plumbing Day 2016 will be a success. I am pleased to once again be able to bring some attention to it in this parliament.

### Election of Senators

Mr GRAY (Brand) (11:12): I would like to speak on the matter of elections and electoral reform. Following the 2013 federal election the government requested the Joint Standing Committee on Electoral Matters report on Senate voting methodologies. Specifically, the report was presented in May 2014 and followed a very substantial process of deliberation both by committee members and within my own party. Some of the public discussion and debate around this issue seems to have forgotten the fact that within my own party very substantial internal debate and discussion took place before we settled unanimously on the
recommendations of the joint standing committee that were presented to the government and the parliament in May 2014.

Specifically, the bill currently before the Senate, which my party will continue to vote against, reflects very substantially the recommendations of that report. Indeed, I said publicly several weeks ago that it appeared that the government would legislate consistent with about 70 per cent of those recommendations. I discovered when I saw the legislation that I reckon the figure would be close to 85 per cent of the recommendations. Following amendments that have happened following the recent report of the Joint Standing Committee on Electoral Matters, I guess that we now have about 95 per cent compliance with the original recommendations currently embodied in the existing bill that is in the Senate, which I hope will pass very soon. That will then go to the House of Representatives for further amendments and those amendments will be substantial improvements again to bring that bill up to about 95 per cent compliance with the original Joint Standing Committee on Electoral Matters recommendations. These recommendations are important not just because the report in 2014 was unanimous and attended to serious flaws and behaviours that had grown around Senate elections. It attended to pop-up parties, voter deception and trickery. The important part of the recommendations was to deliver to voters control over their vote, which has, in recent years, been usurped by manipulators.

I am very proud of the democratic heritage of our country. I proudly comment to schoolkids and to colleagues in this place that our country was founded on the sanctity of the ballot. The ballot is the thing. The ballot created our Federation. A fair and free ballot is one of the things that defines the nature of Australian democracy and the nature of the contest that we openly, freely and vigorously engage in every three years, so to have a balloting process that is fair and transparent and a voting process that reflects the will of voters is critically important.

The bill that the House of Representatives will deal with will reflect an amended bill that was pretty darned good, and the amendments that will be put in the House of Representatives will improve that bill even further. I regret I will not vote for that bill. I will not vote for that bill because my party will not vote for that bill. I think that is sad—I have lamented on that matter before—because there is a central importance placed on the integrity of the ballot. The ballot did found our nation—colonies of free people who freely determined to vote to form a Commonwealth. It is an act that inspired not just great patriotism but also great poetry. It is an act that continues to inspire our nation.

I encourage our parliament to vote for the amendments to the Senate voting legislation, to vote in favour of making our Senate voting system more democratic, to vote in favour of giving Australians—all of them—a free and fair vote and to ensure that how we mark our Senate ballot paper is reflected in how that Senate ballot paper is counted. This I believe to be important, and I believe this is reflected not just in the current bill but in the amendment that will be considered by the House in coming days.

**Defence White Paper**

Mr NIKOLIC (Bass) (11:17): It is my very great pleasure to talk about the 2016 Defence white paper, which will shape the national security landscape for the next two decades. There is no doubt that the 2016 Defence white paper provides greater certainty for Defence and
greater certainty for industry, and the long-term relationship between these two groupings, after all, drives the success of future defence capability.

The 2016 Defence white paper also provides greater certainty and assurance for the Australian people that the effects we seek from our Defence Force can be achieved. If we consider what we ask of our Defence Force, that spectrum of tasking—everything from humanitarian assistance and disaster relief on one side of the spectrum through to high-intensity war fighting on the other—we have asked them to further the cause of good governance in the Solomon Islands, we have asked them to rush to the aid of the people of Timor at various stages of the development of that country, and our troops did that job very well. We ask a lot of our Defence Force. On that basis, a reliable funding base is essential to the delivery of the critical defence capabilities needed by our Defence Force to do those and other tasks.

There is an old adage: strategy without resources is illusion. So the funding basis of this white paper, which is fully costed with annual detail and external validation of costings, is very welcome indeed. It is $450 billion in expenditure over the next decade and $30 billion in new money, and we achieve our promise of two per cent of gross domestic product expenditure on defence by 2020-21—three years earlier than was first anticipated. Compare the situation that I have just described to the situation that existed at the time of the 2009 white paper. I just happened to be a member of the Defence Force when the 2009 white paper came out. It was intended to be a grand bargain between government and Defence. The problem is, that grand bargain did not survive first contact with Wayne Swan and Penny Wong, because whenever they said they needed more money the then Minister for Defence, Stephen Smith, would simply ring the till in Defence. He would go to the Defence ATM and pull billions of dollars out of the Defence organisation and give it into consolidated revenue to fix the ever-growing series of black holes that Labor had during that period from 2008 to 2013.

The grand bargain that was formed by Defence at that time was based on two things. Members opposite might scoff at this, but it went something like this: Defence was told by government, 'We will give you three per cent increases in your budget from 2009 to 2017-18. We will provide you with 2.2 per cent increases from 2017-18 to 2030. We will give you some certainty relating to indexation. That is what government will do for you, Defence, but you will have to come up with $20 billion of internal savings over a decade.' The combined effects of those savings in Defence and the certainty that government said they would provide with real increases to the Defence budget would deliver Force 2030—that was the name of the 2009 white paper—to do all of those tasks I have described. Unfortunately, that aspiration, that promise, was never ever reflected in reality. Seventeen billion dollars was cut out of Defence after the 2009 white paper, and 1.56 per cent of GDP is what Defence expenditure fell to—the lowest level since 1938. One hundred and nineteen capability projects were delayed, eight projects were cancelled and others were deeply degraded.

That is why I am so pleased to say that this white paper—its focus on the maritime capabilities our country needs—is both necessary and welcome. Prosperity, after all, relies on stable and secure regions. In the Asian century, in the growth in the Indo-Pacific region, we need to make sure that we accentuate not only the economic and diplomatic dimensions of a national power but also the military dimension of our national power, and make sure that the
grand bargain in this white paper is much stronger than the white paper delivered by the Labor Party in 2009. I congratulate the Prime Minister, the Minister of Defence and everyone else involved in delivering this white paper.

**McEwen Electorate: Community Organisation Funding**

Mr MITCHELL (McEwen—Second Deputy Speaker) (11:22): The Stronger Communities Program has been underway for almost 12 months. It provides grants of between $5,000 and $20,000 to fund small capital projects in local communities. To receive a grant, the project needs to provide benefit to the community, like improving participation and cohesion or contributing to the vibrancy of the community.

