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SITTING DAYS—2011

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FORTY-THIRD PARLIAMENT
FIRST SESSION—THIRD PERIOD

Governor-General
Her Excellency Ms Quentin Bryce, Companion of the Order of Australia

House of Representatives Officeholders
Speaker—Mr Harry Alfred Jenkins MP
Deputy Speaker—Hon. Peter Neil Slipper MP
Second Deputy Speaker—Hon. Bruce Craig Scott MP

Members of the Speaker’s Panel—Ms Anna Elizabeth Burke MP, Hon. Dick Godfrey Harry Adams MP, Ms Sharon Leah Bird MP, Mrs Yvette Maree D’Ath MP, Mr Steven Georganas MP, Ms Kirsten Fiona Livermore MP, Mr John Paul Murphy MP, Mr Peter Sid Sidebottom MP, Mr Kelvin John Thomson MP, Ms Maria Vamvakinou MP

Leader of the House—Hon. Anthony Norman Albanese MP
Deputy Leader of the House—Hon. Stephen Francis Smith MP
Manager of Opposition Business—Hon. Christopher Maurice Pyne MP
Deputy Manager of Opposition Business—Mr Luke Hartsuyker MP

Party Leaders and Whips
Australian Labor Party
Leader—Hon. Julia Eileen Gillard MP
Deputy Leader—Hon. Wayne Maxwell Swan MP
Chief Government Whip—Hon. Joel Andrew Fitzgibbon MP
Government Whips—Ms Jill Griffiths Hall MP and Mr Christopher Patrick Hayes MP

Liberal Party of Australia
Leader—Hon. Anthony John Abbott MP
Deputy Leader—Hon. Julie Isabel Bishop MP
Chief Opposition Whip—Hon. Warren George Entsch MP
Opposition Whips—Mr Patrick Damien Secker MP and Ms Nola Bethwyn Marino MP

The Nationals
Leader—Hon. Warren Errol Truss MP
Chief Whip—Mr Mark Maclean Coulton MP
Whip—Mr Paul Christopher Neville MP

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<td>Turnbull, Hon. Malcolm Bligh</td>
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<tr>
<td>Vamvakinou, Maria</td>
<td>Calwell, VIC</td>
<td>ALP</td>
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<tr>
<td>Van Manen, Albertus Johannes</td>
<td>Forde, QLD</td>
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## Members of the House of Representatives

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<td>Washer, Malcom James</td>
<td>Moore, WA</td>
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<tr>
<td>Wilkie, Andrew Damien</td>
<td>Denison, TAS</td>
<td>Ind</td>
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<tr>
<td>Windsor, Anthony Harold Curties</td>
<td>New England, NSW</td>
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<tr>
<td>Wyatt, Kenneth George</td>
<td>Hasluck, WA</td>
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<tr>
<td>Zappia, Tony</td>
<td>Makin, SA</td>
<td>ALP</td>
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### PARTY ABBREVIATIONS

ALP—Australian Labor Party; LP—Liberal Party of Australia; LNP—Liberal National Party; CLP—Country Liberal Party; Nats—The Nationals; NWA—The Nationals WA; Ind—Independent; AG—Australian Greens

### Heads of Parliamentary Departments

- Clerk of the Senate—R Laing
- Clerk of the House of Representatives—B Wright
- Secretary, Department of Parliamentary Services—A Thompson
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<td>Hon. Julia Gillard MP</td>
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<tr>
<td>Deputy Prime Minister, Treasurer</td>
<td>Hon. Wayne Swan MP</td>
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<tr>
<td>Minister for Regional Australia, Regional Development and Local Government</td>
<td>Hon. Simon Crean MP</td>
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<tr>
<td>Minister for Tertiary Education, Skills, Jobs and Workplace Relations and Leader of the Government in the Senate</td>
<td>Senator Hon. Chris Evans</td>
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<td>Minister for School Education, Early Childhood and Youth</td>
<td>Hon. Peter Garrett AM, MP</td>
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<tr>
<td>Minister for Broadband, Communications and the Digital Economy and Deputy Leader of the Government in the Senate</td>
<td>Senator Hon. Stephen Conroy</td>
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<td>Minister for Foreign Affairs</td>
<td>Hon. Kevin Rudd MP</td>
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<td>Minister for Trade</td>
<td>Hon. Dr Craig Emerson MP</td>
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<tr>
<td>Minister for Defence and Deputy Leader of the House</td>
<td>Hon. Stephen Smith MP</td>
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<td>Minister for Immigration and Citizenship</td>
<td>Hon. Chris Bowen MP</td>
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<td>Minister for Infrastructure and Transport and Leader of the House</td>
<td>Hon. Anthony Albanese MP</td>
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<td>Minister for Health and Ageing</td>
<td>Hon. Nicola Roxon MP</td>
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<td>Minister for Families, Housing, Community Services and Indigenous Affairs</td>
<td>Hon. Jenny Macklin MP</td>
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<td>Minister for Sustainability, Environment, Water, Population and Communities</td>
<td>Hon. Tony Burke MP</td>
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<td>Minister for Finance and Deregulation</td>
<td>Senator Hon. Penny Wong</td>
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<td>Minister for Innovation, Industry, Science and Research</td>
<td>Senator Hon. Kim Carr</td>
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<tr>
<td>Attorney-General and Vice President of the Executive Council</td>
<td>Hon. Robert McClelland MP</td>
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<tr>
<td>Minister for Agriculture, Fisheries and Forestry and Manager of Government Business in the Senate</td>
<td>Senator Hon. Joe Ludwig</td>
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<tr>
<td>Minister for Resources and Energy and Minister for Tourism</td>
<td>Hon. Martin Ferguson AM, MP</td>
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<tr>
<td>Minister for Climate Change and Energy Efficiency</td>
<td>Hon. Greg Combet AM, MP</td>
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GILLARD MINISTRY—continued

Minister for the Arts
Hon. Simon Crean MP
Minister for Social Inclusion
Hon. Tanya Plibersek MP
Minister for Privacy and Freedom of Information
Hon. Brendan O’Connor MP
Minister for Sport
Senator Hon. Mark Arbib
Special Minister of State for the Public Service and Integrity
Hon. Gary Gray AO, MP
Assistant Treasurer and Minister for Financial Services and Superannuation
Hon. Bill Shorten MP
Minister for Employment Participation and Childcare
Hon. Kate Ellis MP
Minister for Indigenous Employment and Economic Development
Senator Hon. Mark Arbib
Minister for Veterans’ Affairs and Minister for Defence Science and Personnel
Hon. Warren Snowdon MP
Minister for Defence Materiel
Hon. Jason Clare MP
Minister for Indigenous Health
Hon. Warren Snowdon MP
Minister for Mental Health and Ageing
Hon. Mark Butler MP
Minister for the Status of Women
Hon. Kate Ellis MP
Minister for Social Housing and Homelessness
Senator Hon. Mark Arbib
Special Minister of State
Hon. Gary Gray AO, MP
Minister for Small Business
Senator Hon. Nick Sherry
Minister for Home Affairs and Minister for Justice
Hon. Brendan O’Connor MP
Minister for Human Services
Hon. Tanya Plibersek MP
Cabinet Secretary
Hon. Mark Dreyfus QC, MP
Parliamentary Secretary to the Prime Minister
Senator Hon. Kate Lundy
Parliamentary Secretary to the Treasurer
Hon. David Bradbury MP
Parliamentary Secretary for School Education and Workplace Relations
Senator Hon. Jacinta Collins
Minister Assisting the Prime Minister on Digital Productivity
Senator Hon. Stephen Conroy
Parliamentary Secretary for Trade
Hon. Justine Elliot MP
Parliamentary Secretary for Pacific Island Affairs
Hon. Richard Marles MP
Parliamentary Secretary for Defence
Senator Hon. David Feeney
Parliamentary Secretary for Immigration and Multicultural Affairs
Senator Hon. Kate Lundy
Parliamentary Secretary for Infrastructure and Transport and Parliamentary Secretary for Health and Ageing
Hon. Catherine King MP
Parliamentary Secretary for Disabilities and Carers
Senator Hon. Jan McLucas
Parliamentary Secretary for Community Services
Hon. Julie Collins MP
Parliamentary Secretary for Sustainability and Urban Water
Senator Hon. Don Farrell
Minister Assisting on Deregulation and Public Sector Superannuation
Senator Hon. Nick Sherry
Minister Assisting the Attorney-General on Queensland Floods Recovery
Senator Hon. Joe Ludwig
Parliamentary Secretary for Agriculture, Fisheries and Forestry
Hon. Dr Mike Kelly AM, MP
Minister Assisting the Minister for Tourism
Senator Hon. Nick Sherry
Parliamentary Secretary for Climate Change and Energy Efficiency
Hon. Mark Dreyfus QC, MP
SHADOW MINISTRY

Leader of the Opposition
Hon. Tony Abbott MP

Deputy Leader of the Opposition and Shadow Minister for Foreign Affairs and Shadow Minister for Trade
Hon. Julie Bishop MP

Leader of the Nationals and Shadow Minister for Infrastructure and Transport
Hon. Warren Truss MP

Leader of the Opposition in the Senate and Shadow Minister for Employment and Workplace Relations
Senator Hon. Eric Abetz

Deputy Leader of the Opposition in the Senate and Shadow Attorney-General and Shadow Minister for the Arts
Senator Hon. George Brandis SC

Shadow Treasurer
Hon. Joe Hockey MP

Shadow Minister for Education, Apprenticeships and Training and Manager of Opposition Business in the House
Hon. Christopher Pyne MP

Shadow Minister for Indigenous Affairs and Deputy Leader of the Nationals
Senator Hon. Nigel Scullion

Shadow Minister for Regional Development, Local Government and Water and Leader of the Nationals in the Senate
Senator Barnaby Joyce

Shadow Minister for Finance, Deregulation and Debt Reduction and Chairman, Coalition Policy Development Committee
Hon. Andrew Robb AO, MP

Shadow Minister for Energy and Resources
Hon. Ian Macfarlane MP

Shadow Minister for Defence
Senator Hon. David Johnston

Shadow Minister for Communications and Broadband
Hon. Malcolm Turnbull MP

Shadow Minister for Health and Ageing
Hon. Peter Dutton MP

Shadow Minister for Families, Housing and Human Services
Hon. Kevin Andrews MP

Shadow Minister for Climate Action, Environment and Heritage
Hon. Greg Hunt MP

Shadow Minister for Productivity and Population and Shadow Minister for Immigration and Citizenship
Mr Scott Morrison MP

Shadow Minister for Innovation, Industry and Science
Mrs Sophie Mirabella MP

Shadow Minister for Agriculture and Food Security
Hon. John Cobb MP

Shadow Minister for Small Business, Competition Policy and Consumer Affairs
Hon. Bruce Billson MP

[The above constitute the shadow cabinet]
SHADOW MINISTRY—continued

- Shadow Minister for Employment Participation: Hon. Sussan Ley MP
- Shadow Minister for Justice, Customs and Border Protection: Mr Michael Keenan MP
- Shadow Assistant Treasurer and Shadow Minister for Financial Services and Superannuation: Senator Mathias Cormann
- Shadow Minister for Childcare and Early Childhood Learning: Hon. Sussan Ley MP
- Shadow Minister for Universities and Research: Senator Hon. Brett Mason
- Shadow Minister for Youth and Sport and Deputy Manager of Opposition Business in the House: Mr Luke Hartsuyker MP
- Shadow Minister for Indigenous Development and Employment: Senator Marise Payne
- Shadow Minister for Regional Development: Hon. Bob Baldwin MP
- Shadow Special Minister of State: Hon. Bronwyn Bishop MP
- Shadow Minister for COAG: Senator Marise Payne
- Shadow Minister for Tourism: Hon. Bob Baldwin MP
- Shadow Minister for Defence Science, Technology and Personnel: Mr Stuart Robert MP
- Shadow Minister for Veterans' Affairs and Shadow Minister Assisting the Leader of the Opposition on the Centenary of ANZAC: Senator Hon. Michael Ronaldson
- Shadow Minister for Regional Communications: Mr Luke Hartsuyker MP
- Shadow Minister for Ageing and Shadow Minister for Mental Health: Senator Concetta Fierravanti-Wells
- Shadow Minister for Seniors: Hon. Bronwyn Bishop MP
- Shadow Minister for Disabilities, Carers and the Voluntary Sector and Manager of Opposition Business in the Senate: Senator Mitch Fifield
- Shadow Minister for Housing: Senator Marise Payne
- Chairman, Scrutiny of Government Waste Committee: Mr Jamie Briggs MP
- Shadow Cabinet Secretary: Hon. Philip Ruddock MP
- Shadow Parliamentary Secretary Assisting the Leader of the Opposition: Senator Cory Bernardi
- Shadow Parliamentary Secretary for International Development Assistance: Hon. Teresa Gambaro MP
- Shadow Parliamentary Secretary for Roads and Regional Transport: Mr Darren Chester MP
- Shadow Parliamentary Secretary to the Shadow Attorney-General: Senator Gary Humphries
- Shadow Parliamentary Secretary for Tax Reform and Deputy Chairman, Coalition Policy Development Committee: Hon. Tony Smith MP
- Shadow Parliamentary Secretary for Regional Education: Senator Fiona Nash
- Shadow Parliamentary Secretary for Northern and Remote Australia: Senator Hon. Ian Macdonald
- Shadow Parliamentary Secretary for Local Government: Mr Don Randall MP
- Shadow Parliamentary Secretary for the Murray-Darling Basin: Senator Simon Birmingham
- Shadow Parliamentary Secretary for Defence Materiel: Senator Gary Humphries
- Shadow Parliamentary Secretary for the Defence Force and Defence Support: Senator Hon. Ian Macdonald
SHADOW MINISTRY—continued

Shadow Parliamentary Secretary for Primary Healthcare
Dr Andrew Southcott MP

Shadow Parliamentary Secretary for Regional Health Services and Indigenous Health
Mr Andrew Laming MP

Shadow Parliamentary Secretary for Supporting Families
Senator Cory Bernardi

Shadow Parliamentary Secretary for the Status of Women
Senator Michaelia Cash

Shadow Parliamentary Secretary for Environment
Senator Simon Birmingham

Shadow Parliamentary Secretary for Citizenship and Settlement
Hon. Teresa Gambaro MP

Shadow Parliamentary Secretary for Immigration
Senator Michaelia Cash

Shadow Parliamentary Secretary for Innovation, Industry, and Science
Senator Hon. Richard Colbeck

Shadow Parliamentary Secretary for Fisheries and Forestry
Senator Hon. Richard Colbeck

Shadow Parliamentary Secretary for Small Business and Fair Competition
Senator Scott Ryan
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The SPEAKER (Mr Harry Jenkins) took the chair at 9 am, made an acknowledgment of country and read prayers.

**BILLS**

**Navigation Amendment Bill 2011**

**First Reading**

Bill and explanatory memorandum presented by Mr Albanese.
Bill read a first time.

**Second Reading**

Mr ALBANESE (Grayndler—Leader of the House and Minister for Infrastructure and Transport) (9:01): I move:

That this bill be now read a second time.

Shipping carries 99 per cent of Australia's trade by volume and Australia's shipping task makes up 10 per cent of the entire world's seaborne trade.

If cargo is to be transported efficiently by ships, it is essential to ensure that accidents which lead to pollution, injury or death are minimised. This cannot be achieved only by ensuring that ships are seaworthy. It is also necessary to ensure that ships entering and leaving Australian ports are manned by well-qualified crews who have decent working conditions.

We cannot reasonably expect seafarers who are subject to Third World living and working conditions to provide First World shipping services. Recognising the importance of seafarers to the world economy, the International Labour Organisation (ILO), in 2006, adopted the Maritime Labour Convention (MLC).

The MLC is considered to be the fourth pillar of the international shipping regime complementing major conventions of the IMO on environmental protection, ship safety and ship security.

The MLC is intended to provide decent working conditions for seafarers by setting minimum requirements for seafarers to work on a ship. Matters addressed by the MLC include conditions of employment, accommodation, recreational facilities, food and catering, health protection, medical care, welfare and social security protection.

I am pleased to be able to say that implementation of the MLC in Australia is strongly supported by the maritime industry, unions and employer associations. Indeed, the tripartite Australian delegation, which participated in meetings leading up to the adoption of the MLC and in the conference which adopted it, included representatives of the Maritime Union of Australia and the Australian Shipowners Association as well as Australian government officials. The composition of the Australian delegation reflected the unique arrangements for ILO meetings which bring together representatives of governments, employers and workers to jointly shape policies and programs.

The MLC will apply in Australia to ships of 200 gross tons and over, whether engaged on domestic or international voyages. However, the MLC requirement for ships to carry documentation as evidence of compliance applies only to ships of 500 gross tons and over engaged in voyages to or from ports outside their country of registration.

The Navigation Amendment Bill which is being introduced today provides for the implementation of the MLC in Australia. It amends the Navigation Act 1912 to ensure that there is consistency between that act and the MLC.

The most significant amendments contained in the bill are the amendments to
Part IV of the Navigation Act to establish the inspection and certification requirements to ensure that ships actually comply with the MLC.

In accordance with the MLC, Australian ships of 500 gross tons and over trading to or from overseas ports will be required to be issued with two documents—a declaration of maritime labour compliance and a maritime labour certificate.

The declaration of maritime labour compliance will list the requirements that must be met by a particular ship to meet the standards set out in the MLC and will list the proposed measures that will be taken by the shipowner for initial and ongoing compliance with the MLC.

The maritime labour certificate will be issued after a ship has been inspected and has been found to meet the requirements of the MLC. A maritime labour certificate will be subject to periodic validation based on intermediate, renewal or additional inspections as required. Such a certificate will be valid for a maximum period of five years before it must be renewed.

Surveyors from the Australian Maritime Safety Authority will inspect foreign ships at Australian ports during routine port state control inspections to ensure that those ships comply with the requirements of the MLC. The carriage on board of a declaration of maritime labour compliance and a maritime labour certificate will usually be accepted as prima facie evidence of compliance with the MLC and will mean that a full inspection is not required. Australian ships will be subject to similar inspections at foreign ports in countries that are parties to the MLC.

While it is only ships of 500 gross tons and over trading internationally that will be required to carry certificates, it is expected that the owners of many other ships will apply for the issue of certificates for their ships. This will be an easy way for such ships to demonstrate their compliance with the MLC and will avoid the potentially costly delays that may occur if a ship is detained for a full inspection to ensure its compliance with the MLC. This bill provides for the issue of a declaration of maritime labour compliance and a maritime labour certificate to any ship which seeks them and which, after inspection, is found to comply with the MLC.

As well as amendments relating to the MLC, this bill also makes two minor amendments to the Navigation Act to facilitate the reporting of the positions of ships. The bill will amend the definition of ‘vessel traffic service’ in subsection 411(3) and will widen the regulation-making power to allow for the making of regulations relating to vessel traffic services.

These two amendments will help provide full legal backing for the extension, from 1 July 2011, of the current vessel traffic services to the southern part of the Great Barrier Reef. The amendments are part of the government response to the grounding of the Shen Neng 1 in the Great Barrier Reef in April 2010 and are intended to help ensure the protection of this wonderful part of the Australian environment. I commend this bill to the House.

Debate adjourned.

Protection of the Sea (Prevention of Pollution from Ships) Amendment (Oil Transfers) Bill 2011

First Reading

Bill and explanatory memorandum presented by Mr Albanese.

Bill read a first time.

Second Reading

Mr ALBANESE (Grayndler—Leader of the House and Minister for Infrastructure and Transport) (09:07): I move:
That this bill be now read a second time.

Australian transport relies almost entirely on oil products. A significant amount of Australia's oil is imported as crude oil for refining at one of Australia's seven oil refineries.

On occasions, crude oil is transported in supertankers. Because of their size, these large ships are unable to enter most ports. To enable their cargo to be taken to an oil refinery, it will often be transferred to two or more smaller tankers. There may also be other times when oil cargo is transferred between tankers.

While such transfers are rare in Australian waters, indeed the first and, so far, only such transfer was successfully carried out off the New South Wales coast in March of this year, it is important that they be carried out in a responsible manner.

The Marine Environment Protection Committee of the International Maritime Organisation has recognised the potential for pollution damage resulting from an oil spill during a ship-to-ship oil transfer operation. In July 2009, the committee adopted amendments to annex I of the International Convention for the Prevention of Pollution from Ships, MARPOL, to regulate ship-to-ship oil transfers. The purpose of this bill is to implement those amendments in Australia.

The key provision of the bill is the requirement for all tankers with a gross tonnage of 150 tons or more to have on board an operations plan setting out how ship-to-ship oil transfer operations are to be conducted. The carriage of such a plan indicates that a tanker is fully prepared to undertake ship-to-ship oil transfers in accordance with the requirements of annex I of MARPOL. Transfers are to be carried out in accordance with the plan.

Should a plan not be in place for a tanker involved in an oil transfer operation, then the risk of an oil spill would be greatly increased. Failure to have a plan would be an indication that the tanker may not have sufficient safeguards in place to avoid an oil spill and that there is the potential for major environmental damage resulting from the escape of oil during the oil transfer operation.

The ship-to-ship operations plans for Australian oil tankers will be checked and, if found to comply with the requirements of the amendments contained in this bill, will be approved by the Australian Maritime Safety Authority.

The master of an oil tanker involved in a ship-to-ship oil transfer operation will be required to notify the administration of the country in whose waters the transfer is to take place. Notification is required at least 48 hours before oil transfer operations begin. This is to allow sufficient time for authorities to ensure that pollution response equipment is on standby in case of an oil spill during the transfer.

The requirements set out in the bill will apply to all ship-to-ship oil transfer operations carried out from 1 April 2012. The requirements will also apply to any tanker which has undergone a survey to check compliance with safety and marine pollution prevention requirements between the date of royal assent of this bill and 1 April 2012.

Since coming to power in 2007 this government has significantly improved the protection of Australia's marine environment, and this bill continues that work. I commend this bill to the House.

Debate adjourned.
Offshore Petroleum and Greenhouse Gas Storage Amendment (National Regulator) Bill 2011

First Reading

Bill and explanatory memorandum presented by Mr M Ferguson.

Bill read a first time.

Second Reading

Mr MARTIN FERGUSON (Batman—Minister for Resources and Energy and Minister for Tourism) (09:13): I move:

That this bill be now read a second time.

This bill amends the Offshore Petroleum and Greenhouse Gas Storage Act 2006 to establish a national offshore regulator of safety, integrity and environmental management of petroleum and greenhouse gas storage activities in Commonwealth waters. A national offshore titles administrator will also be established through amendments in this bill to administer titles in Commonwealth waters. This is the principal bill in a package of complementary amendment bills which I will be introducing in this session.

This bill will largely implement the government's response to the 2009 Productivity Commission's Review of Regulatory Burden on the Upstream Petroleum (Oil and Gas) Sector, which I will be tabling with the government's final response to the report on the Montara commission of inquiry later today. The Productivity Commission's principal recommendation to reduce unnecessary burden on the industry was the establishment of a national offshore petroleum regulator. It found the existing system was burdensome, slow and lacked consistency across jurisdictions.

The report of the Montara commission of inquiry of June 2010 recommended that, at a minimum, the proposal to establish a national offshore petroleum regulator should be pursued. The Montara commission specifically recommended the establishment of a single independent regulatory body looking after safety as a primary objective but adding well integrity and environmental management.

The 2008 Varanus Island pipeline explosion and the 2009 Montara oil and gas blow-out highlighted the need for improvement in the regulatory regime to be robust and seamless.

The existing regulatory arrangements are complex, disjointed and involve inconsistent administration, including regulatory duplication across governments. These inadequacies largely stem from the risk of regulatory gaps arising from the regulation of safety and integrity being separate from the regulation of environment and day-to-day operations.

Maintaining the current arrangements is not a credible option in light of the Productivity Commission review and the report of the Montara commission of inquiry.

Currently the Commonwealth has legislative responsibility for petroleum operation in Australia's offshore areas beyond three nautical miles. However, day-to-day regulation is undertaken by the designated authority in each state and in the Northern Territory.

This system, which requires seven separate designated authority regulators for Commonwealth borders around Australia, made sense when established, particularly bearing in mind that at that time the two key jurisdictions, Victoria and Western Australia, both had well-established regulators more familiar with day-to-day offshore petroleum operations than was the Commonwealth.

As Commonwealth expertise and involvement in regulating offshore operations has developed, in particular
following the establishment of NOPSA, the inefficiencies and limitations inherent in the DA model has become more apparent.

These shortcomings have been highlighted by the Montara incidence.

The proposals that I am now putting to the parliament bring the legislative framework governing offshore petroleum operations into line with the Commonwealth's administrative capacities in order to ensure that day-to-day administration of our highly regarded regulatory regime can truly be said to be world's best practice.

With the reforms contained in this package of legislative amendments, the government is replacing the seven designated authorities with an integrated regulatory system, promoting consistency and efficiency across Commonwealth waters.

The administration of titles will be centralised and the new national offshore petroleum titles administrator will replace the designated authority system currently in place for Commonwealth waters. However, the joint authority, which comprises the Commonwealth minister and the relevant state or territory minister, will be retained as the decision maker for key petroleum title decisions.

Retaining the joint authorities for petroleum titles ensures that each state and the Northern Territory continue to have a role in decision making on key petroleum projects in Commonwealth waters that could impact the individual state or territory. NOPTA will make recommendations to the joint authorities on key title decisions as well as administer titles and collect data relating to petroleum and greenhouse gas storage activities in Commonwealth waters.

As is currently the case, the responsible Commonwealth ministers view will prevail in the event of a disagreement. The Commonwealth minister will also remain the decision maker for greenhouse gas storage titles. States and territories will have an option to confer their administrative powers in their coastal waters on NOPTA.

The existing National Offshore Petroleum Safety Authority functions are to be increased to complement their expanded responsibility for well integrity regulation, which the parliament passed last year.

A single national offshore petroleum regulator will ensure only one agency regulates the safety of Australia's offshore petroleum workers and the environment from exploration through to decommissioning. Safety and environment protection and day-to-day operational consents are all concerned with integrity and it is essential that they be regulated in an integrated manner.

The expanded authority will be known as the National Offshore Petroleum Safety and Environment Management Authority.

In developing these reforms, the Australian government has undertaken significant stakeholder consultation over the last 15 months with states and the Northern Territory, as well as with NOPSA and the industry.

As with NOPSA currently, both NOPTA and NOPSEMA will be based in Perth, convenient for the oil and gas industry, and will operate on a full cost-recovery basis.

This approach is consistent with the Australian government's policy on cost recovery and will help ensure minimal cost to regulatory burden to industry.

These cost-recovery arrangements will be reviewed regularly in consultation with the industry.

The establishment cost of NOPTA and NOPSEMA will also be cost recovered through the existing registration fees paid by the industry on transfers and dealings with offshore titles.
Once the establishment costs of NOPSEMA and NOPTA are fully recovered, currently expected in 2013, these fees will be scrapped, representing a significant cost saving for the industry.

Additionally, these reforms also deliver on the government's commitment to the Council of Australian Government's reform priorities. COAG's national partnership agreement to deliver a seamless national economy includes milestones to implement the agreed Productivity Commission recommendations and remove unnecessary burdens on industry.

The offshore oil and gas industry is vital to sustaining our country's economic prosperity and security.

By passing this bill, together with the other complementary bills, we will help deliver on the government's commitment to ensuring the Australian community's confidence in the regulation of the offshore petroleum industry by ensuring operating standards are the best and safest in the world.

The reforms put forward through these bills will help streamline Australia's regulatory system, ensuring continuing competitive advantage for the necessary investment in Australia's offshore oil and gas industry to develop our resources for all Australians.

I commend the bill to the House.

Debate adjourned.

Second Reading

Mr MARTIN FERGUSON (Batman—Minister for Resources and Energy and Minister for Tourism) (09:22): I move:

That this bill be now read a second time.

This bill amends the Offshore Petroleum and Greenhouse Gas Storage (Registration Fees) Act 2006, the Registration Fees Act, as it will be known. The amendments are consequential to the amendments in the Offshore Petroleum and Greenhouse Gas Storage Amendment (National Regulator) Bill 2011.

The national regulator bill establishes a National Offshore Petroleum Titles Administrator to administer titles and to advise the joint authorities on key petroleum title decisions. NOPTA will replace the seven designated authorities as the titles administrator for Commonwealth waters. This bill will replace references to the designated authority in the Registration Fees Act with references to the titles administrator.

The national regulator bill makes provision for the registration fees collected under this act to be retained to recover the costs of establishing NOPTA and the National Offshore Petroleum Safety and Environmental Management Authority. Following the recovery of these establishment costs expected in 2013, the 1.5 per cent registration fee will be scrapped and replaced with a cost recovery fee which reflects the actual cost of administration with the required expertise. This will create significant savings for the industry.

I commend the bill to the House.

Debate adjourned.
Offshore Petroleum (Royalty) Amendment Bill 2011
First Reading
Bill and explanatory memorandum presented by Mr M Ferguson.
Bill read a first time.

Second Reading
Mr MARTIN FERGUSON (Batman—Minister for Resources and Energy and Minister for Tourism) (09:24): I move:
That this bill be now read a second time.

This bill is to make consequential amendments to the Offshore Petroleum (Royalty) Act 2006. The amendments are a result of the Offshore Petroleum and Greenhouse Gas Storage Amendment (National Regulator) Bill 2011, which establishes a National Offshore Petroleum Titles Administrator and the National Offshore Petroleum Safety and Environmental Management Authority.

NOPTA will advise the joint authorities on key petroleum title decisions and administer titles and collect and release data. NOPTA will replace the seven designated authorities as the administrator of day-to-day petroleum activities in Commonwealth waters. To reflect this reform, this bill amends the royalty act to replace references to the designated authority with the titles administrator. The bill has no impact on the level of royalties paid by industry or on the sharing of those royalties with Western Australia.

I commend the bill to the House.
Debate adjourned.

Offshore Resources Legislation Amendment (Personal Property Securities) Bill 2011
First Reading
Bill and explanatory memorandum presented by Mr M Ferguson.
Bill read a first time.

Second Reading
Mr MARTIN FERGUSON (Batman—Minister for Resources and Energy and Minister for Tourism) (09:26): I move:
That this bill be now read a second time.

This bill excludes application of the Personal Property Securities Act 2009 to the Offshore Petroleum and Greenhouse Gas Storage Act 2006 and the Offshore Minerals Act 1994. The Personal Property Securities Act 2009 establishes a single national Personal Property Securities Register. While yet to commence operation, it is to become the primary register of personal property securities interests throughout Australia.

Commonwealth legislation, including the Offshore Petroleum and Greenhouse Gas Storage Act 2006 and the Offshore Minerals Act 1994, is not automatically affected by the Personal Property Securities Act 2009. However, it is stated Commonwealth policy that, in order to remove duplication and increase clarity, existing approval and registration requirements for personal property securities and dealings in these securities are either removed from Commonwealth acts so the Personal Property Securities Act 2009 registration requirements only will apply or that the Personal Property Securities Act 2009 is expressly excluded from the application to personal property under the relevant Commonwealth acts dealing with personal property and interests in personal property.

Chapters 4 and 5 of the Offshore Petroleum and Greenhouse Gas Storage Act
2006 relate to registration of, transfers of and dealings in petroleum titles and greenhouse gas titles respectively. Chapter 3 of the Offshore Minerals Act 1994 relates to registration and dealings for offshore minerals titles. Under these registration amendments in the Offshore Petroleum and Greenhouse Gas Storage Act 2006 the regulator has the ability to refuse to approve a dealing in relation to a petroleum title and the responsible Commonwealth minister has the ability to refuse to approve a dealing in relation to a greenhouse gas title.

The ability to refuse approval and registration of an interest underpins the purpose of the registration requirement to enable the Australian government to ensure the sustainability of the entities that are potentially able to exercise control over the exploitation of Australia's offshore petroleum resources. There is no such approval mechanism contained in the Personal Property Securities Act 2009 as a precursor to registering an interest on the Personal Property Securities Register.

By not excluding the Offshore Petroleum and Greenhouse Gas Storage Act 2006 from the Personal Property Securities Act 2009, the situation could conceivably arise whereby a dealing refused under the Offshore Petroleum and Greenhouse Gas Storage Act 2006 could in fact be registered in the Personal Property Securities Register, which could lead to legal confusion over the standing of the security interest. Further to this, state and territory governments have advised the Commonwealth that they are electing to opt out of or exclude the operation of the Personal Property Securities Act 2009 for their onshore mining schemes—therefore excluding application of the Personal Property Securities Act 2009 to the Offshore Petroleum and Greenhouse Gas Storage Act 2006. The Offshore Minerals Act 1994 is important to ensure consistency between the onshore and offshore mining regimes and to minimise the potential regulatory burden and cost to the mining industry and its investors in complying with different registration requirements, potentially skewing investment between onshore and offshore and having to keep abreast of developments.

I commend the bill to the House.

Debate adjourned.


First Reading

Bill and explanatory memorandum presented by Mr M Ferguson.

Bill read a first time.

Second Reading

Mr MARTIN FERGUSON (Batman—Minister for Resources and Energy and Minister for Tourism) (09:31): I move:

That this bill be now read a second time.

This bill will ensure that the Australian community does not bear the cost of regulating offshore investor activities, while reducing unnecessary regulatory burden and cost on industry. This bill amends the Offshore Petroleum Greenhouse Gas Storage (Regulatory Levies) Act 2003 to provide for the imposition of two new types of levies: firstly, an annual titles administration levy for each year of the term of that title; and, secondly, an environment plan levy to be imposed on a titleholder when an application is made for either acceptance or revision of an environmental plan.

Through these levies the new National Offshore Petroleum Titles Administrator and the expanded National Offshore Petroleum Safety Environmental Management Authority will recover their operating costs
from industry respectively. This bill is complementary to the national regulator bill, which I spoke to earlier, and is also consistent with the regulatory levies measures No. 1 bill of 2011, which enables an officer to recover the costs of regulating offshore wells and well operations.

NOPSEMA and NOPTA are to be funded on a full cost recovery basis with levies from the offshore petroleum and greenhouse gas storage industries. The level of these fees will be subject to a full cost recovery impact statement to ensure they are consistent with the Australian government cost recovery guidelines in providing increased transparency and the true cost of regulating the offshore oil and gas industry. The fees to recover the establishment and expansion costs for NOPTA and NOPSEMA have already undergone a cost recovery impact statement process, which includes stakeholder consultation in April and May 2011. A further cost recovery impact statement process will be undertaken in the second half of 2011 to determine NOPTA's and NOPSEMA's ongoing operational costs in regulating after 1 January 2012. This reform will ensure that relevant regulatory expertise is available in offshore areas on a cost recovery basis from industry. In addition, industry will have transparency on how its cost recovery fees and levies are calculated.

I also advise the House that I have written to the Speaker, as Chair of the Selection Committee, requesting that the Selection Committee refer the package of bills relating to the establishment of the single national regulator—namely, the Offshore Petroleum and Greenhouse Gas Storage Amendment (National Regulator) Bill 2011, the Offshore Petroleum and Greenhouse Gas Storage Regulatory Levies Legislation Amendment (2011 Measures No. 2) Bill 2011, the Offshore Petroleum and Greenhouse Gas Storage (Registration Fees) Amendment Bill 2011 and the Offshore Petroleum (Royalty) Amendment Bill 2011 to the House of Representatives Standing Committee on Agriculture, Resources, Fisheries and Forestry for inquiry, hopefully with a reporting date of 27 June 2011 so as to enable the government to consider the committee's report and for debate on the bills to occur in the sitting week commencing 4 July 2011. I further advise the House that before making this request I consulted with the chair and deputy chair of the committee regarding referral and associated reporting date.

I commend the bill to the House and simply say to all those involved in the drafting of what is a complex set of legislative instruments: thanks for an exceptionally hard job done over a very short period.

Debate adjourned.

CONDOLENCES
Hunt, Hon. Ralph James Dunnet, AO

Report from Main Committee
Order of the day returned from Main Committee for further consideration; certified copy of the motion presented.

Ordered that the order of the day be considered immediately.

The SPEAKER: The question is that the motion moved by the honourable the Prime Minister be agreed to. I ask all honourable members to signify their approval by rising in their places.

Question agreed to, honourable members standing in their places.
BILLS

Customs Amendment (Anti-dumping Measures) Bill 2011

Report from Main Committee
Bill returned from Main Committee without amendment; certified copy of bill presented.
Ordered that this bill be considered immediately.
Bill agreed to.

Third Reading
Mr COMBET: by leave—I move:
That this bill be now read a third time.
Question agreed to.
Bill read a third time.

Tax Laws Amendment (2011 Measures No. 3) Bill 2011

Report from Main Committee
Bill returned from Main Committee without amendment; certified copy of bill presented.
Ordered that this bill be considered immediately.
Bill agreed to.

Third Reading
Mr COMBET: by leave—I move:
That this bill be now read a third time.
Question agreed to.
Bill read a third time.

Acts Interpretation Amendment Bill 2011

Report from Main Committee
Bill returned from Main Committee without amendment; certified copy of bill presented.
Ordered that this bill be considered immediately.
Bill agreed to.

Third Reading
Mr COMBET: by leave—I move:
That this bill be now read a third time.
Question agreed to.
Bill read a third time.

Migration Amendment (Complementary Protection) Bill 2011

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

Ms O'NEILL (Robertson) (09:40): I rise to speak on the Migration Amendment (Complementary Protection) Bill 2011. I believe that this bill addresses sensitive issues which we on this side of the parliament view with complete seriousness and responsibility.

In the electorate of Robertson, as in most electorates in Australia, the issue of asylum seekers and unauthorised migration is an issue of considerable discussion at this time. I understand that Australians hold very strong views on some elements of the discussion that is underway; but we have never resiled from the fact that we accept
and understand fully our human rights and international obligations and that these must be upheld and complied with. I believe that this bill certainly achieves this objective. In fact, it represents a necessary reform in the migration jurisdiction. This reform will streamline the means by which the Department of Immigration and Citizenship can assess asylum seekers who are not refugees under the refugee convention but whose return would breach Australia's non-refoulement obligations.

This legislation has the potential to significantly improve the outcomes of people who are seeking asylum who come from particularly difficult situations. As stated in the title of this bill, these protection obligations are complementary to our obligations under the refugee convention. This bill gives, once and for all, full recognition to these responsibilities in addition to providing an integrated means through which the Department of Immigration and Citizenship can address applications based on non-refoulement.

Currently, the non-refoulement obligations can be assessed only by the minister and cannot be taken into account by the department of immigration or independent merit review process. This means that the assessment of refugee claims based on non-refoulement depends solely on ministerial intervention based on executive authority.

I sincerely believe that a thorough statutory process for assessing claims based on non-refoulement is desperately needed. Indeed the statutory process proposed in this bill would enable refugee claims to be assessed more quickly and in a more comprehensive manner. Further, this bill provides for a more efficient, transparent and accountable system when assessing these complementary protection claims. The integrated approach will involve a single protection visa application process. Asylum seekers who have been refused refugee status may nonetheless be granted a protection visa on the basis of Australia's non-refoulement obligations. If a decision is not made in the favour of an asylum seeker, then this legislation will provide that asylum seeker with access to internal merit review.

This legislation is designed to put in place a clear procedure which ensures that asylum claims are assessed in a manner that provides appropriate procedural fairness to the claimant. Such claims currently can only be determined at the discretion of a minister. Whilst those opposite support the continuation of this system, we believe that it results in undue uncertainty for asylum seekers. Also, by having applications for protection visas based on non-refoulement obligations determined through an integrated system with a merit review, there is far less chance of judicial review being required. Such a process makes it easier to ensure that decisions are made according to law and that the requirements for natural justice are properly provided for. This would decrease uncertainty and may decrease the need for the Federal Court to hear so many migration matters. Such reform can only be described as a positive development. It is fundamental that the parliament also consider the humanitarian need for this legislation.