Over the past few weeks, I have had great pleasure in presenting grants to a number of local organisations. Seven out of the 13 applications that were put forward have been approved for funding, which is great news for our communities across McEwen. Six remaining projects are still undergoing assessment, and I am hopeful that the government might get these done.

The Broadford Football Netball Club received $13,000 toward a digital scoreboard for Hammond Reserve. The reserve is used by a number of sporting organisations and community groups: primary and secondary school sports days, cricket clubs and the Broadford football and netball club. The scoreboard building, that the digital scoreboard will be housed in, was built with in-kind support from the Broadford Secondary College VET students working on building construction. These kids got the opportunity to learn their trade through the trade training centre that was funded by the Gillard-Labor government.

Lancefield Bowling Club received $8,000 to go toward refurbishment of the kitchen. The current kitchen is 55 years old, and the improvements will allow the club to offer its facilities to a greater number of community organisations. The Lions Club of Whittlesea has received $20,000 to go towards the upgrade of Whittlesea Lions Park. The park has been there for more than 25 years and, because of the significant growth of the Whittlesea Township, it is time to expand and update those facilities. The Macedon Ranges Further Education Centre received $7,000 towards an upgrade of its 30-year-old facility. The upgrade will provide a larger learning space, which means the centre can offer more programs and activities for the community. The Our Lady of Mount Carmel Tennis Club, also in Sunbury, received $5,000 to assist with replacing the roof of the clubhouse. Everything that club has done has been done by the members and this was the last piece of infrastructure they needed to make the club a modern facility for many people to enjoy.

The Rotary Club of Sunbury received $15,000 towards a storage space and equipment for the Sunbury Community Kitchen. The community kitchen provides food and company to between 100 and 200 people a week who are disadvantaged, sick or lonely on a Monday night. They come together and have a great meal. The social cohesion and mental health aspects cannot be denied. This is an absolutely wonderful place, and I have spoken about them before here. This funding will help provide a coolroom and storage space so that the donated food that they get to help people from various charities can be stored.

Riddells Creek Neighbourhood House received $12,000 that will be used to build a new storage shed. The shed will help the neighbourhood house to expand its current services by enabling more people to attend the courses that it puts on. Along with this, it is opening its
doors to other community organisations and providing them with a place to meet and store their equipment. Usually these sorts of things are quite small, but when you look at the Riddells Creek spinners their big spinning wheels are quite substantial, and they need somewhere to make sure they put them away as they knit things for people who are disadvantaged.

These initiatives are a great example of some of the commitment and dedication of the not-for-profit sector in McEwen. Among the remaining six applications under assessment, there are some worthy projects, and I hope the government actually gets on and supports them. These are grants for junior sporting equipment, fire brigade station refurbishment, and new facilities for people living with disabilities, and also a barbecue trailer to assist Scouts with fundraising and equipment for a Men's Shed in Hume.

This is probably a good point to remind everyone that next week is Men's Shed Week. The Men's Shed Network is available to men right across the region, and it has a valuable role in the community, advancing health and wellbeing and contributing to communities in a variety of ways. There are growing problems in men's health. Isolation, loneliness and depression are major issues. Last year in Australia there were 10 million consultations on mental health alone, and the mental health system is straining to cope. There is a tendency for men to ignore their health, and it is difficult for health services to engage them, especially when it comes to preventative health. So the environment of Men's Sheds and the programs offered are a vital link for health professionals and the community. The various Men's Sheds across Australia will be celebrating Men's Shed Week by putting on a showcase of their work and involvement in the community. In McEwen the Men's Sheds are involved in helping other community organisations to fundraise or refurbish facilities. I am looking forward to visiting them next week, seeing some of their work and talking about the wonderful things that they are doing.

What the Stronger Communities Program and initiatives like Men's Sheds continue to reinforce for me is just how important our community organisations and the not-for-profit sector are. So thank you to all of the many involved in Men's Sheds. Keep doing what you are doing, please, because your community needs you more than ever.

**Competition Policy**

**Ms HENDERSON** (Corangamite) (11:27): I rise to stand arm in arm with 20 industry bodies which are calling on the Turnbull government to amend section 46 of the Competition and Consumer Act. The current provision, which is meant to prohibit a misuse of market power, is simply not working. This is a very powerful group of organisations, representing some one million businesses, employing more than five million people across a broad spectrum of Australian industries. Let me just state who they are: the Australasian Convenience and Petroleum Marketers Association, the Australian Chamber of Commerce and Industry, the Australian Booksellers Association, the Australian Hotels Association, the Australian Retailers Association, Australian Dairy Farmers, the Australian Newsagents' Federation, the hairdressing association, the Commercial Asset Finance Brokers Association, the Convenience and Mixed Business Association, Fresh Markets Australia, the Central Markets Association of Australia, MGA Independent Retailers, Independent Contractors Australia, the Motor Trades Association—the list goes on and on. Of course, last but not least is the National Farmers' Federation.
This alliance notes that it is almost one year since the federal government appointed the Harper panel to review competition policy, and the Harper panel made some very important recommendations about changing this provision. There is no doubt there is a serious deficiency in the competition dynamic in Australia. There is no doubt that we urgently need a practical mechanism to ensure healthy competition in markets comprising business enterprises of all sizes. I am very pleased to say that a review of this section is currently being undertaken by the Assistant Treasurer, and I have also met with the Treasurer on this matter. This is also recognised by the ACCC and the former head of the ACCC, Allan Fels, as an area which does need urgent attention.

We saw that in spades, and perhaps the best, most recent example is the conduct of Coles in December 2014, when it basically held its suppliers to ransom. It was fined many millions of dollars as a result. It engaged in a form of corporate blackmail and it was absolutely disgraceful, when you look at the combined market power of Coles and Woolworths. I spoke to someone on a confidential basis 10 days later who is dealing with Woolworths. Unbelievably, despite the national attention placed on the appalling conduct of Coles, Woolworths was engaging in the same conduct.

The current provision is simply not working, and frankly it is disgraceful that the Labor Party is not supporting a change in this provision. We are seeing the Labor Party saying one thing and doing another. Our government recognises how important small businesses are and we recognise how important competition law is in making sure that they can operate on a level playing field.

This alliance recognises that section 46, as its proposed change—I think the proposal is that a corporation that has a substantial degree of power in the market shall not engage in conduct that has the purpose, effect or likely effect of substantially lessening competition in that or any other market, known as the effects test—moves Australian law closer to international best practice, which prohibits unilateral conduct by a dominant firm that has a harmful effect on competition.

Small business is the engine room of our economy. We have seen right across the farming sector, food processors, agriculture and particularly in regional Australia how important it is to make sure that small business can thrive in the market. We have seen a situation in the market, particularly in the grocery and supermarket sector, where that is simply not happening. We need this change in our law. It is very important to give consumers the choice, to give consumers the right to access the lowest prices and to ensure that we look after small business—something the Labor Party has fundamentally failed to do.

Royal Commission into Institutional Responses to Child Sexual Abuse

Ms O’NEIL (Hotham) (11:32): I grew up in a Catholic family and in a Catholic community. I went to a Catholic school for 11 years, I did all my sacraments and I went to church with my mother every Sunday. It is from that standpoint that I want to express the incredible hurt and anger I have felt in the recent days we have seen Cardinal George Pell make his testimony before the Royal Commission into Institutional Responses to Child Sexual Abuse. The extent of betrayal felt by me and, I know, by many other Catholics and many other Australians around this country is deep and profound. We are leaning through the Royal Commission that for decades, instead of the church trying to help people that needed its care, the church was focused on protecting itself, on moving priests around, on sidelining...
whistleblowers who were drawing conduct to their attention and on ignoring young people who were raising concerns with priests and church leaders.

What is so upsetting about what we are hearing in the royal commission is not just the acts, not just what was done and what was not done but the almost total lack of empathy that is being shown by some church leaders to the survivors, to the people whose lives, in some senses, have been destroyed by things that happened to them while the Catholic church was meant to be their protector. I cannot fathom, watching these testimonies, why church leaders cannot just stand up and say that they are sorry, just acknowledge that incredible pain occurred and that young people were not protected in the way they deserved to be and say that they screwed up, that there are things that can be done to make this better and that we should all work together to do them. But that is not what we have heard, and it is has been incredibly disappointing to see.

Like most members in this House, this affects many people who live in my electorate of Hotham. To the survivors; the people from the Sacred Heart parish in Oakley in my electorate; the survivors who have made their way to Rome; to Julie Stewart who has been so incredibly brave in her testimony before the commission and in the interview that gave on 7.30 last night, I want you to know that there are millions of Australians who are standing with you shoulder to shoulder and thinking of you. For those who are religious, there are people praying for you but there are millions of Australians who are right there with you, who are outraged by the things that have happened on your behalf. I am so sorry that these things happened to you.

I have a community just to the south of my electorate on a border that I share with the member for Isaacs who are grappling with a difficulty of this nature at the moment. Media reports of the royal commission have uncovered that the priest who services two parishes and two primary schools just outside my electorate was actually a perpetrator of sexual abuse when he was a seminarian. There were no children involved in the incident, but he was found by the church to have sexually abused another seminarian.

There is a group of parents and parishioners in this community who have been asking for months to meet with the Roman Catholic Archdiocese of Melbourne. They have written to Archbishop Denis Hart and, would you believe, the archbishop has not responded to their letters. This community of people approached the member for Isaacs and me, so we wrote to Archbishop Denis Hart. What do you think happened? The archbishop has not responded to our letter either.

I call on the archbishop: please. As a member of parliament, I do not think it is appropriate for me to take a position on what should happen to this priest. That is a matter for the archdiocese and for that Catholic congregation but, at the very least, you owe these people a conversation. I would ask you, please to meet to meet with those people and, if you are not willing to do that, at least respond to their letter.

I want to say a final word on the royal commission. I am very proud that Prime Minister Julia Gillard initiated this royal commission—and I note that, in setting this up, this goes well beyond the conduct of the Catholic Church, which happens to be in the media at the moment because of the current personnel before the commission. However, setting up that royal commission was a fine act, and I think that former Prime Minister Julia Gillard deserves due credit for doing so.
Some Australians might not be aware that the commission has actually already recommended a national redress scheme for survivors, despite the fact that the commission is going to run on for another 18 months or so. Labor has adopted that as Labor policy. When in government, we will introduce a national redress scheme and we call on those on the other side of the House to do so too. It is not going to make everything better for the people who are victims of this. We cannot give those people back the safe childhood that they deserved, but I think it would say to all those people that, as Australians, we unite in saying that was — *(Time expired)*

**Page Electorate: Eat the Street Food Festival**

**International Women's Day**

**Electoral Redistribution**

Mr HOGAN (Page) (11:37): On Saturday, 12 March the Lismore CBD is going to be transformed into a street themed strip with market stalls, a beer garden, music stages, cooking demonstrations with celebrity guest chefs and a dedicated children's entertainment area for the annual Eat the Street Food Festival.

Last year's festival saw hundreds of people enjoying the smells and tastes of exotic foods served up by local restaurants and chefs at the inaugural Eat the Street Food Festival. Lismore local council blocks off Magellan Street to traffic to create a vibrant, bustling food strip with cooking demos, exhibitions and the sound of music filling the air.

This year will see the second year of the food festival, which has become a highlight on the food calendar. It will run from midday to 8 pm on Magellan Street, Carrington Street and through the Back Alley Gallery. This will once again give many of our local businesses the chance to provide great experiences for many of the tourists who also come to our region for this event.

I would like to inform the House of the annual Page International Women's Day event that was held in Lismore last Friday. Over 400 people attended the International Women's Day lunch in Lismore last week. The guest speaker was the 2013 Australian of the Year and trailblazing media editor Ita Buttrose. With a guest as remarkable as Ita, it was no wonder the event took on a life of its own, receiving lots of support—in fact the whole community became involved with local businesses generously donating prizes, decorations for the auditorium at the Lismore Workers Club and the Northern Rivers Conservatorium donated musicians, who played as the guests arrived. As a regional MP, it was great to give access to people in our community to such a motivational and inspirational woman. Proceeds from the luncheon were donated to Alzheimer's Australia. As I said, it was the second International Women's Day lunch, which was hosted by my wife, Karen, after last year's successful event.

I would like to welcome new communities into the electorate of Page. As we know, there has been a redistribution in New South Wales. Some communities we have lost, and others we have gained. I would like to welcome to Page just some of the communities and the surrounds of these communities: Brooms Head, Glenreagh, Glenugie, Gulmarrad, Maclean, Minnie Water, Townsend, Tucabia, Tyndale, Ulmarra, Wooli, Arrawarra, Corindi, Emerald Beach, Nana Glen, Sapphire Beach, Woolgoolga, Bexhill, Clunes, Corndale, Dunoon, Modanville, Nimbin, Rosebank and The Channon. These are just some of the communities that have moved into Page.
Obviously, the part of the Lismore local council area that was not in Page has been moved in, and I have mentioned many of the communities there. Also, the whole of the Clarence Valley Council area will now be in Page because places like Maclean and others that I mentioned were not. So now the whole of the Clarence Valley Council area will be in my electorate, which makes sense. Also, I am picking up some of the area north of Coffs Harbour, as I mentioned, like Woolgoolga and others, which I will have the privilege of representing in this chamber.