These humanitarian needs include the grave need to consider the welfare of asylum seekers who have been refused refugee status but for whom their return to their homeland represents a great danger. Non-refoulement obligations are contained in the human rights instruments to which Australia is party, including the International Covenant on Civil and Political Rights, the Convention against Torture and Other Cruel, Inhuman or Degrading Treatment or Punishment, and the Convention on the Rights of the Child, as stated by the Minister for Immigration and Citizenship. Unlike our obligations under the
refugee convention, our non-refoulement obligations under these instruments are absolute and cannot be derogated from. I challenge those opposite to claim that it is not in the best interests of our nation that we take into account our international obligations when amending the Migration Act—

(Quorum formed)

Mr SIMPKINS (Cowan) (09:48): I welcome the opportunity to speak on the Migration Amendment (Complementary Protection) Bill 2011. But can I say that these bills keep coming in the same way that the boats keep coming into Australian waters. Until the policy of this country is changed with regard to border security, then the boats will still keep coming and these ineffectual bills will still keep coming before the House.

The bill will not provide additional protection outcomes—certainly not more than what is already provided for. It will not give greater protection. Nor will it allow for improvements in compliance with our treaty obligations. It is also important to note that there have been no breaches of any treaty obligations by our country.

The DEPUTY SPEAKER (Hon. BC Scott): Order! Would those members who are still in the chamber and out of their place conducting little conversations please either resume their seats or leave the chamber.

Mr SIMPKINS: Thanks, Mr Deputy Speaker, but I would have carried on regardless. What this bill presents is another opportunity for those who wish to come to this country by any means possible, and in fact it will increase the menu from which those who seek to bypass legitimate processes can choose.

We know that the Migration Act prescribes the reasons in the refugee convention for fleeing persecution—those being race, religion, nationality, social group or political opinion. These constitute the usual reasons why a person would be eligible for a protection visa. I note from the minister’s second reading speech that the reason for this bill is to acknowledge that there are others that can also be fearful for their safety, but who, because they do not fit into one of those categories, cannot be considered refugees and whose applications must be rejected by the department and then by the Refugee Review Tribunal.

Clearly under treaties such as the Convention Against Torture and Other Cruel, Inhuman or Degrading Treatment or Punishment, the Convention on the Rights of the Child and the International Covenant on Civil and Political Rights, Australia has an obligation to not send such people back—the non-refoulement obligation. This is what is known as complementary protection.

The government proposes to establish a statutory regime whereby the visa applicant can apply for protection immediately under complementary protection arrangements and not apply as a refugee as defined under the convention. This would mean that the minister would not normally be involved unless the applicant was rejected under these new arrangements and then made an application to the minister for intervention. What leaps out at me is that such a change would result in endless appeals once again afflicting the protection visa and humanitarian entry program.

As previously said, the changes would increase the options for court processes when in fact the reality is that the current system involves a very small number of people. I understand that around 25 people were in this sort of category in the 2008-09 financial year, and six in the period from January to October 2010. In fact, all information from DIAC and the minister’s office suggests that
these numbers are expected to be pretty much consistent in the future. Clearly the presence of such a bill in this parliament is a significant step for such a small number of cases. What we do know is that, in 2008-09, 55 visas were granted by the minister under the humanitarian program and less than half involved non-refoulement matters.

Furthermore, between 1 January 2010 and 22 October 2010, of the 438 visas granted by the minister, only six would have been covered under the provisions of this bill. It really does make it difficult to appreciate the need for this bill given the numbers involved. So I would say the demand is low, and the need is even lower, considering the state of our treaty obligations and compliance, which is exemplary.

I wonder why the government let this bill lapse at the end of the last parliament when the Senate Legal and Constitutional Affairs Committee finished dealing with it in late October 2009. This bill is essentially the same as the one left to languish by the Labor government in the previous parliament. This version does insert a new subclause 36(2)(b) that sets out a number of exclusion clauses, such as those guilty of committing serious crimes. It states that a real risk only exists if it is faced by the non-citizen in question, and not if it is a general risk faced by the population of a country.

My concern revolves around adding to the appeal and review process rather than the minister dealing with any such cases and considering the specific issues that are involved. There is no doubt that the system has been clogged with a series of bad policy decisions by this government, and they should be very careful about making another bad call which would further congest a system struggling under the weight of people and appeals. Still, the lawyers will no doubt appreciate what this bill will provide for them.

As the minister said in his second reading speech in February 2011, under the changes envisaged in this bill the non-refoulement obligations will not be engaged in every case. He said that there must still be substantial grounds for believing that, as a necessary and foreseeable consequence of being returned, there is a real risk that a person will suffer significant harm. What this opens up is a level of subjectivity that will be grist for the lawyers' mill, and that subjectivity does not currently exist because the minister’s decisions are not exposed to court appeals.

The danger here is that an instrument intended to only be used in exceptional circumstances will quickly become commonplace, and the number of claims being made on these grounds will blow out. We know this because we have seen it before.

I know this Labor government is not particularly good at learning the lessons of history, but the fact is that in the late 1980s, it was a Labor immigration minister, Senator Robert Ray, who abolished arrangements that are strikingly similar to what is contained in this bill. Back then, a series of court decisions, well-intentioned though they may have been, led to a completely unsustainable situation whereby an applicant only had to demonstrate that if they were forced to leave Australia their situation ‘evoke strong feelings of pity or compassion in an ordinary member of the Australian public’. As a result, applications flooded in, to a point where an instrument that was intended to produce about 100 successful applicants per year was subjected to around 8,000 claims covering 10,000 individuals. That is no way to run an orderly migration system.
It is certainly the case that the people on the streets of Cowan have given me a clear message on matters to do with those that come by boat. From my recent door knocking in the north of my electorate the message is clear. The people are outraged by all the special deals that are being done. The detainees play sport and take art classes, then earn points for free nose-hair trimmers, cigarettes, phone cards, snacks et cetera. What a special deal that is. These are the sort of deals that irritate people on the streets of our country.

And it is these same taxpayers that are paying the price for this government’s failures. The budget handed down by the Treasurer contained over $100 million to deal with court appeals that flow from the High Court’s decision to strike down the former non-statutory process for considering refugee assessments. In the last year, the costs of maintaining Australia’s detention network have blown out significantly. There was $1.75 billion in the budget this week for offshore asylum seeker management alone.

The current system is equipped to identify and deal with legitimate claims without opening up the entire process to vexatious applicants and turning the entire system into a lawyers’ picnic in the sorts of cases that we are discussing today. Section 195A of the Migration Act permits the minister to grant a visa to a person in detention if the minister considers it in the public interest to do so. That is an entirely appropriate flexibility in the current system. In my view, the changes the government is proposing in this bill pose an unacceptable risk to the stability of our migration system—a system that is already staggering under the weight of this government’s ineptitude. Most Australians will rightly be wary of any changes this government tries to make to our migration system—its record does not exactly inspire confidence.

Since Labor changed Australia’s border protection policies, 224 boats—or probably more—have arrived carrying over 11,000 people. This includes the boat that was set alight and the one that crashed at Christmas Island last year resulting in significant fatalities—a great tragedy. These are the boats we know about. The tragic reality is that there are likely others which have set out on this dangerous course and not made it.

This government’s own figures show that, if an Afghan applied for a visa offshore, they stood a one-in-10 chance of success. Of those Afghans who arrived here illegally by boat, nine out of 10 got a positive visa assessment. What sort of message does this send? How does this serve to discourage people smuggling and people risking their lives on the seas?

Clearly, I am of the view that the effort that was put into creating this bill and focusing on this bill should have been put into creating a policy that actually returned control of our borders to this nation, rather than promoting the people-smuggling trade. Indeed, we understand that, in drafting this bill, the government did not seek input from ASIO, from Customs and Border Security or from the Australian Federal Police. If this government were serious about border security, it would surely have made at least some rudimentary inquiries to those charged with protecting Australia’s borders.

This bill does nothing to discourage illegal boat arrivals. It will not deter people smugglers. It will not ensure that legitimate refugees are processed more efficiently. It will not reduce the burden on taxpayers. What it will likely do is clog our courts with thousands of vexatious applicants, all of which will have to be considered, and see a system that already moves at a slow place grind to a halt. So far as I can tell, the only winners from this bill will be the lawyers and
the people smugglers. Why not instead return to a policy that worked and that is infinitely cheaper than the costs of running this currently failing set of policies? Why not reopen Nauru? Why not reintroduce temporary protection visas and the 45 day rule?

These are some of the policies that would make the difference and take things back to those days where the Australian government actually had control of the borders—which has not been the case since this government changed the policy in 2008. The bill does nothing to restore that control, and instead provides further incentives for illegal immigration. It runs contrary to this government’s claims to be cracking down on people smugglers—and it is certainly against the wishes of my constituents in Cowan, who are tired of seeing their taxes wasted on this Labor government’s failed policies.

Ms OWENS (Parramatta) (10:00): This bill is about stripping away complexities for people who seek the protection of Australia who, if returned home, would be at risk of torture, inhumane treatment or likely death but do not qualify as refugees. At first glance it seems counterintuitive that a person who, if returned home would be at risk of torture and inhumane treatment or likely death, would not qualify as refugee, but it is in fact the case. The refugee convention is quite specific about the conditions you have to meet under the refugee convention—that is, persecution on the basis of race, religion, nationality, membership of a particular social group or political opinion.

For example, it is not certain that a girl who would face a real risk of female genital mutilation would always be covered by the refugee convention. It is also not clear that a woman at risk of so-called honour killings would be covered by the convention and in some countries where victims of rape are executed along with their attackers that woman also may not be covered under the refugee convention. So there are many people facing appalling circumstances who seek the protection of other countries but cannot do it under the refugee convention.

In the 2009-10 budget the government announced that it would implement a system of complementary protection for people to whom Australia has a non-return obligation under international human rights treaties other than the 1951 Convention relating to the Status of Refugees. There is no internationally accepted definition of 'complementary protection'. The term is not a term defined in any international treaty. However, the term broadly describes protection obligations arising under international law. Such obligations are in addition or complementary to the protection obligations that arise under the 1951 refugee convention, which provides protection to refugees under those specific definitions.

Australia does have non-return obligations when people in those appalling circumstances seek the protection of Australia. Australia, of course, does not send people back to death or possible torture. What currently happens is that a person who may find themselves under one of those circumstances at risk of likely torture or death or inhumane treatment on return applies for a protection visa under the refugee convention. Applicants who are found not to be refugees then go through the appeals process and, of course, are rejected. Then the minister considers their situation under ministerial intervention. So it is a very, very long process for a person who simply could not be returned to their country of origin for fear of persecution, torture or likely death.

It is an extremely inefficient process. Even the Migration Review Tribunal, who
might understand that a person is likely to eventually be accepted under ministerial intervention, must reject the application on appeal as the person does not fall under the refugee convention. Relying upon ministerial intervention powers to consider complementary protection claims is incredibly inefficient. The ministerial powers do not come into effect until after the person has been refused a visa both by a delegate of the minister and on review by the tribunal. This means that under current arrangements people who are not refugees under the refugee convention but who may engage Australia's other non-return obligations must go through the entire visa process before their claims can be considered by the minister—again, an incredibly inefficient process.

Under this bill protection visa applicants will continue to have their claims first considered against the refugee convention's related criteria set out in Australia's migration legislation. Applicants who are found not to be refugees under the convention will have their claims considered under the new complementary protection criteria. This approach recognises the primacy of the refugee convention as an international protection instrument supported by the UNHCR, but it establishes new criteria for the grant of a protection visa in circumstances that engage our other non-return obligations under human rights treaties.

Australia will not return a person to a place where they are at real risk of significant harm contained in the relevant human rights treaties, including the arbitrary deprivation of life, having the death penalty carried out, being subjected to torture, being subjected to cruel or inhuman treatment or punishment, or being subjected to degrading treatment or punishment. So it is quite a simplification of the process for people in quite desperate circumstances. Putting people through lengthy processes unnecessarily is not humane, and I am very pleased to see us move towards introducing this system of complementary protection.

Australia has a long and proud tradition as a protector of human rights and it is a reflection of this tradition that Australia is a party to the major UN human rights treaties, including the 1951 convention; the 1967 Protocol relating to the Status of Refugees; the 1966 International Covenant on Civil and Political Rights, to which Australia became a party in 1980; the 1984 Convention against Torture and Other Cruel, Inhuman or Degrading Treatment or Punishment; and the 1989 Convention on the Rights of the Child.

I am incredibly proud to speak on this bill. It will be an important addition to our system that provides protection to people at serious risk of harm in their country of origin. I am pleased to commend the bill to the House.

Ms GAMBARO: Mr Deputy Speaker, I draw your attention to the state of the House.

The DEPUTY SPEAKER (Hon. BC Scott): Order! A quorum not being present, the sitting will be resumed in eight minutes.

Sitting suspended from 10:11 to 10:19

The House having been counted and a quorum being present—

Mrs MARKUS (Macquarie) (10:19): It is good to see that government members have actually turned up in the House.

Honourable members interjecting—

The DEPUTY SPEAKER: Order! Would those who are leaving the chamber do so quietly and not conduct a second conversation out of their place. The member for Macquarie has the call.

Mrs MARKUS: I rise to speak on the Migration Amendment (Complementary
Protection) Bill 2011. This bill will change decision making on complementary protection claims from the current ministerial intervention arrangements to a statutory process through the department of immigration. It seeks to introduce a statutory framework which includes additional criteria and new definitions into the assessment process for determination by the department, and it seeks to establish the same administrative review rights as for people seeking protection under the 1951 refugee convention. The changes pose challenges for this nation and the need for an orderly, compassionate and fair system to operate.

The proposal outlined in this bill is not new to this House; it was first introduced on 9 September 2009, where it lapsed and the parliament was prorogued for the 2010 election. A similar bill was actually removed in 1989, just eight years after being introduced. While it was claimed initially that only 100 successful applicants per year would be processed, by the time the legislation was repealed there were 8,000 outstanding applications.

Complementary protection broadly describes protection obligations arising under international law. These obligations are in addition and complementary to Australia's existing protection framework, the foundation of which is the 1951 refugee convention, which provides protection to refugees. For over 60 years Australia's asylum and humanitarian program has brought many people to our shores who have made valuable contributions to the nation and their local communities. Australia is a signatory to a number of international conventions, agreements and covenants, including the Convention on the Rights of the Child, the International Covenant on Civil and Political Rights and the United Nations Optional Protocol to the Convention against Torture. These instruments obligate Australia under refoulement non-return provisions to provide protection to people who, while not meeting the 1951 refugee convention definition, still need protection on the basis that they face serious violations of their rights if sent back to their country of origin.

Currently, the minister can make decisions in respect of claims for complementary protection through the ministerial intervention process, which is non-transparent and non-appealable. The minister does not have to explain or justify the decision to exercise or not exercise the discretionary powers. This raises one very important question: if people seeking complementary protection are already being dealt with through the current process, why does the government need to amend the legislation? This is legislation for legislation's sake. Australians have every right to ask why this government continues to waste time and taxpayers' dollars on adding layer upon layer of bureaucracy instead of tackling real issues that face everyday Australians.

One wonders why the minister seeks to transfer his discretionary powers to a statutory process determined by unelected officials, when we look at the statistics on complementary protection. For example, as the shadow minister has already highlighted, the minister's office has advised that in the 10 months from January 2010 to October 2010 the minister finalised 1,690 requests for intervention. Of those, the minister granted visas to a total of 438 people. Of those, only six people met the complementary protection provisions.

The minister's office has confirmed that they do not expect the number of applicants being granted protection visas under the proposed complementary protection provisions to increase at all. Given the
history of previous similar bills, I find their assurance questionable. It begs the question: what minister would relinquish discretionary powers for six people? There are only three plausible explanations: the minister has decided that complementary protection is too small an issue to be bothered about; the minister has found a way for unauthorised arrivals to apply for protection in a visa class, complementary protection, that is now proposed to include a larger range of definitions and will now be open to broader interpretation—a visa class that will be appealable if the first decision is not favourable; or, the minister has decided that the department should take the heat on an issue that is front of mind for the nation at the moment.

Immigration policy is this government's Achilles heel. The government does not have the courage to admit it is wrong or that its failed policies have put Australia's immigration program, its resources, its people and its budget under enormous strain. The government does not have the courage to acknowledge that a significant section of the Australian community is concerned that the government has lost control of its borders. I speak to many people in my electorate of Macquarie, people who support the relaxation of immigration processes and people who believe the process should be tougher. All are concerned about the riots, the reports of overfull detention centres and the waste and mismanagement of budget blow-outs in the immigration portfolio. We cannot afford to spend dollar after dollar on the current government's immigration policy, because of the government's economic mismanagement, while our own citizens are struggling to make ends meet. This government has clearly failed, yet it is still pursuing additional legislation such as this bill.

What concerns me about this bill, which can only be described as another example of policy on the run, is that the government has refused to consult even its own agencies on the viability of this amendment. The legislation was considered by a Senate committee that received 36 submissions but, in a break from customary practice, did not hold any public hearings. Only 19 days were available for submissions. Within a month, a report was tabled. Even the committee referred to the 'constrained circumstances' of the recommendations. Why the rush?

My understanding is that, although the minister received strong representations from the refugee advocacy sector, the minister neither sought nor received advice from the Australian Federal Police, Customs and Border Protection Service, ASIO or any other relevant agency. I call on the minister to confirm that he has or has not consulted with the relevant agencies established to protect Australia's border security and to what extent, if any, these changes will not act as an incentive for people smugglers? It appears from the lack of consultation that this government does not believe that research and consultation are worthy of consideration when it comes to changing legislation.

We are a compassionate nation, recognising the need to offer a new and better life to those in need. Indeed we have always been such a nation, one that dared to share the Australian dream with those escaping war-torn Europe after the Second World War and with other individuals and families escaping persecution in other parts of the globe over the past 60 years. Many migrants who have come to this nation have committed themselves to working hard and to raising their families. Their contribution helps to build a stronger Australia for the generations to come. I am concerned that the opportunity that Australia offers will be
denied possibly to the Australian-born as well as to new arrivals if Australia is placed in such a precarious financial position that it cannot support the standard of living that we enjoy today.

This bill is but one example of how this government operates. The changes proposed, in particular the definitional changes, the impact on resources for the department and the legal costs arising from access to administrative review have polarised this debate. Comments from refugee advocacy groups such as the Refugee Council of Australia, who want the definitions more specific, are that 'The threshold requirements for complementary protection are too complex and restrictive, potentially leading to inconsistencies in decision making and the denial of protection to people who require it'.

Arguments against the bill cite the criteria as 'poorly drafted' and that they could lead to greater uncertainty and invite needless litigation. Indeed, there is a view that the decision to provide a new pathway for asylum claims for those who arrive illegally and are not refugees will place another product on the people smugglers' shelf.

The current ministerial intervention process is a safeguard that has been in place for decades and it has been effective. Codification removes discretion which has applied on a case-by-case basis and has helped genuine refugees languishing in camps around the world.

In addition, the risk that the bill will encourage the lodgement of non-refugee protection applications and the making of false asylum claims has to be considered, because the claims under the proposed bill will run the full length of the process, then be subject to appeal. Primary decisions would be appealable, adding to the already lengthy waiting time for unresolved cases. If this minister had a clue about the best interest of the nation, he would put this legislation back on the shelf and come up with solutions for the present crisis, not introduce something that will only add to the challenges. The coalition is united on this issue. We stand ready to implement a much stronger and more encompassing policy when elected to government. The coalition maintains that the current system of ministerial discretion in cases where complementary protection is in play is more than appropriate.

On this occasion, it is clear that the Gillard Labor government has sought to position itself on one side of the debate. The Gillard Labor government has chosen to ignore its responsibilities to the nation as a whole, by refusing to consider other voices of concern. This kind of legislation, underpinning flawed policy, is symptomatic of, as our Prime Minister put it, 'a government that has lost its way'.

Mr ZAPPIA (Makin) (10:31): I take this opportunity to speak on the Migration Amendment (Complementary Protection) Bill 2011. I would have thought that this bill would have had bipartisan support, but instead we have seen coalition speaker after coalition speaker coming into this House and opposing the bill, opposing what I think most fair-minded people would consider to be a very sensible measure. And they do so for no better reason than political opportunism, linking this bill to the issue of boat people arrivals in this country and rerunning their rhetoric on the refugee issue, in particular making claims that this bill is another example of being soft on border protection. Nothing could be further from the truth.

I suspect many coalition members would privately support this bill, because this bill is long, long overdue. It should have bipartisan support, because this bill has been supported by several parliamentary committees, the...
In addition, Australia is a signatory to the International Covenant on Civil and Political Rights, the Convention against Torture and Other Cruel, Inhuman or Degrading Treatment or Punishment and the Convention on the Rights of the Child. All these conventions which Australia is a signatory to contain provisions very similar to what is in this bill.

Nonrefoulement obligations cover people who, if returned to their home country, would face a violation of their fundamental human rights, such as being arbitrarily deprived of their life, being subjected to torture or cruel, inhuman or degrading treatment or having the death penalty carried out on them. Examples of cases covered by complementary protection include people at risk of being stoned due to their homosexuality—persecution because of sexual preference is not a category of persecution contemplated by the refugee convention, yet some people, if they are sent back to their home countries, may well be stoned; women fleeing ritual genital mutilation; and women at risk of so-called honour killings. With these sorts of examples, I find it very surprising that so many members from the coalition have come in and opposed this bill.

In 2009-10, as has been pointed out, there were six protection visas granted on these grounds, plus four visas granted to dependants of those six applicants. It is not a lot. Are the opposition members who criticise this bill saying that those six people and others that fall into similar categories should have been sent back home? If they are, then I believe they should hang their heads in shame, because what they are really saying is that those people should be sent home to a place where they might be persecuted or even put to death.

At present, only the minister can approve their stay. The department cannot do so. The last speaker referred to ministerial intervention and said that this is about the minister relinquishing his ministerial intervention discretion. That is simply not the case, and I will come back to that a bit later. At the moment, in order to trigger ministerial intervention, the applicant goes through a farcical, time-consuming, expensive and futile application process, knowing full well that, at the end of the process, the department does not have the ability to approve the application. Then, because it has been refused, they can seek ministerial intervention. If that is not bureaucratic and time consuming, then what is? I would have thought the Australian public would have been critical of a process that costs so much money, not just to the applicant but to the department that administers this piece of legislation. We go through a charade just so that the minister can then be asked to intervene. My understanding is that the minister has something like 4,000 cases a year referred to his department for his intervention. Obviously, not all applications are believed by the minister to warrant his intervention, but that is still 4,000 cases. I am sure the question here has nothing to do with whether it is six or 10 or 12; the question here is about getting the process right.

If members believe that the minister should continue to use his intervention in order to determine these cases, then I ask them this: why don't you suggest in turn that
every single immigration case that comes before the department be referred to the minister? If you believe this category ought to, then surely you must believe all the other categories ought to be as well. Quite frankly, every immigration case is unique, every immigration case has merits, both for and against, and with every immigration case there is an opportunity in some process for ministerial intervention if it is applied for—so we might as well simply not have a department and refer all immigration cases to the minister.

The reality is that is not the way that you administer government and there is a very important principle here: ministers as individuals should not be assessing every immigration case that comes up. Governments and ministers formulate policy and departments administer policy, and that is how good government works. By all means, and I have no qualms about this at all, question the policy when it comes into this place and question the legislation and debate it, but once it is in place it is the government departments that ought to administer it. In fact, that is how good government works because it means you do not have political interference in cases where you should not have it.

There has also been the claim that this legislation will create a flood of applications of similar kinds if it goes through this parliament and that we will see so many more people wanting to come in under those grounds. My point for coalition members is this. Should the question be about how many applications come in or should the real question be: if applications come in are they legitimate? If they are legitimate then I go back to what I said earlier: are members opposite seriously suggesting that if legitimate cases come before the government we should reject them? To my mind that is the question that they should be asking themselves. They are making the claim about how this will open the floodgates but not one of them has come into this place and shown any evidence that that has been the case in the European countries, New Zealand or North America where similar legislation applies. So until they do so they are purely issuing unfounded claims and statements.

The opposition believe that they are on a political winner with this issue by linking it to the boat people issue. They want to keep alive the debate about refugees coming to this country and keep alive their simple slogans. We have heard them time and time again from members opposite who have come into this place to debate this bill. They never let the facts get in the way of their rhetoric, and again we are seeing that with this matter.

A number of them referred to the current refugee issues associated with Australia. They failed to acknowledge that right now there is a global refugee problem. At the end of 2009 there were 43 million displaced people worldwide. Fifteen million were refugees and almost one million were asylum seekers. In recent weeks, not recent years, we have seen almost 20,000 refugees arrive at the Italian island of Lampedusa. In the USA each year some 50,000 refugees arrive, in Canada 33,000, in Europe roughly 275,000 and in Australia just over 6,000—a stark difference from what is happening around the world, yet if you were to listen to members opposite they would have you believe that Australia is a country in which everybody is trying to seek refuge. In fact, it is my understanding that right now in Malaysia, a country that we are trying to enter into an agreement with, there are some 92,000 refugees seeking resettlement.

What this whole matter highlights is both the hypocrisy and unsubstantiated rhetoric of members opposite. There is hypocrisy
because, on one hand, they claim that we should do everything we can to try to make our borders safer—they frequently use the words 'border protection' but I am not quite sure what it is we are trying to protect the borders from—yet, on the other, when we are seeking to negotiate an arrangement with Malaysia whereby we will in a humane way take from refugee camps 4,000 people who are seeking asylum, they criticise that process. We saw their reaction to the announcements of the discussion with Malaysia. We did not see any support for those announcements at all. We saw criticism of them. Yet it is a discussion that will ultimately result in a much more humane outcome for genuine refugees whilst at the same time resulting in an outcome that I believe will be very effective in destroying the people-smuggling business of that region.

This bill is all about doing the right thing by both the administration of this country and people who are genuinely seeking to stay in this country because if they return to their homeland they will be persecuted and even tortured. If anyone in the coalition genuinely believes that is the wrong thing to do, then I believe they are not reflecting the broad views of the Australian people. As I said from the outset, there is a lot of support for this bill. Yes, there have been a number of submissions with respect to it. But it is long overdue, and I commend the bill to the House.

Dr STONE (Murray) (10:45): I rise to also speak on the Migration Amendment (Complementary Protection) Bill 2011. This is all about making sure that we do in fact have orderly entry to Australia and that refugees are given priority according to their needs, not according to whether they can raise the funds to pay a smuggler to take them through various countries such as Malaysia and Indonesia to get onto a boat and then find themselves fast-tracked into Australia by the back door. We know that this government has caused an extraordinary upsurge in the profits to be had by people smugglers, who have and probably always will have willing buyers. We had an orderly system up to the time when the Rudd and Gillard governments were elected.

We certainly acknowledge that there are situations where people need protection that will be beyond the criteria of the UNHCR, but our system allows for that through ministerial discretion. I was rather amused to hear the previous speaker refer to that ministerial discretion—that is, the use of the minister's responsibilities to make decisions on a case-by-case basis—as 'ministerial interference'. How extraordinary. Does this government have so little faith in its ministers that it refers to their actions as per their legislation as 'interference'? That is quite extraordinary, and I hope that the minister takes the speaker to task and says, 'I'm acting responsibly and according to my purview.'

We do not need to have an alternative, non-specified route into Australia for those claiming asylum, which will, I have no doubt, bring about more vexatious claims, particularly from those who are already residing in Australia who may have come in, for example, on a tourist visa or a student visa and then, at the end of their legitimate time in Australia, claim sanctuary. There is no doubt that this change, the complementary protection visa introduction, would give them a whole new avenue to explore and exploit to remain in Australia. We are also very concerned that this creates a whole new commercial product, a very profitable product, for the criminals we call people smugglers. We do not need that. We are already seeing problems in Australia of overcrowding in our detention centres. This government is trying to negotiate in the
region to offload our responsibilities to other countries which are not signatories to the United Nations Convention relating to the Status of Refugees and whose human rights records in relation to those in confinement or detention are sometimes questionable. So this is a very important debate to have, but it certainly should not lead to new legislation which puts in place another fast track into Australia without proper scrutiny and which gives comfort, as I say, and a whole new product to sell, to the smugglers.

The coalition has always supported the use of ministerial discretion for special cases on an as needs basis. We reject absolutely the government's proposal to add a whole new class of humanitarian visa for people who do not meet the United Nations criteria for assessment as a refugee. Of course, there are persons in circumstances that do not fit the refugee convention criteria who need our protection. In the past, ministers—certainly our coalition ministers, like former minister Mr Ruddock—have been more than willing to consider these special circumstances case by case, and people have been given protection and access to permanent residence in Australia via a special admittance. For example, there are women who are fearful, if they return to their home country, of so-called honour killings or who might be subjected to female genital mutilation. Those types of cruelties and assaults on individuals are not covered under the refugee convention, but we certainly see that women who might be subjected to those cruelties should be protected in Australia, and under the coalition there was absolutely no difficulty in our minister—in particular our minister Philip Ruddock, our longest-serving minister—taking each case, looking at the criteria of the United Nations convention on refugees and making determinations, using his own assessment of the need with departmental advice and advocacy. There was no problem at all in him making sure that these individuals were given special attention and the security of a future life in Australia.

On the question of how many ministerial interventions were made and how many protection visas were granted, from our taking office in 1996 to the end of 2002, the coalition minister used his discretionary powers on 1,916 occasions. On 1,045 occasions he used his power under section 417 to substitute a more favourable decision for that of the Refugee Review Tribunal, and in 516 cases he used it under section 351 to substitute a more favourable decision than the Migration Review Tribunal had delivered. This number is significantly greater than the number of times the discretionary power was used by former ministers—for example, by the Labor minister the Hon. Gerry Hand. From 1990 to 1993 he used his discretion on 81 occasions.

The Hon. Senator Nick Bolkus from 1993 to 1996 used his ministerial discretion 311 times. So certainly there was less action and activity from Labor ministers during their terms as immigration portfolio ministers, and under the coalition there was absolutely no difficulty in our minister—in particular our minister Philip Ruddock, our longest-serving minister—taking each case, looking at the criteria of other conventions that we are signatory to, looking at the criteria of the United Nations convention on refugees and making determinations, using his own assessment of the need with departmental advice and advocacy. There was no problem at all in him making sure that these individuals were given special attention and the security of a future life in Australia. I have to say that Senator Chris Evans, the previous minister for immigration, had become very reluctant to use the interventionary powers. In fact, he often stated that he felt uncomfortable doing it. However, the six-monthly tabling statements and accompanying information—of February 2008—from the former Minister for Immigration and Citizenship, Senator Chris Evans, on the use of the intervention powers under section 417 of the Migration Act shows that there were some 1,201
discretionary interventionary actions taken. So the Labor government is not unused to using ministerial discretion and I am sure it uses it appropriately. I have not heard too many people complaining about the use of discretion.

Australia is renowned for the care we take of our refugees once they are settled in Australia. At the moment we have some concerns about the number who are coming in our back door via the smugglers. The coalition has offered to help the Labor government to sort out their policies so that they could in fact return to the shutting down in Australia of the business of people-smuggling. I hope they do take up that offer of our bipartisan collegiate support because Australians do not want to see the queue jumping that occurs and the abuse of our good nature as Australians that occurs every time someone has the means to pay smugglers to take them via second, third and sometimes fourth countries to arrive at Christmas Island, or nearby.

I said that there are queues. On a recent debate on Q&A on the ABC it was loudly and strongly declared that there were no such things as queues for entry to Australia via humanitarian or refugee visas. In fact, we do set a cap on how many people we can appropriately and comfortably invite into Australia from the refugee hell holes and camps in places like the Thai-Burma border or in different parts of Africa. We need to have an idea about how many people will be selected, via the UNHCR's support, to come into Australia to be settled through what I call the 'legitimate' process. When we were in government those numbers were hovering around 13,500 people a year.

Every time someone arrives who has been able to pay their way into the country via the people smugglers, refugee families in my electorate, for example, sigh and despair knowing it will take so much longer for their family reunions to take place. They despair that the energies and attentions of the departmental officials, which should be directed towards finding their sons and daughters left in the camps in Kenya, are instead totally engaged in how they can best deal with those arriving boatload after boatload via the people smugglers. Yes, we do have queues in Australia and those queues become longer every time someone comes into the country who has not come via our selection process and at our invitation after having been identified in the camps and other places in the world where it is too difficult and dangerous for them to survive.

I am most concerned that this legislation does a number of things that will set us even further backwards in having a well managed, humane protection system and refugee settlement system in this country. I have already said that we have available ministerial discretion in the legislation, which means that every time there is a man, a woman or a child whose circumstances do not meet the refugee convention criteria the minister has the capacity to quickly and simply grant them visa protection on the basis of their need, and that has happened thousands of times over the recent years of both the Labor and coalition governments. So we do have an alternative that will not cause greater strife in our country in terms of longer queues and in terms of greater numbers of vexatious claims cluttering up our system. Sure, this is good for lawyers, but it is not good for the Australian community.

Also, we do not need to give a new product to the people smugglers to hawk to those who are waiting, whether it is in Pakistan, Indonesia or Malaysia, for an opportunity to get on a boat. Imagine the people smuggler saying to them, 'Look, we know you do not meet UNHCR criteria
given your family background or in your personal circumstances, but, hey, there is a brand new type of product called a complementary protection visa that is now on offer in Australia. All you need to do is arrive, get on my boat and you will be right. You just have to make sure you have the US$15,000 or US$20,000 handy, and make sure you destroy your papers before you set off.

This is not a sensible or humane way to go. We have a good system right now. It is a system that has been complimented as recently as yesterday by our visitor from the Human Rights Commission. Those who arrive in our country after having been selected by the UNHCR as the most in need deserve family reunions and I hate to see them having to wait years and years, perhaps to the point where their families have been lost altogether, because the queue-jumpers have an alternative way to enter this country. The energy taken to deal with those queue-jumpers and the vexatious claims is energy that should be spent in a more legitimate and humane way.

Mr BOWEN (McMahon—Minister for Immigration and Citizenship) (10:59): I thank the honourable members who have contributed to this debate. Although in the course of the debate many extraneous matters were raised that I am very tempted to respond to, I will not. I will confine my remarks to the bill before the House, the Migration Amendment (Complementary Protection) Bill 2011.

This bill amends the Migration Act to eliminate a significant administrative deficiency in the visa application process. The bill will build on Australia's framework for assessing claims for protection under the Refugee Convention and provide a protection visa decision-making process that is more efficient, transparent and accountable. The amendments in this bill are important and necessary to address inefficiencies in the current protection framework. The bill permits claims made by protection visa applicants that may engage Australia's non-refoulement obligations to be considered under a single, integrated and timely protection visa application process.

As has been mentioned in the House, Australia of course is a signatory to the Refugee Convention. It does not refoule people where there is a convention related fear of persecution. However, applicants who fall outside these categories of race, religion, nationality, social group or political opinion are not eligible to receive a protection visa through the usual process. Some of these people are fleeing significant harm, such as women fleeing so-called honour killings. These people can fall outside the categories recognised by our current process.

It has been mentioned by some honourable members that there is a ministerial intervention power to deal with these cases. That is correct, and it is used. It has been used by ministers of both sides of the House. The previous speaker, the member for Murray, said it was used by coalition ministers, and it was. It has been used by Labor ministers, including myself. It is appropriate that it be used. It is necessary that it be used. But the honourable member for Murray said that it was an 'efficient and easy system' to get ministerial intervention—'quick and simple' was the contribution by the honourable member. That is completely and utterly incorrect. It is not a simple and easy system to get ministerial intervention.

Under our laws, to get a minister to intervene in your case you must first apply to the Department of Immigration and Citizenship, have that application rejected by the department, apply to a relevant tribunal, have that application rejected by the relevant
tribunal and then seek ministerial intervention. The department will then prepare the case for the minister to consider. That process can take a long time, as all honourable members who have been involved in it would know. It takes a considerable length of time to go through the system and be rejected by the department and rejected by the tribunal before the case can even be put to a minister for consideration, yet the member for Murray calls it a quick and simple system. It is not.

It is not just about time. If you are in a situation in which you are fleeing persecution, whether that be honour killings, genital mutilation or the other areas of persecution that were outlined by me in my second reading speech and by other members, it is not just about time. It is about the implications of being rejected at each level—by the department, by the tribunal—and the anguish that causes, in the hope that your case will eventually get to a minister and that the minister will eventually intervene. All immigration ministers that I know would intervene in such cases and would grant that visa. I have said that previously. But why put people through the situation whereby they must go through that continual rejection under the law before they can even get to a ministerial intervention?

I want to deal with two other points that were raised during the debate. The member for Cook put forward a proposition that these provisions will lead to a situation similar to that which occurred in the 1980s. In 1981 the then Fraser government introduced a 'strong and compassionate humanitarian grounds' test into the Migration Act, which was intended to deal with a small number of meritorious cases that could not otherwise be approved. As the shadow minister noted, claims made against this provision grew substantially in number until the provision was repealed by the Hawke government in 1989.

The member for Cook compares that to the test introduced under this bill. He seems unaware of the fact that this is a very different test. This test involves substantial grounds for believing that, as a necessary and foreseeable consequence of the person being removed from Australia to a receiving country, there is a real risk they will suffer significant harm. This is a much higher and more precise test and will not lead to anything like the situation in the 1980s, as the member for Cook well knows.

There is one other matter I want to respond to. The member for Pearce raised some concerns that applicants may be excluded by the test that requires that harm must not be faced by the population generally and suggested in particular that women or girls fearing female genital mutilation may not be able to have their claims considered. With respect, that is not correct. Under international law a 'real risk' requires that a person face a personal, direct and foreseeable risk of harm in certain circumstances. Under this legislation, if there are substantial grounds for believing that a woman or girl will face a real risk of genital mutilation that the authorities cannot protect her from, she may be entitled to Australia’s protection on the grounds that she will suffer torture or cruel, inhuman or degrading treatment upon return.

Finally, the member for Pearce suggested that the policy guidelines or ministerial directions could be revised to specifically state that women or girls fleeing such persecution are considered a particular social group for the purposes of the Refugee Convention. In fact, this cannot be done, as policy guidelines must be consistent with Australian case law. It is simply not possible for policy guides to make a group of persons
I do thank honourable members for their contribution in this debate. It is an important one, and I commend the bill to the House.

Question agreed to.

Bill read a second time.

 Third Reading

 Mr BOWEN: by leave—I move:

That this bill be now read a third time.

Question agreed to.

Bill read a third time.

Carbon Credits (Carbon Farming Initiative) Bill 2011

Carbon Credits (Consequential Amendments) Bill 2011

Australian National Registry of Emissions Units Bill 2011

Second Reading

Debate resumed on the motion:

That this bill be now read a second time.

Mr HUNT (Flinders) (11:07): The coalition supports the science and agrees to and supports on a bipartisan basis the targets that Australia has set but disagrees clearly, strongly and absolutely with the primary mechanism brought forward by the government to deal with this issue. Their approach is a tax that will increase the cost of electricity by 25 per cent in the first three years, increase the cost of gas by 10 per cent, increase the cost of petrol and increase the cost of groceries. It will have an overall cost-of-living impact of $863.

On the opposition side, we have a clear alternative. That alternative involves incentives rather than taxes; incentives for people to do real things, such as to clean up waste coal mine gas, to clean up landfill gas, to clean up—potentially, if these are the lowest cost changes—some of the oldest and dirtiest power stations, which otherwise will run, according to the words of their owners, until well into the 2030s under the government’s scheme. Under the government’s scheme, these power producers will simply pass on the cost and consumers, small businesses and manufacturers will pay the difference while business as usual will be practised in terms of the sources of emissions. That is the difference.

On the one side, we have a practical alternative that deals with these things and in particular allows for direct action to capture carbon in our soils, in our trees and in our vegetation. It is against that background that the government has developed its carbon farming legislation in response to the coalition’s direct action proposals, a set of proposals that the government originally mocked but that it now seeks to try and replicate. They are the approaches that define the differences between these two parties.

The Australian public is increasingly rejecting the idea of a carbon tax because, contrary to everything that has been said by the government, they will pick up the bill and they know it. That bill will be $863 per annum on a $30 per tonne basis. And whether it starts there or starts lower, it will be north of there before 2020 because, as the Minerals Council of Australia has said through the report prepared on its behalf, it is expected that the price will be approximately $50 to $52 per tonne. What that means is that families will have skyrocketing costs of living, with skyrocketing electricity, gas and grocery prices. And that is all unnecessary.