The DEPUTY SPEAKER (Mrs Wicks): I thank the member for Page. I must just add, on a personal note, it is great to hear Corindi being mentioned, the birthplace of my father. It is very dear to our family's heart.

Mr HOGAN: That is lovely to hear.

The DEPUTY SPEAKER: Hear, hear! to the people of Corindi.

Indi Electorate: Hospitals

Ms McGOWAN (Indi) (11:41): I am very proud to stand in this place today to acknowledge and thank all of the staff, boards and volunteers who work in the hospitals and health services of Indi in North-East Victoria. Our hospitals and health services are so efficient. The ability of the staff, boards and volunteers to extract every single possible cent from our health dollar is renowned. I would particularly like to acknowledge Northeast Health Wangaratta, which has recently been proclaimed the most efficient large regional hospital in Victoria, and say 'Well done' to the team.

I would like to place on record the CEOs and chairs of our hospitals: Albury Wodonga Health former CEO Susan O'Neill, current CEO Catherine O'Connell and chair Lou Lieberman; Alpine Health CEO Lynden Seys and chair Brian King; Mansfield District Hospital CEO Marianne Warren and board chair Rowan Swaney; Gateway Health CEO Leonard Peardy and chair Catherine Upcher; Northeast Health Wangaratta CEO Margaret Bennett and chair Brendan Schutt; Alexandra Health acting CEO Mark Ashcroft and board chair Carole Staley; Beechworth Health CEO Cameron Butler and board chair Katie Warner; Benalla Health CEO Janine Holland and board chair Brendan Smith; Tallangatta Health CEO Lisa Allen and board chair Angela Morris; Upper Murray Health and Community Services CEO Maxine Brockfield and board chair Sue Sullivan; Yea and District Memorial Hospital CEO Dale Fraser and board chair Kirsten Michaels; Yackandandah Health CEO Annett Nuck and president Ken Jones; Indigo North Health CEO Shane Kirk and president Tony Jones; Women's Health Goulburn North East CEO Susie Reid and chair Chris Hazel. To all of the community health services and hospitals, from a very welcome electorate, thank you for the work you do.

I have been very proud to represent you in this place. Under my watch we have formed a local advisory group to provide advice to me and to the Victorian government on the issues pertaining to our health services. We have run a workshop on the issues facing the future of small rural health services and made representation to both the Victorian and Commonwealth governments following that workshop. We have taken up issues around funding, particularly of our multipurpose services—Alpine Health and Upper Murray Health—and really big issues around the future funding under the MPS model. I have been absolutely delighted to be their advocate in this place.
We have supported the telehealth service that operates out of Northeast Health Wangaratta. How proud we were when the Governor-General and Lady Cosgrove came and visited Wangaratta and we were able to showcase this fantastic service that works so well across North-East Victoria.

To the Bright Hospital, I have been absolutely delighted that under the government’s election commitment you received $150,000 for a feasibility study. We have made enormous inroads in the area of mental health and mental health services. I have been so proud to be part of the parliamentary friends of rural young people's mental health, to attend the various forums, to be a supporter and an advocate to support the work of Kerferd house—I note that the carpet still needs replacing—and to be a real strong advocate for the young people in north-east Victoria, particularly those suffering from mental health illnesses.

However, the challenges are not all over. We still have a lot of work to do, particularly with funding for the MPSs. The particular formula that governs the MPSs still needs a lot of work. I am delighted that the Victorian MPSs will be coming to parliament the week after next to meet with the health minister and continue their advocacy. We have a lot of work to do with integrating the old services we had under Medical locals to the new primary health networks. We have begun with the good work, but we have a long way to go, though, before we can make sure that those new primary health networks are the voice for health services in our rural areas.

One of the areas I want to bring to the attention of the House is residential aged care. With the exception of Alexandra Health and Albury Wodonga Health, all the public health services in Indi operate residential aged-care facilities. We absolutely need to make sure that they have the funding they need to continue to do the work that they need to do. As we go to an election I would like to say to the health services of north-east Victoria: I have been so proud to be your advocate. I look forward to continuing to be your advocate and actually doing something for the very many of our services that are operating 21st century health services in buildings that were built in the 19th and 20th centuries. We have a long way to go. I am absolutely committed to being your advocate in this place.

**Bennelong Electorate: Chinese New Year**

**Health: Hepatitis C**

Mr ALEXANDER (Bennelong) (11:46): I am delighted in this chamber to talk about Bennelong's wonderful local Asian community. 2016 is the Year of the Money and, like every year, it will be met with celebrations throughout our region. My electorate of Bennelong is fortunate to be home to one of the most multicultural areas in the country, with especially large Chinese and Korean-speaking communities. Over the past few weeks these communities have turned the suburbs into a sea of festivities as they welcomed in the lunar new year—kung hei fat choy.

Eastwood is the heart of Bennelong and was home to many of these festivities. Last weekend saw thousands of people come to Eastwood for an extravaganza of Asian cultures, with food, music, sports, fireworks, dancing and merriment everywhere. This year, as every year, the lion dancers were a highlight with feats of incredible athleticism thrilling the crowds. Rowe Street also saw the annual lunar new year cooking competition which again saw
competitors from across the community cook some incredible creations delighting those who were lucky enough to taste.

All of these celebrations were organised by the incredible hand of Hugh Lee and his team. Hugh has been a stalwart of the community for decades, founding the Australian Asian Association of Bennelong, leading the Eastwood Chinese Senior Citizens Club, and chairing the Eastwood lunar new year celebration committee. Every year Hugh pulls out all the stops to create some of the best community celebrations that Sydney has to offer, for which all of Bennelong is incredibly grateful. Our community's strength is its diversity. I am always proud to see the large numbers of people from all ethnicities who turn out to see this wonderful display of Chinese and Korean cultures. This fusion of cultures is what makes our part of Sydney great and what makes me so proud to be its representative.

Now to a topic of interest to my local community, especially the excellent pharmaceutical companies and the many people suffering from hepatitis C. I am delighted to inform the chamber that from this week, new hepatitis C treatments will be available on the Pharmaceutical Benefits Scheme. It is estimated that 230,000 Australians are living with hepatitis C. If left untreated, hepatitis C can cause serious liver disease, and there are approximately 700 deaths attributable to this chronic condition in Australia each year. Thousands more suffer a variety of serious liver diseases and conditions.

In a first for the treatment of hepatitis in Australia, both specialists and GPs will be able to prescribe treatments. GPs will be able to prescribe these medicines following consultation with a specialist physician experienced in the treatment of hepatitis C.

I would like to thank health minister Susan Ley and her department, the Pharmaceutical Benefits Advisory Committee and the Therapeutic Goods Administration for granting access to these medicines for all Australians living with hepatitis C. I would like to recognise Hepatitis Australia, patients, physicians and all those who have worked tirelessly to allow broad access to these medicines. Most importantly, I would like to pay tribute to the pharmaceutical companies that have worked so hard to get these medicines from R&D through the clinical trials and now to the patients. There are three companies behind these hep C drugs. I would like to thank and congratulate everyone from Gilead, Bristol-Myers Squibb and AbbVie.

These therapies have an incredible cure rate of 90 per cent and work faster, with fewer side effects, than anything else previously funded through PBS. This is a giant leap in the treatment of this condition. All the people and companies that have enabled this medicine to reach this stage and help so many people deserve our sincere thanks. These break-through medicines are a game-changer for millions of hep C sufferers worldwide.

None of this would be possible were it not for the huge investment, long-term commitment and dedication to positive health outcomes embraced by our innovative medicines sector. As member for Bennelong I am proud that my community is home to so many of these companies that create thousands of highly skilled jobs for local residents and beyond.

Broadband

Ms BURKE (Chisholm) (11:51): One of the questions I am frequently asked in my community is: 'When is the NBN coming to my suburb?' It is a question that is asked with increasing frustration and urgency by many local residents who, for a number of reasons, are

FEDERATION CHAMBER
being hindered by the slow and botched rollout of Prime Minister Malcolm Turnbull's second-rate NBN.

The unfortunate reality is that the entirety of my electorate of Chisholm, which includes the suburbs of Oakley, Clayton, Mount Waverley, Ashwood, Chadstone, Burwood, Blackburn South, Box Hill, Box Hill South, Box Hill North, Surrey Hills and Mont Albert, has remained on the bottom of the NBN rollout plan for established neighbourhoods. I do not represent a remote or regional community and yet, in some areas of my electorate, the fixed line infrastructure is so poor that entire streets are unable to be provided with fixed line ADSL connection. This is an appalling state of affairs and the actions of Malcolm Turnbull and the Liberal government have only made the situation worse.

My office has been helping one constituent, Shivanee, who has been struggling for years with telecommunications providers to get the internet access she requires. Shivanee has a disability, which prevents her from being able to work and severely restricts her mobility. It is difficult for her to leave the house and she often feels quite socially isolated as a result. The internet is one of the best ways for Shivanee to stay in touch with the outside world and offers her an opportunity to participate in forums and activities that help provide meaning and purpose in her life.

Shivanee lives in Mount Waverley. She is 4.8 kilometres from the exchange. Telstra and other providers cannot provide her with fixed line ADSL as a result. Telstra will not be upgrading the exchange ahead of the NBN rollout. But we are not getting the NBN rollout, so this leaves us in a complete quandary. Mount Waverley does not have a rollout date for the NBN and Shivanee, who survives on the meagre support of a disability allowance, has been forced to rely on an extremely expensive 4G wireless connection. In an established suburb of one of the country's largest cities, she and her neighbours cannot get an ADSL connection.

Malcolm Turnbull promised to deliver his second-rate NBN 'Fast. Affordable. Sooner.' If the Prime Minister had kept his promise, Shivanee would be looking forward to being connected to the NBN by the end of this year. It might have been only a few months away. But it is not to be. While it still would have been second rate and unable to deliver the speeds of Labor's proper NBN, it might have prevented a person who was living in extreme financial hardship from needing to spend months fighting with Telstra, Vodafone and others over the unaffordable cost of their 4G wireless connection. I am very pleased to say that with the efforts of my office we have been able to help find an affordable solution for Shivanee that meets her needs. Unfortunately, her troubles are not the end of the story, and she has still been left with a very expensive phone bill.

The Liberals came to power promising that they would deliver a—second rate—NBN and it would be more affordable. They have broken these promises. The Liberals' broadband network will not provide adequate bandwidth, will be no more affordable than Labor's proper fibre-to-the-home network and will take longer to roll out.

Under Labor, the cost of the proper fibre-to-the-home NBN did rise, from $40.9 billion in December 2010 to $44 billion in September 2013—an increase of 10 per cent. The estimated funding required for Malcolm Turnbull's second-rate NBN has almost doubled, from $28.5 billion before the 2013 election to $46 billion, and $56 billion now. Again, we read in today's paper that this is just getting worse. Any short-term internet speed benefit that could be offered by rolling out a second-rate fibre-to-the-node network by 2016 has been lost, due to
the delays caused by this government's poor management. Instead, Malcolm Turnbull's second-rate NBN will leave Australia firmly entrenched at the bottom of the world's internet speeds. That is not something we can do if we are meant to be innovating in this society.

So when Jeanette in Mont Albert writes to me:

As someone who works from home, and is reliant on the Internet to be able to access the work files, I'm dismayed. I'm really struggling with poor internet connection this year and have really noticed the difference increased usage and congestion has been having. I'm losing productivity and literally losing hours where I can't access the Internet and therefore can't access the cms or files on the ftp site.

I cannot offer poor Jeanette any glimmer of hope that when and if Malcolm Turnbull's expensive, slow NBN arrives, it will even solve her problem.

This is just one of the many stories I am getting from those in my electorate who have been left at the bottom of the NBN pile, with no hope in sight, and no resolution, as no company will provide adequate ADSL now to people who are living and working very close to the CBD. We are asking people to look at innovative ways of doing things like working from home. How is this possible without proper broadband speed?

The DEPUTY SPEAKER (Ms Henderson): Before I give the call to the member for Hindmarsh, I did exercise some leniency but I would ask the member and all members to ensure they refer to members by their proper titles.

South Australia: Government

Mr WILLIAMS (Hindmarsh) (11:56): The South Australian state Labor government is at it again. First they announced cuts to services in health at emergency departments at major hospitals such as the Queen Elizabeth Hospital, and closures to the Daw Park Repatriation General Hospital and the St Margaret's Rehabilitation Hospital at Semaphore. This time they have announced plans to cut the number of sworn police officers, and to close some police stations and slash operating hours at others.

This is all thanks to the state Labor government's poor economic handling of the state's budget for the past 14 years. South Australia Police has to find $260 million in budget savings over the next four years to meet mandated government efficiency dividends. As a result of poor budget management, and $2 million in interest repayments each day on state Labor's debt, they are now cutting vital public services.