This system will raise $114 billion on Treasury’s own estimates between now and 2020. Our alternative, which is funded and costed, will start with $300 million, $500 million and $750 million over the first three years. Those are the alternatives. That is the choice available to Australians: an increased cost of living—and every member on the
government side knows it—versus a system based on incentives to reduce emissions, which is a system based in large part on the successful water market model.

Having said that, let us give a fair reading to this legislation. Its objective is to help Australians reduce greenhouse emissions by contributing to the bipartisan five per cent reduction on 2000 emissions by 2020. It seeks to create incentives for farmers and landholders to undertake voluntary land sector abatement projects. These are principles that we in the coalition have set out, so the principles in this legislation are in agreement with those that we have put on the table. It seeks to give farmers some sort of incentive. Against that background, let me say this: we support the principle, but we have some significant issues with the construction and design of this and in particular that which is missing from these three bills. During the Senate process, we will be looking at a Senate committee report—which I understand is due at the end of this week—that responds to a series of issues. The Senate committee has taken significant soundings, representations and submissions across a range of areas. We will reserve our judgment but look on with interest at the recommendations in that Senate report.

In particular, firstly, we want to know what measures will be put in place for the protection of prime agricultural land; secondly, we want to know what measures will be put in place for the protection of Western Australia from what the Western Australian government outlines as the effective expropriation of crown land usage rights as an unintended consequence of the bill; thirdly, we await the completion of key regulations, which is an issue that I wish to follow in this House; fourthly, we also want the inclusion of soil carbon in a constructive way from the outset; fifthly, we want the risk of rorting—as occurred in Europe, where there were no adequate protections, and as was reported on the front page of the Australian of 19 May 2011, only last week—satisfactorily addressed; sixthly, we want the construction of an acceptable set of rules around permanence; seventhly, we want the construction of an acceptable set of rules around additionality; and eighthly, we want to examine any other amendments that the Senate Environment and Communications Legislation Committee report on the bills identifies.

We approach these bills with a constructive heart, attitude and intent. But it is absolutely clear that at this stage there are real risks of inadvertent consequences and there are very clearly areas of great inadequacy and incompleteness. In that context I want to make a point about what we are not going to do in the House of Representatives, the people's chamber in Australia. We will not be providing a blank cheque for this legislation, having lived through the home insulation program, which we were told at the outset was predicated on the basis of, 'Trust us: we will get the detail right.' They did not get the detail right. We warned them. We set out the problems. We did it repeatedly, right throughout July, August, September, October, November and December of 2009. It is amazing how government members, no matter where they are, drop their eyes, read their papers and look rightfully ashamed at any reference to the home insulation program—at any reference to an example of failed governance on a grand scale that in and of itself should have been enough to have seen the government's commission terminated. But we go beyond that.

We go beyond the Home Insulation Program to the Green Loans Program, the school halls program. On each of these occasions the government said, 'Trust us, we
will get the detail right.' What has been shown is that without adequate supervision, without adequate detail, without complete scrutiny, it is not appropriate to trust this government with issues which run the risk of perverse and unintended consequences. That has been a systemic failure.

Lest it be thought that this is a problem of the past, in this precise area the government took three policies to the election: no carbon tax, a citizens assembly and—my favourite of them all—a cash-for-clunkers program, which we recognised within five minutes would be strangled before it saw the light of day. We were told it would be fine, that they would get the details right—and, inevitably, it was strangled before the light of day. It was the one good decision that the government have made in the last year—to listen to what we said: that a program which cost $400 million for one million tonnes of emissions reduction was a clunker in and of itself.

What we see is a fundamental pattern of legislative and administrative incompetence. Against that background we hold to the principle of no blank cheque. We want to see the regulations in detail. We saw a skerrick from the parliamentary secretary today, and I thank him for that, with his release of the 'savannah burning' guidelines. But what that shows is the government is capable of producing the full range of detail and materials before this bill is addressed. It is right and proper and appropriate that we do not vote on the basis of a blank cheque.

In that context, whilst we strongly support the principle, our experience has been that giving the government a blank cheque on issues such as the Home Insulation Program, the Green Loans program and school halls program—just for example—has not been rewarded with good governance in the interests of Australia, and in particular in the interests of people who pay their taxes such as nurses, plumbers, shop assistants, teachers, police officers and firefighters, and expect value for money. Against that background we make this point: a great deal of the substantive elements in the bill exist within regulations and methodologies which are yet to be seen. The experience to date, across all of the elements of this government's legislative agenda, has been, 'Show us the detail; give us the examples'—and they do not exist at this point in time.

For that reason I will be moving, on behalf of the opposition, an amendment in the House declining to give the bill a second reading until the regulations giving effect to the provisions of the bill are laid before the House. In that context, I move:

That all words after “That” be omitted with a view to substituting the following words:

“the House decline to give the bill a second reading until the terms of the regulations giving effect to the provisions of the bill are laid before the House”.

That is an appropriate, prudential mechanism. The reason we ask for that is the government should have nothing to hide. If there is nothing to hide, if there is nothing to worry about: provide the regulations, provide us with the detail, provide us with the elements that are missing from what is otherwise merely a skeleton. A skeleton bill without the flesh is not something that this House should lightly pass. So we support the principle, but we do not accept bad legislative practice. The detail must be provided. The regulations must be provided. The facts must be provided. And, in their absence, we will not allow the government to repeat the risks and errors of the Home Insulation Program, the Green Loans program, the school halls program and any other number of disasters that are awaiting Australia, such as the unfolding issue of the NBN rollout.
In particular, let me make this point: there are, at this stage, deep deficiencies. So a bill which has great potential is not yet ready. We want the detail. And if the government have nothing to hide, why would they deny the House the ability to examine the regulations? Let me repeat that: if the government have nothing to hide, if they are fully confident with their methodologies, if they are fully confident with the regulations, if they believe it is ready to go—show us the detail. If you have nothing to hide, show us the detail. Because, I say to the government, the last time you did not provide that detail, we saw the Green Loans debacle, we saw the Green Start debacle, we saw the Home Insulation Program debacle. Form fits this government as being legislatively and administratively incompetent.

So that is where we stand. The coalition support biosequestration. We believe strongly in the process. As the CSIRO set out in their recent report, the potential is there, on a conservative estimate from a conservative scientific agency, for 20 per cent of our emissions to be offset over 40 years using trees; revegetation, through mallee and mulga; soil carbon; and other forms of reducing emissions—landscape and agricultural management. That is a view which is more prospective than our own estimates, but it is the view set down in writing by the CSIRO, by Dr Michael Battaglia, no less than the head of the Sustainable Agriculture Flagship of the CSIRO. His position, and the CSIRO's position, is that the very methods we have outlined as being of considerable and fundamental importance to the direct action plan offer up to 20 per cent reductions in Australia's emissions for a period of 40 years—significant, fundamental and important. Against that background, this legislation also needs to be viewed within the broader context. We want the regulations and we want to see how the legislation links in with the proposed carbon tax. Let me remind the House that this legislation is fundamentally linked to the carbon tax and that this government went to the election with a pledge from the Prime Minister. On Monday, 16 August 2010, at the beginning of the last week of the election campaign, the Prime Minister of Australia took her policies to the people of Australia to seek a mandate upon which to govern and said on Channel 10: 'There will be no carbon tax under the government I lead.' I just repeat that: 'There will be no carbon tax under the government I lead.'

Then, on the day before the election, on election eve, on the front page of the Australian on 20 August 2010 the Prime Minister said: 'I rule out a carbon tax.' Lest there be any doubt as to what that categorical statement could possibly have meant, the government's express, clear and absolute policy was that there would be no carbon price of any form until the citizens assembly had produced a deep and lasting consensus. So the government has then tried to say, 'I was only kidding about the carbon tax; I actually meant an emissions trading scheme.' The fine print was provided by the government and that was in their climate change policy which was a citizens assembly of 150 people randomly selected from the phone book and they would need to show that there was a deep and lasting consensus. As things stand, there is no deep and lasting consensus around the government's carbon tax or around the general notion of providing an increase in prices of electricity, gas, petrol, groceries, Australian-made cars and houses, for example.

Let me deal with the way in which there is a conflict between the two approaches as evidenced by this legislation. The nature of the carbon tax is intended to increase prices. Contrary to what the government is leading
Australians to believe, its goal is to increase the price of electricity. Its structure, its purpose, its intent is to drive up electricity prices in the hope that people would use less of an essential service. This fundamental idea is flawed at its very heart because, as the Independent Pricing and Regulatory Tribunal of New South Wales has set out over the last five years, we have had over a 50 per cent rise in electricity prices in New South Wales but barely any change in the demand per capita. We see that electricity is one of the most fundamentally inelastic goods available to consumers and householders in Australia. It is a very similar experience in the United States and Europe.

Electricity is an essential service; therefore, driving up the price simply forces people to substitute it for other goods in their life. For a pensioner it could be the once-a-month restaurant meal that they forgo. For a self-funded retiree it could be the gifts to grandchildren that they forgo. For a family it could be the swimming lessons for their kids that they forgo. For a small business owner it could be the expansion of the small business which they forgo. Let it be made absolutely clear that the economic history of Australia, the United States and Europe is that electricity is a largely inelastic good. In human terms that means it is an essential service and what that means in practice is that driving up the price of electricity is just a tax, because people pay more but they barely change their consumption at all. I am not alleging perfect inelasticity in economic terms. I am saying that the real world history of the last 30 years—

Mr Perrett interjecting—

Mr HUNT: I will come to that, matey.

The DEPUTY SPEAKER (Mr KJ Thomson): Order! I have given the member for Flinders a great deal of latitude and debate on this bill. I think it is time we got more onto the carbon farming initiative.

Mr HUNT: All right, I will complete the point and follow your ruling, Mr Deputy Speaker. The real world history of the last 30 years is that electricity prices go up, demand barely changes, people pay more and the consequence is that their cost of living is higher and their quality of life is lower. That is what this government is proposing along with—and I just give this last simple example—an impact on Australian-made passenger vehicles.

In the report prepared by PricewaterhouseCoopers for Australian automotive manufacturers it was found that there would be a $412 increase in the price of Australian-made vehicles under a $30 per tonne carbon tax. A question for the government: how much would imported vehicles rise by? Answer: nothing. So the simple example, which I ask anybody to explain to me, is that Australian-made vehicles would rise by $412 under a $30 per tonne carbon tax, which we will get to if not in the first year, in the second, third or fourth, on its way to $50 per tonne by 2020. How can you have a $412 increase in Australian-made vehicles but nothing on imports? What is the logic, the sense, the reason or the justification for that disparity, where we punish Australian manufacturers and reward foreign-made vehicle importers? That is the example that summarises the structural flaws in the government's entire approach.

Against that background we have set out very clearly an alternative for Australia in an approach which will foster genuine carbon farming by decreasing emissions through capturing carbon on an incentives basis in soil, in our trees, in our vegetation, in other forms of landscape change, as well as in reducing emissions through cleaning up
waste coalmine gas, cleaning up landfills, potentially converting some of our oldest and dirtiest power stations from the worst forms of emissions to cleaner forms of emissions, but without having an impact on electricity prices, because that would be dealt with in our program. That is the choice available. Against that set of considerations, let me give a summary. Our approach is incentives; their approach is tax. They have sought in part to adopt a measure that we are proposing in this bill. We are not opposed to the principle. We welcome the belated interest on the government side in reducing emissions through landscape carbon capture and storage. That is a good thing. But, as has been the case with the Home Insulation Program, with the Green Loans program, the Green Start program and the school halls program, if there is no detail, if there is no accountability and if there is a blank cheque, what we see is failure.

We would like, ultimately, to be able to pass this legislation and we will seek to move amendments pending the outcome of the Senate report across that range of seven areas which I identified. But, right now, we ask the government to make sure that it ends the practice of hiding the detail. If you have nothing to hide, produce the regulations. If you have nothing to hide, produce the detail. If you have nothing to hide, put flesh on the skeleton. Against that background, we have moved a second reading amendment simply to ensure that the House receive the full terms of the regulations giving effect to the provisions of the bill. That is an appropriate legislative practice. We ask for those details. We ask why the government is afraid to provide them. We ask why the government has not completed its work. We support the principles, we have outlined the principles and we would like to complete this bill. In its current form, it is not ready, but give us the detail, give us the regulations and, if you will not do that, say why you are afraid to provide the details.

The DEPUTY SPEAKER: Is the amendment seconded?

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

Mr DREYFUS (Isaacs—Cabinet Secretary and Parliamentary Secretary for Climate Change and Energy Efficiency) (11:31): I rise to speak on the Carbon Credits (Carbon Farming Initiative) Bill 2011 and cognate bills. As the Minister for Climate Change and Energy Efficiency outlined in his second reading speech, the carbon farming initiative fulfils an election commitment to give farmers, forest growers and landholders access to carbon markets. By doing so, the carbon farming initiative will create new real and lasting economic opportunities for regional communities in this country. Farmers and landholders will be financially rewarded for their actions to reduce or store carbon pollution. This is a very important step forward for regional and rural Australia. It is important for farmers and landholders and for the families and communities that are dependent on a sustainable productive and competitive agricultural sector.

Australia has amongst the highest agricultural emissions of the developed countries, around 23 per cent of national emissions, but we also have significant opportunities to increase carbon storage in our landscape. The carbon farming initiative presents an opportunity for Australia to address these high emissions and for the agricultural sector to be part of the solution to climate change. This is important because the agricultural sector is likely to be one of the most strongly affected by climate change. Farmers and landholders are right to be concerned about the economic challenge that climate change will pose for their futures and
Australia's food security. Notwithstanding the development of advanced farming techniques, climate change threatens to do great harm to our grain, pastoral and livestock industries. There is clear evidence that Australia's climate has already changed. Farmers have always had to live with Australia's variable weather. They are no strangers to the extremes of drought and floods and the ongoing challenges that our climate presents to agriculture.

Australian farmers and landholders recognise the benefits of protecting the land because for them the land represents their greatest resource. The carbon farming initiative will create incentives to protect our natural environment and adopt more sustainable farming practices as well as mitigate climate change. The practices of increasing carbon storage in agricultural soils to improve soil health and productivity, revegetation to help restore degraded landscape and protect biodiversity and tree planting to help address salinity and reduce erosion will all be rewarded under the carbon farming initiative.

Today I am releasing for public comment the first methodology to go through the domestic offsets integrity committee process. I note that the member for Flinders has welcomed the release of that methodology. This methodology will allow Indigenous land managers across the remote regions of the north of Australia to earn carbon credits for improving fire management. The development of this methodology is a world first and represents a unique combination of traditional ecological knowledge, cutting edge modern science and the emerging carbon economy of the future. Projects such as that already being trialled in western Arnhem Land could save over 100,000 tonnes of carbon pollution each year and reward Indigenous landowners with $2 million to $3 million of revenue a year if they sold the credits for $20 each. These are the types of opportunities Indigenous Australians are telling us they need to benefit from the low carbon economy of the 21st century.

The carbon farming initiative is not a government grant program. From the speech he has just given to the House, the member for Flinders seems to have misunderstood the nature of the carbon farming initiative almost entirely. The references and comparisons he made seemed to suggest that his understanding is that this is an initiative that might involve the expenditure of government funds in the form of grants. I stress again that it is not a government grant program.

It is not a program that relies on bureaucrats picking winners. The legislated scheme will allow sellers to deal directly with buyers and leverage the opportunities of the marketplace. Such a marketplace allows companies to invest in local land sector abatement through long-term contracts and partnerships with farmers and landholders. Markets are not new to farmers nor are many of the things which can save or store carbon, trees and soil. What farmers need is a mechanism to add value to their actions and decide whether or not to invest. Participation in the carbon farming initiative is voluntary. Farmers and landholders are free to participate if they see a way to benefit. They can also exit the scheme by handing back an equivalent number of credits if they no longer wish to be part of it.

The carbon farming initiative will create a new industry for rural Australia. By 2020 the carbon farming initiative could be channelling hundreds of millions of dollars into rural communities each year. Farmers and landholders will be paid for reducing or avoiding emissions, for example, through capture and destruction of methane emissions from landfill or livestock manure,
or through removing carbon from the atmosphere and storing it in soil or trees by, for example, growing a forest or farming in a way that increases soil carbon. By financially rewarding farmers, the carbon farming initiative will begin to unlock the significant long-term potential for land sector abatement.

Just as the lack of certainty over carbon pricing stopped the long-term investment in our electricity generation sector necessary for energy security, the lack of a framework for rewarding the abatement offered by the land sector has substantially lessened the opportunity for the land sector to be part of the solution to climate change. Investment in land sector abatement needs a long-term framework for the full rewards to be delivered and for the climate to benefit. A grants based approach cannot provide any long-term certainty. That, of course, is the vice of the whole approach that the opposition has brought to this subject with its so-called direct action program. The carbon farming initiative will move the land sector forward by establishing the framework for crediting savings both within and outside international accounting rules. The ability to sell credits to the domestic voluntary market and internationally also allows the carbon farming initiative to be independent of the debate over a broader carbon pricing mechanism. However, to get the most out of this legislation the government intends the carbon farming initiative to link with the carbon price, providing additional demand for abatement and a larger source of revenue for farmers and landholders.

I wish to address one of the criticisms of this initiative now. The government does not accept that Australia's food producing regions and prime agricultural land are threatened by the proposed carbon price or by this carbon farming initiative. The government has excluded agricultural emissions from liability and placed significant safeguards in the carbon farming initiative. Safeguards include the additionality test, which excludes short-rotation commercial forestry and takes into account natural resource management plans. Projects with perverse outcomes will be excluded by regulation and there will be a requirement to comply with state and territory laws. I note that the Department of Climate Change and Energy Efficiency has published preliminary estimates of abatement under the initiative which assume that less than 35,000 hectares of carbon plantings would occur annually.

This package of bills creates a legal framework which will provide certainty for private investment in carbon abatement. The carbon farming initiative provides a framework which is grounded in the science of climate change and provides clear economic value to actions which store or reduce carbon pollution. I should say in relation to the observations that have just been made by the member for Flinders about supposed lack of detail, there has been very extensive consultation around a draft bill which the government published. The comments that have been received as part of that very extensive consultation have been taken into account in formulating the bills that are before the House. The government is also happy to provide further information on such matters as the indicative positive and negative lists, which are a feature of this legislation. The government is happy to provide a briefing on the indicative positive and negative lists and on other details of this carbon framing initiative to the opposition and to the crossbenchers. That is well known to those opposite.

We have a problem in that the opposition has regrettably approached this legislation, as it has so much other legislation, with typical negativity, which has become its
hallmark. The speech we heard from the member for Flinders, who is the opposition spokesman in this area, did not go to the detail of this legislation. This is legislation that is well worked through. It has been the subject of extensive consultation. It is entirely clear in the principles which it sets forward, and the mechanism of putting legislation before the House with regulations to follow is an entirely standard mechanism. That is the mechanism that is being followed here. What we see from those opposite is an opposition that does not wish to take meaningful action on climate change and an opposition that has no credibility in this area. That is regrettably reflected in the approach that it appears is being taken by those opposite in relation to the carbon farming initiative. I commend the bills to the House.

Mr JOHN COBB (Calare) (11:43): I rise to speak on the Carbon Credits (Carbon Farming Initiative) Bill 2011 and related bills. I have to say at the outset that just because it has the words 'carbon farming' in the title it does not necessarily mean that farmers will be able to gain any traction out of it. The legislation is incomplete, misleading and certainly open to distortion by the carbon tax and an emissions trading scheme. I have to say that we thoroughly support direct action and we thoroughly support carbon farming and the opportunities that it can give agriculture, but this bill is mutton dressed up as lamb. For those who are unacquainted with the phrase or are vegetarians, that really means a 50-year-old trying to dress up like a 20-year-old. The term sounds good and you would imagine the legislation is but, as the shadow minister said, there are no ground rules within this legislation. There are no fences. We do not know what we are dealing with apart from the fact that it is a carbon farming initiative bill.

The Labor government want parliament to vote on a carbon farming scheme despite there being no detail and, while the coalition most definitely supports carbon farming and direct action, there are serious flaws. For example, the bill is reliant on regulations which are yet to be presented and will be done at Labor's and the Greens' pleasure. We will not support legislation that does not provide adequate detail or that leads to perverse outcomes for farmers unless, perhaps later in the Senate, the government can come up with amendments which deal with all these issues—and there are a lot of them. How are they going to do that when we do not know what the situation is regarding a carbon tax or an ETS in the future?

Under the direct action plan, the coalition will reduce CO2 emissions through biosequestration in general and, in particular, the replenishment of our soil carbons. Under our plan, farmers will be entitled to tender for additions in soil carbon. Significantly improving soil carbons also helps soil quality, farm productivity and water efficiency and should be a national goal, regardless of the CO2 abatement benefits. However, under the government's approach, the carbon farming offsets bill will be completely skewed by the legislation that may follow. It will undoubtedly lead to the wholesale conversion of prime farming land from agriculture to trees. We do not know the details of the tax or the ETS, so how can we assess this bill on whether it can be modified to account for the impact of it?

The offset bill allows for the creation of Kyoto and non-Kyoto credits. As only Kyoto credits will be recognised—in other words, eligible—for trade in an ETS, the voluntary market for non-Kyoto credits, the most attractive to farmers and the ones supported by the coalition's direct action plan, will be worthless and will collapse. Voluntary
offsets are currently at about 15c per tonne on the Chicago exchange. Under an ETS with a fixed carbon price the CPI, like managed investment schemes, will skew the market in favour of trees which will be shut up and can never be harvested.

Mr McCormack: You can't eat pine trees!

Mr JOHN COBB: You cannot export them in the ground either. The current legislation introduced into the parliament following the recent consultation paper on the CFI highlights the endemic lack of policy skills in the current government. While the bill introduced into parliament does attempt to address the financial additionality clause—'additionality'; that's a new one—it seems the government has learnt little from the consultation process. Perhaps the consultation process gives us some clues as to why this bill is totally inadequate, as it stands, for dealing with this issue. I am amazed that a bill that is supposed to provide opportunities to farmers only had consultation opportunities in capital cities. That may be okay for the green lobby groups but, in case the government has not noticed, there are not many farms in capital cities. This is symptomatic of Labor's failure to turn rhetoric into good, positive policy and substantive action.

There needs to be much more certainty in this legislation before we can even consider it. The absence of key information is extremely concerning. Farmers and regional communities deserve some answers before this legislation is considered. There are still no positive and negative lists—what is in and what is out—for carbon activities. How do we ensure that Labor does not rule out all the good offset opportunities through regulation? It will have the Greens, who are in power, also pushing. How can we pass a blank cheque, as the shadow minister said? If we do this we are passing a blank cheque, which will then give Labor and the Greens an opportunity to decide the future of agriculture.

At Senate estimates, officials confirmed there is not yet a definition of 'common farming practice'. This is a very important issue. We are also told that what is deemed as common practice in farming may well be determined on a region-by-region basis. Yet the department could not say how this would work and what size the regions would be. In other words, they do not have a clue. They have not even set their minds to it. We know that without the detail on common practice the Greens and others will move to exclude farming practices and ensure tree planting that closes down agriculture is the only option for farmers. Anything that has been done once could be deemed as common farming practice and therefore excluded from the provisions, and so excluded will be the opportunity for farmers to make a buck when the rest of the community demands something. In this case, a minority government demands something.

We have no idea yet what the methodologies for carbon abatement are going to be. There is a major imbalance in the methodologies. What exists for tree planting assistance needs to be given to the farming sector to develop methodologies for genuine farm carbon abatement activity to help meet the rigorous requirements of the offsets integrity scheme.

Another concern is the duration of abatements. The 100-year life of credits also gives rise to problems when carbon stores are prematurely disturbed by natural or non-natural events, where proponents are required to re-establish or regenerate the carbon store or relinquish carbon credits. Over a 100-year life cycle it is highly probable that carbon stores will be affected.
by an event which releases the carbon store, leaving the proponent liable for them. Those wishing to take part may be unaware of the long-term implications of signing up for these abatements so there needs to be an education program for those wishing to participate, advising on pitfalls and the implications of 100-year offsets. Farmers have a history of signing up for schemes, such as certain banks did 20 or 30 years ago in offshore money, and they came a cropper on it. I am not going to vote for something that does not make these things clear. I am not going to vote for something unless—and this is the biggest if in the parliament—they can come up with amendments to take care of all these concerns. We are not going to give a blank cheque to the Green-Labor alliance to decide the future of farming. There is no detail on any such education program from the government. Further, ABARES says its work on the CFI is due next month, after the legislation is supposed to be voted on. That will be handy! How can the government and stakeholders consider important data from ABARES when the study commissioned by the government is not complete. Perhaps the government does not want us to see it.

The government arrogantly expects us to deal with this legislation before we have any understanding at all of how it will be quantified or any impacts it will have on the agricultural sector. I am sure the farmers in the Hunter will be thrilled to know that the studies being done on their behalf will be made available after the legislation becomes fact. Labor's plan will cause the wholesale transfer of food production land to trees in Australia's best farming areas—trees which cannot be harvested in any form. We will see big companies coming in to regional communities, buying up highly productive farmland—for example, in the Hunter Valley or Gippsland—and shutting it up for trees. This is much worse than commercial forestry as no employment will be required, and the flow-on impacts of job losses will be huge. With a global population predicted to be nine billion people by 2050 the world will need more food, and Australia is well placed to provide it. We do not want to become the carbon tip of the world so that other countries can continue to prosper. Let us not make any mistake: we believe in the opportunities, particularly for marginal land, to take advantage of this type of situation. We believe in direct action but we do not believe in an open cheque to allow Australia's best farmland to no longer be productive.

A leaked CSIRO report featured in the Sydney Morning Herald claims that a carbon price of $36 a tonne is likely to see the whole lower Murray-Darling Basin converted to trees, starting with a carbon price as low as $11 a tonne. That needs to be out in the public for consideration before the bill is considered. Tree planting is good and there has to be a place for it in the direct action plan, but there must also be appropriate controls to ensure that large tracts of good food-producing land are not lost for it.

Australia is a big country and there is plenty of scope to plant trees in marginal country where farming is less viable and where there are co-environmental benefits in relation to salinity, erosion and woody weeds. Tree-planting has a place if there is a mosaic reforestation that is compatible with farming. But this legislation does not address those issues. This is a blank cheque. After the consultation process, Labor has said that, in the interests of local communities and the nation's future food security, food-producing land will be protected and issues such as interception from forestry will be addressed. We have heard all this before, though, in relation to the Basin Plan, where I think the current
government policy is not just affecting farmers. Like this legislation it has the ability to totally devastate farming communities—wholesale. The government say they consider the economic and social impacts of their actions, but they are playing games and only paying lip service to these issues. In the Basin Plan the government said that removing a third of our irrigation would result in the loss of only 800 jobs. They do not care for agriculture. When they bought Toorale Station at Bourke, that was a hundred jobs in one hit, and all they bought was 13,000 megalitres.

They do not care for agriculture and would like to see Australia become the carbon tip of the world, with large multinationals buying land which is cheap by world standards and taking it out of production while they continue to pollute. I do not trust this government to get it right. They have made so many mistakes with so much taxpayers' money in 3½ short years—in fact, in about 2½ years they ran up a bigger net bill than Hawke and Keating could run up in 14 years.

Why would we want to hand a blank cheque to Labor and the Greens to decide the future of farming? I will reserve my final judgment until the Senate hands down its report but, as it stands, this bill is most definitely not in the interests of rural communities.

Mr HUSIC (Chifley) (11:58): The Carbon Credits (Carbon Farming Initiative) Bill 2011 and related bills are an important measure for moving Australia towards the new low-emissions economy. They are part of a range of measures that the government has announced and will introduce in coming years in order to meet our international obligations, to reduce our emissions of greenhouse gases. Under the Kyoto protocol, Australia's target is to limit greenhouse gas emissions over the first commitment period to 108 per cent of the levels they were in 1990. That means our emissions need to be just eight per cent more than they were 19 years ago. Carbon farming will be an instrumental initiative in helping achieve the targets that have been set. These bills will create the incentive for the land sector to adapt their land use methods to unlock abatement opportunities and will provide them with the opportunity to generate and invest in saleable carbon credits.

While the move towards a low-emissions economy presents a number of challenges for the land sector, who currently account for 23 per cent of Australia's emissions, this bill opens the door for farmers, forest growers and landowners to access domestic and international carbon markets. That is something I want to reflect on later, demonstrating something that has been done quite uniquely in Western Sydney to contribute to this overall effort. In its submission to the Senate inquiry which examined the impact of this bill, the National Farmers Federation gave its in-principle support:

The NFF has always stated its broad support of the concept and intent of the CFI.

Despite the uncertainties that abound in the area of carbon mitigation, the progress of the CFI demonstrates the positive role agriculture can play in mitigating against carbon emissions through on-farm management.

The submission went on to say:

The Government deserves credit for listening to the farm sector and modifying its proposal to ensure that genuine abatement opportunities under the CFI are not unnecessarily overlooked.

The bill fulfils Labor's commitment to having legislation in place by 1 July this year in order to provide certainty to those who have previously invested in abatement projects or those who are looking to invest in the near future.
When the opposition party room decided to do an about-face on the issue of climate change and backed away from its agreement with the government to pass the Carbon Pollution Reduction Scheme, a number of projects previously supported by the Greenhouse Friendly program were jeopardised. Among these were forest sequestration and landfill waste projects. The Australian Landfill Owners Association, in their submission to the Senate inquiry, said:

ALOA supports the introduction of the Carbon Farming Initiative Bills. Over the last four months the landfill industry has worked co-operatively with the Department of Climate Change and Energy Efficiency to develop methodologies for the landfill component of the Carbon Farming Initiative (CFI). The industry is keen for the scheme to start as soon as practicable, and the proposed date of July 1st is firmly supported.

Later, they said:

ALOA therefore encourages the early implementation of the Carbon Farming Initiative to provide the certainty required for landfill operators to invest in new or additional landfill gas capturing equipment. The extent and simplicity of the available abatement will make this scheme an outstanding success and was the reason for our early press release on the 9th of February which was followed up on March 25th ...

One particular submission received by the inquiry which I was most interested in was from the not-for-profit environmental charity Greenfleet, who since 1997 have established 450 forests and planted over 6.8 million native trees to offset the carbon emissions of our motor vehicles. Their submission pointed out:

Greenfleet’s approach to carbon forest projects was approved under the former Greenhouse Friendly™ standard and Greenfleet brings significant expertise as one of the few organisations in Australia with direct experience in establishing and managing biodiverse forests for carbon offsets.

They went on to say:

Greenfleet supports the CFI as it will allow accreditation and recognition of additional Australian biodiverse forest sink abatement. Furthermore it will overcome the current situation whereby overseas abatement is recognised in Australia but local abatement is not.

It is certainly a pressing point that at present we have no domestic credits—I repeat: no domestic credits whatsoever—for Australian companies to buy until this bill is passed. Significantly, the bill allows for backdating of credits to 1 July 2010 to account for those projects which had previously relied on the Greenhouse Friendly scheme, provided that they meet the new standard and have appropriately measured the abatement.

An important part of this group of bills is the Australian National Registry of Emissions Units Bill, which will provide a legislative framework for the registry, which was established under Commonwealth executive powers in September 2009 to meet one of Australia’s commitments under the Kyoto protocol. The registry is an electronic system which is used to ensure accurate accounting of the issuance, holding, transfer, acquisition, cancellation, retirement and carry-over of emissions units under the Kyoto protocol. Since the registry opened in September 2009, organisations and individuals have been able to apply to open accounts and participate in the domestic and international trade of Kyoto units.

The bill will allow the government to modify the registry so that it can track the location and ownership of the units under the Carbon Farming Initiative and meet our ongoing obligations under the Kyoto protocol. The registry would then be maintained by the administrator of the CFI in order to avoid any duplication in account opening and operating procedures as well as to keep implementation and transaction costs down. For the reasons I have just outlined,
the Australian National Registry of Emission Units Bill is necessary to support the Carbon Farming Initiative and to allow persons to trade in credits.

I am confident that these bills will help to tie together the good work that so many people—individuals, groups, corporations, volunteers and professionals—are currently doing to minimise and abate their carbon footprints. I want to take this opportunity to highlight other actions being taken by local communities in Western Sydney to help play their part in offsetting carbon emissions by establishing their own carbon forests.

Back in March, I, along with the member for Greenway—and I note her presence in the House—had the great pleasure of attending a special event, a ceremony to mark the completion of the Regenesis project and the launch of the Regenesis Toolkit at Mujar Bija Reserve in Blacktown, in an area that I grew up in. The Regenesis project grew from a partnership between a city council and a regional counterpart—between Blacktown City Council and Liverpool Plains Shire Council—made possible through a $2 million grant from the NSW Environmental Trust.

During the life of the project, which spanned three years, 220,000 native plants across 100 hectares of land in 33 biodiverse carbon forests have been grown in line with the carbon trading requirements established under the Kyoto protocol. It secured this impressive achievement by engaging business, land managers and agencies such as catchment management authorities, as well as community members and organisations. Ten of the forests are privately owned, 21 are council owned and two are on crown land.

The Regenesis project is a cleverly conceived and executed project—the first of its kind for local government in New South Wales, perhaps even Australia. I have no doubt that this project could be the blueprint for other local governments and that it can ultimately help set up the trading of carbon offset certificates through carbon emissions trading schemes. I hasten to add that it is not an emissions trading scheme, but it can provide a model for planning and planting reforestation projects to create revenue for landholders to set up and maintain native vegetation. It is a powerful combination of commercial benefit with environmental gain, particularly in Western Sydney, where we are working so hard to preserve in an active way so many elements of Cumberland Plain woodland and bushland that have been slowly eroded through the development of Sydney. I note that in 2008 various emissions trading schemes and markets combined to form an industry worth more than $118 million. The Regenesis program got communities and businesses to team up and work to supporting improved biodiversity—and sequestering carbon. Over three years community, school, religious and business groups attended 99 community tree-planting events on Regenesis sites throughout the City of Blacktown, some events attended by as many as 200 individuals. Blacktown City Council has done a tremendous job in this regard by advertising these tree-planting events, encouraging the community to get involved, planting trees and actively making an improvement in our environmental contribution and also creating green space amongst our built space.

In the Liverpool Plains shire, 10 landowners partnered with Regenesis to plant locally native carbon forests on their land. All of these Regenesis initiatives provided local environmental benefits, including erosion control. So it is not just about a project trying to address carbon emissions as they have achieved other
important environmental objectives including improved soil quality and creek health, reduced soil salinity, creation of windbreaks and shelter for grazing stock as well as enhanced biodiversity through increased habitat.

I was particularly pleased about the work at Mujar Bija reserve because it saw the rehabilitation and enhanced use of land that had once been a disused brickworks site. I can testify, as one who had much skin grazed off my knees as I grew up in that area, that what became a bike park used by local teenagers close to Mitchell High School has now been transformed into a local forest that is a tremendous asset to the Blacktown City Council area. We often hear from those who are only concerned with fear campaigns about how expensive life will become under this new low-emissions future. They play on the unfounded belief that people from lower socioeconomic areas, like the areas that I am proud to represent in Chifley, are not concerned at all about the environment and will therefore oppose such measures. Not only are the people of Chifley concerned for the environment; they are actively working at reducing and abating their impact.

Now other communities and local government areas are being encouraged to get involved, with the City of Blacktown and the Liverpool Plains Shire Council launching the Regenesis Toolkit, as I mentioned earlier. It is providing a very useful guide to establishing locally native mixed species of carbon forests in urban and rural environments. I was particularly struck by the sense of community that it has helped foster amongst those involved. To quote the words of 12-year-old Jamison talking about his role as one of the first seven members of the new Tregear Reserve Bushcare Group, established in the electorate in October 2008 as a result of the first Regenesis & Try Bushcare planting day:

"It's awesome. I like planting the trees. We do that cos it helps nature. I love digging the holes. The other people in our Bushcare Group help me when I ask. It is good teamwork. When I grow up, I want to be a gardener."

I congratulate him and the community of Tregear for their involvement in this project. It is a landmark project that is setting the standard for other communities. I congratulate them for the positive impact that they have made on their local environment.

The government owes it to the people of Australia, who are doing their bit to abate carbon emissions, to pass these bills to provide the formal mechanism for converting this work into useful carbon credits available to Australian businesses to invest in. I wholeheartedly commend these bills to the House.

Mr TEHAN (Wannon) (12:11): As I rise to speak on the Carbon Credits (Carbon Farming Initiative) Bill 2011, I would like to state at the outset that to me the key component of this bill is to make sure that the government is not introducing a scheme which will artificially distort markets in respect of agricultural land use or impose barriers on food and fibre productivity output. That is the key test for this bill: what is the government seeking to do? If it is seeking to change land use away from productive purposes then this bill either needs serious amending or should not be supported at all.

On the weekend I went to a farm near Beaufort of 6,000 acres in what is prime sheep and cropping country. Three thousand acres of that property had trees put on it. That should not have happened. The land is not suitable for that. There are some areas that are suitable for trees to be grown on but there are some areas that are not suitable. But there is a scheme that distorts land use and it has led to large areas of agricultural land
being put to trees. So what we have is a small businessman, a farmer, having bought those 6,000 acres, now having to spend a considerable amount of money on uprooting all those trees, burning them and trying to put that land back to productive use. As he goes about doing that he will have to go into debt. He is doing that because he believes that in the future there will be a need for Australian food and fibre.

I take my hat off to him and his family for doing that because there are going to be global shortages of food and fibre and we have to make sure that we do everything we can to maximise the efficient use of our land. You do not do that by distorting the way that land is used. You let the market dictate how that land should be used. So if this bill in any way seeks to distort land use I will have considerable concern about it. That is why I am very worried that the bill has been introduced without us seeing any of the regulations, because the regulations will hold the key to whether this will be land distorting or not.

I will go to three or four points on this matter. Natural resource management plans will be a key component, and we have to make sure that these natural resource management plans are done on a regional basis because we have to ensure that the impacts on regional communities, water and biodiversity are taken into consideration when plans are put in place to dictate land use. At the moment the bill dictates that the minister will have ultimate control over regional land use. To me, this is dangerous. A minister sitting in Canberra dictating what regional land use policy should or should not be is the wrong way around. Those organisations on the ground who know intimately the resources in their areas should be the ones who are dictating.

The Glenelg Hopkins Catchment Management Authority recommended in its submission on the design of the Carbon Farming Initiative:

… Regional NRM bodies (eg CMAs in Victoria) should be provided with sufficient resources to develop the appropriate “natural resource management plan” that would involve regional decision making on land use planning and priorities. This plan would take into account environmental, water and biodiversity impacts in determining the applicability of eligible activities to appropriate subregions.

I support this idea wholeheartedly. It is important because currently in Victoria there are no state regulatory requirements for farm zoned land that would need to be assessed as part of any approval process for the CFI, so potential impacts of the carbon offset projects would not be assessed on a state or a regional basis.

Notwithstanding the coverage of the scheme, the Minister for Climate Change and Energy Efficiency may exclude projects that could have significant adverse impacts on water availability, food production, local communities and conservation of biodiversity or employment. These impacts may be in, or in the vicinity of, the project area or any of the project areas for that kind of project. The intention is that ‘the vicinity’ may be interpreted broadly, including water resources availability in associated catchments. This is all good in theory, but it is the minister who has the ultimate say; it is not the regional communities. And it is the regional communities that should have the say. They should be resourced to put the plans together and they should then be asked to provide advice to the minister.

There are also issues with this bill regarding the international dimension. There is uncertainty about the international rules that Australia will be operating under—for example, whether Australia will include
additional land management activities such as forest management towards future mitigation commitments. For the first commitment period under the Kyoto protocol, between 2008 and 2012, some of the land sector forestry activities such as management of forests, crop lands and grazing land are voluntary. That is article 3, at point 4. This means that countries can decide if they will elect to take on additional commitments for the sector. Australia has chosen not to include emissions or removals from any article 3(4) activities and hence has not elected to be subject to article 3(4). This means that actions to increase soil carbon or reduce logging sit outside accounting for Australia's Kyoto target for the first commitment period.