Three major metropolitan stations in my electorate will have operating hours chopped. Glenelg, Netley and Henley Beach police stations will now only operate five days a week, Monday to Friday. Operating hours will also be cut from 9 am to 5 pm. I echo the statement from South Australian shadow minister for police Dan van Holst Pellekaan that Labor's plans to reduce operating hours at the Henley Beach police station immediately after spending $5 million upgrading it highlights how poorly they thought through these budget cuts.

I must admit, I find it hard to believe that the state government would impose such hours on areas such as Henley Beach and Glenelg. These are two of South Australia's prime entertainment precincts and tourist hotspots—areas that attract people until late at night and need extra police resources. Even Police Association of South Australia President Mark Carroll has been scathing, coming out and slamming the plans and calling the proposals 'disturbing'. In an article in The Advertiser, Mr Carroll went further:
"As the Police Association has previously insisted, these reviews are not about service delivery—they are about budget cuts," Mr Carroll said.

"This economic rationalist approach only delivers policing on the cheap. It will not deliver the level of service the SA community currently enjoys."

'This review process since its beginning has been chaotic, divisive and lacking credibility,' he said.

It is concerning to read reports from 2015 that latest crime statistics revealed that in the Sturt Local Service Area offences intended to injure a person had increased 25 per cent from the previous year. Hindmarsh is one of the oldest electorates in the nation, as to the age demographic. Elderly residents are the most vulnerable in our community, and changes to local police stations are not going to help. Only recently, I received an email from Miss Caroline Ditmar of Glenelg in my electorate, and I would like to take the opportunity to read a few sections of her correspondence.

Hi Matt,

I wish to highlight an increase in crime and drunken behaviour around the direct vicinity of Glenelg, around Jetty Road. In the past four months there have been five incidents of car vandalism from residents in Milton Street, plus a constant wave of undesirable behaviour in the back streets, which occurs with most popular seaside towns.

I understand I moved to a busy neighbourhood and I accept that, but I do not understand why the Glenelg Police Station is not open 24 hours a day on a weekend during seasonably higher periods, such as summer, when the population of the seaside area would be double. In the day there is a visual police presence. During the evenings you do not even see any foot patrols or cars unless an incident has occurred. I do not find this satisfactory and I personally would not feel safe or advise anyone to walk around the streets after 9 pm on a weekend.

This is a concerned Glenelg resident, and this is reflective of other people I have spoken to within the community—and also police, actually. I have spoken to a number of police, who have inquired about certain incidents and made comment about the decline in police services in the area.

As a result of Caroline Ditmar's correspondence, I was pleased to promote the federal government's Safer Streets Program to the local council for consideration. The Safer Streets Program is an important government initiative which provides funding for eligible organisations, such as local governments and neighbourhood watch associations, to deliver effective solutions to local areas experiencing problems with criminal or antisocial behaviour. I was pleased to work with the City of West Torrens council and the West Adelaide Football Club on an application to the Safer Streets Program for the installation of security sensor lighting and CCTV, which will improve visibility and provide a greater sense of safety for our local community.

Neighbourhood watch associations do an amazing job in our community. I would like to take this opportunity to recognise the great work of those groups and their coordinators in my electorate of Hindmarsh: Novar Gardens neighbourhood watch, John Summers; Morphettville neighbourhood watch, Ross Bowles; Flinders Park neighbourhood watch, Bill Newman; Netley neighbourhood watch, Cathy Glover; and Camden Park neighbourhood watch, Rosie Storey. I condemn the state government's plans and I welcome the move of the South Australian Liberals, who will look to establish a joint lower and upper house inquiry to
examine the police budget, staffing and operational needs to address the decline of police servicing in our community.

Question agreed to.

Federation Chamber adjourned at 12:02
QUESTIONS IN WRITING

Treasury: Mobile Phones and Tablets
(Question No. 1053)

Mr Conroy asked the Treasurer, in writing, on 17 August 2015:

(1) What sum did the Minister's department spend in 2014-15 on the purchase and/or lease of (a) mobile phones, and (b) tablet devices for (i) Ministerial staff, and (ii) departmental staff.

(2) What sum was spent on telecommunications contracts associated with these devices by (i) Ministerial staff, and (ii) departmental staff.

Mr Morrison: The answer to the honourable member's question is as follows:

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<td>(b) Tablet devices</td>
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Samsung Washing Machine Recall
(Question No. 1482)

Ms Rowland asked the Minister for Small Business, in writing, on 17 August 2015:

(1) In respect of the recall of certain models of Samsung washing machines by notice issued on 30 April 2013 by New South Wales Fair Trading, (a) what technical and legal expertise was called upon by the Australian Government when the recall procedure was instigated, (b) who approved the remedy of securing a plastic bag around the circuit board of faulty machines, and (c) what criteria were used to determine who would oversee the recall process.

(2) In respect of his public statements on the matter, what additional steps are required to make sure the recall is effectively implemented.

Ms O'Dwyer: The answer to the honourable member's question is as follows:

(1) The recall of certain Samsung washing machines is an electrical safety matter being overseen by electrical safety regulators. NSW Fair Trading is leading the recall on behalf of all state and territory electrical safety regulators.

While the Commonwealth, including the ACCC, maintains close contact with product safety regulators in the States and Territories, it does not oversee the negotiation or resolution of their recalls, particularly in relation to electrical safety matters, which are largely the responsibility of state and territory governments.

As the NSW Office of Fair Trading is a NSW government agency, I recommend that the Member direct her questions to the NSW Minister for Innovation and Better Regulation, the Hon Victor Dominello MP, or NSW Fair Trading.

(2) Recent significant steps have been taken by NSW Fair Trading and Samsung to improve the effectiveness of the recall, including the issuing of a compulsory recall notice toSamsung pursuant to Section 22 of NSW's Electricity (Consumer Safety) Act 2004, an agreement to deliver all the measures required by compulsory recall equally in all States and Territories and a commitment by Samsung to continue to provide significant reporting to NSW Fair Trading about incidents, progress of repairs and standard of technicians' work.
Treasury: ENS International Tender
(Question No. 1565)

Mr Conroy asked the Treasurer, in writing, on 12 October 2015:

In respect of the $462,000.00 tender to ENS International for "Negotiation & Influencing Skills training" (CN3107172), (a) what is the aim of this training, (b) how many departmental staff will be in attendance, and (c) for what purpose was the contract amended from the original value of $231,000.00 to the current amount.

Mr Morrison: The answer to the honourable member's question is as follows:

a) 'The Advanced Strategic Negotiation and Influencing skills' workshop is designed to develop participants' knowledge of advanced strategic planning techniques and methodology in complex taxpayer negotiations within a resolution rather than adversarial context. It is specifically designed for EL2 and SES staff who are involved in a range of high end and high risk taxpayer negotiation contexts, including (but not limited to): audits, real time risk reviews, dispute settlements, litigation and non-compliance activities.

b) As at 19 October 2015, 72 staff have attended the training. There are 84 places available for future courses, if required, during 2015-16.

c) The ATO exercised the second year option in the original contract to provide the flexibility to conduct further sessions should they be required.

Treasury: Cabcharge Australia Pty Ltd Tender
(Question No. 1568)

Mr Conroy asked the Treasurer, in writing, on 12 October 2015:

In respect of the $10,436.69 tender to Cabcharge Australia Pty Ltd for "Taxicab services" (CN3291906), on 8 September 2015, (a) who used these services to travel, (b) where did they travel, and (c) for what purpose did they travel.

Mr Morrison: The answer to the honourable member's question is as follows:

The Cabcharge contract relates to the statement period 20 July to 18 August 2015. Breaking these costs down by trip would an unreasonable diversion of departmental resources.

Treasury: Costs associated with change of scope
(Question No. 1665)

Mr Conroy asked the Treasurer, in writing, on 15 October 2015:

In respect of his appointment on 21 September 2015, will his department provide an itemised account of all associated costs, including (a) signage, (b) stationery, including business cards and letterheads, (c) web design and IT services, (d) vehicular signage and painting, and (e) marketing materials, including logos, pamphlets, and audio-visual materials such as DVDs.

Mr Morrison: The answer to the honourable member's question is as follows:

The costs of transitioning new Ministers into the Treasury portfolio are part of standard costs that are absorbed into the Treasury budget. Treasury does not itemise these transition costs by individual line items.

Treasury: Instances of fraud or theft
(Question No. 1764)

Mr Conroy asked the Treasurer, in writing, on 10 November 2015:
Were there any instances of fraud or theft detected by the department from (a) internal sources, or (b) external sources, that resulted in a cost to the department in 2014-15; if so, (i) what fraud or theft took place, (ii) when did the fraud or theft take place, (iii) what was the cost to the department of this fraud or theft, and (iv) what is being done to prevent the fraud or theft occurring again.

Mr Morrison: The answer to the honourable member's question is as follows:

The Treasury has had no instances of fraud or theft detected in 2014-2015 from either internal or external sources.

Treasury: Taxi Service Expenditure 2014-15
(Question No. 1782)

Mr Conroy asked the Treasurer, in writing, on 10 November 2015:

Can the Minister provide an itemised account of departmental and agency taxi service expenditure for 2014-15.

Mr Morrison: The answer to the honourable member's question is as follows:

The departmental and agency taxi service expenditure of the Treasury's portfolio for 2014-2015 is itemised in the table below:

<table>
<thead>
<tr>
<th>Agencies within the Treasury's Portfolio</th>
<th>2014-15 Taxi Service Expenditures ($)</th>
</tr>
</thead>
<tbody>
<tr>
<td>The Treasury</td>
<td>339,453</td>
</tr>
<tr>
<td>The Australian Bureau of Statistics</td>
<td>667,421</td>
</tr>
<tr>
<td>The Australian Competition and Consumer Commission</td>
<td>340,386</td>
</tr>
<tr>
<td>The Australian Office of Financial Management</td>
<td>10,083</td>
</tr>
<tr>
<td>The Australian Prudential Regulation Authority*</td>
<td>177,912</td>
</tr>
<tr>
<td>The Australian Reinsurance Pool Corporation</td>
<td>27,443</td>
</tr>
<tr>
<td>The Australian Securities and Investments Commission</td>
<td>593,737</td>
</tr>
<tr>
<td>The Australian Taxation Office</td>
<td>3,768,083</td>
</tr>
<tr>
<td>The Clean Energy Finance Corporation</td>
<td>94,888</td>
</tr>
<tr>
<td>The Commonwealth Grants Commission</td>
<td>4,806</td>
</tr>
<tr>
<td>The Corporations and Markets Advisory Committee</td>
<td>556</td>
</tr>
<tr>
<td>The Inspector-General of Taxation</td>
<td>8,725</td>
</tr>
<tr>
<td>The National Competition Council</td>
<td>3,932</td>
</tr>
<tr>
<td>The Office of the Auditing and Assurance Standards Board</td>
<td>15,746</td>
</tr>
<tr>
<td>The Office of the Australian Accounting Standards Board</td>
<td>9,094</td>
</tr>
<tr>
<td>The Productivity Commission</td>
<td>94,663</td>
</tr>
<tr>
<td>The Royal Australian Mint</td>
<td>25,281</td>
</tr>
<tr>
<td>Total</td>
<td>6,182,208</td>
</tr>
</tbody>
</table>

*Includes short term hire cars, taxis, trains, buses, trams, tolls, parking and use of private vehicle within Australia. The effort required to extract the cost of tax fares from this amount would require an unreasonable diversion of APRA's resources to compile the data.

Treasury: Supply of Alcoholic Beverages 2014-15
(Question No. 1836)

Mr Conroy asked the Treasurer, in writing, on 10 November 2015:

What sum did the department and agencies within the Minister's portfolio spend on the supply of alcoholic beverages in 2014-15, and for what purpose(s) was the alcohol purchased.

Mr Morrison: The answer to the honourable member's question is as follows:
The purchase of alcohol may be approved for official hospitality purposes. Breaking the costs down to this level would be an unreasonable diversion of departmental resources.

**Department of the Environment: Supply of Alcoholic Beverages 2014-15**  
(Question No. 1841)

Mr Conroy asked the Minister for the Environment, in writing, on 10 November 2015:

What sum did the department and agencies within the Minister's portfolio spend on the supply of alcoholic beverages in 2014-15, and for what purpose(s) was the alcohol purchased.

Mr Hunt: The answer to the honourable member's question is as follows:

Expenditure on the purchase of alcoholic beverages is not recorded separately in the finance systems of agencies within the portfolio.

Occasionally, alcoholic beverages may be supplied as part of an official hospitality event where guests external to our portfolio entities are attending. Official hospitality is generally organised as a package with an external event provider and the total value of the event is recorded in an entity's financial system.

An activity to retrospectively separate any costs related to the supply of alcohol would cause an unreasonable diversion of departmental resources.

At meetings involving only staff, alcoholic beverages were not provided by the Department or by entities within the portfolio in 2014/15.