What are we doing for the second commitment period? I will use this opportunity to ask: what are we trying to do to get some international movement in the whole area of climate change? We seem to have completely gone to sleep at the wheel with our diplomatic initiatives to get any future international action in this area. The more we focus domestically on introducing this insidious carbon tax, the less we seem to be doing internationally to get international agreement so that the globe moves forward. So I use this opportunity to ask the government to get back on track with focusing on where the international negotiations are and to make clear what its policy will be for the second commitment period in this area. While uncertainty lies around that, this bill remains something that we on this side will not be able, in all good conscience, to support.

There is also the issue of permanency. While acknowledging the importance of permanency, my view is that it should be treated in a flexible manner in order to properly promote abatement. Just saying that we are going to lock areas away for 100 years seems completely nonsensical to me. If we get more carbon abatement from growing timber in the first 30 years, why then after those 30 years should we not be able to harvest that timber and then start again, replanting and locking timber away for another 30 years? The idea that we should just lock something away for 100 years and not look to get any productive output from it just seems completely nonsensical to me. It also goes back to the key component that I mentioned at the start that what we want to see in this Carbon Farming Initiative is that government is going to encourage the productive use of agricultural land and not impose barriers on food and fibre productive output. Also, what we need to see—and once again it is not clearly spelt out in the legislation as it was put to us today—is what the actual compliance costs are going to be to our farmers. Are we going to reach a situation where the offsets and the benefits that the farmers will get will be outweighed by the compliance costs of measuring the offsets? What will be the cost to the farmers of the on-farm auditing? How onerous will it be? How much paperwork will be involved? How much red tape will be involved? None of this is clearly spelt out in this bill. Given that this government has increased compliance-cost red tape in the four years that it has been in power, we need some serious statements from the government that the compliance and administrative costs to farmers of participating in this program will not outweigh the benefits of doing the right thing by putting more carbon in soil, or by other measures they undertake.

I would also like to see what this legislation will mean for biochar and biomass. For a start we need to see greater work on research into options such as biochar for carbon sequestration. Biochar is a stable form of charcoal produced from heating natural organic materials in a high-
temperature, low-oxygen process. In some cases biochar can remain stable in soil for hundreds or thousands of years. So biochar is an important use of technology that recognises that carbon is not a negative factor in our environment but actually enriches the land. Biochar could be used to enrich soil, simultaneously improving soil productivity and storing carbon. What will this legislation do to continue to help us to encourage the use of biochar and biomass as a way of getting more carbon into our soil? I will be looking to the regulations to ensure that it is going to benefit our efforts to increase our biochar and biomass industries.

In summing up on the Carbon Credits (Carbon Farming Initiative) Bill 2011, what we have before us is not a bad idea in principle. As a matter of fact it is pretty much a carbon copy of the ideas of our direct action plan, which the coalition put forward at the last election. But, sadly, like everything this government does, the implementation leaves a lot to be desired. From where it stands now it is a bit of an unmitigated disaster. We have no regulations before us. We have no faith that this government could implement anything, and yet we have to come in here now and speak on this bill in blind faith. Well, on behalf of the farmers in my electorate, I cannot give this government the benefit of the doubt on anything. We have been bitten too many times. For this bill, it will be a matter of waiting to see what the regulations are, what the Senate report comes out with, and looking at what I think will need to be significant amendments that will be necessary to make this a working document. Then we can decide which way we need to go. But as it stands now I have grave, grave, grave reservations about this bill.

Dr LEIGH (Fraser) (12:26): Once upon a time in a country far, far away a world leader stood up and discussed three environmental challenges that faced the world: acid rain, the hole in the ozone layer and greenhouse gases. The first, a nation solved through an innovative approach, an approach the member for Flinders championed in his honours thesis. It was a market based approach, which was the same market based approach George Bush Snr put into place, that made companies pay for the privilege of putting noxious gases into the air. The results of market based mechanisms tend to be better than are envisaged by policy makers at the outset. Industries put in place innovative solutions to ensure that the economic cost is minimised and the environmental problem is solved.

The second of those problems—the hole in the ozone layer—was resolved through nations being good global citizens, acting in the knowledge that other nations were acting, as well. That process culminated in the Montreal protocol and has seen the hole in the ozone layer gradually shrink over recent decades.

On the last challenge, this leader in a land far, far away, Margaret Thatcher, pledged to make drastic cuts to her nation's greenhouse gas emissions and set up a centre for research. Thanks to the work of centres such as the Hadley Centre for Climate Prediction and Research, there is a consensus among climate scientists that dangerous climate change is occurring and that dangerous carbon pollution is the cause. Yet many of those opposite continue to be silenced by those who do not accept the scientific evidence. The Minister for Climate Change has on many occasions put on record the comments of the sceptics opposite. Indeed, yesterday, on the very day the Climate Commission was meeting in this building to outline the scientific consensus, the likes of Senators Joyce and Macdonald were in Senate estimates challenging the Bureau of Meteorology on climate change.
Anthropogenic climate change is of course backed by the Australian Academy of Sciences, the Bureau of Meteorology, CSIRO, NASA, the US National Oceanic and Atmospheric Administration and the vast majority of climate scientists. Yet there are many in the coalition party room who still cannot accept the overwhelming scientific evidence.

If the Leader of the Opposition is the political love child of John Howard and the member for McKellar, then Margaret Thatcher would surely be his political godmother. Yet Margaret Thatcher accepted the scientific evidence for climate change as far back as the 1980s. The UK Conservatives—the political cousins of those opposite—have accepted there is no debate about the science of climate change and the necessity of acting. The British Tories have accepted this. They are using a market based approach to secure the environmental future of Britain and the globe. The bill before the House is part of the government's commitment to act on dangerous climate change to secure our future so that future generations can continue to enjoy our golden soil and wealth for toil.

A creed of the farming sector is to ensure that farmers leave the land in better shape than that in which they inherited it. Our farmers are some of the most passionate advocates for environmental protection. The Carbon Credits (Carbon Farming Initiative) Bill creates opportunities for farmers, foresters and landholders to access carbon markets and help to reduce emissions. We know that Australians are among the highest per capita emitters in the developed world. We also have among the highest agricultural emissions. Protecting biodiversity, helping to regenerate landscapes, improving soil quality through increased carbon storage and helping to address salinity through tree planting are just some of the opportunities available to Australia's Farmers.

Some of these things are not new, but this bill will help us to drive innovation, to find better ways of using our agricultural and land assets to reduce our emissions. The bill will help us to create a market for carbon permits and provide investment certainty. Credits will be given for every tonne of carbon stored. Schemes will need to go through an approval process that will ensure the integrity of the abatement being undertaken. We are balancing regulatory simplicity with environmental integrity.

Projects will need to be recognised. The offset methodology will need approval. Projects will need to be done in accordance with the approved methodology and any other eligibility requirements. Once project managers have reported on the projects, they will be issued with Australian carbon credit units, or ACCUs. These units can be used to offset emissions or can be traded on the market. To ensure the integrity of the abatement, an expert committee, the Domestic Offsets Integrity Committee, has been established to make sure we get real and verifiable abatement.

Other elements of the design of the scheme to ensure the integrity of credits include issuing credits after the sequestration or emissions reduction has actually occurred; tracking credits through a central national registry—that is included in the registry bill; transparency provisions, including the publication of a wide range of information about approved projects; appropriate enforcement provisions to address noncompliance; and a robust auditing scheme based on the National Greenhouse and Energy Reporting System.

The scheme has received backing from a range of organisations. CSIRO experts told the House of Representatives Standing
Committee on Climate Change, Environment and the Arts looking at the bill:

… industry and community individuals and groups as well as the private sector have much to offer in terms of innovative ideas on greenhouse gas abatement.

Carbon Neutral said:
This initiative has the potential to drive funding into rural communities, increase green collar jobs and improve the natural environment whilst simultaneously contributing to domestic climate change adaptation and mitigation measures.

Greenfleet, who have established 450 forests and planted more than 6.8 million native trees since 1997, said:
We believe that carbon forestry projects are unlikely to displace high-value agricultural production on the nation’s most productive soils. We believe that carbon forestry projects are and will remain peripheral to prime agricultural production and in fact may improve, but not replace, sophisticated farming systems.

The scheme is also backed by the Wentworth Group of Concerned Scientists, named after William Wentworth, whose name seems to crop up quite frequently on the science based side of the climate change debate.

Today the Minister for Agriculture, Fisheries and Forestry and the Parliamentary Secretary for Climate Change announced that Indigenous land managers across remote regions will be able to earn carbon credits through improving fire management under the government’s carbon farming initiative. The methodology is a world first and represents a unique combination of traditional Indigenous ecological knowledge, cutting edge modern science and the substantial economic potential that is emerging in carbon markets as governments around the world take action on climate change. This world action is also reflected in part of these bills today. The Australian National Registry of Emissions Units Bill 2011 is part the government's commitment under the Kyoto protocol. The registry will help ensure accurate accounting of emissions, consistent with the Kyoto protocol.

But those opposite continue to deride action on climate change. They miss the fact that the world is moving. They miss the fact that 32 countries now have emissions trading schemes. They miss the fact that India and China, despite having far lower emissions per capita than Australia, are making substantial investments in renewable energy. They miss the fact that the UK, as part of the European Union, is engaged in emissions trading.

At the same time, we are listening to the economists just as we are listening to the scientists. We are recognising the benefits of market based mechanisms over command and control. I think it is often recognised in this place that there is an overwhelming consensus among scientists, but the overwhelming consensus among economists is sometimes missed. Allow me to quote from two senior economics professors. John Quiggin wrote in his blog on 10 May:

I had a call from a local business organization asking if I would talk at a breakfast about the carbon tax to be held in a few weeks. The date was fine, so I said yes, then came the kicker—they wanted an economist on each side of the issue. The organizer said they had plenty of economists willing to speak for the tax, but they couldn’t find any willing to speak against it. I gamely offered to present the case for an emissions trading scheme as opposed to a tax (even though, at the moment, I lean to a tax). But they wanted an actual opponent of any kind of carbon price, who was also an economist. This has proved to be impossible, which is pretty impressive testimony to the quality of the Queensland economics profession, and to the underappreciated fact that economists are among the strongest supporters of good environmental policy.
Joshua Gans, currently at Melbourne Business School and shortly moving to the University of Toronto—Canada's gain and Australia's loss, I have to say—wrote on the website of The Drum on 7 April:

Sadly, there are plenty of people who aren't climate change scientists who are comfortable disbelieving the general consensus from climate change scientists.

But perhaps it is more disturbing when people—especially politicians—ignore or deny the evidence on how to actually achieve lower emissions. Why is that more disturbing? Because it could be that politicians want to actually reduce emissions but instead advocate policies that are likely to do the opposite.

Of course, when I am talking of advocating opposite policies I am talking mainly, but not exclusively, of the Federal Opposition. What they want to do is take direct action. It's not big on specifics but it will cost a lot of money ($10 billion plus) and will award that money to people who claim they are going to do good things in reducing emissions.

Joshua Gans goes on to say:

It is ironic that on climate change policy, politics are in the bizarro-world where the supposedly anti-market Greens side with Hayek while the supposedly pro-market Coalition sides with Lenin. The economic evidence strongly suggests that the Greens policies match their goals while the reverse is true for the Coalition. I can't parse the dual hypotheses that either the Coalition just deny economic evidence or that they actually want more emissions and handouts to business. Perhaps one of their number can enlighten us.

Finally, I want to go to the amendment moved by the member for Flinders. As I have noted in my speech, the government's legislation will create new, real and lasting economic opportunities for regional communities. Stakeholders in the land sector are desperate for a mechanism to credit their actions to reduce and store carbon pollution. Farmers and landholders want access to carbon markets worth hundreds of millions of dollars each year for regional and rural Australia. But the coalition are currently holding them back.

With the amendment moved today, the member for Flinders has essentially told farmers that the coalition wants to delay the farmers from receiving these benefits. He is signalling that the coalition would rather play politics than support farmers. Farmers and landholders want politicians to end the gamesmanship so that they can know the framework that they will be working under. They want us to resolve the detail and put in place a framework that measures the savings that they are making.

There has been extensive consultation on this initiative over a number of years. It builds on the work of other offset mechanisms. Let us look at what key groups like the National Farmers Federation submitted to the House inquiry. They said:

The legislation addresses NFF concerns around potential perverse outcomes in relation to food production, water, local communities, environment and biodiversity as well as reduces some of the uncertainty and administrative costs surrounding crediting periods, reporting timeframes and offsets compliance.

They also said:

the government deserves credit for listening to the farm sector and modifying its proposals to ensure that genuine abatement opportunities under the CFI are not unnecessarily overlooked.

The government's carbon farming initiative is based on the science of climate change but developed with a key focus on practicality. The department is releasing over the next few weeks a number of the first detailed methodologies showing in practical terms how particular landholders can put projects together. We have been consulting extensively on the regulations to establish the positive and negative lists. We will be
providing details of those lists shortly. The regulations deal with technical matters required to be based on independent advice from the Domestic Offset Integrity Committee. It is essential to the credibility and value of the offsets credit that are created by the initiative. The coalition's amendment is for a scheme in which the activities added and credited are based on politics rather than science. That approach has not credibility in carbon markets and no credibility in the community. The government calls on the coalition to stop playing politics and to support the government's efforts to reward farmers who are taking action on climate change.

In closing, I observe the sad fact that, as scientists often note, climate change can be dominated by tipping points—sudden moments like the melting of polar ice caps, at which point the progress of climate change, the warming, becomes more rapid. Perhaps the best example of a tipping point was the Leader of the Opposition's one-vote ousting of the member for Wentworth as the Leader of the Liberal Party in 2009. That tipping point moved us from a path on which the coalition were, as they had been in the 2007 federal election, advocating market based mechanisms supported by sensible conservatives around the globe. That moved us into a bizarro world in which the current Leader of the Opposition advocates command and control policies, policies unsupported by serious scientists or serious economists. That tipping point has left the Australian debate over carbon pricing well adrift from what you see in mainstream debates all around the globe. Even when I go into schools in my electorate I find young children in Australia deeply concerned by the lack of willingness to act on climate change and deeply concerned at the fact that at the moment carbon pollution is free and that the opposition is attempting to block the government's sensible and practical move to put a price on carbon pollution. (Time expired)

Mr TRUSS (Wide Bay—Leader of The Nationals) (12:41): The coalition have been active supporters of carbon farming initiatives for many years. Implemented correctly, carbon farming initiatives can help to sequester or abate carbon and address concerns arising from global CO2 emission increases. They can also deliver a new income source for farmers but also deliver broader environmental objectives, including improved water quality and reduced salinity and erosion. They can promote biodiversity and regenerate landscapes as well as improve productivity.

Carbon farming was a key ingredient of the coalition's direct action plan, and still is. We highlighted the potential for carbon farming. We demonstrated its practical ability to deliver results. We announced a direct path to fund real action to make sure that the initiatives put in place delivered broader results.

Farmers have been saying for as long as anyone can remember that the climate is changing. They have noticed the differences in the weather cycles and often comment about how things are not the way that they used to be. It is true that most of them are sceptical about the doomsday predictions of the so-called experts. They certainly strongly oppose Labor's carbon tax and CPRS. They say quite bluntly that they cannot see how a new tax or a trading scheme can change the temperature. They are angry with the Prime Minister, who did not tell the truth before the election about her intentions in relation to the carbon tax. They do not trust the government. They despair that Labor does not respect the vital role that agriculture plays in assuring our food supply and at the
cavalier approach that it takes to protecting and supporting our nation's food security.

The carbon farming initiative can be a win-win. It can meet the expectations of those who want to address concerns about global warming. And it can help farmers to improve productivity and profitability and help improve our environment. But these bills are fundamentally flawed and cannot be supported at this time. They are quite lengthy bills. But most of the fundamental detail will be revealed only in the regulations. And the previous speaker acknowledged that the regulations have not even been drafted. This will be the world's first nationally legislated carbon farming initiative. Attempts to implement farm carbon trading in places in Europe and even in Australia have failed in the past. The Chicago Climate Exchange closed late last year. There is no example anywhere in the world, no international experience or proven model, for this legislation. But this parliament is being asked to vote for the bill without even seeing the regulations, without even knowing how it is going to work.

The House of Representatives are being asked to vote on the bill before the Senate have even reported. The Senate have received a lot of information, raising significant concerns about how this legislation would actually work, but the House of Representatives have not been given the opportunity to even see the Senate committee's report. We are being asked to vote on and deal with this issue right now. And this is happening in an atmosphere where the government have no credibility in this area. Their carbon tax and their emissions trading scheme have been on-again, off-again, on-again. Indeed this bill does not stand alone; it presupposes there will be a Carbon Pollution Reduction Scheme. Yet we do not have the legislation to deal with that either.

Farmers are concerned that they have been let down by the Labor government in the past and now they are being asked to trust the government with the regulations at some stage in the future on the understanding that Labor and the Greens will put together a deal that will not shaft the Australian farming sector. Frankly, farmers do not have that confidence. Labor have not won their confidence because they have not behaved honourably in the past. We have been told by the Prime Minister that farmers will be excluded from Labor's carbon tax. But they will have to pay much more for fuel, transport, fertilisers, chemicals, manufacturing and machinery, and the processing of their products. All that is going to add to their costs. Indeed, I note that in New Zealand, where farmers are exempt in that country's scheme, the local dairy industry are saying that they already pay $2,700 a year extra and that they expect the cost for every dairy farmer in New Zealand to rise to $17,450 by 2015. That is from a farming sector that is exempt.

Can we believe a government that say they are going to exempt farmers when they also said that there would be no carbon tax in the first place? They have no credibility. Farmers do not trust Labor and the extreme Greens to honour their promises to exclude agriculture let alone to deliver a new carbon farming initiative which treats them fairly. The only reason that Labor are not imposing these penalties on farmers now is that they know it is technically impracticable to measure emissions. It cannot be done, and that is the finding of nearly every country in the world. But as soon as Labor find a way, even if it is done slapdash, there is not much doubt that they will want to make sure that farmers are included in their tax. Surely farmers have a right to see what is being proposed before being asked to vote. This is an initiative about farming but most of the
consultation has occurred in the cities. There has been little willingness to take on board the concerns of practical people involved in industry.

Soil carbon stocks currently are estimated at about 2.3 trillion tons—that is, three times the amount of CO\textsubscript{2} that is in the atmosphere. The Rodale Institute says that regenerative agriculture globally has the potential to sequester up to 40 per cent of the world's CO\textsubscript{2} emissions. This is important. This is potentially a significant initiative. Carbon farming techniques like the use of biochar, no-till farming, changed grazing practices, perennial pastures, feral animal management, new genetics that produce plants that sequester more carbon and plantstones on sugar cane and a whole range of other products offer real potential.

There are many reasons that Australian farmers will not participate in this scheme. The first issue concerns the introduction by the government of the word 'additionality' into this. Unless what farmers are doing is additional to what is happening at the present time, it does not count; it has to be extra to normal practice. Things like no-till farming and perennial pastures, for example, are common practice, so farmers will not get credit for the things that they can actually do to deliver real results. It cannot be something that is already normal practice within their farming operations. It all has to be extra. So only the risky ideas will be left—the things that are not proven—for farmers to be able to participate.

The scheme will be incredibly bureaucratic and will take days and days of office work to register something for the scheme. In addition to that, farmers have to sign up for 100 years—that is, three to four generations. What new techniques might come along in 100 years? What new varieties will there be? What things will be done better than they are being done now? Farmers will be locked in for 100 years. There may be new ways to address climate change. Surely over 100 years we are going to make some progress, but farmers will be locked in for a hundred years. I have not yet heard of a forest that has not been burnt or flooded once in a hundred years, but farmers have to take responsibility for keeping fires and pestilence—for example, myrtle rust or whatever other diseases might come into the country—out of their farming operations for a hundred years.

The Kyoto commitment is about to expire. What is going to happen next? It is quite clear that other nations are showing no interest in being involved in trading schemes. China, the US and others are more interested in direct action schemes. Let me quote from Michael Kiely from Carbon Farmers of Australia, a group strongly supportive of carbon farming. He said:

We think permanence is a major barrier ... I personally don't know of any farmer who would be willing to sign up for a hundred years. That is clearly a major issue which has not been addressed in this legislation. Also, real and practical on-farm measures will only be entitled to second-class credits. Under the Kyoto protocol clean development mechanism, only afforestation and reforestation are eligible to be certified as emissions reductions. Avoiding deforestation is not eligible and agricultural carbon sequestration is not recognised. So under Labor's legislation only tree planting credits will be supported by Kyoto, which is also consistent with Labor's proposed carbon tax. Farm based credits will be restricted to voluntary, non-mandatory markets and will be essentially worthless. The real things that farmers can do will not be credited. The truth is that this is just another subsidised tree planting scheme—an MIS on steroids. Do not take my word for it; let me refer to some
of the experts in the area. In a recent article in its *ECOS* magazine, the CSIRO writes:

Forestry and forest-related options are well placed for inclusion in the CFI, according to Dr Michael Battaglia, a scientist with CSIRO Sustainable Agriculture Flagship. Modelling done by Dr Battaglia and his team for the Queensland government found that forest carbon sinks make up about 75 per cent of the total figure attainable for agricultural carbon abatement in Queensland from 2010-2050.

The article goes on to say:

Andrew Macintosh of the ANU’s Centre for Climate Law and Policy says ‘Most rural land managers are concentrating on soil carbon and reforestation projects, but personally I think that credits for preserved regrowth on deforested land units … and forest management credits will dominate the Australian scheme.

Charles McElhone from the NFF, who was quoted by the previous speaker, said:

Based on experience with managed investment schemes, we’re urging particular caution around new forestry impacts on food provision, biodiversity, water supply, employment and other community effects.

So it is quite clear that the MIS tree planting schemes have been a disaster for many rural communities. They have cost jobs in the agricultural sector and they have damaged regional economies. These often bankrupt and uneconomic tree plantation schemes are dreadful next door neighbours. They are a haven for pests and diseases. There is no management. They are a likely source of future bushfires. They affect the water table and the run-off into local streams. These mass tree planting schemes have been an environmental and economic disaster for many parts of Australia.

Yet the CSIRO tells us that a carbon price of just $36 a tonne would be high enough to convert Australia’s best farmlands to forestry and $11 a tonne would be enough to trigger widespread planting, which will therefore reduce food security. So this is a scheme that will promote widespread tree planting on some of the best farming lands in our nation. The government is talking about some kinds of protective measures to preserve farmlands for the vital purpose of guaranteeing our nation’s food supply, but the regulations have not been written. The government is asking us to trust it to put up something that will really work. But farmers have lost their trust in this government because of its failure to consult with them, to act with them and to listen to them when issues of concern are raised.

I support carbon farming initiatives, I believe that they have great potential for the future of our country, but I cannot support this bill while so many questions remain unanswered. It needs to be delayed at least until after Labor’s carbon tax legislation, if they are determined to proceed with that, because in its present form it will disadvantage Australian agriculture. It will produce perverse and unhelpful environmental outcomes and do nothing to reduce CO₂ emissions or improve the global environment.

**Mr STEPHEN JONES** (Throsby)

(12:56): I am pleased to be speaking on the Carbon Credits (Carbon Farming Initiative) Bill 2011 and cognate bills because they are part of a comprehensive series of measures to deal with dangerous climate change. Those measures include putting a price on carbon. At the same time, we will be providing relief to industries that cannot reduce their carbon emissions because of the nature of their production processes and we will also be providing relief to households during the transition. It is also about improving carbon storage by using our natural advantages, such as our vast tracts of land—farmland and other land—which are available for carbon storage and sequestration. It is about investing in
research and development and putting in place renewable energy targets. It is a comprehensive policy because, unlike those opposite, we believe there is no silver bullet to deal with this important issue—which is probably the most important issue this parliament is going to have to deal with.

I would like to contrast our position with the coalition's approach, which stems from their attitude to the science. Depending upon what week of the year you catch him on, the Leader of the Opposition will be giving a nod to the science on one day and then a nod to the deniers on the next day. He will be giving a wink to the Left of his caucus on one day and then a wink to the Right of his caucus on the next day. In fact, he has so many positions on this and is nodding in so many directions that it is no wonder that some days he looks like he has policy whiplash.

The second approach of the coalition is all about huffing and puffing, and we will see why in a moment. We saw the ridiculous pantomime this week while the Leader of the Opposition was wandering around the state of New South Wales. One day he popped up in a Weet-Bix factory and made the outrageous claim that somehow a carbon price is going to make kiddies choke on their Weet-Bix. When the facts get out we will realise that if it has any impact at all it will be less than 0.000—in fact, there are so many zeroes we can hardly get to the cost. We then saw him pop up in a fish market, amidst the oysters and the caviar, making claims about how the carbon price will lead to an outrageous rise in the cost of fish. Little did he know that there is going to be no cost impost at all. I am very pleased that over the last week he started to be called out on these issues and brought to account for the outrageous claims he is making. We can understand why he is all huff and puff because his strategy is to say to the Australian people, with this great distraction, 'Look over there, because while you're looking over there, I've got my hand in your back pocket to the tune of about $750 per annum. I'm going to use your money to pay the big polluters. I'm going to use your money to subsidise the big carbon emitters in this country,' such as those confirmed by the shadow environment spokesperson overnight. He wants to reach into the pockets of Australian taxpayers, take that money out of their wallets and give it to what are, in many instances, overseas multinational companies, to assist, to implore, to encourage them to reduce their carbon emissions. So let us not be fooled by the huff and puff of the Leader of the Opposition. It is a pleasure today to speak on what are a comprehensive series of measures to deal with catastrophic and dangerous climate change.

The Carbon Credits (Carbon Farming Initiative) Bill fulfils Labor's election commitment to give farmers, forest growers and landholders access to carbon markets. In doing so, the bill provides opportunities for the agricultural sector to participate in abatement measures which will complement the other measures being advocated by those on this side of the House—and indeed by some on the other side of the House who weekly start to question the madness, lack of conviction and contradictions in the policy of the Leader of the Opposition. The legislation will provide opportunities for farmers and landholders to participate in the domestic and international carbon offset markets, and that is an important point. The carbon farming initiative provides landholders with access to an additional and diversified source of income.

It is interesting that we see people in this parliament who once upon a time represented the rural sector and farmers who criticise this policy. Through the crafting of
its policy, Labor has excluded the farm sector from the Carbon Pollution Reduction Scheme and the carbon tax on the one hand; on the other hand, it is providing them with a potential revenue stream. If those on the other side, including the Deputy Leader of the Opposition and Leader of the Nationals, who just spoke, truly did represent the rural sector, they would be rushing out here and saying, 'This is great legislation and we will be supporting it because it will provide an important revenue stream for our constituents.'

What sort of revenue stream? Eligible activities under the framework outlined in this bill include emission reductions from fertilisers and increasing carbon sequestration, which avoid greenhouse gas emissions and/or increase carbon storage. Carbon farming and the initiative outlined in the legislation before the House today, in effect, is the legislative framework that in large part represents what the coalition are currently proposing in relation to climate change. The key difference is that our legislation and this initiative is part of an overall package of many measures because we understand that there is not one silver bullet.

Carbon farming measures alone, without a commensurate reduction in carbon pollution, will not bring us to the emission reductions that are urgently needed. This was confirmed by the Climate Commission yesterday and has been repeated in numerous forums by eminent scientists, including those from the CSIRO. On this side of the House, we recognise that it is important that the agricultural sector begins the work of adapting to a low-carbon future and these bills assist in that journey.

The Gillard government knows that there are abatement opportunities waiting to be taken up and that it is important that the framework puts this in place. However, we would never be so foolish as to think that this one measure alone, carbon farming, could achieve anywhere near the magnitude of what we need to achieve a cut to our carbon emissions. Let me explain this.

The government's targets are to lower emissions by five to 25 per cent below 2000 levels. Even at the five per cent reduction target, which I understand is bipartisan, this will be no easy task and we cannot do this without all sectors of the economy including industry, agriculture, households and manufacturing all working together to the same end. That is to say, carbon farming alone is not the answer.

Experts have described the coalition's policy as being so environmentally ineffective that it will deliver only 25 per cent of the required carbon pollution abatement. So for the coalition to meet the bipartisan target of minus 25 per cent, they need to find somewhere another 75 per cent of carbon pollution abatement. Advice from Treasury to the coalition said that these:

... measures alone cannot do the job without imposing significant economic and budget costs. Moreover, many of the direct action measures cannot be scaled up to achieve significant levels of abatement, and for those that can be scaled up, the cost per tonne of abatement would rise rapidly.

The Leader of the Opposition has shown no signs of being able to grasp the magnitude of what, as a nation and an economy, we are dealing with here. We know that if Australia takes no action by 2020 our carbon pollution could be 20 per cent higher than in 2000, not five to 25 per cent lower.

We simply cannot achieve cuts to our carbon pollution by relying on tree-planting initiatives, as the Leader of the Nationals has said, and better fertilisers. The coalition's policy is not practical or effective. We need to ensure that our most productive
land continues to be used for food production and is not diverted into tree planting for the purposes of trading carbon credits. That is one of the concerns that arose during the extensive consultation process that accompanied the drafting of this legislation. The risk of the coalition's policy is that this is exactly what would happen. No-one can therefore take it seriously as an alternative policy. And what about the financial impact? Those opposite like to talk about waste as if they were speaking from a position of economic purity, but the reality is far from that. I could not explain the cost of the coalition's policy better than by using the exact same words the member for Wentworth used last week in his Lateline interview:

The coalition's policy, as laid out by Tony Abbott and Greg Hunt, involves spending taxpayers' money—taking out of the budget so many billions of dollars to pay farmers in particular ... it is a multi-billion-dollar exercise.

And he went on:

But the way it works is that the taxpayer—the taxpayers' money—would be used to buy carbon offsets from farmers, so that as industry pollutes, the government would then spend taxpayers' dollars to buy carbon offsets to offset that pollution.

We know that the coalition's policy, as I have described it, is a publicly funded licence to pollute. It would cost over $30 billion rather than the $10.5 billion that has been outlined. That is because the coalition would need to purchase about 75 per cent of the required abatement from international permit markets at a cost of about $20 billion, for which no funding is currently available. So it does not appear that anyone over there even has the policy courage to think all of this through. The coalition's policy is confused and contradictory. Like much from the other side of the House, it is a reflection of that fact that they simply lack conviction in this area.

Just last night the member for Flinders, the opposition spokesperson, told the ABC that a coalition government would pay large brown-coal-fired electricity generators to reduce their pollution by switching to gas-fired generation. As natural gas is far more expensive for generating electricity than brown coal, the coalition's policy would see either electricity prices rise, with no assistance to households, or the coalition having to subsidise the electricity generators. Those subsidies would cost taxpayers billions of dollars and would have to continue for decades, given that electricity-generating plants are long-lived assets. The only way to avoid rises in electricity prices under this scenario would be through indefinite taxpayer subsidies to the generators.

If the coalition's publicly funded pollution licence ever came into being, the average Australian family would be slugged at least $720 per annum. They would be worse off by 720 bucks per annum. So this publicly funded licence to pollute is a policy folly that Australia cannot afford either financially or environmentally. We need all sections of our economy working together. We urgently need our top 1,000 polluting companies to be playing their part and doing what they can to become more environmentally friendly.

The introduction of a carbon price will be a historic measure for this country. It will be a historic measure for this parliament too when legislation that reflects this country's resolve to deal with climate change becomes law in this place. I acknowledge that a significant reform like this is not easy. Building a consensus for a major change is never an easy task. However, if you are entrusted by the electorate to form government, you have a reciprocal obligation to act responsibly and to do what you believe is in the national interest. There is simply no other option.
If those opposite were truly serious about doing something to reduce carbon emissions, were serious about taking advantage of our natural assets and were serious about doing something in the most cost-effective way and the most efficient way, they would get on with our package of reforms—a package of reforms which includes these bills before the House today. These bills will enable farmers and the forestry sector to engage in the carbon abatement measures described in the legislation and to receive a financial reward for it and to play a part in the overall national effort. That national effort will require reform of all industries and all sectors of the economy, and an effort by households as well, to do what we need to do to play our part in an international effort to reduce carbon emissions and to avoid dangerous climate change. I commend the legislation to the House.

Mr COULTON (Parkes—The Nationals Chief Whip) (13:11): I have been a little astounded sitting here listening to some of the presentations from the government side on the Carbon Credits (Carbon Farming Initiative) Bill 2011 and related bills. I am just wondering: what does the member for Throsby tells his constituents, the ones working in the fine industrial city of Wollongong? Does he tell them that he is in here selling out their future and their jobs and that he has lost sight of the best interests of the people he represents in a bid to earn favour from the Greens and the Independents?

Listening to this debate this morning, I have heard some remarkable contributions from members of the government. While I might not be as quite as eloquent as some, I do come to this place with dirt under my nails. I have spent a large part of my life involved in agriculture and I can see when something is practical, when something will work, and I can see when it will not.

I do believe in the great potential of regional and rural Australia to play its part in the sequestration of carbon. I do believe that soil carbon is indeed one of the most unrecognised and misunderstood, or less understood, aspects of farming. In my early days of farming, my brothers and I, along with Monsanto, did some of the early trial work in zero-till farming when Roundup was first developed by the local New South Wales Department of Agriculture. The benefits of improving organic material in the soil by leaving crop residue on top of the soil were quickly seen. Basically, carbon is organic material. Anyone who knows anything about soil knows that you can tell a healthy soil by picking it up, by feeling it in your hands, by smelling it and by looking at the microactivity and the earthworms et cetera. Where this policy falls very short is with the idea of additionality. For someone who did not know any better, listening to the presentations from members of the government would have you think that Australian agricultural areas were a barren landscape on which a mob of uneducated, redneck farmers were raping the soil and that there was wonderful potential to show them the error of their ways through wonderful government programs. The government could help them see the great benefits of soil carbon and they were going to make a fortune.

The reality is that the government—and, quite frankly, the rest of the world—is behind the Australian farmer. The Australian farmer worked out the value of carbon many years ago. The irony is that under this legislation the farmers with the most carbon already stored in their soils will be exempt. To gain credits under this scheme, you have to prove that you are increasing the sequestration from this point on. That pretty well excludes a large number of the farmers in my electorate.
We have heard members say they understand because they have been involved in local community groups building tree lots and things like that. I am talking about large-scale farming. I have one farmer in my electorate who grows 200,000 acres of wheat. If you look at the amount of tonnage of carbon that is stored under a business of that size, you see it is of great magnitude. One of the problems is that that soil carbon is not recognised under Kyoto. Indeed, efforts in the past to trade that carbon have largely failed and we have seen the demise of the Chicago carbon exchange.

We have a long way to go to recognise what has already happened. The complexity of agronomy and agriculture is not done any justice by this bill. There is no recognition of the extra carbon that has been stored under grazing lands by the changes in management. One of the greatest changes that I have seen in improving the fertility and health of soil has been the introduction of the dung beetle. Dung beetles might not be the sexiest thing to talk about but they have done an enormous job in improving the fertility and the organic material in large tracts of grazing land right across Australia. Indeed, in my own case, I have seen a combination of manual soil works and the introduction of dung beetles turn severely eroded, badly scalded soils into productive and healthy soils. None of that is recognised.

If you look through this bill you see that the only real benefit that farmers can gain is by planting trees. The previous speaker spoke about protecting prime agricultural land, but there are no regulations in the bill to say what is prime agricultural land. If credits are going to be paid by the amount of biodiversity that will be grown, it is obvious that people looking to have offsets will want to plant trees in the most productive, fertile soil that they can because that is going to grow the largest biomass in the shortest amount of time. The problem is that those soils are exactly those that we need for our food security.

I have already seen large tracts of what were productive farms being planted down to trees to gain offsets in schemes outside this one. It has led to a reduction in the productivity of those areas and contributed to depopulating rural Australia. I believe that this legislation, brought in in an incomplete form without proper scrutiny and without waiting for the report from the Senate, is the trojan horse to lull the farmers of regional Australia into the next stage, which is the carbon tax, to be followed ultimately by an emissions trading scheme.

The member for New England, after Professor Garnaut visited his electorate, was making noises about the great benefits for farmers under a carbon tax regime. This is the sticky paper. Once farmers get on it, they are drawn in. Under the proposals first put up in the original emissions trading scheme of Prime Minister Kevin Rudd, one of the farmers in my electorate, on a medium-sized farm, worked out with a calculator that the scheme would cost his enterprise an extra $70,000 a year. Since then, agriculture has supposedly been exempted. Previous speakers from the government have said that since farmers are exempt here is an opportunity to raise income. But what are not exempt are the inputs. Agriculture relies heavily on fuel—as examples, electricity for running irrigation pumps, and diesel. A number of our inputs contain a high level of fossil fuel. Fertiliser has a large amount of energy in it. Many of the commonly used farm chemicals are based on fossil fuels, such as Roundup and Amine. I believe the inputs will always blow away any opportunity for farmers to be in front, so we need to be very careful here. While I understand the concept—and I think I have more practical understanding and experience

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of what this bill is about than others—this bill is incomplete. There are serious concerns and we should not accept this bill without seeing the regulations, particularly around the issue of additionality. With regard to 100-year sequestration, if all of us cast our minds back 100 years, we should all be thankful to our forefathers for putting in legislation enshrining land use rights for now.

One hundred years ago the internal combustion engine had only just been invented. Farmers were farming with horse teams. There was certainly very limited understanding of the complex agronomic information that is now available. To lock our landscape into something for 100 years, I believe, is a very risky move. What happens if it is destroyed by fire or something like that? Where is the cost in all that? We need to be very wary of this legislation. Professor Garnaut, in his original report prepared for the Rudd government, indicated that regional Australia would have an economic downturn of 20 per cent under an emissions trading scheme. I have not seen any information that says otherwise.

We have heard some wonderful speeches during the emissions trading debate. That great alarmist, the member for Isaacs, had half of his electorate under water. Those on that side made some wonderful contributions about their knowledge of what other people could do. When we start looking at tackling climate change, how about looking at some of the schemes that some of the metropolitan areas may introduce, rather than allowing regional Australia to carry the burden for the grand gesture of Australia being the world leader in attacking climate change? The people of regional Australia understand and can smell a bad deal when it is put at them. They think that this carbon tax coming up stinks and that this legislation is a forerunner for that. Much of the intent in this legislation is quite valid but, at the moment, it is unpalatable. Unless I see some serious changes coming through the inquiry in the Senate, this bill will not be getting my support.

Mr ZAPPIA (Makin) (13:25): I take the opportunity to speak in support of these three bills: the Carbon Credits (Carbon Farming Initiative) Bill 2011, the Carbon Credits (Consequential Amendments) Bill 2011 and the Australian National Registry of Emissions Units Bill 2011. The objectives of these bills are, firstly, to help Australia meet its international obligations under the United Nations Framework Convention on Climate Change and the Kyoto protocol to reduce greenhouse gas emissions; secondly, to create initiatives for people to undertake land sector abatement projects; and, thirdly, to achieve carbon abatement in a manner that is consistent with the protection of Australia's natural environment and that improves resilience to the impacts of climate change for our community. The purpose of these bills is to enable farmers, landholders and forest growers to sequester carbon from the atmosphere and store it in soil, plants, vegetation and trees. By doing so, they will receive carbon credits for the carbon that is stored. It is a voluntary scheme and, of course, conditions are attached to it.

Why is the scheme being implemented? It is being implemented because climate change is real and poses a real threat to our future. We now have an abundance of scientific evidence that confirms that the main cause of global warming is the amount of greenhouse gases, in particular carbon dioxide, in the atmosphere. Around 97 per cent of climate scientists accept that. I understand that 192 countries who met in Copenhagen accept that. The European Union accepts that and it already has an ETS in place. From briefings I have had in recent days, India and China accept that and have
already embarked on their own projects to reduce greenhouse gas emissions—in particular, carbon dioxide emissions. We have heard that the UK accepts it. It seems to me that the only places where there is still some debate going on about the science are the USA and Australia. That scepticism is abundantly clear when you listen to members of the opposition in this place. We have heard it from many of them not only in respect of this legislation; in recent days and certainly in the last couple of years they have still been questioning the science of global warming.