**Department of Infrastructure and Regional Development: Global Roaming Ministerial Staff Costs**  
(Question No. 1890)

Mr Conroy asked the Minister for Major Projects, Territories and Local Government, in writing, on 10 November 2015:

In respect of global roaming costs for Ministerial staff on information and communications technology devices since 8 September 2013, can the Minister provide an itemised list of costs incurred, including but not limited to (a) date of use, (b) call or data type, (c) location of use, (d) length or size of the call or download, and (e) cost per call or data download.

Mr Fletcher: The answer to the honourable member's question is as follows:

The Department only has hardcopy user reports for the subject period. Manually compiling the requested information would require an unreasonable diversion of resources. The Department is currently moving to an electronic system that will enable the Department to answer future (non-retrospective) requests of this nature.

**Treasury: Global Roaming Departmental and Agency Staff Costs**  
(Question No. 1926)

Mr Conroy asked the Treasurer, in writing, on 10 November 2015:

In respect of global roaming costs for departmental and agency staff on information and communications technology devices since 8 September 2013, and can the Minister provide an itemised list of costs incurred, including but not limited to (a) date of use, (b) call or data type, (c) location of use, (d) length or size of the call or download, and (e) cost per call or data download.

Mr Morrison: The answer to the honourable member's question is as follows:
To provide an itemised list of global roaming costs showing dates, call types, location of use, length or size of the call or download and costs per call download would be an unreasonable diversion of resources.

**Department of Finance: Departmental and Agency Venue Hire Costs 2014-15**
*(Question No. 1954)*

**Mr Conroy** asked the Minister representing the Minister for Finance, in writing, on 10 November 2015:

In respect of the departmental and agency venue hire in 2014-15:

a) what total sum was spent,
b) what functions were these hires for, and
c) on what dates were these functions held.

**Mr Morrison:** The Minister for Finance has supplied the following answer to the honourable member's question:

a) A total of $345,224 was spent by the Department and agencies in the Finance portfolio on venue hire in 2014-15, noting that reported costs also include other costs such as equipment hire and catering costs associated with each function or event. This includes $161,373 spent by the Australian Electoral Commission, half of which relates to the WA Senate by-election in 2014.

b) Various events, meetings, workshops, presentations and seminars.

c) Various.

**Department of Finance: Departmental and Agency Venue Hire Costs 2014-15**
*(Question No. 1955)*

**Mr Conroy** asked the Special Minister of State, in writing, on 10 November 2015:

In respect of the departmental and agency venue hire in 2014-15:

a) what total sum was spent,
b) what functions were these hires for, and
c) on what dates were these functions held.

**Mr Morrison:** The Minister for Finance, as the senior portfolio Minister, has supplied the following answer to the honourable member's question:

a) – c) Please refer to the response provided to Parliamentary Question in Writing 1954.

**Treasury: Intergenerational Report**
*(Question No. 2022)*

**Mr Conroy** asked the Treasurer, in writing, on 11 November 2015:

In respect of 2015 Intergenerational Report, can he provide an itemised account of all associated costs, including (a) agents' fees, (b) travel allowances, (c) accommodation, and (d) payment for Dr Karl Kruszelnicki's services.

**Mr Morrison:** The answer to the honourable member's question is as follows:

Treasury does not have a contract with Dr Karl Kruszelnicki. He was engaged through the creative agency and therefore Treasury cannot comment about the details of the contract, including associated costs.
Treasury: Advisory Council
(Question No. 2051)

Mr Conroy asked the Treasurer, in writing, on 23 November 2015:

(1) Has the Minister established an Advisory Council; if not, why not.

(2) If the Minister has established an Advisory Council, (a) on what date, (b) who are the members, (c) what are its functions and purpose (mission/charter), (d) how often has it met and what were the outcomes, (e) for each meeting, will the Minister's department provide the following, the (i) date, (ii) name of the host city/town, (iii) attendance record, (iv) venue and why it was chosen, (v) details of allowances paid to Advisory Council members for expenses, including but not limited to travel and accommodation, (vi) itemised details of hospitality and catering, including but not limited to the cost of meals, beverages and any other costs associated with food and beverages, and (f) has the Minister's department provided any equipment to Advisory Council members, including but not limited to (i) business cards, (ii) personalised pens and stationery, (iii) mobile phones, (iv) laptops, (v) tablet devices, and (vi) email addresses; if so, can an itemised breakdown of these costs be provided.

Mr Morrison: The answer to the honourable member's question is as follows:

1) As the responsibilities of the Treasury portfolio ministers are diverse, the Treasurer has designated a number of existing bodies to fulfil the role of the Treasurer's Ministerial Advisory Councils (MACs) including the Board of Taxation (for tax matters) and the Financial Reporting Council (for financial reporting matters). In addition, the Financial Sector Advisory Council (FSAC) assumed responsibilities as a MAC until June 2014 when members' terms expired. The Government has now decided to reconstitute FSAC as part of its response to the Financial System Inquiry and its responsibilities will include those of a MAC.

2) (a – e) See the Treasury Portfolio Annual Report on Deregulation 2014 (pages 6-7) for further background relating to Treasury portfolio MACs.


Additional information on the role the Board of Taxation played as a MAC can be found on their website - http://taxboard.gov.au/current-activities/deregulation/

(f) The bodies fulfilling the role of a MAC for the Treasurer met all costs within their existing budgets.

Indi Electorate: Rail Infrastructure Expenditure
(Question No. 2124)

Ms McGowan asked the Minister for Infrastructure and Transport, in writing, on 30 November 2015:

Further to his answer to question in writing No. 695 (House Hansard, 15 June 2015, page 6293), (a) of the $740 million the Government allocated to rail programs in Australia in 2014-15, what sum was allocated to rail in the electoral division of Indi, and of this, what sum was spent in 2014-15, (b) what is the detailed breakdown of actual versus budgeted rail expenditure in the electoral division of Indi during 2014-15, (c) what modelling has the Government conducted to determine future budget requirements for rail in the electoral division of Indi for 2016-17 to 2018-19, and (d) has the Government determined the level of expenditure required to perform rail track upgrades in the electoral division of Indi prior to the commencement of the Inland Rail project in 2019.
Mr Chester: The answer to the honourable member's question is as follows:

(a) The Government did not directly fund any rail project in the electoral division of Indi in 2014-15. However, the Government paid $29,567,227 in 2014-15 towards the Melbourne to Brisbane Inland Rail project, which will run through the electorate of Indi. It is not possible to break down this figure by electorate.

(b) N/A.

(c) N/A.

(d) No.