The reason that I refer to the science of global warming is that it is critical to these bills, and I will come back to that in a moment. There is no doubt that the climate is changing and, as I said, the evidence is overwhelming. As a result of global warming we are also seeing ice being lost from our ice caps and glaciers. Our oceans are warming and sea levels are rising. More greenhouse gases around the earth's atmosphere act like a blanket around the earth and trap in the earth's heat. We have seen, over the last 100 years, an almost one degree Celsius increase in temperatures—and most of that has occurred in the last 50 years. The last decade was the hottest on record. We know that oceans store most of the additional heat—something like 85 per cent of the additional heat generated is stored in the oceans. We know that oceans have risen by about 20 centimetres since the late-1800s and are expected, based on projections, to increase by something like half a metre to one metre by the end of the century. Some suggest that it could be even higher than that. We also know that as oceans warm up they also expand and they rise. And we also know that more carbon dioxide in the atmosphere means more is absorbed by the oceans—and once you increase the amount of carbon dioxide in the oceans, you increase its acidity and therefore change the ocean ecology. For all of those reasons we need to act with respect to reducing the amount of carbon dioxide in the atmosphere.

One of the additional matters of real concern—because the science on this is only just coming to light—is that there is about 1,000 billion tonnes of carbon stored in permafrost. So, as the icebergs and the glaciers melt, that carbon dioxide is also released into the atmosphere, compounding the problems associated with melting ice. We have seen in this country—and, for that matter, around the world—not only temperature rises but changes in rainfall patterns; we have seen floods, cyclones, droughts—droughts that in turn, I believe, led to bushfires.

Much of the net carbon dioxide emissions have originated primarily from deforestation around the world. Our challenge is to reduce carbon emissions. To reduce carbon emissions that have already been emitted into the atmosphere you can reduce your output but also by finding methods of taking that carbon dioxide in the atmosphere and safely storing it in the soil, in plants and in trees.

To reduce the level of carbon dioxide emissions in the atmosphere is not possible through any one single solution; it requires a multitude of different actions. It also requires a global response. And that is exactly what is happening around the world right now, including here in Australia, where we are seeing investment in renewable energy, we are seeing efforts being made to cut emissions; and these bills, which would appear to be the first of their kind in the world, I believe, will do a lot towards sequestering carbon in the atmosphere. This is an important measure, and it seems to me that some of the members opposite who have raised their concerns to it are doing so
because of legitimate matters that were raised in the lead-up to the preparation of these bills.

There was a very long public consultation process in the lead-up to these bills being drafted. Subsequent to that, the bills were referred to the House of Representatives Standing Committee on Climate Change, Environment and the Arts and the Senate Environment and Communications Legislation Committee. Those committees held simultaneous inquiries into these bills. Because the bills were referred to both committees at the same time, the Standing Committee on Climate Change, Environment and the Arts tried not to overlap the work of the Senate committee. Nor have we seen the Senate committee's report.

But we have seen the report from the standing committee of this House. It was presented by me on Monday. That committee, which is comprised of members of both sides of the parliament, unanimously recommended that these bills be passed by the parliament. I should say, with respect to those recommendations, we held a day of public hearings and we also received 70-odd submissions with respect to these bills. Almost without exception, those people who made submissions to the committee broadly supported the intent of these bills as they currently stand. Yes, they raised some matters, which I hear are similar to the matters being raised by members opposite today; but, broadly, the bills were supported by those people who made submissions.

And the committee came to the conclusion that the bills ought to be supported because, whilst there were still some matters that needed further negotiation and consultation between the government and interested parties, that could and would be done in the establishment of the regulations. Matters relating to additionality, permanency, native title, the NRM plans, methodologies and perverse outcomes were all identified by the committee as matters that required further work. But none of them were serious enough to prevent or delay or defer the implementation of the measures in these bills by passing this legislation in this House. It is my view—and I believe the view of the committee, because it was a unanimous decision—that the sooner we get on with this legislation, the sooner will landowners be able to take advantage of the opportunities that these bills present to them, because reducing carbon dioxide does present landowners with opportunities.

The issues of additionality and permanency—and I note the previous speaker particularly referred to those—are ones that we know may need some additional work done. And, can I say, what is referred to as a 'positive and negative list' of which projects will be eligible and which will not is something that needs to be done. Sure, they might be contentious, but you have to start somewhere. And it does not matter where you start—there will always be someone who will argue that perhaps an additional project should have been included that was not, or one that was included should not have been in the list. What is interesting about this legislation is that, from my understanding, there is no legislation anywhere else in the world that is quite the same. It does, in fact, cover new ground. What is important is that there is also a commitment by the government that this legislation will be reviewed in 2014. At that review, if changes need to be made, of course they can and will be. The truth, however, is that legislation can be amended at any time by the government of the day. If, once the legislation is in place and some of those concerns that were raised prove to be founded, I have no doubt that the government of the day will do the right thing and bring in the necessary amendments. You
will not know that until you have the legislation in place.

The question of permanency was also raised by many of the people who made submissions. You could argue that permanency should be 50, 75 or 100 years. I believe the figure of 100 years fits in with international standards. Be that as it may, the issue of the 100 years is not permanent because those people who have the carbon credit units can relinquish those credit units. They can buy them back and therefore relinquish them. Permanency in a sense is only for as long as anybody wants to make it. If they want to get out of the scheme they can do so. Simultaneously, you cannot have a scheme that allows people to be given credits for having sequestered carbon if there is not a degree of security about that carbon being stored. It simply does not make sense to be able to say: 'Well, I'm going to sequester carbon, but next year it won't matter and I'll just walk away from my commitment.' That does not provide the long-term benefits of storing the carbon that are being sought under these bills. The additionality question, as I said earlier, was also important in the minds of many of the people who made submissions. Again, if you are to get credits for what you are currently doing, that then defeats the whole purpose of this scheme. It has to be in addition to the current practices that are taking place.

One of the areas that I will comment on in respect of the submissions made to the committee is that of native title, and we had some very good submissions. I am aware of the concerns being raised by a number of parties in relation to native title and those concerns are quite legitimate. The department and the minister have advised that there are ongoing discussions on the issues of native title. I welcome those ongoing discussions and, for those reasons, I see no reason why these bills should be delayed or deferred. The methodologies, of course, will also be questioned. There is a process in place to ensure that the methodologies used in order to gain carbon credits are legitimate. I have no problems with the process being used. In respect to the National Farmers Federation—and other speakers have made this point—they also broadly welcome this legislation.

It seems to me that, whilst some concerns have been raised, there is no reason why we should not get on with this legislation. Whilst members opposite use the argument that the Senate committee has not reported back on this legislation, can I remind them that the House of Representatives Standing Committee on Climate Change, Environment and the Arts has reported back, and it was a unanimous decision by members of both sides of this House to support this legislation. I commend these bills to the House.

Ms MARINO (Forrest—Opposition Whip) (13:41): The greatest practical carbon sink available to the world right now is that of biosequestration, which is in the world's soils and plants. It is currently the only effective offset. We have spent a great deal of time and money on the alternative, geosequestration; however, the ability to store carbon dioxide deep underground as a liquid or in solution remains commercially unviable. Whilst the optimists continue to pursue it, something I support, there is no guarantee that geosequestration will become an economically viable option.

We do know, however, that biosequestration is both practical and viable. Not only that, we have been practising it for generations. We may have called it revegetation, or perhaps agroforestry or plantation farming. We have done it to prevent erosion, to reduce salinity, to improve production, to protect the
environment and to retain native species. Governments have done it, farmers have done it, community and environmental groups have done it and lots of private individuals have done it and are doing it. The fact that we can do it is not actually in question. The questions are: how do we increase it; how do we measure it; and how do we make it viable for landholders to engage in?

There are two forms of biosequestration covered in this bill. The first is plant carbon. Sequestering carbon into vegetation such as trees is the easiest to do and certainly the easiest to measure. We know how to plant trees and we know approximately how much carbon is stored in each tonne of wood that grows or in each hectare of plantation. It will range from three tonnes of CO2 equivalent per hectare depending on tree and soil types and the rainfall. The age of trees also matters. A young tree sequesters far more carbon than an older one.

In the south-west of Western Australia the iconic jarrah trees live up to 450 years. Studies of jarrah, karri and other eucalypts across Australia have shown that eucalypt trees rarely exceed 400 years in age. Most of their carbon storage happens in the first 150 years, peaking in years 10 to 30. From 150 to 300 years carbon storage in jarrah trees actually flattens. In their last 150 years they often contribute more carbon back into the atmosphere than they absorb.

The requirements of the Kyoto agreement restrict measurable carbon to plantings after 1990 on land that was cleared before 1990 and the requirement to leave trees in place for 100 years needs to be considered in this context. One hundred years may be appropriate for many tree species like jarrah but may well be inappropriate for faster growing, shorter lived trees. Those species that only live on average 100 years may only be effective in storing carbon for the first 50 and emitting carbon after 80. If those trees were to be harvested and their carbon stored for the longer term, for example as structural timber, and the area replanted with trees, the amount of carbon stored would be maximised. I note that the CSIRO recently commented as follows:

To achieve the full benefits of carbon storage, carbon forests need to be managed according to natural cycles of death and decay, including the periodic impact of fire. The long term aim might be to manage forests of a range of ages.

Tree planting should not be considered in isolation from other environmental issues. Reforestation of cleared land uses a lot of water and frequently drives water tables down. Whilst this is a good thing, in fact the desired outcome of planting can be to reduce the impacts of salinity, it may have detrimental effects on farming and native forest nearby if it pushes fresh groundwater deeper and out of the reach of drought sensitive species.

The DEPUTY SPEAKER (Hon. Peter Slipper): Order! The debate is interrupted in accordance with standing order 43. The debate may be resumed at a later hour. At that time the honourable member will have the opportunity to continue speaking when the debate is resumed.

STATEMENTS BY MEMBERS

Forde Electorate: Alice Dobson and Anthony Young

Mr VAN MANEN (Forde) (13:45): The Forde electorate is home to a great many exceptional and innovative people whom I am privileged to represent in this House. Recently there have been two community members who deserve a special mention. The first, Alice Dobson of Beenleigh, celebrated her 100th birthday surrounded by friends and relatives at the Beenleigh Senior Citizens Centre, the largest seniors centre in
Australia. I was honoured to speak to Mrs Dobson about her achievements in life and to join in celebrating this momentous occasion and sharing birthday congratulations from the Queen, the Governor-General and the Prime Minister. When asked what the secret to a long and happy life was she stated, 'Stay positive and keep active.'

Another constituent in my electorate, Mr Anthony Young, had a successful outcome when he represented Australia at the 2011 Blind Powerlifter World Championships in Turkey last month. It was a pleasure to visit Mr Young for the second time to congratulate him on his bronze medal. Mr Young also succeeded in breaking two world records for the bench press and is going to Orlando for the world championships in 2012.

Mr Young is a legally blind Indigenous athlete who has been competing in blind powerlifting for 25 years. In 11 trips to the world championships, he has won eight world titles and been runner-up twice. I continue to stay in contact with Mr Young and to aid him in finding the extra funding he needs for next year's events. (Time expired)

Rush, Mr Scott

Ms PARKE (Fremantle) (13:47): I record my tremendous relief and gladness concerning the decision of the Indonesian Supreme Court two weeks ago to overturn Scott Rush's death sentence. I am sure Scott's remorse regarding his involvement with drugs and his determination to play a role in educating other young people on the dangers to themselves and to society posed by drugs will be positively regarded by the court in his future application to have his life sentence reduced.

I pay tribute to Scott Rush's parents, Lee and Christine, who have been there as a constant source of support for Scott. I also acknowledge Scott's lawyer, Colin McDonald QC, whose professionalism and dedication has been remarkable. I note the bedrock of encouragement and friendship given to Scott by my colleague Chris Hayes, the member for Fowler, and also the support of other colleagues in this place, including the member for Moreton in whose electorate Scott's parents live, the member for Berowra and Senator Gary Humphries as the co-chairs of the Parliamentary Group against the Death Penalty. For the other prisoners who remain on death row in Indonesia and elsewhere, it is important that we hold them in our thoughts and continue to push for change.

Finally, I pay tribute to the Indonesian Supreme Court for this very fair decision. Indonesia has made important progress in strengthening democracy, respect for human rights and the rule of law in the past decade and it is important that this be acknowledged. As I have said before in this place, to stand for life and for human dignity and to eschew violent retribution even when one has the power to carry it out is the mark of civilisation.

Kidney Health Week

Ms BRODTMANN (Canberra) (13:48): This week marks Kidney Health Week, which is an incredibly important week in our diaries. Kidney Health Australia's campaign has been designed to be cheeky, they say, to get more exposure. The banner is 'Red Undies Week' and is aimed at drawing attention to the issue of chronic kidney disease. One in three Australians is at risk of developing chronic kidney disease. Left undiagnosed, those who develop chronic kidney disease will either die prematurely or need a kidney transplant. Ultimately, patients will require long-term dialysis which involves significant commitment four to five times a week for about half a day each time.

My advice to members is to encourage their constituents to have a kidney function
test, especially if they have any of the indicators. I congratulate the work of volunteers in Kidney Health Australia, especially David Parker, who chairs the National Consumer Council and is himself a kidney recipient. He is a great role model for encouraging our community to look after themselves and have their kidneys checked. I also thank Bill Handke, who is tireless in his advocacy for patients who have chronic kidney disease. He makes their world a better place.

**Fatality Free Friday**

Mr ROBERT (Fadden) (13:49): Russell White is the founder of Fatality Free Friday and lives in the mighty electorate of Fadden. This Friday is Fatality Free Friday and the Fatality Free Friday Road Safety Foundation is a not-for-profit organisation that oversees the Fatality Free Friday event and is dedicated to improving road safety awareness, enhancing driver education and reducing the impact of road trauma.

The establishment of a Fatality Free Friday Road Safety Foundation is designed to develop a sustainable strategy for reducing the social and economic costs of road crashes, as well as providing a platform for future research and advocacy programs. The foundation's main aim is to generate ongoing development towards road safety awareness.

The first such Friday was held in Australia on 27 April 2007 and internationally in Las Vegas on 25 May 2007. This is the fifth year this initiative has been held and, while it is this Friday, 27 May, there has been a range of activities. The Jacobs Well Police Beat this year staged its own road and water safety event. The World's Biggest Driving Lesson was again held, aiming for 250 learners at once to break the Guinness world record. Unfortunately, 197 participants in 10 cities did not quite make it, but I am sure they will crack it next year.

Let us remember that there are between 1,400 and 1,500 people killed every year on Australian roads. For every fatality there are 10 people injured. While there has been a substantial decrease in the number of deaths on our roads, the toll is still too high. I encourage everyone to go to www.FatalityFreeFriday.com. I am proud to say I am one of the 28,116 to have taken the pledge. *(Time expired)*

**Healthy Holroyd Program**

Ms ROWLAND (Greenway) (13:51): Today I want to mention the very exciting Healthy Communities Initiative program that is coming Holroyd City Council in my electorate of Greenway to deliver new healthy eating, exercise and wellness programs. Holroyd City Council has received a grant of more than $700,000 as part of the federal government's $72 million Healthy Communities Initiative to support local government promotion of healthy lifestyles. This project, called the Healthy Holroyd Program, will improve health outcomes in my community by providing physical activity and nutrition programs for residents. Due to the vibrant multicultural nature of Greenway and the Holroyd LGA generally, this project will be delivered in Arabic and Tamil to cater for people from culturally and linguistically diverse backgrounds.

As a former local government representative, I know how important it is to encourage such health initiatives in our local communities. As we live longer, wellness plans are now an inherent strategy in any good local government plan. Both this government and Holroyd council know the importance of encouraging healthy relationships, community safety and unique programs to cater for the different demographic and cultural needs of our respective communities. This fantastic
initiative reflects federal and local government working cooperatively to deliver a great result for the people in my electorate, and again highlights the strength in their cooperation. I commend the mayor of Holroyd council, Councillor Peter Monaghan, and the Holroyd community development leader, Ms Hiba Soueid, for their commitment to delivering these programs to the community. I would also like to thank the Minister for Health and Ageing, who is in the chamber, for her continued responsiveness to my advocacy for such valuable initiatives for the residents of Greenway.

Committee for Gippsland

Mr CHESTER (Gippsland) (13:53): I rise to congratulate Gippsland business owners and community leaders on the formation of the Committee for Gippsland. The new committee was officially launched by the Deputy Premier, Peter Ryan, and has recently appointed a young lady from our region, Mary Aldred, as its chief executive. The committee is chaired by Harry Rijs from Patties Foods in Bairnsdale. The Rijs family have made a very long and extraordinary contribution to the Gippsland region and Harry is continuing that service in this role. Next week the members of the committee will be in Canberra and I am looking forward to meeting with them and helping to set priorities for Gippsland's future.

Part of that future is our shared interest in providing opportunities for young people, like the students from the Lakes Entrance Primary School, who are in the gallery here today. It is great to see the Lakes Entrance Primary School students here with their teachers and I hope that members recognise that the Lakes Entrance Primary School is one of the finest primary schools in regional Australia. Of course, I am completely biased because my four children have all attended Lakes Entrance Primary School. It is wonderful to see the students here today and I am sure all members will join with me in welcoming them and thanking the Parliamentary Education Office for the work they do in helping our young people gain a better appreciation of our civic duties here in the parliament. I welcome Lakes Entrance Primary School students to the parliament. I hope they enjoy their time here in our nation's capital and travel safely back to the electorate by the end of the week.

Franklin House

Mr LYONS (Bass) (13:54): Franklin House is a magnificent National Trust property located in my electorate of Bass, which is lovingly preserved by a committed and passionate group of volunteers. The National Trust of Tasmania works to conserve Tasmania's heritage for present and future generations through the documentation and preservation of cultural heritage, and the management of historical properties such as Franklin House. Recently, as part of National Volunteer Week, I visited Franklin House to thank all the volunteers formally and to recognise their efforts. I would like to take this opportunity to publicly congratulate them on their contribution to the local community. Over five million Australians donate their time and efforts each year to a variety of worthwhile causes. The upkeep and preservation of the glorious gardens and property at Franklin House by the National Trust volunteers is just one example of the passion, commitment and generosity that are characteristic of the many volunteers around the country. Once again, thank you and congratulations to this group of extraordinary individuals. Your dedication to the preservation of this part of Launceston's heritage is to be commended. Well done.
Mining

Mr IRONS (Swan) (13:55): I rise to congratulate WA Premier, Colin Barnett, on his defence of the WA government's sovereign right to scrap royalty rate exemptions.

Mr Danby: And rip off the rest of Australia.

Mr IRONS: Where was the government when they scrapped the condensate exemptions? In my discussions with Colin he has talked about the Grants Commission and said that the Western Australian contribution to the economy through the GST is not returned as we are only getting 68c in the dollar, propping up states like Tasmania. The Treasurer has said recently that states should not be punished in this funding area for their successes. The Treasurer has made a complete mess of the budget, and in the process has declared war on WA. He now has retracted his earlier statements. Anthony Coralluzzo from Liberty Australia—

   Government members interjecting—

Mr IRONS: I hear the members on the opposite side interjecting; they can go for it if they like. The bottom line is that the new resource rent tax is unconstitutional. When Australia federated in 1901, specific and limited powers were delegated to the federal government from the states. Ownership of this mining land was not one of those powers. The land is thus legally owned by the sovereign state in which it is located.

Mr Melham: You should have seceded.

Mr IRONS: We might yet do that. You cannot rent out something you do not own and section 114 of the Australian Constitution forbids the federal government from taxing state government property.

Tobacco Products

Mr MITCHELL (McEwen) (13:57): Although there is not that much love shared across the chamber, I managed to discover a love letter from the Liberal Party to the Australian Tobacco Lobby. It says: 'Dear big tobacco, how burning is my love for you. Let me tell you why. I love you to the depth of your pockets, because what is yours only we share. I love you for your donations, so Liberal seats don't go on extended vacations. I love you for your profits as it robs taxpayer hip pockets. I love how you make $31.5 billion dollars of taxpayers' money go up in smoke, as it makes adding up the numbers easier for our bumbling shadow Treasury folk. I love you for your strength, for huffing and puffing and your earnest game of bluffing. The government is trying to get in our way, but forever in my heart you will stay. I will not pack you up, or put you away. I will never give you up or leave you cold turkey. Yours forever, because I can't afford to quit you, the federal Liberal Party of Australia.'

Building the Education Revolution Program

Mr BALDWIN (Paterson) (13:58): On 11 May I brought to the attention of this House the urgent matter of unpaid accounts to 56 BER subcontractors amounting to some $600,000 for work done at Pacific Palms, Bungwahl and Coopernook schools. I have written to the Prime Minister, but to date there has not even been an acknowledgement of the letter, let alone any examination of the issue. It makes these tradies cringe every time they hear a member of the government stand up and say how this BER program saved us from the GFC. Prime Minister, if this program was to stimulate local economies, please explain how that has been achieved when these subbies are still owed $600,000. Labor plays hide and seek when it comes to Building the Education Revolution projects in Paterson. When a BER project is finished, Labor seeks out the media and sends Senator Forshaw to spruik
the program. But when there are problems with a BER project, Labor is nowhere to be seen. Just last week Senator Forshaw attended the opening of BER projects at Morpeth, Grahamstown and Tenambit, but could not find time to meet with the subbies that have not been paid. Labor has failed to act for those subbies who are now struggling to survive. But Labor are not alone. I am now informed that the member for Lyne, Rob Oakeshott, has also fobbed off the subbies, most of whom are his constituents, despite being advised on this issue back in October last year. What happened to his passion for representing his constituents with his all new powers? Again I call on the Prime Minister to intervene and sort this mess out before its too late for these people.

The SPEAKER: Order! It being 2 pm, the time for members' statements has concluded.

CONDOLENCES

Wood, Sergeant Brett, MG

Ms GILLARD (Lalor—Prime Minister) (14:00): I move:

That the House record its deep regret at the death of Sergeant Brett Wood MG on 23 May 2011 while on combat operations in Afghanistan, place on record its appreciation of his service to the country, and tender its profound sympathy to his family in their bereavement.

As we said yesterday, Sergeant Brett Wood was a courageous soldier. He was also a husband, a son and a friend, and I know that the thoughts of everybody in this House are with his wife, with his family and with his friends as they struggle to come to terms with this dreadful news and as their very dark period of mourning and grieving begins. Their sacrifice and their sorrow is very real, and as a nation our sacrifice and our sorrow are very real too. But the progress we are making on the ground in Afghanistan is real as well and we are determined to prevail. So today not only should the House express its sorrow; it should express its resolve. We will remember Sergeant Brett Wood. We will care for his wounded mates. We will support his mates who are still serving in the Special Operations Task Group in Afghanistan and his mates who are training with the 2nd Commando Regiment in Holsworthy. We will deny terrorism a safe haven in Afghanistan and we will stand firmly by our ally the United States of America.

I want the people of Australia to know we are making progress in Afghanistan. Our troops are making a difference: protecting the Afghan people, training the Afghan security forces, building the Afghan government's capacity, preparing the Afghan National Security Forces to take responsibility for security in their own nation. The momentum of the insurgents has been halted. Security has been extended to areas previously controlled by the Taliban. In Oruzgan province, where we work, the provincial government is extending services to new areas. Our own provincial reconstruction team is conducting activities in areas of Oruzgan untouched six months ago—that is, we are able to work now in places we could not work before and this will see the first areas of Afghanistan begin transition to Afghan-led security. We will see the first transition during this year. Across Afghanistan we have seen progress, and the goal of transition is in sight. We must be very realistic. Transition will take time but it is clear that the new international strategy is making progress.

We are making a difference in Afghanistan and Brett Wood made a difference every day: on his first day in uniform in the Australian Army, on his first day on deployment in Bougainville, on the day he won his Medal for Gallantry in the Chora Valley and on the day he died. Sergeant Brett Wood died so that his friends,
his fellow Australians and, indeed, the people of Afghanistan could live in peace; so that terrorism could find no continuing safe haven in Afghanistan. He was a man who sought peace for us and peace for the people of Afghanistan. We take this opportunity to wish that he rest in peace and that ultimately, too, his family and friends find some peace as well.

Mr ABBOTT (Warringah—Leader of the Opposition) (14:04): I rise to support the motion and to echo the eloquent words of the Prime Minister and to add to my remarks of yesterday. Sergeant Brett Wood was plainly a remarkable soldier. The holder of the Medal for Gallantry, he had been on three tours to Afghanistan, he had been on tours to Iraq, Bougainville and East Timor and he had been honoured by the United States, whose service personnel he had rescued from deep peril. Plainly, he was one of the finest, and we mourn him.

Inevitably, the death of Sergeant Wood has prompted calls for a speedy withdrawal from Afghanistan. Let me say that no Australian government would lightly commit our armed forces to battle. The former government did not do it. The current government does not do it. As members of this parliament all of us are acutely conscious of the fundamental fact that others may pay an extremely high price for the decisions that we make. No military commitment should ever be undertaken without first counting the cost or abandoned because that price has fallen due.

No-one would want our forces to be in Afghanistan for a moment longer than were absolutely necessary but, in their absence, who would train the 4th Brigade of the Afghan National Army or help to ensure that women's rights and minority rights are respected in Oruzgan province? The consequences of a premature withdrawal could well be the restoration of the Taliban, the destabilisation of Pakistan and terrorist sanctuaries that would be much harder to remove, were that necessary for a second time. This would be an extremely high price to pay, perhaps an even higher price than that which Australia has already paid and may yet still have to pay.

We certainly grieve for Sergeant Wood. We grieve with his family. We grieve for all of the 24 Australian military personnel killed in Afghanistan and for their families. But I restate the coalition's conviction that we best honour Sergeant Wood's memory and that of his comrades by remaining true to the cause which they have so well served.

Mr STEPHEN SMITH (Perth—Minister for Defence and Deputy Leader of the House) (14:07): I associate myself with the remarks of the Prime Minister and the Leader of the Opposition both in expressing condolence for Sergeant Brett Wood and in reaffirming our support for our effort and mission in Afghanistan. This is another tragic blow to the Australian Defence Force, to the Australian Army and to our special forces community. It is also a tragedy for another Australian family, and I express my sincere condolences to Sergeant Wood's wife, Elvi, and his family.

For a man of 32 years of age, Sergeant Wood was a man with significant operational experience and a highly decorated soldier. In many ways his personal experiences reflect the Australian international security experience over the last decade. He was first deployed overseas, to Bougainville, in 2000; he was first deployed to East Timor in 2001 and in 2003 to Iraq. In 2006 he was deployed to Afghanistan for the first time and was awarded the Medal of Gallantry for his bravery and leadership in action. He returned to Afghanistan for a second time in 2009 and, in March this year, was deployed to
Afghanistan for the third occasion. Every time his country asked, he responded.

As members know, Sergeant Wood is our 24th fatality in action in Afghanistan. For 23 other Australian families this will be a terrible reminder of their own personal loss, their personal and family sacrifice. In addition to the death of Sergeant Wood, two other Australian soldiers were wounded in the fatal improvised explosive device blast. In a separate engagement with insurgents, three other soldiers suffered gunshot and fragmentation wounds. I am pleased to advise the House that the condition of all five wounded soldiers is now listed as satisfactory and stable, and our thoughts and wishes also go to them and their families at this time.

Sergeant Wood has our deepest respect and our deepest gratitude. Working with our partners in an international security assistance force under a United Nations mandate, he was killed in action serving his country, helping to stare down international terrorism. Our thoughts are with his wife, his family, his mates and his friends.

Mr ROBERT (Fadden) (14:10): I join the Prime Minister, the Leader of the Opposition and the Minister for Defence to honour Sergeant Brett Wood MG, who was tragically killed in action in Afghanistan, and to lend our prayers to five other soldiers wounded in this and subsequent actions. Just as our nation had started its healing after the loss of Sapper Larcombe we stand again to bid farewell to another, this time a decorated special forces patrol commander seasoned in battle, who had just fought his last fight.

Today is an ode to this fallen soldier, an ode to a grieving wife, an ode to a family left behind, an ode to the music he will never play, the ball he will never kick and the friends he will never see. If all we knew of Sergeant Wood was that he was an Australian soldier we would have known enough to eulogise his courage, determination, mateship and endurance, but the immutable march of time records so much more: a decorated warrior, a seasoned NCO, a tough patrol commander and a loving and gentle husband. As a special forces patrol commander Brett put his men first and himself last. His men’s welfare was more important than his own bloody wounds. If his men were thirsty, he would share his last drop; if they were hungry, his last bite. He would split his ammo with them in the heat of battle, he would protect them under fire and he would lead them from the front. Brett was the first out of the Blackhawk and he was the last man back in.

Brett’s death serves as a sobering reminder of the continuing dangers that daily confront our soldiers as they fight in Afghanistan for a world free of terrorism. As we lament Brett’s loss we also pause to remember the 23 other Australians who have paid the supreme price in Afghanistan and the 174 who have been wounded in action. To Sergeant Wood’s wife, Elvi, and his wider family, I say that your loss is Australia’s loss and your burden weighing heaviest in your hearts will be shouldered by the entire nation. We grieve with you.

Brett, we will remember you as a titan who trod this earth and a warrior who served others in the finest tradition of the green beret you wore. You lived your commando motto: Foras Admonitio, without warning. We salute you, even now as we mourn your loss.

The SPEAKER: As a mark of respect, I invite honourable members to rise in their places.

Honourable members having stood in their places—

The SPEAKER: I thank the House.

Debate adjourned.
Reference to Main Committee

Mr ALBANESE: by leave—I move:

That the resumption of the debate on the Prime Minister's motion of condolence in connection with the death of Sergeant Brett Wood MG be referred to the Main Committee.

Question agreed to.

QUESTIONS WITHOUT NOTICE

Cost of Living

Mr ABBOTT (Warringah—Leader of the Opposition) (14:14): My question is to the Treasurer. I refer the Treasurer to a report from the Queensland Council of Social Service which has just been released which shows that Brisbane residents were paying 23 per cent more for food, 35 per cent more for rent, 48 per cent more for public transport and 63 per cent more for electricity, gas and water than five years ago. I ask the Treasurer: why is this government making a bad situation worse by hitting the forgotten families of Australia with an unnecessary carbon tax?

Mr SWAN (Lilley—Deputy Prime Minister and Treasurer) (14:15): I thank the Leader of the Opposition for this question, because we are absolutely aware of cost of living pressures on Australian families. That is the first reason why we are so emphatic about creating jobs, about putting in place an economic policy which will see more jobs and more secure jobs. And that is why we opposed the policy of those opposite when it came to Work Choices, because they wanted to make people more insecure in their employment. We are absolutely aware that we need to provide support to families, particularly those on low and middle incomes. That is why over three years we put in place tax cuts which were a very substantial benefit to people on modest incomes. That is why we have substantially increased the childcare cash rebate, to 50 per cent. That is why we have included school uniforms in the education tax rebate. That is why we have put in place a very substantial increase for those families who have got teenagers who are studying, up to something like $4,000 a year.

But overall the thing that we must do to support families is to make sure that our economy is prosperous and that jobs growth is strong. If those opposite had had their way, had they been in charge in recent years, Australia would have been in a recession, unemployment would have been far higher and Australian families would have been far less secure. We understand that we also need to price carbon in this country to make sure that we continue to have strong growth. In pricing carbon, we will ensure that every cent raised from that carbon price goes either to households or to industry. That is why we will put forward a responsible policy which will guarantee our prosperity and do the right thing by future generations. We will not do what those on that side of the House are doing—

Ms Plibersek: Heads in the sand.

Mr SWAN: They are sticking their heads in the sand. At least the member for Wentworth understands the importance of putting in place sound policy for the future. That is what we are doing and that is what we will continue to do.

DISTINGUISHED VISITORS

The SPEAKER: I inform the House that we have present in the gallery this afternoon members of a parliamentary delegation from New Zealand. On behalf of the House, I extend a very warm welcome to our visitors. Kia ora tatou.

QUESTIONS WITHOUT NOTICE

Fiscal Policy

Mr PERRETT (Moreton) (14:18): My question is also to the Treasurer. Why is investing in jobs and running fiscal policy
appropriate for the ramp-up in mining investment important? What lessons has the government learnt from the conduct of fiscal policy during mining boom mark 1?

Mr SWAN (Lilley—Deputy Prime Minister and Treasurer) (14:18): I thank the member for Moreton for that question. We will be out there tonight barracking for the Queenslanders. I know the Leader of the House is a bit upset by this! But on this side of the House, as I was saying before, we understand the importance of strong economic growth to secure communities and to jobs. We understand the importance of the creation of 700,000 jobs and the creation of a further 500,000 jobs in the next two and a bit years. We also understand that investment in our economy is going to 50-year highs. We understand that there is an investment pipeline of something like $380 billion. This is going to support strong growth, particularly strong jobs growth, and rising incomes, and it will boost our export capacity. This is all very good for the security of families in our community.

These are great opportunities ahead for Australia, but we also know there are some pretty hefty challenges as well. We know when this investment kicks in it will cause price pressures in our economy. We also know that it will stretch the capacity of our workforce and place greater demands on infrastructure, which is why we put in place the budget that we did a couple of weeks ago, coming back to surplus in 2012-13 to make sure we do not add to those price pressures, getting a bigger trained workforce, investing in apprenticeships, breaking the cycle of welfare dependence. These are all the objectives we must share so we have a strong economy and security.

Of course, our fiscal policy stands in very stark contrast to the fiscal policy that applied during mining boom mark 1. What we have got in place is very strict fiscal discipline. We have got the lowest rate of expenditure increase—we have got a one per cent increase in expenditure over five years. That stands in stark contrast to those opposite, who let it rip during mining boom mark 1, with expenditure increasing by 3.7 per cent every year for five years. This point has been made very clearly by UBS's Scott Haslem just in the past week. He goes out to compare the fiscal policy during mining boom mark 1 with the fiscal policy during mining boom mark 2, and he says that the contrast could not be starker. He has got this to say:

… in the three years to 2005/06 – through the first phase of the current commodity boom – real government expenditure averaged four per cent per year …

Mr Simpkins: Wasn't there a surplus in those days?

The SPEAKER: The member for Cowan!

Mr SWAN: They do not like it, Mr Speaker. They went on a spending spree at the height of mining boom mark 1, and 10 interest rate rises followed. They do not like that at all. But Mr Haslem has blown the whistle on their approach to economic policy and demonstrated how unsuited they are to our current circumstances because, if they were in government, there would be no savings, there would be no return to surplus, there would be no investment in the workforce. And of course if they were there, there would be a great black hole, an $11 billion black hole, in their financial plans. What all this proves is that they are no more qualified to run an economy during mining boom mark 2 than they were during mining boom mark 1.

An opposition member: The black hole's in your brain, Wayne.

The SPEAKER: On the basis that the member for North Sydney blocked my view
unfortunately he suffers the penalty but I say
to whomever made that interjection they are
very lucky. The member for North Sydney
now has the call.

Mining

Mr HOCKEY (North Sydney) (14:23): My question is to the Treasurer. I refer the
Treasurer to this statement made in the
Western Australian parliament yesterday:

No other parliament has the right to interfere
with the raising or lowering of royalty rates. The
federal government has no right to interfere—
in royalty decisions. Does the Treasurer
agree?

Mr SWAN (Lilley—Deputy Prime
Minister and Treasurer) (14:23): We have
said we will credit royalties in terms of the
MRRT—that is what we have said we will
do. But that is not what the debate is about.
The debate, as it has been framed by those
opposite, is somehow that the Western
Australian government consulted with us
about their plans to increase the fines
royalty. Of course, they in no way consulted
with us whatsoever. This has been the
subject of an incredible degree of
misrepresentation from those opposite so I
do not know whether I can take that
statement on its face value. I would not even
know whether it had been put forward
correctly, because there were so many
statements in this House which were
misrepresented yesterday. What I said last
week was that the Western Australian
government did not communicate with us
about their decision to increase the royalty
on fines in this budget. I went on to say that
we did not give it the tick, they did not
discuss it with us and they were playing a
political game.

What we are seeing, with that statement
from the Western Australian parliament and
its use by the shadow Treasurer today, is that
the political game continues to be played.
And the political game is very simply this:
they are acutely embarrassed that the
Western Australian Premier has increased
royalties given they were in this House last
year claiming any increase in mining
taxation would stifle jobs and investment.
They are acutely embarrassed by that record;
they are absolutely embarrassed by that
record. But they are also embarrassed by the
fact that the Western Premier, on no fewer
than eight occasions between September last
year and now, had ruled out increasing the
royalties on fines. So on eight occasions he
ruled them out. But what they are really
embarrassed about is this—

Mr Pyne: Mr Speaker, on a point
of order, the Treasurer was asked a question
that did not contain any argument or any
debate. He is returning to the old policies of
the slag and bag of the opposition. I ask you
to draw him back to the question.

The SPEAKER: The Manager of
Opposition Business slightly ruins a
reasonable point of order. The Treasurer will
make his material directly relevant to the
question that was asked.

Mr SWAN: Thank you, Mr Speaker. I
was asked about the increase in royalties for
fines. I was asked about a statement in the
Western Australian parliament—from whom
I do not know and the context I do not know
so I do not know if it is correct or not. But
we are talking about the increase in royalties
which was imposed on the people of Western
Australia, the mining community of Western
Australia, by the Western Australian
government in their last budget and they did
that despite the fact that there had been eight
statements from the Premier of Western
Australia that he would not do that. The
conclusive one, the one that those opposite
are so embarrassed about, is that, in their
submission to the Commonwealth Grants
Commission, they said they would not
increase the royalties on fines. This is a submission they made to the Grants Commission in November last year and it does relate to the point that was in the question. This is what the Western Australian government submission to the Grants Commission says: The Premier recently indicated the state has no intention of increasing royalties—no intention of increasing royalties in November last year. But it then went on to say the reason that he was not going to do it was that it would invoke a ‘sovereign risk’. That was the submission from the government of Western Australia to the Grants Commission in November this year. So let us have no more of this nonsense that we have heard in the House and outside the House in the last 24 hours.

The SPEAKER: The Treasurer will bring his remarks to a conclusion.

Mr SWAN: The Premier of Western Australia opposed the increase in public. He may have been telling them in private he was going to do it but in public he was opposing an increase in the royalties that he has imposed on the mining industry, and those opposite are absolutely embarrassed by his abject performance and their misrepresentations.

Mr Hockey: Firstly, Mr Speaker, I would ask the Treasurer to table that submission that he was reading from.

Mr SWAN: Get it off the website.

Opposition members interjecting—

The SPEAKER: I will deal with your first request when your colleagues behind you come to order because again a bit of overextending has been going on. Was the Treasurer quoting from a document?

Mr SWAN: Yes.

Opposition members interjecting—

The SPEAKER: Order! The member for North Sydney will resume his place.

Mr Albanese: Mr Speaker, I raise a point of order. I ask that the member for Indi be asked to withdraw the same comment that she withdrew yesterday.

The SPEAKER: The member for Indi will withdraw.

Mrs Mirabella: The Leader of the House is mistaken. Yesterday I withdrew the comment ‘bagman’. Today I did not use that word. Today I called the Treasurer a pathetic liar. Which one do you want me to withdraw?

The SPEAKER: Order! The member for Indi will resume her seat.

Honourable members interjecting—

The SPEAKER: Order! I have a fair degree of patience and I can wait, but I just say that the chamber is eating into the time that it has decided that it will allot to questions. The member for Indi is warned. Now she is invited to approach the dispatch box and simply withdraw.

Mrs Mirabella: I withdraw.

Mr HOCKEY (North Sydney) (14:32): My supplementary question is to the Treasurer. Given his last answer, I refer the Treasurer to comments in the Western Australian parliament by the leader of the parliamentary Labor Party, Eric Ripper, who said: ‘No other parliament has the right to interfere with our raising or lowering of royalty rates. The federal government has no right to interfere in our royalty decisions.’ I ask the Treasurer again: does he agree with his Labor Party colleague?

Opposition members interjecting—
The **SPEAKER:** Order! The Treasurer will resume his place. When the House comes to order, we will proceed.

**Mr Swan:** It is the Commonwealth policy that we credit those royalties, and we have said so publicly.

The **SPEAKER:** Before giving the call to the member for Page—

**Mr Pyne interjecting**—

The **SPEAKER:** Order! The member for Sturt! If he wants to commentate on proceedings I will allow him to leave the chamber, go to that e second floor on the Senate side and pick a studio from which he can commentate.

**DISTINGUISHED VISITORS**

The **SPEAKER:** Order! I inform the House that we have present in the gallery this afternoon Mr Klaus Welle, Secretary-General of the European Parliament. On behalf of the House, I extend to him a very warm welcome.

Honourable members: Hear, Hear!

**QUESTIONS WITHOUT NOTICE**

**Budget**

**Ms SAFFIN** (Page) (14:33): My question is to the Prime Minister. Prime Minister, how is the government driving reform and investing in services through the budget to help keep our economy strong?

**Ms GILLARD** (Lalor—Prime Minister) (14:33): I thank the member for Page for her question, which is about the future of the Australian nation and about her constituents and their access to jobs and opportunity today—that is, it is a very serious question. The government is focused on keeping the economy strong. First and foremost, what we need to deliver for Australians is a strong economy. Our economy is strong today, and that is because we have made the right judgments in the past to keep the economy strong. When the global financial crisis threatened, we invested to save 200,000 Australian jobs, to keep people working. We have made the right decisions to rebuild Queensland and other disaster affected parts of the nation and to fund that properly. We made the right decision to kill Work Choices, the biggest threat to families struggling with cost-of-living pressures. And we have made the right decisions, tough decisions, to return the budget to surplus in 2012-13, exactly as promised, because it is the right decision for our economy—not for government to add to inflationary pressures which would feed through to cost-of-living pressures in a growing economy.

We understand that as our economy strengthens there will be some parts of the nation that are leaping ahead and some that will fear that they are at risk of being left behind. When I speak of the 'patchwork economy', it is of these economic circumstances that I speak. That is why the government are so determined to make sure that we spread the opportunities that this phase of economic growth gives us—the opportunities to get a job, with half a million jobs to be created over the next couple of years, building on the 750,000 jobs created so far; and the opportunity to get a trade, to get skills, to get the skills you need to get your first job and then, when you have that first job, to get another, better job. That is why even in a tight budget we have made sure that $3 billion are available to invest in skills.

We understand that, as our economy grows, so it is an economy in transition. We are an economy in transition from the phase of the global financial crisis to a phase of rapid growth. We are also an economy that needs to be in transition from generating more emissions per head of carbon pollution than any other developed nation on earth to a clean energy economy. That is why, as our
economy faces that transition, we will act in the most efficient and prudent way to spur that transition to a clean economy, and that is by pricing carbon. And in this phase of economic growth we will also be spreading the opportunities that come from the minerals boom through the Minerals Resource Rent Tax and the opportunity that it represents for Australian companies to have a reduced tax rate, for Australian small businesses to enjoy new tax arrangements and tax breaks and for working people to enjoy more superannuation and a better retirement income.

Our economic strategy is central to everything that this government does, because there is no more important priority for the future of Australians and their families than keeping the economy strong. It is about the jobs and opportunities they have today and it is about building and spreading those opportunities for tomorrow.

**GST and Mining Royalties**

**Mr TONY SMITH** (Casey) (14:38): My question is to the Treasurer. I refer the Treasurer to the Commonwealth's assurance to Western Australia that it would direct the Grants Commission not to reduce Western Australia's GST by more than any additional royalty revenue. Why was this assurance blacked out in correspondence between the Western Australian Under Treasurer and the Commonwealth Secretary to the Treasury that was released under freedom of information?

**Mr SWAN** (Lilley—Deputy Prime Minister and Treasurer) (14:38): I thank the member for his question. The commentary in that particular letter related to Pilbara fines; it did not relate to fines in general.

**Opposition members interjecting—**

**Mr SWAN:** It is just a fact. Of course, those opposite want to ignore all of the facts here, because they are acutely embarrassed by the fact that the premier of Western Australia has misled Western Australians and the Australian people on eight separate occasions. The letter he is talking about is one that refers to a change in the royalty rates for fines in the Pilbara, which is a completely separate matter from what the premier did in his most recent budget. That is something they have deliberately confused all the way through this debate. He asked why it was blacked out. It is not a decision that I took; it is a decision taken by the decision maker in the department.

But what is this all about? This is all about the fact that those opposite do not have an alternative economic policy and they are acutely embarrassed about their incapacity to put one forward.

**The SPEAKER:** The minister will resume his place. The Manager of Opposition Business on a point of order.

**Mr CREAN:** This cannot be on relevance!

**Mr PYNE:** Of course it is.

**Mr CREAN:** You have got to be joking.

**Mr PYNE:** I am not joking.

**Mr Crean interjecting—**

**The SPEAKER:** The Manager of Opposition Business will resume his place. The member for regional Australia will withdraw.

**Mr CREAN:** I withdraw, Mr Speaker.

**The SPEAKER:** I thank the minister. The Manager of Opposition Business on a point of order.

**Mr PYNE:** Mr Speaker, the Treasurer was asked a question that did not contain any argument or any debate. He is now straying well from a directly relevant answer.

**The SPEAKER:** The member for Sturt will resume his seat. The Treasurer should be very careful not to stray much further from
the question. He is now required to be directly relevant, not just relevant, to the question. The Treasurer has the call.

Mr SWAN: There has been a misleading campaign from those opposite to mix up a whole lot of separate issues. In the case of this minute, the minute was referring to changes that would take place in the Pilbara regarding fines, which is entirely separate from the case they have been prosecuting in this House both yesterday and today. It is entirely separate from the recent decision taken by the premier of Western Australia in his most recent budget, which, on eight occasions, he told the Australian people and the Western Australian people that he would not do, and in correspondence with the Grants Commission he said he would not do it because it was a sovereign risk. So he is saying one thing to the Australian people and apparently doing another, which is exactly what those in this House are doing as well, and continue to do.

The reason they are engaged in this political behaviour and this negative, mud-slinging campaign against me and the government is that they are acutely embarrassed. They do not have an alternative economic policy. They could not put one up in this House a couple of weeks ago. The shadow Treasurer had a shocker at the Press Club and they are acutely embarrassed by their incompetence.

Lyne Electorate: Regional Education

Mr OAKESHOTT (Lyne) (14:41): My question is to the Prime Minister and relates to the feasibility study to lift education access and participation rates on the Mid-North Coast of New South Wales, funded by you in the previous parliament. This study has just been completed and has the exact opposite conclusions to those of the recent Grattan Institute findings around regional empowerment and growth. In light of this will you accept a presentation of these findings from the relevant Mid-North Coast advisory board chaired by former deputy secretary of DEEWR Jim Davidson so that the Grattan Institute model of picking winners for regional growth can be considered against real and practical evidence from regional communities fighting to address systemic inequality?

Ms GILLARD (Lalor—Prime Minister) (14:42): I thank the member for Lyne for his question, and once again it is a serious question about opportunities for Australians in his electorate. I know that this has been a very long passion of his. I know that in the last parliament, when I was minister for education, he and some very determined and very effective advocates from his community who had worked with him for a long period of time came to see me about their concerns about low post-school participation in their local community. In truth, when we looked at the statistics the member for Lyne and his community had a lot to be concerned about, because by the standards of the nation and by the standards of some other parts of the nation their community was at risk of falling behind. And they were determined to change that. As part of that determination we worked with them to provide $165,000 to the Port Macquarie-Hastings Council to undertake a tertiary education feasibility study. It is very good work for a local community to do.

I spoke a while ago about the importance of keeping our economy strong, and of course that is central to everything that the government does. But I understand that, whilst we work to keep our economy strong, that in and of itself does not spread opportunity around the nation. We need to do more. And the work that the member has been doing with his local community is about doing more and is about making post-school opportunities available in his own
community. Consequently, I am pleased that, through that work, an application will come forward to the regional round of the Education Investment Fund to create a multipartner university campus on the mid-North Coast of New South Wales. I know that the application will seek $20 million in seed funding. Of course, this will be looked at by our experts who oversee the Education Investment Fund, but this is very important work to build on what has been done in the past.

The member asked me to contrast this approach with the work of the Grattan Institute. I am a very big respecter of the Grattan Institute and, of course, I will study their work, but my sense is that in order to keep building opportunity in regional Australia we need to go down the kind of pathways that the member and his community are looking to go down. And I think we should reassure ourselves that change is possible. A lot of people said to me in my early days as Minister for Education that you cannot change the fact that when it comes to university education poorer kids and kids from rural and regional areas tend to miss out. They said it is a given, it is a disadvantage that is compounded earlier in life, and you cannot make a difference to it at the university level.

We have proved that wrong already by the changes we have made in university education: more places, loadings to universities to actually go out and work with low-SES communities, more reward in terms of a regional loading and a fairer system of youth allowance. The result of that is that, whilst the participation rate of rural and regional kids in university was going down under the Howard government, now it is coming back up. That is good news for anybody who genuinely cares about the prospects and life chances of people in rural and regional Australia. I certainly believe we need to do more. This is a pathway to do more. I think it will stand as a very innovative model for communities around the nation and I am looking forward to continuing working with the member on it.

Welfare Reform

Mr Lyons (Bass) (14:46): My question is to the Minister for Families, Housing, Community Services and Indigenous Affairs. How is the government reforming welfare to boost participation and get more people into jobs?

Ms Macklin (Jagajaga—Minister for Families, Housing, Community Services and Indigenous Affairs) (14:47): I thank the member for Bass for his question, as he knows that this government’s first priority is to keep the economy strong so we can keep families in jobs. This budget builds on our very strong record of supporting and creating jobs. There are now 750,000 more Australians in work than there were when we came into office in November 2007.

We believe that more Australians should be able to share in the benefits of our strong economy—enjoy the financial and the social benefits that come from work. Too many Australians have missed out on a job for far too long. This budget delivers a very significant workforce participation package which rewards work and provides new opportunities but which also introduces new requirements and new obligations on those who are looking for work. It also takes a very innovative approach to addressing disadvantage in targeted locations around our country. There are specific measures and support for different groups, such as wage subsidies for the long-term unemployed and new participation obligations for teenage parents, jobless families and younger people on the disability pension. There are more support services, such as the new Communities for Children initiative. All of
these initiatives are designed to couple intensive support with increased obligations, to give that extra help that people need to get them into work and to make sure that they too are able to share in economic opportunities.

This government is pioneering a new welfare equation. On the one side, there is an expectation that people should take personal responsibility for themselves and for their children—to make sure that their children get to school, to make sure that they provide a secure and caring home and to make sure that they plan for the future. On the other side, there is an expectation that government must be there to deliver the conditions in the welfare system—the practical support and the opportunities that foster personal responsibility. This new welfare equation has been acknowledged by organisations like the Brotherhood of St Laurence:

At long last we see policy initiatives that recognise that the most disadvantaged in our community have modest mainstream aspirations and that they won’t shy from increased obligations in welfare if they are matched with more and better assistance.

This is the test of the new welfare morality: that increased obligations are commensurate with the additional assistance on offer. It’s a test that the welfare initiatives in the Budget pass.

Road Infrastructure

Mr RUDDOCK (Berowra) (14:50): I address my question to the Deputy Prime Minister and Treasurer. Is the government considering changes to the two-week-old budget to restore funding to the M2-F3 design works in this financial year?

Mr SWAN (Lilley—Deputy Prime Minister and Treasurer) (14:50): I thank the member for that question, because there has been a degree of discussion about road funding in New South Wales, and a lot of it has been inaccurate. I pay tribute to the fantastic job the Minister for Infrastructure and Transport, our roads minister, is doing. He sat down, along with the Prime Minister, to work our way through infrastructure issues in New South Wales. He reached agreement with some ministers in New South Wales. It is just a pity their Premier ratted on the deal.

Opposition members interjecting—

Mr SWAN: That is actually what happened. We remain committed to investing in roads in New South Wales, in suburban Sydney, along the Pacific Highway and out into our great regions. We are very proud of our record of investing in infrastructure in road, rail and ports. Our minister is doing a fantastic job there, and there is absolutely no need for any changes to our budget.

Mr Pyne: Mr Speaker, I rise on a point of order. The question contained no debate and no argument. It went to one very specific road and one very specific budget measure and he has yet to deal with the issue at all in his answer.

The SPEAKER: The Treasurer has finished.

Budget

Mr STEPHEN JONES (Throsby) (14:52): My question is to the Minister for Human Services and the Minister for Social Inclusion. How is the government assisting Australians back into the workforce through new employment and participation measures announced in the budget?

Ms PLIBERSEK (Sydney—Minister for Social Inclusion and Minister for Human Services) (14:53): I thank the member for Throsby. I visited Shell Harbour with the member for Throsby last week. On Tuesday, I visited Wyong with the member for Dobell and the member for Shortland. On Friday, I visited Elizabeth with the member for Wakefield. I looked at three of the 10 sites
for new employment and participation programs that were announced in the recent budget. In each location, local members and I met with community organisation that will work with the government to help jobseekers back into the workforce.

This budget has focused squarely on jobs. It has focused on education and training to ensure that the benefits of the mining boom make it into every corner of Australia, including some of our most disadvantaged communities. In our new location based approach, welfare recipients will have greater responsibilities to participate but they will also have extra help. Centrelink will have dedicated case workers for the most disadvantaged jobseekers and will work closely and in many cases under the same roof—

Mr Christensen interjecting—

Ms PLIBERSEK: Peter Griffin just cannot keep it down. We have Stewie up here; we have Peter Griffin down there. Just keep a lid on it, Peter Griffin.

The SPEAKER: Order! The minister should not encourage people to interject and the interjector should cease. The minister has the call.

Ms PLIBERSEK: Centrelink is going to have dedicated case workers for the most disadvantaged jobseekers and will work closely and in many cases under the same roof with financial counselling services, drug and alcohol counselling services, housing and homelessness services and other types of services to help long-term unemployed back into the workforce by overcoming the issues that have kept them unemployed.

Case coordination will allow Centrelink case workers to work more closely with jobseekers. For example, instead of a jobseeker turning up and talking to any person who happens to be on the counter, they will have a dedicated case worker. After all that time that they may have been too embarrassed to tell Centrelink that they cannot read and write well enough to fill in an application form a job, they will now have one person who they can talk to who can help them access one of the 30,000 literacy and numeracy places that we have funded in this budget. A homeless jobseeker might get the help that they need to stabilise their housing so that they have a place to have a shower and a good sleep and a place where employers can phone them so that they can get back into the workforce.

Non-government organisations will be working with us to identify the most important local changes that they can make. We have a local solutions fund of $25 million to support those local changes. The Minister for Families, Housing, Community Services and Indigenous Affairs talked about changes for teenage parents and jobless families. We want those teenage parents to reach year 12 or get an equivalent qualification. We want their kids to be school ready. We want welfare recipients to be able to keep more of what they earn, because we know that part-time work is often a stepping stone back into full-time employment and we want to make that part-time work count.

These are just a few of the measures that the government introduced in the most recent budget to target the most disadvantaged jobseekers. In mining boom mark II we cannot allow whole regions to be left behind as they were during mining boom mark I. We have heard very little from the Leader of the Opposition on these new measures since the budget two weeks ago. He continues to be all opposition and no leader.

Carbon Pricing

Mr TUDGE (Aston) (14:56): My question is to the Treasurer. I refer the Treasurer to the comments of the President
of the Municipal Association of Victoria, Mr Bill McArthur, who said, If the carbon price is set at $25 per tonne, rate increases in excess of three per cent are likely.' What compensation will the government be providing to municipal councils, or will residents simply have to add rising council rates to their already stretched budgets?

Mr SWAN (Lilley—Deputy Prime Minister and Treasurer) (14:57): I thank the member for his question. Here we go with the ongoing scare campaign from those opposite. They have not got the guts to face up to the tough decisions that we need to make to protect our economy and our environment for the future, so they just make things up day after day. We had the manufacturing spokesman out the other day claiming that there were going to be millions of jobs lost in Australia. I know what would have happened if they had been in charge during the global recession: there would have been hundreds of thousands of jobs lost in this country. They are a huge risk to our economy.

Opposition members interjecting—

The SPEAKER: The member for Dawson is warned!

Mr SWAN: They want to oppose any action on climate change. As the member for Wentworth said the other day, the Leader of the Opposition simply does not believe in the science of climate change.

Mr Tudge: Mr Speaker, I rise on a point of order on relevance. The question was a very straightforward one: what compensation will the government be providing to municipal councils, or will residents simply have to add rising council rates to their already stretched budgets?

The SPEAKER: Order! The point of order is direct relevance. I remind the Treasurer of the requirements. The Treasurer has the call.

Mr SWAN: We on this side of the House do believe in action on climate change, so we are going through that consultation.

Opposition members interjecting—

The SPEAKER: Order!

Mr SWAN: And of course we don't have a final design, so it is impossible for anyone to be making the assertion such as the member for Aston has just made. But the member for Aston has had a little bit to say about this. In fact, recently, the member for Aston had this to say: that he didn't believe in the Liberal Party's so-called direct action policy.

Opposition members interjecting—

The SPEAKER: Order! The Treasurer will relate his material directly to the question.

Mr SWAN: The government is consulting with the community, business and crossbenchers about putting a price on carbon. We are working our way through that in a responsible and methodical way. We understand why it is so important to deal with dangerous climate change in this country. Sadly, that side of the House is full of climate change deniers who do not understand the science.

Mr Christensen: Dangerous climate change?
economic and social benefit of our nation. The Leader of the Opposition is absolutely incapable—

The SPEAKER: Order! The Treasurer.

Mr SWAN: of facing up to the big decisions that we need to put in place to secure our prosperity and to secure our environment. He simply will not take the hard decisions. He wants to take the politically opportunistic path on every occasion—

The SPEAKER: Order! The Treasurer will bring his answer to a conclusion.

Opposition members interjecting—

Mr SWAN: I know they are acutely embarrassed by the stance of the Leader of the Opposition—absolutely acutely embarrassed by the fact that he is a climate change denier. And of course the member for Wentworth belled the cat on that. On this side of the House we will get on with dealing with climate change.

Opposition members interjecting—

The SPEAKER: Before calling the member for Braddon, I simply say to those on my left that, if they wish me to make judgments about whether the responses are within the standing orders, it would assist if they sat there quietly so I could listen to those responses. I am not encouraged to take action when there is so much babble and interjection that it prevents me from making a proper judgment. The member for Braddon has the call.

Tobacco Products

Mr SIDEBOTTOM (Braddon) (15:02): Thank you very much, Mr Speaker. My question is to the Minister for Health and Ageing. Minister, what is the government’s approach to tobacco political donations and plain-packaging reforms? And how have these reforms been received?

Ms ROXON (Gellibrand—Minister for Health and Ageing) (15:02): I thank the member for Braddon for his question. I know he is very concerned about the health of the constituents in his electorate. Our party has a very firm stance on tobacco and a very firm stance on tobacco donations. Tobacco kills you, and we will do all we can to reduce its harm. Our party, the Labor Party, does not take donations from these companies that sell death. Seven years ago the Labor Party ceased taking donations from tobacco companies.

Next year plain-packaging reforms will begin, and our tobacco control measures will then be comprehensive—including anti-smoking ads, banning internet ads, an excise increase and nicotine patches on the PBS.

Mr Simpkins: Why don't you just ban tobacco!

Mr Schultz: It's a legal product!

Opposition members interjecting—

The SPEAKER: Order! The member for Cowan. The member for Hume.

Ms ROXON: Members opposite who are interjecting might be interested to know that yesterday the Cancer Council released the most comprehensive study of the evidence ever published in Australia—24 targeted studies over the last two decades. And what they clearly show is that current packages dilute from the health warnings. It shows that packages has an impact on young people and their perception of cigarettes and those who smoke them.

It is for these reasons that it is not surprising that we have the support of doctors, of nurses, of the Cancer Council, of the Heart Foundation, of QUIT and many more.

Opposition members interjecting—

Ms ROXON: In fact, those who are interjecting might be interested to know that
we have the support of a few Liberal Party members as well. Maybe somebody known to those opposite, the Liberal Premier of New South Wales, Barry O'Farrell, supports our reform. The New South Wales Liberal health minister, Jillian Skinner, supports our reform. The Liberal health minister in Victoria, David Davis, supports our reforms. Brendan Nelson, a former Liberal minister—not a health minister, but a doctor—and a former leader, supports our reforms. The member for Moore, a doctor and current member of the Liberal Party, and the member for O'Connor, support our reforms. But we have the Leader of the Opposition, a former health minister, who states:

... one cigarette, I am told, does you damage. But it does you so little damage.

Can you believe a health minister would say these sorts of things?

There are only four groups in the community that currently oppose our messages: British American Tobacco, Phillip Morris, the Liberal Party and the National Party—two tobacco companies, two political parties. And there is a reason that they are linked. I do not think I could put it any better than cartoonist David Rowe did in the Financial Review today, in his cartoon, 'Welcome to Abbott country. Enjoy the smooth taste of tobacco donations'! It is about time the Liberal Party stopped receiving donations from tobacco companies. It has been reported that the Leader of the Opposition is so worried about this that he has silenced his MPs from talking about it. That might be why the member for O'Connor, who has come out supporting our measures, explained that he is against the coalition's approach. He supports our measures, explaining: 'As you know, I'm a little bit different from the rest of the Nationals'. Well, he is certainly right about that.

It is time for Mr Abbott to quit his habit, to stop putting the money and donations before good public policy and to start supporting this measure. Kick the habit, Mr Abbott!

The SPEAKER: Before giving the call to the member for Forde, the member for New England is looking for his No. 10 which was pinched from his place.

Budget

Mr VAN MANEN (Forde) (15:07): My question is to the Treasurer. I refer to the Treasurer to Aarons Linen Service, a business in my electorate which currently employs 200 people. They have estimated that their costs will increase by approximately $1 million per annum under a carbon tax. What compensation will the government be providing to businesses like Aarons Linen Service or will they simply have to shed staff to stay in business?

Mr SWAN (Lilley—Deputy Prime Minister and Treasurer) (15:07): It is a bit rich for members of the coalition to come into this House and pretend to be friends of business, given their recent behaviour. They were not friends of business during the global financial crisis and the global recession. They would have seen tens of thousands of businesses go to the wall, and that is a fact. They are not friends of business—

Honourable members interjecting—

The SPEAKER: Order! The Treasurer will resume his seat. The member for Mackellar on a point of order.

Mrs Bronwyn Bishop: Thank you, Mr Speaker, I rise on a point of order and refer you to page 551 of the Practice where it states that should the minister be unable to give an answer he should simply tell the House that he will come back to it when he
The SPEAKER: It is not in my power to so direct and I will not be doing so. The Leader of the House.

Mr Albanese: On the point of order, Mr Speaker, of course the question was hypothetical in how it was put forward. How can you possibly calculate a figure? It is just made up.

Honourable members interjecting—

The SPEAKER: Order! Given that the Treasurer is 25 seconds into his response, the dogs have barked and the caravan has moved on a point of order about the question. If I were to characterise the member for Mackellar's point of order as seeking direct relevance, that is the point of order for this question. The Treasurer is responding, he knows the requirements of his response and he has the call.

Mr SWAN: Thank you, Mr Speaker. The concerns of business and the pace of business in Australian society is of immense importance. Of course, business is a very significant employer in our economy. The government wants to support business and we have supported business very strongly, not just during the global recession, but also by putting in place measures which will assist business. We understand that, in our two-speed or patchwork economy, not everyone in business is doing well.

We set out over a year ago to make sure that we put in place a series of initiatives which would assist business. The first one was a big tax cut or a significant tax for small business via the $5,000 instant asset write-off and our proposals to bring down the corporate rate of tax over time. They are opposing the revenue source that will provide that advantage for Australian business. They ought to be acutely embarrassed because they have a view that the mining industry already pays too much tax and that small business and the rest of business should not get a tax cut. I think they are acutely embarrassed by that.

As we go forward in designing an emissions trading scheme we are acutely aware that we have to get the settings right and acutely aware that what we must do for our country is to support growth in our economy. That is what we are doing as we consult with business, as we consult with the community and as we work through the multiparty committee. We are doing all of those things. Of course, those opposite just want to promote a scare campaign. We will conclude the details of an emissions trading scheme as soon as we can, and we will go out there and vigorously have a debate about who is going to support our economy, set us up for the future, create the jobs of the future, get the investment in renewable energy and make sure we protect this planet, this country, for our children and our grandchildren.

Tobacco Products

Ms BIRD (Cunningham) (15:11): My question is to the Minister for Mental Health and Ageing. As the minister responsible for medical research, why is evidence based policy-making important, and is the minister aware of any additional evidence to support the government's decision to move forward with the plain packaging of tobacco products?

Mr BUTLER (Port Adelaide—Minister for Mental Health and Ageing) (15:12): I thank the member for Cunningham for her question. I spoke yesterday about 12 different research studies covering the issues of branding, design and the promotion of tobacco packaging. Today I want to bring the attention of the House to a review of the evidence released yesterday by the Cancer Council. The review pulls together the
findings from 24 targeted studies over two decades and demonstrates very clearly that
the look and the feel of tobacco packaging is a very powerful marketing tool, particularly
for the recruitment of new smokers.

Recruiting young Australians to smoking is important to big tobacco. If you want to
make a profit in the tobacco business, you need new customers and you need them
regularly. The shadow minister said on Sky yesterday:
I just don't have the evidence one way or the other. ... I've asked the Government to produce
the evidence. We've said we've got an open mind.

When the Prime Minister invited me to joint her ministry, she did not inform me that one
of my duties to the Australian people was to act as the research assistant to the member
for Dickson, but I am very, very happy to do so on this occasion. Professor Ian Olver from
the Cancer Council said yesterday:
I think anyone who reads the review and understands how public health science works will
see that the evidence is compelling and very difficult to refute.

Lyn Roberts from the Heart Foundation said:
This is very convincing science, based on the most rigorous study models available.
The evidence is there. The opposition has no more excuse for delay. Any more
prevarication on this measure will just confirm suspicions that they are simply
doing the bidding of big tobacco. Whether that is a reality or not is not the point; it is
fast becoming a perception that is setting in.

I was part of the meeting of the national executive of the Labor Party several years ago which decided to refuse tobacco donations. As a long-time member of that august body, I can honestly say that it does not often offer the best moments that the Labor Party has to offer the nation, but that was an exception. I would say to the Leader of the Opposition if he were interested in this
debate and was here: take our advice and take the advice of many of your own branches and get this monkey off your back. It may be a rich monkey but it is a monkey nonetheless. Read the research and get behind this world leading reform measure.

For the assistance of the House, I table these documents: Plain packaging of tobacco products: a review of the evidence prepared by Quit Victoria, Cancer Council of Victoria, May 2011; Is your package an effective communicator? A normative framework for increasing the communicative competence of packaging from the Journal of Marketing Communications; Making the pack the hero, tobacco industry response to marketing restrictions in the UK: findings from a long-term audit; Plain packaging: a time for action from the European Journal of Public Health; Plain packaging regulations for tobacco products: the impact of standardizing the color and design of cigarette packs from Salud Pública de México; Deadly in pink: the impact of cigarette packaging among young women; Beyond light and mild: cigarette brand descriptors and perceptions of risk in the International Tobacco Control (ITC) Four Country Survey; and the remainder of those 23 journals. I am sure the shadow minister will spend a long night reading them tonight.

Carbon Pricing

Mr BALDWIN (Paterson) (15:16): I refer my question without notice to the Treasurer. I refer the Treasurer to comments of Chris Hind, the chief operating officer at regional airline Rex: 'The timing of the carbon tax could not be worse. Rex will be forced to close many marginal regional routes.' Treasurer, what compensation will the government be providing to businesses like Rex or will Rex simply have to raise airline ticket costs to stay in business?
Mr SWAN (Lilley—Deputy Prime Minister and Treasurer) (15:17): I have already addressed all of the issues associated with that question. When we have designed the emissions trading scheme we will announce all the details and then we will have a debate about its impact for business and households, its benefit to the country in the long term and the short term, and the fact that we are going to set this country up so we can prosper into the future with lower carbon growth absolutely critical to the future of this country although not understood by any of those opposite apparently.

Mr Baldwin: Mr Speaker, on a point of order: I point specifically to the issue of relevance. I asked specifically what compensation will the government be providing to businesses like Rex.

The SPEAKER: Order! the Treasurer is responding to the question.

Mr SWAN: I have said the government is working its way through all these issues to design the scheme. We do that in good faith. We do it in the national interest. What this is all about from those opposite today is to cover over the very deep divisions that we have seen on their side of politics—deep divisions over tobacco, deep divisions over tax, deep divisions over climate change—which have been all too apparent out there in the papers day after day. That is what we have—a smokescreen to cover up for the fact there is no alternative economic policy and no vision for the future of the country whatsoever.

Climate Change

Mrs D'ATH (Petrie) (15:19): My question is to the Prime Minister. For the benefit of those members who were not present at the Climate Commission Forum yesterday, will the Prime Minister update the House on what the latest climate science tells us and how it contributes to evidence based policy making?

Ms GILLARD (Lalor—Prime Minister) (15:19): I thank the member for Petrie for a question which invites this parliament to consider the facts. I know there are some who will struggle with this concept, considering the facts, but that is what the Climate Commission Forum yesterday in Parliament House was all about. It was an opportunity for all members of parliament to listen to the facts and to hear about global warming and the science. I want to acknowledge each and every member who did attend the forum. I want to acknowledge the role of the member for New England in ensuring the forum happened here in Parliament House.

These forums are important because they are about evidence and facts. In yesterday's forum the scientists told us that global temperatures are rising and in Australia the number of hot days has doubled over the last 50 years. The scientists told us that another 20 centimetres of rise by 2050 would more than double the risk of coastal flooding. The scientists told us of the damage already being done to the Great Barrier Reef through nine major coral-bleaching events since 1979. The scientists told us about the greater risks of extreme weather events like floods, bushfires and cyclones.

Despite this evidence from the scientists, the reaction generally of the opposition has been to attack the scientists. We have seen Nick Minchin in particular go out and attack the scientists, claiming it is offensive to say that the debate about climate change is over and that it all needs to be taken with a grain of salt. Then there is the Leader of the Opposition, who clearly could not be bothered to look at this important report, who falsely claimed that it backed his direct action plan, whereas in fact the report
actually says that such a measure would not enable us to meet our emissions reduction targets. It is a very worrying sign from the opposition that they continue to be mired in climate change denial. We know that from their general failure to attend the forum yesterday. We also know it from the member for Wentworth on Lateline who very clearly said that the Leader of the Opposition's plan is the sort of plan you have when you want one that does not work, the sort of plan you have when you want one that you can stop because in truth you are a climate change sceptic and denier and all of this is a pretence to the Australian people. I detect a theme here across the issues that have been under debate in this parliament this week. There we have the opposition on the side of the big polluters rather than tackling climate change. There we have the opposition on the side of big tobacco rather than with those who would try to save Australian lives by encouraging people not to smoke.

What this shows is that the Leader of the Opposition in every area rejects the evidence; he rejects the expert advice. It goes to show what a risk he is and how mired he is in the past. He is stuck back in a time where people apparently did not think smoking was a worry for public health. He is stuck back in a time before the scientific consensus became that climate change is real. On this side of the House we will continue to deal with these challenges. We will continue to do what we need to do to prepare this country for the future—accept the evidence, deal with the facts, design the policies and implement them. We are not stuck in the past and stuck in denial like the Leader of the Opposition.

Budget

Mr BRIGGS (Mayo) (15:23): Mr Speaker, my question is to the Treasurer. Can the Treasurer advise the House what the budget forecast for the percentage change in the terms of trade in 2010-11 and 2011-12 is?

Mr SWAN (Lilley—Deputy Prime Minister and Treasurer) (15:23): The member can find it in the budget papers. I recommend that he opens them up and has a look at them. What they do is come off. They are conservative. I am not going through the numbers in detail. What we have got here is the acute embarrassment of those opposite. I do not engage in pop quizzes in the parliament—

Opposition members interjecting—

The SPEAKER: Order! The Treasurer will resume his seat.

Mr Christensen: He needs a glass of water.

The SPEAKER: Order! The member for Dawson will leave the chamber for one hour under standing order 94(a). The Treasurer has the call.

Mr Dutton: Did you find it?

Mr SWAN: No, I have not bothered to look for it because there is no way in the world that I am going to spend my time in the parliament playing the games of those opposite or playing pop quizzes. What we are seeing from those on the other side of the House is that they have no alternative vision for our country—

Mr Pyne: Mr Speaker, on a point of order: as the whole budget forecast is predicated on the answer to this question, you would think the Treasurer would simply know the answer. If he does not, he should sit down.

The SPEAKER: The Treasurer is aware of the requirement to directly relate his answer to the question. It is not compulsory for him to take the full four minutes, but the Treasurer has the call.
Mr SWAN: I do not come into this House to play pop quizzes; I come in here to argue very serious policy and we are seeing none from the other side of the House. We had a Leader of the Opposition who could not talk about jobs in his budget reply, and the same for the shadow Treasurer. Both of them failed to talk about the floods and their impact on the Australian economy, nor did they address the consequences of having our terms of trade at 140-year highs. What we have got is a group of people who are absolutely unqualified to put forward an alternative economic policy for this country and it is on display for everybody to see.

Carbon Pricing

Ms BRODTMANN (Canberra) (15:27): Mr Speaker, my question is to the Minister for Climate Change—

Opposition members interjecting—

The SPEAKER: Order! The member for Canberra has the call. The clock will be reset. The member for Canberra can commence her question again and hopefully be heard in relative silence.

Ms BRODTMANN: Thank you, Mr Speaker. My question is to the Minister for Climate Change and Energy Efficiency. Is the minister aware of recent comments in relation to policies to reduce carbon emissions and tackle dangerous climate change? What is the government's response?

Mr COMBET (Charlton—Minister for Climate Change and Energy Efficiency) (15:27): I would like to thank the member for Canberra for her question because there has certainly been some important commentary over the last week or so in relation to climate change. In fact, two of the opposition frontbenchers have, over the last week, shredded the Leader of the Opposition's sham subsidies-for-polluters policy on climate change. The member for Wentworth I think made a very valid point last week that the whole purpose of the coalition's policy is that it can be easily dumped if you do not really accept and respect the climate science and accept the responsibility of having to deal with it. So it is a policy that can be dumped at any time and that is one of its purposes.

The member for Wentworth also made it clear that, if the subsidies-for-polluters policy ever really went ahead, taxpayers would foot the bill to the tune of around $18 billion per year by the year 2050. This is because their policy pays polluters and taxes families to fund it. That much was confirmed by the member for Flinders, the shadow minister, last night in a quite extraordinary appearance on 7.30 where he made a number of very important admissions about the coalition policy. On the television the member for Flinders admitted that the policy was in fact temporary, that he was focussing on nothing more than a 10-year horizon for the policy potentially, which is not much good when investors are looking for certainty in long-lived assets that might have a life in the electricity-generating sector of anything from 30 to 50 years. He also made an extraordinary commitment on behalf of the coalition to subsidise electricity generators for an indefinite period of time by meeting capital and operating costs associated with the introduction of different technologies.

Upon my request, my department has used some publicly available information to estimate the cost of the member for Flinders' commitment and it is up to $11 billion by the year 2020, with an ongoing cost after that of up to $1½ billion per year. So to fund that quite extraordinary multibillion dollar promise, the member for Flinders then volunteered that he would dip into the shadow Treasurer's already discredited budget savings, which is yet another blow to the shadow Treasurer's savings promises.
Therefore, in one single interview, the member for Flinders exposed fundamental flaws in both the subsidies for polluters policy and their budget policy. No-one can take their climate change position seriously.

We have heard all about, during the last few days, all of those who comment on that side on the climate science. Take, for example, the member for Indi, who was every quick to dismiss the Climate Commission's science report, making the absurd claim that this report—the report itself—will shut down Australia as a modern industrialised economy. No exaggeration in that one. She was joined by the member for Gippsland, who suggested the report was a political agenda of the government. This is an independent science commission. We have had Senator Boswell out. We have had Senator Abetz out. We have had Senator Minchin out. The fact of the matter is simple on this issue: those on that side deny the science. They will not respect the scientific evidence and they have no credible policy to deal with it. (Time expired)

Ms Gillard: I ask that further questions be placed on the Notice Paper it being after 3.30 pm.

Honourable members interjecting—

PERSONAL EXPLANATIONS

Mr TUDGE (Aston) (15:32): I seek to make a personal explanation.

The SPEAKER: Does the member claim to have been misrepresented?

Mr TUDGE: I do, Mr Speaker, most grievously.

The SPEAKER: Please proceed.

Mr TUDGE: The Treasurer implied that I do not support the coalition's direct action policy. That is not correct. I strongly support that policy because, unlike the government's policy, it will not put up prices on everyday—

The SPEAKER: Order! The member for Aston has explained where he has been misrepresented. He cannot debate the matter further.

DOCUMENTS

Legislative Assembly of the Northern Territory

The SPEAKER (15:32): I inform the House that I have received a copy of a resolution passed by the Legislative Assembly of the Northern Territory on 4 May 2011 relating to the proposed carbon emissions taxes. Copies are being circulated to members in the chamber, and the full text will be recorded in the Votes and Proceedings and Hansard.

The resolution read as follows—

This Assembly
1. calls on the Australian Government to exempt the Northern Territory from proposed carbon emissions taxes for at least fifty years or until such time as global consensus has been reached on a worldwide carbon emissions reduction plan; and
2. through the Speaker forward the terms of this motion to the Speaker of the House of Representatives and President of the Senate.

Mr Abbott: Mr Speaker, my eyes are failing me and I think it would be much better—my ears are okay—if you could read it out to the chamber, please.

The SPEAKER: I am sure you that will be assisted and will get to read it.

Mr PYNE: I seek leave to move that the House take note of the statement from the Northern Territory Legislative Assembly.

Leave not granted.

COMMITTEES

Selection Committee

Report

The SPEAKER: I present the Selection Committee's report No. 21 relating to the
consideration of private members' business on Monday, 30 May 2011. The report will be printed in today's Hansard, and the committee's determination will appear on tomorrow's Notice Paper. Copies of the report have been placed on the table.

The report read as follows—

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

1. The committee met in private session on Tuesday, 24 May 2011.

2. The committee determined the order of precedence and times to be allotted for consideration of private Members’ business on Monday 30 May 2011, as follows:

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

   **PRIVATE MEMBERS’ BUSINESS**

   **Notices**

1 **MR BANDT**: To move:
   That this House:
   (1) condemns the Gillard Government’s deal with Malaysia that would see 800 asylum seekers intercepted in Australian waters and sent to Malaysia; and
   (2) calls on the Government to immediately abandon this proposal. (Notice given 12 May 2011)

   *Time allotted—30 minutes.*

   *Speech time limits—*
   
   Mr Bandt—5 minutes.
   
   Other Members—5 minutes each.

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

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

2 **MR MORRISON**: To move:
   That:
   (1) a Select Committee on The Crisis in Australia's Immigration Detention Network be appointed to inquire into and report on:
   (a) the riots and disturbances in detention facilities on Christmas Island commencing 12 March 2011, and Villawood from 19 April, 2011, in particular:

   (i) the nature and circumstances of these events;

   (ii) the nature and adequacy of the response of Commonwealth agencies to the events;

   (iii) any warning, briefings or advice that had been provided to the Government by agencies and individuals in the lead up to, during and after the events and the nature and adequacy of the response to such information;

   (iv) the adequacy of security protocols, procedures and resources to mitigate the escalation of tension and conflict in the detention network;

   (v) the extent and cost of the damage to facilities as a result of the events; and

   (vi) any other matter deemed relevant by the Committee to understand why these events occurred; and

   (b) the performance and management of Commonwealth agencies and/or their agents or contractors in discharging their responsibilities associated with the interception, detention and processing of irregular maritime arrivals or other persons;

   (c) the health, safety and wellbeing of employees of Commonwealth agencies and/or their agents or contractors in performing their duties relating to the interception, detention and processing of irregular maritime arrivals or other persons;

   (d) the health, safety and wellbeing of persons detained within the detention network;

   (e) the level, adequacy and effectiveness of reporting incidents and the response to incidents within the immigration detention network, including relevant policies, procedures, authorities and protocols;

   (f) compliance with the Government's immigration detention values within the detention network;

   (g) any issues relating to interaction with States and Territories regarding the interception,
detention and processing of irregular maritime arrivals or other persons;

(h) the management of good order and public order with respect to the immigration detention network;

(i) the standards and adequacy of facilities and services and access to these facilities and services provided to detainees within the detention network;

(j) the total costs of managing and maintaining the immigration detention network and processing irregular maritime arrivals and other detainees;

(k) the expansion of the immigration detention network, including the cost and process adopted to establish new facilities;

(l) the length of time detainees have been held in the detention network, the reasons for their length of stay and the impact on the detention network;

(m) processes for assessment of protection claims made by irregular maritime arrivals and other persons and the impact on the detention network;

(n) the management of minors within the detention network, in particular children aged under 13;

(o) impact of existing and prospective Government policies with respect to irregular maritime arrivals and other persons detained within the detention network; and

(p) the implications of the matters considered by the Committee for the management of Australia’s immigration detention network;

(2) the Committee consist of 10 members, 4 Members to be nominated by the Government Whip or Whips, 4 Members to be nominated by the Opposition Whip or Whips, and two non-aligned Members;

(3) every nomination of a member of the Committee be notified in writing to the Speaker of the House of Representatives;

(4) the members of the Committee hold office as a select committee until presentation of the Committee’s report or the House of Representatives is dissolved or expires by effluxion of time, whichever is the earlier;

(5) the Committee elect a Government or a non-Government member as chair at its first meeting;

(6) the Committee elect a member as its deputy chair who shall act as chair of the Committee at any time when the chair is not present at a meeting of the Committee, and at any time when the chair and deputy chair are not present at a meeting of the Committee the members present shall elect another member to act as chair at that meeting;

(7) in the event of an equally divided vote, the chair, or the deputy chair when acting as chair, have a casting vote;

(8) 3 members of the Committee constitute a quorum of the Committee provided that in a deliberative meeting the quorum shall include 1 Government member and 1 non-Government member;

(9) the Committee have power to appoint subcommittees consisting of 3 or more of its members and to refer to any subcommittee any matter which the committee is empowered to examine;

(10) the Committee appoint the chair of each subcommittee who shall have a casting vote only and at any time when the chair of a subcommittee is not present at a meeting of the subcommittee the members of the subcommittee present shall elect another member of that subcommittee to act as chair at that meeting;

(11) 2 members of a subcommittee constitute the quorum of that subcommittee;

(12) members of the Committee who are not members of a subcommittee may participate in the proceedings of that subcommittee but shall not vote, move any motion or be counted for the purpose of a quorum;

(13) the Committee or any subcommittee have power to call for witnesses to attend and for documents to be produced;

(14) the Committee or any subcommittee may conduct proceedings at any place it sees fit;

(15) the Committee or any subcommittee have power to adjourn from time to time and to sit during any adjournment of the House of Representatives;
(16) the Committee may report from time to time but that it present its final report no later than 7 October 2011; and

(17) the provisions of this resolution, so far as they are inconsistent with the standing orders, have effect notwithstanding anything contained in the standing orders. (Notice given 24 May 2011.)

Time allotted—40 minutes.

Speech time limits—
Mr Morrison—10 minutes.
Next Member—10 minutes.
Other Member—5 minutes each.

[Minimum number of proposed Members speaking = 2 x 10 mins + 4 x 5 mins]

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

3 MR NEUMANN: To move:
That this House:
(1) recognises that:
(a) there are about three million Australians who still smoke; and
(b) tobacco is a lethal product, killing around 15 000 Australians every year; and
(2) calls on all Members and political parties to immediately stop accepting political donations from tobacco companies. (Notice given 23 May 2011.)

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

Speech time limits—
Mr Neumann—5 minutes.
Other Member—5 minutes each.

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

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

Items for House of Representatives Chamber (8 to 9.30 pm)
PRIVATE MEMBERS’ BUSINESS

Notices

4 MR PYNE: To move:
That this House:
(1) notes that the Government has:
(a) admitted there is a problem with the criteria for independent youth allowance for inner regional students;
(b) committed to bringing forward its review of the matter with the broad purpose of finding a permanent solution to address the disadvantages that currently exist for rural and regional students in qualifying for financial assistance; and
(c) indicated it will remove the difference between the inner regional areas and the other regional zones for the eligibility criteria for independent youth allowance; and
(2) calls on the Government to bring forward its timetable for resolving the matter, and in particular ensure that:
(a) the review is completed and funds to pay for the measure are secured by 1 July 2011;
(b) the current eligibility criteria for independent youth allowance for persons whose homes are located in Outer Regional Australia, Remote Australia, and Very Remote Australia according to the Remoteness Structure defined in subsection 1067A(10F) of the Social Security Act 1991 also apply to those with homes in Inner Regional Australia from 1 July 2011; and
(c) all students who had a gap year in 2010 (ie, 2009 Year 12 school leavers) and who meet the relevant criteria qualify for the payment. (Notice given 22 March 2011.)

Time allotted—50 minutes.

Speech time limits—
Mr Pyne—10 minutes.
Next Member—10 minutes.
Other Member—5 minutes each.

[Minimum number of proposed Members speaking = 2 x 10 mins + 6 x 5 mins]

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

5 MR MELHAM: To move:
That this House:
(1) notes the release on 28 March 2011 of an Amnesty International report entitled Death Sentences and Executions 2010 and that:
(a) over the last 10 years, 31 countries have abolished the death sentence in practice or in law; and
(b) in December 2010:
   (i) the United Nations General Assembly adopted its third resolution on a moratorium on the use of the death penalty; and
   (ii) 23 countries had carried out executions in 2010 compared to 19 countries in 2009; and
(2) recommits to its bi-partisan condemnation of the death penalty across the world. (Notice given 23 May 2011.)

Time allotted—remaining private Members’ business time prior to 9.30 pm.

Speech time limits—
Mr Melham—5 minutes.
Other Member—5 minutes each.

[Minimum number of proposed Members speaking = 8 x 5 mins]
The Committee determined that consideration of this should continue on a future day.

Items for Main Committee (approx 11 am to approx 1.30 pm)

PRIVATE MEMBERS’ BUSINESS

Notices

1 MR HAYES: To move:
   That this House:
   (1) notes that:
       (a) for more than 2000 years religious groups such as Assyrians, Mandaeans, Chaldeans, Syriacs and other Aramaic speakers have called Iraq home;
       (b) in 2003, Australia was part of the ‘coalition of the willing’ that invaded Iraq in the belief that Iraq harboured weapons of mass destruction;
       (c) since 2003 there have been horrendous acts of persecution against these religious minorities in Iraq, including murders, bombings and extortion; and
       (d) the Catholic Church reports that one million Christians have fled Iraq since the 2003 invasion; and
   (2) recognises that:
       (a) thousands of people are sheltering in Syria, Egypt, Jordan and the northern regions of Iraq because they feel they cannot return to their homes for fear of death and persecution;
       (b) due to our part in the ‘coalition of the willing’, Australia has a moral responsibility to deal compassionately with these displaced people; and
       (c) it will be a damning critique on humanity and the Coalition forces, who have vowed to protect the people of Iraq, if religious groups with such a significant historical link to the region are forced out at the hands of terrorists. (Notice given 8 February 2011.

Time allotted—40 minutes.

Speech time limits—
Mr Hayes—10 minutes.
Other Member—10 minutes each.

[Minimum number of proposed Members speaking = 4 x 10 mins]
The Committee determined that consideration of this should continue on a future day.

2 MRS GRIGGS: To move:
   That this House:
   (1) notes:
       (a) that Darwin is currently experiencing the worst housing crisis since Cyclone Tracy, and the Minister for Defence Science and Personnel, the Member for Lingiari, supports the plans to demolish or remove the houses in Eaton; and
       (b) the significant adverse impact the demolition or removal of 396 defence houses at Eaton will have on the local community, local school and local businesses; and
   (2) calls on the Government to:
       (a) excise the Darwin suburb of Eaton from RAAF Base Darwin;
       (b) hand over the 396 houses managed by the Department of Defence in the Darwin suburb of Eaton, to the Defence Housing Authority (DHA); and
       (c) direct DHA as a matter of priority, to develop and implement a business plan that would determine the percentage of the 396 houses in Eaton that could be made available for lease or
sale to the local community in order to help address the critical housing shortage. (Notice given 10 May 2011.)

_Time allotted—20 minutes._

_Speech time limits—_

_Mrs Griggs—5 minutes._

_Other Member—5 minutes each._

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

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

3 MRS MARKUS: To move:

That this House:

(1) notes that in the 2010 Federal Election, the Coalition, Australian Labor Party and Australian Greens committed to establishing the Greater Western Sydney Corridor but the Australian Government has failed to act to protect Cumberland Plain Woodland and endangered flora and fauna species; and

(2) calls on the Australian Government to implement the Coalition’s policy to protect Western Sydney's Cumberland Plain Woodland and endangered flora and fauna species, and:

(a) establish the Greater Western Sydney Conservation Corridor linking nature reserves and identified priority lands within the Greater Western Sydney Region, as an environmental legacy for future generations;

(b) establish a joint State Federal Consultative Committee to consider information with regard to the establishment of the Greater Western Sydney Conservation Corridor;

(c) consult and work with the NSW Government on strategies to acquire identified priority conservation sites for the Conservation Corridor, utilising funds held within the NSW Growth Centres Conservation Fund for that purpose;

(d) identify private land that links areas of the proposed Corridor and work towards a mutually beneficial outcome with private land holders; and

(e) consult with the NSW Government on the feasibility of a comprehensive audit of the Greater Western Sydney bushland region to identify conservation values that will include listings of threatened and or endangered species. (Notice given 22 March 2011.)

_Time allotted—20 minutes._

_Speech time limits—_

_Mrs Markus—5 minutes._

_Other Member—5 minutes each._

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

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

4 MS PARKE: To move:

That this House:

(1) notes that:

(a) Australia’s oceans are the most diverse on earth but less than 1 per cent of the South-West, North-West, North, Coral Sea and East marine regions are currently protected;

(b) the Australian coastal lifestyles and our coastal economies are dependent on the good health of our oceans;

(c) evidence from marine sanctuaries around the world, including in Australia, New Zealand, Canada and the United States, has shown that fish populations and fish size dramatically increase inside sanctuaries and in the nearby fished areas;

(d) the marine and environmental science is clear, and in 2008, 900 scientists from the Australian Marine Scientists Association reached a consensus that the creation of networks of large marine sanctuaries will:

(i) protect ocean life, including threatened species and critical habitats;

(ii) recover the abundance of ocean life within and beyond sanctuary boundaries, fostering more and bigger fish;

(iii) increase the resilience of ocean life to climate change; and

(iv) underpin the future of commercial and recreational fisheries and the sustainability of coastal economies; and

(c) through international agreement under the Convention on Biological Diversity, Australia has committed to establishing networks of marine reserves in its oceans by the end of 2012;

(2) welcomes the fact that:

CHAMBER
(a) during 2011 the Australian Government will be finalising marine bioregional marine plans for the South-West, North-West, North and East marine regions (including the Coral Sea) in keeping with the commitment to a national marine conservation scheme first agreed to at the Council of Australian Governments in 1998;

(b) each marine bioregional plan will include a proposed network of Commonwealth marine reserves that will include sanctuary zones; and

(c) 2011 is the year of delivery for the world-class protection of the world's richest marine environments; and

(3) calls upon the Australian Government to further consider:

(a) establishing networks of large marine sanctuaries in each of the marine regions currently under investigation in the marine bioregional planning process; and

(b) providing sufficient funding for the transition of commercial fishing activities displaced by the establishment of marine sanctuaries. (Notice given 22 March 2011.)

Time allotted—40 minutes.

Speech time limits—

Ms Parke—10 minutes.

Next Member—10 minutes.

Other Member—5 minutes each.

[Minimum number of proposed Members speaking = 2 x 10 mins + 4 x 5 mins]

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

5 MRS MOYLAN: To move:

That this House:

(1) recognises the provision of affordable medicines through the Pharmaceutical Benefits Scheme (PBS) is central to Australia’s health system;

(2) acknowledges that since its inception, the PBS is an uncapped program;

(3) agrees that evaluations of pharmaceuticals for listing under the PBS should be transparent, evidence based, and not subject to capricious political interference;

(4) notes that:

(a) before recommending medicines for listing on the PBS, the Pharmaceutical Benefits Advisory Committee (PBAC) conducts a rigorous evaluation to determine the comparative clinical and cost effectiveness of the proposed medicine;

(b) the three tiers of major applications for PBS listings are designed to promote an efficient Government approval process; and

(c) positive recommendations by the PBAC have nearly always been approved by the Minister for Health;

(5) deplores the Government’s new policy that:

(a) despite positive recommendations by the PBAC, all applications for listing will be further scrutinised by Cabinet;

(b) listing of medicines can be deferred indefinitely;

(c) no new PBS listings will occur unless offset savings are found; and

(d) until the budget returns to surplus, these measures will remain in place;

(6) recognises that:

(a) in scrutinising applications, the PBAC already determines value for money; and

(b) under the Government’s new policy, access to medicines will be limited and medications which could improve the treatment of chronic or common conditions will remain financially unaffordable for many Australians; and

(7) condemns the Government for prioritising a return to surplus above the wellbeing of Australians. (Notice given 10 May 2011.)

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

Speech time limits—

Mrs Moylan—10 minutes.

Next Member—10 minutes.

Other Member—5 minutes each.

[Minimum number of proposed Members speaking = 2 x 10 mins + 2 x 5 mins]

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

Items for Main Committee (approx 6.30 to 9 pm)
PRIVATE MEMBERS’ BUSINESS

6 MR CHRISTENSEN: To move:

That this House:

(1) recognises the one-hundredth anniversary of the sinking of SS Yongala;

(2) notes that:

(a) the SS Yongala sank in a cyclone on 23 March 1911 on a voyage from Mackay to Townsville;

(b) the SS Yongala was lost 12 nautical miles off Alva in the Burdekin; and

(c) 122 passengers lost their lives as a result of the ship’s sinking; and

(3) extends its thoughts and sympathies, at this time of memorial, to the living descendants of those who perished with the sinking of the SS Yongala. (Notice given 21 March 2011.)

Time allotted—20 minutes.

Speech time limits—

Mr Christensen—5 minutes.

Other Member—5 minutes each.

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

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

7 MS A. E. BURKE: To move:

That this House:

(1) notes that:

(a) Thursday 26 May marks World Multiple Sclerosis Day; and

(b) around the world, World Multiple Sclerosis Day in 2011 is being given the theme of employment to acknowledge that staying at work is a key concern for people diagnosed with multiple sclerosis;

(2) recognises that:

(a) multiple sclerosis is most frequently diagnosed in people aged between 20 and 40 years, at a stage in life when these people are building their careers and their families;

(b) the Australian Multiple Sclerosis Longitudinal Study reported that 80 per cent of people with multiple sclerosis lose their employment within 10 years of diagnosis;

(c) like many chronic diseases, multiple sclerosis is costly, and enabling people with multiple sclerosis to stay in work not only builds their confidence and self-esteem but helps to meet the costs that come with managing a lifelong disease; and

(d) with the ageing of the population, people with chronic diseases such as multiple sclerosis will increasingly feature in Australian workplaces, requiring enhanced management and support of these employees; and

(3) commits itself to:

(a) ensuring that the labour market and welfare system continue to provide assistance to people with multiple sclerosis in supporting them to both obtain and retain employment; and

(b) encouraging employers to incorporate greater flexibility in workplaces to enable people with multiple sclerosis and their carers to fulfil their productive capacity. (Notice given 23 May 2011.)

Time allotted—30 minutes.

Speech time limits—

Ms A. E. Burke—5 minutes.

Other Member—5 minutes each.

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

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

8 MR CHESTER: To move:

That this House:

(1) notes that:

(a) 2011 marks the fortieth anniversary of the Ramsar Convention and the establishment of a list of wetlands of international importance; and

(b) the existence of 64 Ramsar-listed sites in Australia covering 8.1 million hectares; and

(2) highlights the:

(a) social, economic, environmental and cultural importance of conserving wetlands through wise use and management; and

(b) need for ongoing Commonwealth funding to other agencies, including volunteer organisations, which play an important role in educational initiatives and practical
environmental projects to protect and enhance Australia's wetlands. (Notice given 24 May 2011.)

Time allotted—30 minutes.

Speech time limits—
Mr Chester—5 minutes.
Other Member—5 minutes each.

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

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

9 MR L. D. T. FERGUSON: To move:

That this House:

(1) notes:
(a) there has been a long running armed conflict in the Philippines;
(b) both the new President Benigno Aquino III and the National Democratic Front of the Philippines have expressed the desire to resume the peace negotiations between the two parties which began in 1992 and were suspended in 2005; and
(c) the Royal Norwegian Government is the third party facilitator of these peace negotiations and it is actively supporting the resumption of the peace negotiations; and

(2) welcomes the re-commencement of the formal peace negotiations between the Government of the Republic of the Philippines and the National Democratic Front of the Philippines from February 15 21 this year; and

(3) encourages both parties in their efforts to resolve the conflict, and expresses a sincere wish for their success. (Notice given 22 March 2011.)

Time allotted—20 minutes.

Speech time limits—
Mr L. D. T. Ferguson—5 minutes.
Other Member—5 minutes each.

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

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

10 MR HUNT: To move:

That this House:

(1) expresses:
(a) its condolences to the family of Australian citizen Mr Greg McNicol who was shot while helping to transform a run-down apartment block into a family building in Detroit;
(b) its gratitude to the City and Police Department of Detroit for the speed with which they have apprehended the alleged killer, and urge that the investigation is continued until such time as police are certain that no other parties were complicit; and
(c) our great respect for the people of America and in particular those engaged in the great renaissance of Detroit; and

(2) respectfully call on the Mayor and City of Detroit to create a public park in the vacant land adjacent to where Mr McNicol was both working and lost his life, with an appropriate recognition of Mr McNicol's vision for a better local community. (Notice given 24 May 2011.)

Time allotted—20 minutes.

Speech time limits—
Mr Hunt—10 minutes.
Other Member—10 minutes.

[Minimum number of proposed Members speaking = 2 x 10 mins]

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

11 DR LEIGH: To move:

That this House:

(1) recognises:
(a) Australians are keen to have better access to information about government performance;
(b) more transparent public services have been shown to perform at higher levels; and
(c) greater access to information helps Australians make the best choices; and

(2) commends the Australian Government on the creation of the MySchool, MyHospitals and MyChild websites. (Notice given 23 February 2011.)

Time allotted—remaining private Members’ business time prior to 9 pm

Speech time limits—
Dr Leigh—5 minutes.
Other Member—5 minutes each.

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

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

3. The committee recommends that the following items of private Members’ business listed on the notice paper be voted on:

Orders of the Day—

- Centenary of the choice of the Griffin design for the national capital (Mr K J Andrews)
- Home Insulation Program (Commission of Inquiry) Bill 2011 (Mr Hunt)
- Indexation of Military Pensions (Mr Robert)
- Israel (Ms J Bishop)
- Science Curriculum (Mr Pyne)

AUDITOR-GENERAL’S REPORTS

Report No. 43 of 2010-11


Ordered that the report be made a parliamentary paper.

DOCUMENTS

Presentation

Mr ALBANESE (Grayndler—Leader of the House and Minister for Infrastructure and Transport) (15:35): Documents are presented as listed in the schedule circulated to honourable members. Details of the documents will be recorded in the Votes and Proceedings.

MATTERS OF PUBLIC IMPORTANCE

Cost of Living

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

The failure of the government to address cost-of-living pressures on Australians.

I call upon those members who approve of the proposed discussion to rise in their places.

More than the number of members required by the standing orders having risen in their places—

Mr ABBOTT (Warringah—Leader of the Opposition) (15:36): There is no doubt whatsoever that this government has in fact failed to address the cost-of-living pressures on Australians. And is it any wonder when this government has a Treasurer who cannot provide simple answers to simple questions, who cannot provide straight answers to straight questions and who responds with mindless aggression and vituperation every time he is caught out. This is a government which has comprehensively failed to address the cost-of-living pressures on Australian families. This is a government which has turned the working families of 2007 into the forgotten families of 2011.

This is a government that is going to make a bad situation oh so much worse with its carbon tax—that tax which dared not speak its name before the election, that tax which dare not be referred to in the budget and that tax which even the Northern Territory Labor controlled assembly wants the Australian government to ditch. For the benefit of the House and anyone who happens to be listening, let me read the resolution that was passed by the Northern Territory Assembly, an assembly with a Labor government. This resolution passed without dissent by the Northern Territory legislature calls 'on the Australian government to exempt the Northern Territory from the proposed carbon emissions taxes for at least 50 years or until such time as global consensus has been
reached on a worldwide carbon emissions reduction plan.'

The families of this country are suffering because of the comprehensive inability of this government to address pressures. I know the statistics do not tell the full story but, nevertheless, the statistics tell a sad story for Australian families. According to the Australian Bureau of Statistics, since December 2007, the average price of power has gone up by 51 per cent; the average price of water has gone up by 46 per cent; the average price of gas, up by 30 per cent; the average cost of education by 24 per cent; the cost of health, up 20 per cent; the cost of groceries, up 14 per cent; rent, up 21 per cent; and, as every person paying off a house in this parliament and in this country knows only too well, since the middle of 2009, the average mortgage repayment in this country has gone up by no less than $500 a month, at a time when the pressures on families have never been greater and at a time when wages have gone up by a comparatively paltry seven per cent.

It is just getting worse, because in many parts of Australia the statistics are worse than those averages. I refer the House to a report that has just been released by the Queensland Council of Social Service. You would think that at least that might have struck some responsive chord in the Treasurer as someone who comes from the City of Brisbane. In the City of Brisbane over the past five years residents are paying 23 per cent more for food; 35 per cent more for rent; 48 per cent more for public transport; and a staggering 63 per cent more for electricity, gas and water. It is bad, and it is going to get much worse because this government wants to hit the struggling families of Australia with more taxes.

During the election campaign the Prime Minister said—and I remember this statement very well because it was a statement that the Prime Minister made at the famous Rooty Hill forum of the election campaign. She said:
What I would like to say is we are a government—
more a rabble than a government—
that's tried to understand and provide that little bit of help with cost-of-living pressures.

A little bit of help alright, and having made that statement just a fortnight before the election what does she do? She adds massively to cost-of-living pressures with the carbon tax. That statement that the Prime Minister made during the election—and I have had a quick look at the statements that the Prime Minister made during the election and on at least seven locations the Prime Minister put her hand, metaphorically at least, on her heart and said, 'I feel your pain; I understand; I am doing something about cost-of-living pressures.' All of those statements turn out to be about as truthful, about as honest and about as straight as the infamous statement that she made six days before polling day, 'there will be no carbon tax under the government I lead.'

Let us look at the Queensland Council of Social Service study. That looked at the predicament of a working family. The Queensland Council of social service still talks about working families, unlike the Labor Party. According to QCOSS, a working family on average weekly earnings—a husband, a wife and two children—is just $3 a week ahead. Their expenses are just $3 a week less than their income. So what is this government going to do to that family? It is going to put in place a carbon tax, which according to the Treasury modelling will add $863 a year, or $16.50 a week, to a family that is already only $3 out of the red. This carbon tax is going to tip all those families that are only just staying
afloat, this toxic tax based on a lie is going to tip all of those families into debt every single week.

Let us look at what this toxic tax will do to the cost of living of the families of Australia. Just for starters it will add 25 per cent to the power bills of people. That is $300 a year for the average family power bill just for starters. It will add 6½c a litre to the price of petrol, just for starters. The Food and Grocery Council, who very kindly facilitated a visit of mine today to the IGA Supermarket at Hawker, estimates that the average price of a trolley of groceries will increase by five per cent as a result of a $26 a tonne carbon tax.

But it is not just the cost of living impacts; it is the impact on the jobs, on the employment, on the weekly income of the families of Australia. There will be 26,000 fewer jobs in the mining industry and the closure of 16 major coal mines. There will be 45,000 fewer jobs in energy-intensive industries—that is, fewer jobs in steel, fewer jobs in aluminium, fewer jobs in cement, fewer jobs in plastics, fewer jobs in class, fewer jobs in the motor industry, and there will be 126,000 fewer jobs mostly in regional Australia. These are the dire consequences for families' cost of living of this tax based on a lie, the tax that the Prime Minister did not have the guts, the honesty and the decency to be upfront about with the Australian people before the election.

But this is not the only tax that this government wants to impose. Over the last 3½ years, we have seen a succession of tax grabs, when this government has reached its long hand into every single Australian's pocket to rip out of those pockets the hard-earned incomes of ordinary Australians. There is the alcopops tax, which is going to rip $3.1 billion out of the pockets of Australian families over four years. There is the cigarette tax, which is going to rip $5 billion out over four years—and I do not like smoking any more than the next person, but overwhelmingly those who will be affected by this tax are some of the least privileged, least well-off people in our community.

Mr Rudd: Why are you taking donations from tobacco companies?

Mr ABBOTT: There is the mining tax, which is going to take $7½ billion out of the one sector which has boomed—

Mr Rudd: Stop taking their donations.

Mr ABBOTT: Oh, you'd stop emitting, would you? How much carbon have we had from this fraud, rightly dubbed 'the man in the moon' by his own colleagues?

Mr Rudd: You don't have any moral integrity at all.

Opposition members interjecting—

The DEPUTY SPEAKER (Hon. Peter Slipper): Order! The Leader of the Opposition has the call. All honourable members will remain silent. Honourable members on my left are depriving the Leader of the Opposition of an opportunity to make his contribution. The Leader of the Opposition has the call.

Mr ABBOTT: The Prime Minister has not had many opportunities to smile lately, but the one time she was smiling was when her office leaked to the press gallery the description of this minister as 'the man in the moon'. The only thing that could bring a smile to this Prime Minister's lips was her latest attack on the man who she assassinated.

Ms Julie Bishop: One large leap for Julia!

Mr ABBOTT: That's worth putting on the Hansard! This carbon tax, based on a lie, is going to be another nail in the way of life of Australian families, the way of life of the
working families that this government was pledged to protect.

This is a government which cannot be trusted with the wellbeing of the families of Australia because it cannot be trusted with the truth. Day after day, we have examples of this government’s inability to tell the truth. It is worth, just for a moment, reminding the House of that which the government sought to hide yesterday. We have a Treasurer who was told about mining royalties in Western Australia in a personal briefing with the Premier. He had at least one letter from the Western Australian government referring to those royalties. He had a briefing from his own department referring to those royalties. He even had a phone call from the Premier’s office the day before the Western Australian budget was brought down, and still he had the hide to tell the people of Australia, ‘Well, first of all, Mr Barnett did not communicate to us that he was going to do this’—an absolute blatant untruth; a complete, utter and absolute untruth.

**Mr Danby:** Rubbish!

The **DEPUTY SPEAKER:** The member for Melbourne Ports is not in his seat!

**Mr ABBOTT:** Is it any wonder that you cannot trust this government with the welfare of the families of Australia? When the Treasurer was nailed, he tried to weasel out of it by telling this parliament: ‘Suddenly out of the blue it came.’ Well, this suddenly came out of the blue on no fewer than eight separate occasions. This is a government which is utterly incompetent, utterly untrustworthy and is going to make the welfare and the wellbeing of the people of Australia worse and worse year by year if it gets its way, because of its toxic carbon tax.

We hear the Prime Minister saying, ‘There will be compensation.’ Let the people of Australia understand: the compensation will be temporary; the tax will be permanent. The compensation will be whittled away; the tax will be ratcheted up. We know that the Greens think that it will have to be at least $40 a tonne to drive a change from coal to gas. And what is the point of having it if it does not drive a change from coal to gas? But it is supposed to do more than that; it has got to drive a change from fossil fuels to renewables. To do that, it will have to be $100 a tonne. There is no carbon tax that is high enough to satisfy the Greens. There is nothing that this Prime Minister will not end up doing to satisfy the Greens, because the Greens are the people who keep her in power—or keep her in office. She might be in office; Bob Brown is in power, and that is why the future of the families of Australia is in peril from a bad government that just gets worse every single day.

**Mr SHORTEN** (Maribyrnong—Assistant Treasurer and Minister for Financial Services and Superannuation) (15:51): I waited for 15 minutes for the Leader of the Opposition to truly address this matter of public importance about cost-of-living pressures in Australia, but I have to say I respond more in sorrow than in anger, because of the inability of the opposition to come to what really matters—how you deal with cost-of-living pressures in this country. The best way to address cost-of-living pressures in Australia is to have a good job and fair pay and conditions. That is why this government certainly passes the test, in terms of creating jobs. The budget we have just introduced into the parliament has a big focus on the creation of jobs.

Let me remind the House of some of the things we are doing to assist in the creation of jobs. If you have a job in this country you have a chance to pay the bills. If you do not have a job in this country life is that much harder. In fact, in this country we have seen over the last three years, at a time that Labor has been the steward of the national
economy, the creation of 750,000 jobs and we are predicting half a million new jobs to be created over the next two years. When I was a student studying economics in the mid-1980s, it was said that full employment or achieving somewhere near full employment was a matter of history and could never be the case in the future. But, in fact, we have seen in recent years the unemployment rate in Australia fall to less than five per cent. This was unimaginable a decade and a half or two decades ago. We understand that if we are to maintain this record high employment government policy needs to be focused upon jobs. That is why we are putting an extra $200 million into helping train and create further apprenticeships. That is why we are liberalising the apprenticeship system so that people complete their apprenticeships more quickly if they satisfy the requirements.

Also, we have to understand that if we want to be able to cope with the cost of living we have to have fair wages and conditions. That is why we overturned the unfair Work Choice laws. The current opposition would like to pretend that they never happened. The laws that we have now put in place ensure that people can get a reasonable minimum wage and ensure that they are free to bargain if they choose to do so. But, of course, if we are going to deal with the cost of living the story cannot just be about jobs, although I think that is the central feature of dealing with costs, and it cannot just be about dealing with fair pay and conditions. I think it also goes to what sort of tax system we have in this country. How can we ensure that people are able to have greater economic control over their own lives?

One great myth of Australian politics is that the Liberal and National parties represent small tax and somehow Labor represents high-taxing governments. The numbers tell a different story. When you look at the proportion of taxation in this country you see that in the last five years of the Howard government, between 2002 and 2007, Commonwealth tax receipts as a proportion of GDP—or, put another way, Mr Howard's tax hand in your pocket—were above 25 per cent. Indeed, from every $100,000 that the Australian economy would create under the Howard government $25,000 was going in Commonwealth tax receipts. This is in stark contrast to the years of Labor administration since 2007. In fact, as a proportion of GDP, Commonwealth tax receipts are somewhere around 21 per cent. Put another way, in plain English, we see that under a Labor government from every $100,000 that the Australian economy creates Commonwealth tax receipts are in the order of $21,000. This means that our Labor administration is the government that is ensuring that Australians have more of their wealth, not less of their wealth. We are enabling the growth of the Australian economy.

Opposition members interjecting—

Mr SHORTEN: While a couple of members of the opposition would like to decry these facts I am sure they have taken our tax cuts and spent them. We in a Labor government are not sectarian. We do not mind if those opposite get tax cuts too. We are just a little disappointed with the lack of a thankyou note—and I will not wait for a thankyou note from some of these people as they will never be grateful.

Let us look beyond the tax system and beyond the jobs narrative and, indeed, beyond fair pay and conditions. Let us look at the safety net. What is the government doing to assist families and to assist individuals when they are doing it tough, when their incomes do not lead them to a life whereby they are able to automatically deal
with all of the issues on their own without the assistance of government? We on the government side of this parliament understand that one of the things you do to assist people over cost-of-living pressures is increase pensions. Again, this is a story of significant achievement. It might not always make the front page of the newspapers. Nonetheless, millions of aged-care pensioners, millions of disability pensioners and hundreds of thousands of people in receipt of veterans payments have seen the pensions fortnightly amount increase by something like $124 or $126. Indeed, you can look at this same issue and apply it across to the parents of teenage children who are eligible to receive family tax benefit payments. In this budget we have recognised that it is important that families are supported with the costs of educating their teenage children. As teenagers grow, from their early teens to their late teens, they do not get any cheaper to look after. Their appetites do not in any fashion diminish. So it is not possible to discount the cost of raising these children.

Mr Fletcher interjecting—

Mr SHORTEN: The member for Bradmill may be interested to learn for once that, in fact what we are proposing with our budget—

Honourable members interjecting—

Mr SHORTEN: Bradfield and not Braddon—the member for Braddon is already in possession of a great deal of knowledge.

Mr Truss: You've wasted that comment.

Mr SHORTEN: Yes, he's not here to hear the praise. But I am sure that will get back to him. But in terms of family tax benefit payments, we are providing to no less than 650,000 children and their families—650,000 Australian teenagers between the ages of 16 and 19 who deserve a go in life and who deserve the best chances that this lucky and wealthy nation can provide—payments of up to $4,200.

Mr Tehan interjecting—

Mr SHORTEN: The member for Wannon interjects but what I understand is that I live in the real world and I judge budgets and political rhetoric by how they affect individuals and families. What we see here are higher pensions under Labor and what we see is an education tax refund being introduced. What we also see in this budget is the extension of education tax refunds to some of those incidental but fundamentally necessary costs of life such as payment for school uniforms. We are doing things from the teen dental plan and the low-income tax offset right through to what we are doing for small business. Small business and the private sector are the engine rooms of the Australian economy, and this government understands that very clearly.

Our Prime Minister and our Treasurer have both spoken in question time about the need to spread the prosperity of the minerals boom right across the Australian economy. Let us be clear: whilst the minerals boom mark 2 is an unvarnished benefit for certain regions and certain industries in Australia, the high dollar is making it harder in other areas. There is no question about that; these are matters of record. What we are seeking to do in our policies, in our budget and in our actions is to share the benefits of the mining boom throughout this great nation of ours. Upon the successful passage of the minerals resource rent tax we want to see the corporate tax rate in Australia reduced from 30 to 29 per cent. We want to extend this benefit very quickly to small business and then in subsequent years to larger business, but it does not stop there.

We also recognise that Australians need to save more for their retirement. That is why
this government is taking up the mantle of the Keating government by increasing superannuation from nine to 12 per cent. We on this side of the House understand very clearly that people do not have enough money to retire on in many cases. That is why we need to increase the level of superannuation. One way we can afford this measure so that Australians can retire with more money than they might otherwise have is to offset the loss in Commonwealth revenue from the concessionally taxed amount of income being increased, through the ability of the minerals resource rent tax to help make up for lost Commonwealth revenue.

Superannuation is an issue which the opposition like to gloss over. We want to increase superannuation from nine to 12 per cent because we think that, for people as they approach retirement, having more in their savings account will assist them, when they cease working, to deal with cost-of-living pressures. So it is with some great frustration that I note the comments of the opposition that they are against increasing compulsory minimum superannuation. I do not accept their logic that somehow it is a tax on business. It is not; it is offset with real wages growth. I do not accept the logic that it is not in Australia's interest to increase our national savings pool. What frustrates me at a personal level is that they do not practise what they preach. They are happy to receive defined benefit payments, or 15 per cent tax on superannuation, yet they would not provide 12 per cent to their voters. They are happy to receive defined benefit payments, or 15 per cent tax on superannuation, yet they would not provide 12 per cent to their constituents receiving a minimum payment over seven years of 12 per cent.

This leads me to the bigger challenge of cost of living, and it leads me to a comparison between those opposite and the government. The Treasurer in his budget night address recognised that we are an economy in transition. Determined to get the budget into surplus, recognising that our historic terms of trade will not remain as high in future years and recognising the importance of getting our budget into surplus, he has overseen the fastest fiscal consolidation since we have been keeping the numbers—a remarkable accomplishment. But he also recognises that we are an economy in transition. The world does not owe this nation a future. Change is not something you should just let happen to you automatically; sometimes you have to be ahead of the change curve.

We recognise in this nation—despite the disparaging remarks and the bullying tone of the Leader of the Opposition talking about a surplus made in China—that this is indeed the Asian century. We recognise that seven of our top 10 trading partners are Asian economies. We recognise the rise of Asia. We recognise that, whilst the commodities boom is a great gift to Australia, it is not an indefinite gift. We therefore need to make sure that we have the most skilled workforce.

We recognise that our economy is in transition with the ageing of our population. We recognise that we need to take steps now to ensure that as our Australians grow older they do not retire poor. We on this side of the House recognise the power of information and the information pipeline. For Australian business, for Australian tourism and for Australian society and education, we need to be able to capture information, absorb it and disseminate and utilise it quickly. That is why we are pushing the National Broadband Network.

We recognise that, in this economy in transition dealing with the transformative forces which are occurring throughout the world, we are not immune. We recognise
that we need to carbon-proof our economy. We need to create a more sustainable economy. We also recognise through our actions that, as much as we are proud of our manufacturing and as much as we are proud of our mining, we are also a services economy. That is why we put such emphasis on our education and of course our participation rates in our measures. However, when you look at the cost of living, you cannot just judge the government in isolation from what the opposition say. Those opposite are indeed a material threat to the economic wellbeing of this nation. They are a threat.

Opposition members interjecting—

Mr SHORTEN: No doubt the truth hurts, judging by the remarks of the opposition. Let us talk about some of their economic irresponsibility. First of all, during the election they had a black hole, unfunded promises, of somewhere near $11 billion. But it does not stop there. They proposed a paid parental leave scheme which would have been a tax on business which would have ultimately been passed through to consumers. What a silly idea.

Now they have this Direct Action policy. They know that they have to be seen to do something about climate change. They are caught between two stools. They do not really want to accept that climate change exists, but their annoying, irritating polling keeps telling them that a majority of Australians—and, indeed, the vast majority of scientists—say it is happening. They know that Australians do not like the idea of great pollution in their cities and they know that they have to do something, but they are just not quite sure what. So they have proposed a Direct Action policy where all they will do is pay high-polluting companies lots of money. That is their plan, and of course families will have to pick up the tab because of a reluctance of those opposite to accept that we are an economy in transition.

Let us not forget that, when the going gets tough, the opposition get going—somewhere else. When we proposed the flood levy for that catastrophic damage, of course on all sides we recognised the tragedy of the loss of life, but in terms of the economic damage done to infrastructure—to roads, to rail—on this side we understood that we had to reallocate priorities within government. We had to find cuts. We also supported a flood levy. Those opposite have the proverbial magic pudding. They were not prepared to support a flood levy but they were just going to say, 'We'll find the money elsewhere.' After one abortive attempt, tangling with foreign aid, they gave it up as a bad job. Anyway, in terms of cost of living, I am confident that the government are the best people to manage these issues. (Time expired)

Mr TRUSS (Wide Bay—Leader of The Nationals) (16:06): This carbon tax is an all-consuming black hole from which no Australian family will escape. Labor in question time today showed absolutely no sympathy for the people they intend to hurt. Labor, the Greens and the Independents are simply out of touch with the feelings and the impact of their policies on real people. It is not 1,000 big companies that have to bear the impact of this tax; it is ordinary Australians, real Australian families. Do they really believe that these 1,000 companies, which they are not prepared to name, will simply absorb the billions of dollars that Labor expects to raise from its new tax? Of course they will not. Every dollar of it will be either passed on to consumers or it will have to be spent on redundancy payments for workers who will lose their jobs. They are not going to continue operating in Australia and absorb these costs when they can work in other places around the world where they do not
have a tax like this, where it is cheaper to produce goods and where there is not this government imposed artificial imposition placed upon their business. The real cost of this giant tax does not fall on the 1,000 big companies; it falls on all Australians. This tax will mean higher electricity, higher food prices, higher transport costs and sacked staff. Ordinary families are going to cop this carbon tax in the neck.

We saw today how little government members actually care about the impact of this tax on ordinary families. The Treasurer showed absolutely no sympathy for the families identified by the Queensland Council of Social Service in its Cost of living report 2011—no sympathy whatsoever. He does not seem to care that the people in his very own electorate—Brisbane residents—are paying 23 per cent more for food, 35 per cent more for rent, 48 per cent more for public transport and 63 per cent more for electricity, gas and water since Labor came to office. Labor simply does not care.

Yet they are now proposing another new impost on all of these families. A $26-per-tonne carbon price will add another $300 to the price of electricity that Brisbane consumers will have to pay. Gas will be up 10 per cent; petrol will be up 6.5 cents a litre, plus GST; and of course water and groceries will all be slugged. We also heard today—and again the Treasurer just simply did not care—that rates are going to go up in Victoria by three per cent, and the Treasurer is not proposing any compensation and has no plan to deal with this extra cost to the people who live in Victoria.

Also, Rex will have to increase airfares. The city based backbenchers just scoffed. They do not care about country communities being denied air services. They have hourly flights to wherever they want to go—around the world if you happen to be the foreign minister—but those who have to depend upon a regional airline like Rex are going to have extra costs, and this government could not care less.

And what about Aarons Linen Service—$1 million in extra costs and 200 jobs at risk—and the Leader of the House and the 'minister for blocking roads in his own electorate' accuse Aarons of making it all up. They do not actually care about the jobs that will be lost and the impact on ordinary people.

All of that is at just a $26-a-tonne carbon price. That will be the highest carbon tax anywhere in the world. We are going to start off with the highest carbon tax anywhere in the world—higher than the European Union, who have been fiddling around and messing this up for years and higher than any of the countries that are held up to us as great examples. The Chinese, who we are supposed to be following in this, are actually going to increase their emissions by 500 per cent. Those are the sorts of people being used as examples. We will have the highest carbon tax in the world, and that is if it starts at only $26. We know the Greens want $40 to start with, rising very quickly to $100. They also want fuel to be included in the carbon tax regime and we all know that fuel prices are one of the many things that are guaranteed to feed into the cost of living again and again. It does not get refunded along the way; it gets added on again every time a new transaction occurs. And of course people in regional areas are the most affected because they have to travel greater distances as a matter of necessity. Regional families driving to work, getting the kids to and from school and going to the doctor will more often than not involve lengthy road trips.

The government is suggesting that people should change their behaviour. Are they suggesting that families should not take their
children to the doctor? Are they suggesting that they should give up their job or live nearer to the factory or the school? It is not possible to change your behaviour in that way to deliver the carbon savings that the government is talking about. Families will just have to cop it in the neck. The basic household cost will go up and mums and dads will have to find ways to bear that cost.

This is not some kind of scare tactic on the part of the opposition. We did not make this up. This is a regressive tax and increasing people's costs is precisely what it is supposed to do. It is designed to make people think twice before switching on the heater in winter. You are supposed to freeze in the Canberra winter and not put on your heater, just so you can be more friendly to the environment. Frankly I am not quite sure that Canberra families are going to do that. I think they may still use their heaters, and they will pay the cost. So the tax will not work.

The tax will therefore have to go higher and higher, hurt more and more and cut deeper and deeper, so it will inevitably have a huge impact on the lifestyle of all Australian families.

Australian families feel deeply let down by this government, particularly since the Prime Minister's election promise was that there would be no carbon tax under the government she leads. The Prime Minister and her carbon tax must surely lie uncomfortably together. She said there would not be one and now she is proposing to deliver it. But she made another promise and that was that she would build a community consensus before doing anything at all. In reality, we have got pretty much of a community consensus at the present time—over 60 per cent of Australians have said 'no'. They do not want the tax. So there is a consensus and the Prime Minister should honour her promise and withdraw this whole silly idea. The reality is she has a consensus and the consensus is 'no'. The Australian people do not want it.

This is the tax that of course is going to reduce the temperature, and that is supposed to make us all feel great. Frankly I thought we had enough taxes in Australia already to freeze the entire continent, if taxes actually worked to lower the temperature. Greenland is not frozen because it has more taxes than Saudi Arabia. It is frozen because it is where it is—because that is the way the climate is. This government believes it can change a country that is a desert into a frozen ice land simply by raising taxes. It simply will not work.

The Prime Minister is struggling to get the message across, so she got big business into Kirribilli House over the recent break to try to persuade them to support her carbon tax. Again, it was very, very interesting, I thought, that no representatives of small business were invited. It sounds a bit like the mining tax debacle. Families were not invited to her home. There was a big dinner that none of the families could afford and, over a glass of port that they could not afford, the Prime Minister tried to do a deal with big business to get them onside. Small business and families did not get a seat at her table, and they do not get a seat when it comes to considering the real impact of this tax on the men and women of Australia.

As we move towards the introduction of this tax, this horrendous burden on all Australians, the Prime Minister needs to acknowledge that she has no mandate. Even if she can keep her duct taped Labor-Greens-Independents alliance together, she has no mandate from the Australian people. At least 86 per cent of the voters voted for parties and candidates who were opposed to a carbon tax before the last election and for candidates...
who said that they would not do it. All Labor Party, all Liberal Party and all Nationals members said there would be no tax. So the Prime Minister has no mandate. If she wants one, she must call an election.

Mr CLARE (Blaxland—Minister for Defence Materiel) (16:16): I think the people of Australia who are listening to the debate on this matter of public importance would appreciate the fantastic transformation that has happened inside the Liberal Party. Suddenly the Liberal Party has discovered cost-of-living pressures. They certainly did not when they were in government. The Leader of the Opposition quoted a couple of statistics, and I am happy to quote a few more. In the last term of the Howard government, the cost of the average family basket of groceries went up by 20 per cent, from $232 to $281. That is between 2004 and 2007.

Mr McCormack interjecting—

Mr CLARE: At the same time, interest rates went up 10 times in a row. In 2007, as a result of that, 10,000 Australian families had their homes repossessed.

Mr McCormack interjecting—

The DEPUTY SPEAKER (Hon. Peter Slipper): The honourable member for Riverina will remain silent.

Mr CLARE: Nowhere did this hurt more than in my electorate of Blaxland where, at the peak in 2007, we had 60 homes a month being repossessed. That is three homes a day for every working day being repossessed because Australian families could not cope with the cost-of-living pressures brought upon them by 10 interest rate rises in a row. On top of that, there was Work Choices whereby more than one million Australians had their wages or entitlements cut. And what was the response of the Liberal Party then? What was the response of the then Liberal Party Prime Minister? It was that Australians had never been better off. Give me a break. If gold medals were handed out for failing to help Australian families with the cost of living, then the Leader of the Opposition would look like Mr T. So I welcome a debate on cost of living, because it gives the government the opportunity to expose this hypocrisy for what it is and to expose the ludicrous scare campaign that is now being run by the Leader of the Opposition.

The government understands that Australians struggle with cost-of-living pressures. It always does. We would never be so stupid as to say Australians have never been better off. We understand that Australians always struggle with cost-of-living pressures. That is why we stimulated the economy—to protect Australian jobs and keep food on the table. That is why we increased the pension.

Mr McCormack interjecting—

The DEPUTY SPEAKER: I warn the member for Riverina.

Mr CLARE: That is why we introduced three tax cuts in a row. That is why we introduced the 50 per cent child care rebate and added uniforms to the education tax rebate. That is why this year's budget provides extra support for parents of teenagers in high school. It is also why we are taking action to bring the budget back to surplus as quickly as we are. The fact is that there is only one party in this parliament that has a plan to deal with the economic challenges that confront us as a nation. The Liberal Party, it must be said, has not had an economic plan for this country since Peter Costello left the building about three years ago. The challenge of the last term was to stop the Australian economy going into recession when the rest of the world did. The challenge of this term is to manage the boom.
An economic boom driven by the mining sector will bring with it enormous wealth but, like the last one, it will also bring plenty of challenges. Unemployment is already low and, as the economy reaches capacity, skills shortages will grow. When demand for skilled labour outstrips supply it puts pressure on wages, on inflation and on interest rates. That is why the measures you see in the budget are so important to boost the number of skilled workers and to increase the number of people in the workforce. It is particularly important in an electorate like Blaxland where, despite the fact that the economy is so strong, unemployment is double the national average, teenage unemployment is still above 25 per cent and 16 per cent of the people who live in the electorate are on government income support.

There is the challenge. We have an economy that needs workers to manage cost-of-living pressures, and there are still parts of Australia where unemployment is high, where participation rates are low and where there are a lot of people on income support. Compare the two parties when it comes to tackling this economic challenge. In the budget you see a package to increase the number of skilled workers in the economy—something like a $3 billion package. This is not the first time there has been a skills package in the budget—it has come year after year after year—and you are already starting to see the impact of the investments we are making in skills and education. For example, there has been a 15 per cent increase in the last year in the number of Australians starting an apprenticeship or a traineeship. The number of people starting trade cadetships went up last year by almost 22 per cent. In 2009-10, university offers to people from low SES backgrounds increased by 8.8 per cent. Where is the opposition's plan? When the Leader of the Opposition gave his budget reply he barely mentioned jobs. He mentioned the word 'skills' once. He did not even release a skills policy at the last federal election. Their only policy was to cut $2 billion from apprenticeships and scrap the trade training centres being built around the country.

This is the challenge that confronts us: managing the boom. We have a policy to increase participation rates and to increase the number of skilled workers in the economy, and there is nothing on the other side. But that is not the only challenge that the economy faces. There are other big challenges on the horizon. The ageing of the population is just one of them. By the time that I am 65, the number of people that age or older will have doubled, and that means that healthcare costs will increase, the cost of funding the pension will increase and there will be fewer taxpayers to pay the bills. The government's job is to help meet these challenges. That is why health reform is important. That is why increasing the superannuation guarantee is important. That is why increasing workforce participation is so important.

Beyond that, there are the challenges that we confront with the changes to our region; the challenge of converting the mining boom into a services boom. We stand now on the edge of the biggest middle class that the world has ever seen. By the end of this decade, Asia will have more middle class consumers than the rest of the world combined. This provides an enormous opportunity for Australia, for the Australian economy and for all Australians. The challenge for us here as members of this parliament is to ensure that Australia makes the most of it. The competition for this market will be fierce. We need to prepare now. Doing well here is the key to increasing the standard of living of all Australians and
their quality of life. Doing well here is the key to the future of Australia.

And what do we hear from the opposition on this? Absolutely nothing. What do we hear from them on the big challenges that confront the Australian economy? Absolutely nothing. The Leader of the Opposition takes his job description literally, I have to give him that. He opposes everything and he stands for nothing. The only thing that he stands for is election. He proved that in his budget reply. He talked a lot about vision but he did not offer any. The only vision that he has is of the Lodge, because all he talked about was an election. The Leader of the Opposition has all the vision of Mr Magoo. There was nothing in his budget reply about the challenges that this country faces or what we need to do to meet them. I tell you this: the people of Australia want a leader who understands the challenges ahead. They do not want Mr Magoo.

What we got from the Leader of the Opposition—what we get every day in this parliament—is Mr Magoo and a dodgy scare campaign. He runs around the country day after day scaring Australians. He went to Whyalla and said that the carbon tax would wipe them off the map. He went to Geelong and told them that it would be the final nail in the coffin of the manufacturing industry. He went to Weet-Bix and said that it would destroy breakfast. He went to the fish markets and said that it would kill all the fish in the sea. This reminds me a lot of that bloke who ran around America demanding to see the President's birth certificate. This is a hysterical and nonsensical scare campaign. This is a Leader of the Opposition who looks like Donald Trump without the hair—all Trump, no toupee. He did it again today when he said that groceries would go up by five per cent when in fact the CPRS modelling said that it would go up by 0.6 per cent to 0.8 per cent. He exaggerated things again by six to eight times. No wonder the people of Australia do not believe him.

Mr EWEN JONES (Herbert) (16:26): Under this government, we have seen prices skyrocket across the board. We have seen food, electricity, fuel, rent and mortgages all going up. Now we are about to see the introduction of the latest of the taxes by the government that delights in a succession of new taxes and levies designed to feed their tax and spend philosophy, the carbon tax. I accept the science; we accept the science. I avail myself of all the information. I listen to both sides, not just one side. I went to the talk given by the commission yesterday. I sat there and listened to it. I read the books. I get it—there is a carbon problem in the atmosphere. But this is not about carbon—this is about jobs; this is about industry. And this is not theory; this is what is actually happening.

The minister said that it was all about Tony Abbott running around the country saying that this, that and the other thing is going to happen. I will tell you what actually happened last week. Xstrata announced that it would close its Townsville copper refinery because it is cheaper to process it overseas. They have said that this was not due to the carbon tax, but no-one can say that the carbon tax is going to make it cheaper; no-one can say that the carbon tax is going to make it easier for business to comply. This is what the CEO of the Queensland Resources Council, Michael Roche, said:

What the Xstrata decision does demonstrate is that even very energy-efficient operations such as those operated by them—Xstrata's copper refinery—in Queensland cannot compete against cheaper alternatives. My fear is that these closures are a foretaste of what will follow if the federal parliament agrees to impose an uncompetitive carbon price regime on our trade-exposed
resource sector industries. It is not too late for the federal government to embrace a better way—one that safeguards our global competitiveness.

This tax is attacking Townsville's copper refinery, where there are 170 direct jobs. There are 70 contractors. They sell $140 million worth of copper internationally and locally throughout the year. The ore will still be mined. It will still be made into concentrate. It will still be refined—just not in Australia. Who is going to go over to China or to Vietnam or wherever it is going to be processed and ask what the carbon processes are? Is it going to be the EPA? Are they going to go over there and say, 'I'd just like to check your carbon emissions?' Australia will not care once it is offshore. Once the jobs are gone, we will not care. Our emissions will be down and worldwide emissions will be up, with a net result of more pollution for the world. There are two other refineries in the city of Townsville—one in my electorate and one in the neighbouring electorate. One is Sun Metals: 300 direct jobs, 1,500 indirect jobs and $300 million in annual sales, of which 80 per cent is exported. They are a world's best practice zinc refinery: 80 per cent exported, jobs in Townsville, industry in Townsville, real estate—everything that relies on it it in Townsville.

Queensland Nickel is responsible for over 900 direct jobs and 2,300 indirect jobs—4.5 per cent of gross regional product in Townsville; $600 million per year into Townsville's economy. It was estimated, when it looked like BHP were going to shut it down before Clive Palmer came to the rescue and kept that place open, that the impact on our local economy, had that place closed and nothing happened there again, would have been $4.5 billion.

Queensland Nickel is the perfect example of why this carbon tax is so bad. Queensland Nickel is a 100 per cent import-export business. They buy the ore internationally, on the market from New Caledonia. It comes into Australia and they refine it, using world's best practice, including sun drying and gas drying of the ore before it is refined. It is then sold on the international market. So if the carbon price comes in, and it makes our costs here such that we cannot buy the ore, we cannot process it. If the carbon tax comes in and we do get the ore, but our costs are so high that we need to get $15 a pound for it, whereas currently the international market is paying $11 a pound, we will not be competitive and jobs will be lost.

What is the alternative? There are two other refineries that do it exactly the same way as Queensland Nickel: one in Cuba and one in Brazil. The one in Cuba you can look up on Google Maps, and you can see that no one goes through that bay. The pollution has killed absolutely everything. It is a dirty, dirty process. The other one is in Brazil. People in the nickel industry will tell you that it is such a dirty plant, so badly polluted that you can almost walk across the smoke. The other alternative is to sell it to China. China will take that ore. They will not use the same process; they will put it in a big coking furnace and burn the living daylights out of it to refine the ore. All three processes result in a net increase in pollution. All three processes do not stop the ore being refined. All three processes do not stop nickel being needed on the international market. What this carbon tax will do is stop it being processed in Townsville, lose 900 direct jobs in Townsville and 2,300 indirect jobs—and take $600 million per annum from the Townsville economy. And the ore will still be processed. It will still be mined in Mount Isa, it will still be turned into concentrate and it will still go overseas.

I want to tell you about a local businessman in Townsville, Brad Webb, of BM Webb Group. He has 120 staff. He pays
over $150,000 a week in wages. He has over $100 million in fixed assets, ranging from commercial buildings to quarries and fabrication. He reinvests every cent in Townsville. His words to me were, 'Mate, it just gets too hard.' With the flick of a switch, he could just turn it off, take all his business overseas and live off the passive income here and reinvest overseas. This tax will close local industry and export jobs overseas for no benefit at all.

The member for Melbourne said on Lateline:

Let's look at the Great Barrier Reef, where there's 63,000 people's livelihood dependent on that - more than the number of people employed in the coal mining industry …

So what does it look like? Well it looks like an economy with a healthy tourist sector, a healthy services sector and a renewable energy sector that's the envy of the world.

Can I tell you, mate: three industries provide employment for 4,000 people in Townsville at the moment. Our tourism industry is struggling and Cairns' unemployment is 12 per cent. Townsville's is 8½ per cent and the Gold Coast is at eight per cent. And you want, Mr Bandt, member for Melbourne, my little green mate—I would call him a leprechaun, but he doesn't have a pot of gold, because that would require mining!—these 4,000 people to jump into a boat and dive off boats off the Great Barrier Reef. He is a joke. He will not be happy until everyone is dressed in a black skivvy, riding a Vespa and drinking soy lattes in Lygon Street.

The Assistant Treasurer said he is focused on jobs. Of course he is focused on jobs: 20,000 extra public servants. The Prime Minister standing there telling everyone they have to take a haircut, that everyone needs to take a cut—150 extra staff in her office! By jingo, talk about skills training. We have a Treasurer who is fixated and will not take his eyes off a surplus from riding on the back of the mining industry. But he will support this tax. He should hang his head in shame. He stands there and says, 'I will not take my eyes of the surplus; nothing can make me lose my concentration on the surplus—wow, a blue car!' That was not as funny as I thought it was going to be!

We have a government whose only policy is to stay in power. They would have done Graham Richardson proud! Not only does this mob say, 'Whatever it takes'; they will add: 'to whomever they like, for whatever reason they feel, to stay in power. This government says that it is a tax on the 1,000 big polluters. Plainly, this tax is a tax on the way of life of everyone in Australia and their livelihoods.

I would like to finish as the Minister for Immigration, and say, 'This government has no mandate, Mr Speaker! This government has not been straight with the Australian people, Mr Speaker, on this issue. You should stop this now and call for an election!' That is what you should do: stop this now and call for an election. You should stand up and be straight with the Australian people. You have never been straight with the Australian people. You should start now, do the right thing: face up and say, 'Look, we got it wrong; we want to do the right thing and call an election now.'

Mrs D'ATH (Petrie) (16:36): What a performance from the member for Herbert! In bringing about this MPI, the Leader of the Opposition talked about honesty. Let us just take what the member for Herbert has just said in relation to jobs and mining and refineries in his electorate. Let us just assume he is genuine about what he has just said. If the Liberals actually accept the science in relation to climate change, if the member for Herbert actually believes that we need to be looking at jobs and the impact of any solutions to climate change on those
industries and jobs, then the Liberals and the opposition need to be telling the Australian people why they are not sitting at the table on the multiparty climate change committee, if they are genuine about getting solutions. Why are they not sitting there? Because they are more interested in running scare campaigns than they are about genuinely dealing with climate change.

Let's talk about honesty. Despite this MPI, which is supposed to be about the cost of living, the Leader of the Opposition came in here ranting about the Premier for Western Australia, Mr Barnett. He spoke about something that the Premier had said 12 months ago in relation to royalties. If the Leader of the Opposition is going to be honest on this, then he should come into this chamber and talk about the eight occasions over the last eight months that the Premier for Western Australia has said that he will not be introducing increases in royalties in the immediate future. In September 2010 he said in the *Fin Review*: 'It's not something we are moving on now. It won't be in the next year's budget. We will not be moving on royalties in the immediate future.' In October 2010 on ABC radio he said: 'We have no plan to increase royalties.' In the *West Australian* the following day he said: 'The state has no intentions of increasing royalties.' Again, in December 2010 he told reporters in Perth: 'There is no proposal to increase royalties.' Then, in February 2011, a matter of less than eight weeks before the budget was handed down, he said in the *Fin Review*: 'We have no plans to increase the fines rate in the foreseeable future.' He repeated that on 6PR radio that same day. If we are going to talk about honesty, the Leader of the Opposition should be honest with the Australian people in what he is accusing the government of and what the Premier for Western Australia has actually done.

Let us get back to working families and cost of living. The Leader of the Opposition talked about working families. We all remember working families, don't we? In the previous Liberal government when the Leader of the Opposition was a senior cabinet member he said: 'Working families have never been better off.' This was a minister in the Howard government who oversaw 10 interest rate rises in a row and, at the same time said that Australian working families had never been better off. This is a person who was a senior minister in a government who brought in work choices, directly attacked job security and attacked the ability to get a fair day's pay for a fair day's work. This is a leader, who is part of an opposition, who opposed every element of the stimulus to support jobs during the global financial crisis.

In contrast it is this Labor government that supported jobs through the global financial crisis and who, once again, in their 2011-12 budget have announced initiatives to support apprentices, to support long-term unemployed, to support people with disabilities with the ability, as well as teenage mums and single parents to get back into the workforce. It is this Labor government that tore up work choices and introduced the Fair Work Act, which resulted in a decision on pay equity that could have never happened under a Liberal government.

It is this Labor government that introduced income tax cuts in 2008, 2009 and 2010 for working families. It is this Labor government that increased the childcare rebate from 30 to 50 per cent. Let us not forget that it is this Labor government that introduced the most historic reforms in pensions with a pension increase—a much needed increase to the base rate of the pension for pensioners, veterans and disability pensions across this country.
Carers also saw improvements to their entitlements.

Since September 2009 payments to single pensioners are up $128 a fortnight and pensioner couples up $116 a fortnight. On 20 March 2011 pension payments rose again, $13.20 a fortnight for single rate pensioners and $19.80 a fortnight for couple rate pensioners on the maximum rate. Total pension payments for those on the maximum adult rate including the base rate and pension supplement are now $729.30 a fortnight or $18,961.80 a year for single pensioners and $1,099.40 a fortnight or $28,584.40 a year for pensioner couples combined. That is what this Labor government has delivered on.

It is this Labor government that introduced paid parental leave that came into operation on 1 January 2011—the first paid parental leave in the history of this nation. For 11 long years the Liberal Party were in government and never provided this support to families. Let us not forget this Labor government's paid parental leave scheme will also, from 1 July 2012, provide paid paternity leave for dads and will provide eligible working fathers and partners with two-weeks paid paternity leave at the national minimum wage, currently at $570 a week. Around 220,000 fathers and other partners, who are sharing the child's care and who meet the work and income tests, will be eligible to access paternity leave pay. That is what a Labor government does and that is what this Labor government has delivered on.

What have we seen with the latest budget? There has been further assistance for families through increases in family tax benefit part A by up to $161 per fortnight for teenagers aged between 16 and 19 who are in full-time secondary study from 1 January 2012. This represents an extra $4,200 each year for the lowest income families. Families may also remain or become eligible for rent assistance and family tax benefit part B, worth up to $3,600 and $2,900 respectively each year. In total, the government is spending $771.9 million over five years through these measures to help families with the cost of raising older teenage children while these children complete their secondary schooling. This is real assistance in cost-of-living pressures.

In addition from this July families will also have access to more flexible advanced payments of family tax benefit part A. This will mean families facing unexpected costs such as the family car breaking down will have quick and easy access to advance payments and will not have to resort to high-interest loans or credit cards. Again, this is what a Labor government does. This is what this government has delivered in the 2011-12 budget. We are providing many methods of assistance and support to families and pensioners across this country. The alternative we have heard from the opposition once again today is a risk to the economy. They were about wrecking the surplus. We heard that again from the member for Herbert. The opposition side are just not interested in getting back to surplus. It is not important. What is important to them is going to an election. Clearly the Leader of the Opposition has his eyes set on the Lodge and that is all he is thinking about. The Leader of the Opposition is about fear and negativity. He is about opposition. We see it in relation to the appropriation bills that are being debated in this House currently. Any positive moves of this government that have been introduced into this chamber have been opposed. Everything that this government does—and that includes stimulating the economy, investing in schools, investing in health and investing in infrastructure—is not of interest to the Leader of the Opposition. He is just interested in the Lodge. That is
what he wants. So he is going to keep up
with the fear and the negativity. This
government is about making sure that it gets
on with providing for those most in need in
our community. We are out there supporting
jobs, supporting employment, providing
opportunities, providing education, providing
health, supporting our pensioners and
supporting those most in need in our
community.

The DEPUTY SPEAKER (Hon. BC Scott): Order! The discussion has
concluded.

MINISTERIAL STATEMENTS

Montara Commission of Inquiry

Mr MARTIN FERGUSON (Batman—
Minister for Resources and Energy and
Minister for Tourism) (16:46): by leave—
Today I present the government's response to
the report of the Montara Commission of
Inquiry and the Productivity Commission's
review of the regulatory burden on the
upstream petroleum oil and gas sector. Both
reports go to the all important question of
strengthening the safety of our offshore
petroleum framework. The Australian
government remains firmly committed to
improving the protection of human health
and safety and the protection of the marine
environment to ensure that Australia's
offshore petroleum industry is the best and
safer in the world and is able to contribute
to Australia's ongoing energy security and
economic prosperity. Our action in response
to these two reports delivers on that
commitment.

Dealing first with the Productivity
Commission review that was presented to
the government on 30 April 2009, the review
found evidence of duplication overlap and
inconsistent administration in the current
regime that imposed significant unnecessary
burdens on the oil and gas sector and
threatened Australia's competitiveness. The
commission recommended the establishment
of a new national regulator for offshore
petroleum as well as implementation of best
practice regulatory principles in all
jurisdictions. This recommendation is
consistent with the recommendations of the
Montara report.

The government's final response to
Montara refines the draft response with the
benefit of a three-month period of
consultation including consideration of 17
submissions. While full implementation of
the government's final response will require
sustained efforts over several years by
governments, regulators and industry, I am
pleased to note that a significant number of
recommendations have already been
implemented or are in the process of being
implemented. This includes measures
relating to PTTEP in the Northern Territory
in its role as designated authority and
amendments made to the Offshore Petroleum
and Greenhouse Gas Storage Act 2006 to
provide the National Offshore Petroleum
Safety Authority with regulatory
responsibility for non-occupational health
and safety aspects of structural integrity for
facilities, wells and well related equipment in
Commonwealth waters.

The core recommendations of both reports
is the establishment of a single national
regulator. This morning I introduced a
package of amendment bills that established
the National Offshore Petroleum Safety
Environment Management Authority and the
National Offshore Petroleum Titles
Administrator. The government will also
review all other Commonwealth legislation
applicable to the marine and offshore
petroleum environment to strengthen the
marine and offshore petroleum legislativie
frameworks to ensure a comprehensive
consistent approach to the regulation of
petroleum activities in Commonwealth
waters.
We have commenced a review of Australia's national incident response framework for the national plan to combat pollution of the sea by oil and other noxious and hazardous substances aimed at strengthening Australia's response arrangements and adding a guarantee that all costs of responding to the incident will be met by the polluter. My department and the Australian Maritime Safety Authority have agreed to a set of principles to inform equitable cost-sharing arrangements between the shipping and offshore petroleum industries in relation to all spill preparedness and response capabilities.

The government has determined that in the unlikely event of a future offshore petroleum incident the Department of Resources, Energy and Tourism will be responsible for the coordination of the response arrangements. This includes providing clear lines of communication between governments, regulators, industry and stakeholders more generally. We are clarifying and strengthening the current regulatory regime through the actions of the regulators in discharging their regulatory obligations by, firstly, issuing a statement of expectations to the designated authorities and to NOPSA; secondly, developing a national legislative compliance framework to provide a consistent best practice approach by regulators; and, thirdly, establishing agreed principles for appropriate engagement between the regulator and industry during an emergency response situation.

Government action alone is not sufficient. Industry must support our efforts and match them with their own actions to improve operations. In that respect I am pleased to inform the House that the offshore petroleum industry has made tangible improvements both here and globally in their oil field practices and spill prevention and mitigation techniques. The bar for best practice has been raised significantly. The Australian Petroleum Production and Exploration Association, together with its members, has developed, firstly, a draft mutual aid memorandum of understanding which provides clear guidance to industry and the government on the lease of equipment in responding to an incident; secondly, a self-audit tool of the management of well operations; and, thirdly, oil spill preparedness and response improvement plans. Globally the offshore petroleum industry has been working to improve well incident prevention, intervention and response capability. The industry must continue to show that it deserves to maintain its social licence to operate.

I say in conclusion that the Montara incident in the Timor Sea and the Macondo incident in the Gulf of Mexico changed community expectations regarding the operations of the offshore petroleum industry. There are clear parallels and common lessons between these two incidents which will be examined in greater detail at the Australian government hosted International Offshore Petroleum Regulators and Operators Summit, to be held in Perth in August this year. The Montara and Macondo reports both recognise the energy security and economic imperatives behind maintaining an offshore petroleum industry and the importance of balancing this with our responsibilities to ensure the sustainability of our marine environments. Both reports found that these incidents were preventable and pointed to a culture of complacency by the industry and its regulators. Governments, regulators and industry here in Australia and abroad are implementing the lessons from both spills and, in partnership with industry, directors, managers, workers, regulators, ministers and officials, will continue on a path of continuous improvement.
I commend both reports to the House and, in doing so, I present copies of the final government response to the report of the Montara Commission of Inquiry, the Commonwealth government response to the Productivity Commission's *Review of regulatory burden on the upstream petroleum (oil and gas) sector*, and a copy of my ministerial statement. I ask leave of the House to move a motion to enable the member for Groom to speak for a period of no more than 6½ minutes.

Leave granted.

**Mr MARTIN FERGUSON:** I move:

That so much of the standing and sessional orders be suspended as would prevent Mr Macfarlane speaking for a period not exceeding six and a half minutes.

Question agreed to.

**Mr IAN MACFARLANE** (Groom) (16:51): I know it is a dry topic, but it seemed like a lot longer than 6½ minutes to me. I thank the minister for his presentation to the House regarding the government's response to the Montara Commission of Inquiry and the Productivity Commission's *Review of regulatory burden on the upstream petroleum (oil and gas) sector*.

**Mr Burke:** Time!

**Mr IAN MACFARLANE:** I think he is supporting New South Wales but I will show him who is in charge. Like the government, the coalition understands the significance of Australia's oil and gas industry and is aware of the importance of ensuring it can operate within a safe and sustainable environment. From the outset the coalition have made a genuine commitment to work with the government on this issue and have never sought to politicise the issue for our own gain. I thank the minister and his office for their cooperation in ensuring that during that period the coalition has been fully briefed on the matter.

The minister is right in saying that the Montara incident and the disaster in the Gulf of Mexico have changed the way the offshore oil and gas industry is perceived, not only here and in America but right around the world. But this intensified scrutiny is not something the industry or the government should shy away from, rather it is an opportunity to enhance an industry that is fundamental to the energy and resources sector. Just as people are more aware of the nature of oil and gas exploration and extraction, they are also increasingly aware of the scale of the projects, the level of investment they attract and the economic benefits and job opportunities that are created by them. Indeed, thousands of jobs and billions of dollars of investment are at stake, which is why it is essential that we get this right. I share the view that the offshore oil and gas industry can operate in a manner that allows it to grow without exposing either its workers or the environment to unnecessary risks.

In terms of the government's acceptance of the recommendation for a single national regulator, the coalition supports this idea in principle and will now scrutinise the full details of the amendment bills presented to the House this morning that will set up the National Offshore Petroleum Safety and Environmental Management Authority, NOPSEMA, and the National Offshore Petroleum Titles Administrator, NOPTA. The coalition is also broadly supportive of the government's proposals to strengthen the regulatory regime for the sector and for clarifying the procedures and principles for responding to emergency situations.

I also acknowledge the opportunity that has been afforded to the industry to provide input to the government's response to the Montara Commission of Inquiry. From my discussions with industry—and they have been extensive—I understand this is an issue
that they are very engaged in. They share the same aspirations to make sure the industry can develop in a safe and sustainable manner while preserving and not impacting on the environment. I applaud the commitment from the industry, as outlined by the minister, by which the Australian Petroleum Production and Exploration Association, APPEA, and its members have worked to create. APPEA has created a draft mutual aid memorandum of understanding relating to incident response, a self-audit tool for the management of well operations, and an oil spill preparedness and response improvement plan.

I would also like to acknowledge the role of the Western Australian government in negotiating the best outcome for the oversight and regulation of the oil and gas sector. As we know, in offshore terms, Western Australia is far and away the majority partner in the oil and gas industry in Australia.

Ms Marino: Hear, hear!

Mr IAN MACFARLANE: For the member's information—I did not see her but I can guess who it was—I remind her that, in terms of reserves, Queensland has much more gas. I appreciate that the Western Australian government has had some philosophical and practical differences with regard to the idea of a single regulator. Nonetheless, and very much to his credit, the WA minister, Minister Moore, has played a constructive role in the negotiations to ensure the industry can move forward.

The Montara oil leak was a very serious incident and an incident which was without precedent in the oil and gas offshore industry in Australia. Nonetheless, there are lessons to be drawn from both that incident and the oil leak in the Gulf of Mexico. It has been extremely pleasing to see the Western Australian government Minister Norman Moore, the Minister for Resources and Energy, who has just presented his statement, and the industry, along with the coalition, working together to produce a non-controversial but best-case outcome. I congratulate Minister Moore in particular for that approach. I know that, at times, states fear that the Commonwealth is trying to take them over, but the minister realised early that we could all win out of this scenario; in fact, give the community, in particular, the confidence they need to continue to support the exploration and development of the oil and gas industry. The government and industry need to learn from the mistakes that have been made and make changes to the structures and operations that are necessary to make sure that incidents like Montara do not happen again.

The proposals outlined by the minister are an important step in that direction; however, the response must not be just about prevention. It must also be about ensuring the public have the confidence that the authorities responsible for the oil and gas sector and the wider resource industry are able to perform and protect the industry and the environment.

COMMITTEES
Selection Committee
Membership

The DEPUTY SPEAKER (Hon. BC Scott): I have received advice from the Chief Opposition Whip that he has nominated himself to be a member of the Selection Committee in place of Ms Marino.

Mr BURKE: by leave—I move:

That Ms Marino be discharged from the Selection Committee and that, in her place, Mr Entsch be appointed a member of the committee.

Question agreed to.
Electoral Matters Committee
Membership

The DEPUTY SPEAKER (Hon. BC Scott): I have received advice from the Chief Government Whip nominating a member to be a member of the Joint Standing Committee on Electoral Matters for the purposes of the committee's inquiry into the funding of political parties and electoral campaigns, pursuant to the resolution agreed to by the House on 11 May 2011.

Mr BURKE: by leave—I move:

That Mr Windsor be appointed a member of the Joint Standing Committee on Electoral Matters for the purpose of the committee's inquiry into the funding of political parties and election campaigns.

Question agreed to.

BILLS
Carbon Credits (Carbon Farming Initiative) Bill 2011
Second Reading

The DEPUTY SPEAKER (Hon. BC Scott): Before the debate is resumed on this bill, I remind the House that it has been agreed that a general debate be allowed covering this bill, the Carbon Credits (Consequential Amendments) Bill 2011 and the Australian National Registry of Emissions Units Bill 2011.

Debate resumed on the motion:

That this bill be now read a second time.

to which the following amendment was moved:

That all words after “That” be omitted with a view to substituting the following words: “the House decline to give the bill a second reading until the terms of the regulations giving effect to the provisions of the bill are laid before the House.”

Ms MARINO (Forrest—Opposition Whip) (17:03): As I was saying earlier today, the example of blue gum plantations throughout southern Australia taking up volumes of groundwater and driving down water tables serves as a warning to all of us. The cumulative impacts of plantations on the environment, agriculture, current and future food production must be considered. These include water usage and fire management issues.

The second form of biosequestration covered in this bill is soil carbon. There are an estimated 2,700 billion tonnes of carbon in the world's soils, most of it in the top 30 centimetres. This compares with the 800 billion tonnes in the world's atmosphere and the 900 billion stored in biomass, which of course includes trees. Australian soils vary in natural organic carbon levels from one to five per cent, with more than 75 per cent of Australian farming soils having organic carbon content of less than 1.75 per cent.

Much of my home state of Western Australia has sandy soils, which sit at the one to two per cent carbon level. We should also note that soil carbon levels in Australia have declined 10 to 60 per cent over the last 80 years. This alone tells us that we have an opportunity to put a lot of carbon into our soils, which certainly will give us healthier and more productive soil.

Land use plays a significant role in the soil carbon cycle, and good management can raise levels above the natural average. However, members should be warned against assuming that only trees can raise soil carbon levels. Pastures are an important tool, because organic matter concentrations tend to be much higher under grass, with recorded levels of up to seven per cent of soil carbon under well managed pastures.

Observations of the world's ecosystems show that organic carbon concentrations in soils, to a depth of one metre, under various land uses were: 122.7 tonnes per hectare for...
tropical forests, 117.3 tonnes for tropical savannas, 96.2 tonnes for temperate forests, 80 tonnes for croplands and 236 tonnes for temperate grasslands. By this we can see that well-managed pastures that are not overgrazed can add significantly to soil carbon levels. The rewards are high, and Australia would be greatly advantaged if we were able to raise our soil carbon by even one per cent across the nation.

However, the use of soil carbon as a mitigating offset is made difficult by the lack of certainty around the measurement of soil carbon and its permanency. Soil carbon is increased by the addition of carbon such as vegetation or biochar or by the reduction of carbon use or loss. In the natural cycle, soil carbon rises as a result of all the living, dead and decomposing plants, animals and microbes in the soil, along with organic residues and humic substances that they release. The classic example is the floor litter of forests, which breaks down and is absorbed into the soil structure. We must remember though the great importance of the smallest player, the micro-organisms. Soil health and its ability to hold onto and use carbon are directly related to the microbial balance of soil. This balance is something we know far too little about, although we do know how important it is. It is, however, difficult to measure in the short term how much added carbon has been absorbed into the soil structure and how long it will remain there. This makes this form of biosequestration difficult to measure and cost.

There are a number of issues the government must address in the development of carbon farming and the market that would go with it. The shadow minister has clearly articulated many of these; however, as a farmer, there are a number of issues that I would like to see addressed. We certainly need to know who owns the land on which carbon farming is occurring and will occur; how much land is involved; where that land is located; and, more importantly, who owns the credit for the carbon that will be stored there. I would like to see a publicly available national carbon farming register so that the process is an open and accountable one. This should include programs of carbon farming owned by foreign entities on Australian soil. This is important because, given that Australian farmers currently manage 61 per cent of Australia's landmass, in my view Australian landowners should be the principal beneficiaries of carbon farming activities here. Under the coalition's direct action proposal, farmers will be able to tender for carbon sequestration. We need to avoid the situation where our landholders are locked out of potential overseas markets that might be available to foreign entities.

The parliament should also consider the intellectual property rights of carbon technology. I have absolutely no doubt that Australian farmers can lead the way, given the opportunity. Even though cropping would appear to be poorly suited to carbon storage, Australian work indicates that good cropping management can be used to minimise soil carbon loss. According to the CSIRO, improved management of crop land—be it enhanced rotation, adoption of no-till, which we have seen a lot of in Western Australia, or stubble retention—has resulted in better retention of carbon in soils. This type of technology, developed in Australia, should be exported around the world once adequate IP protocols have been put in place.

The complexity of measuring and attributing carbon storage is the most difficult issue facing carbon farming. The Kyoto protocol's rules have always been slanted to assist nations that are geographically small but have a large population, and to this end the rules have
failed to recognise the need to manage carbon sinks rather than just to observe them. An Australian system of carbon farming will need to be simple and effective and to relate directly to our specific set of parameters and common practice. The last thing we want to do is generate a layer of carbon bureaucracy and perhaps have an explosion of carbon middlemen to give another blank cheque to or have another scheme mismanaged by this government. Carbon farming should be an opportunity for landholders to enter a new marketplace, not just an opportunity for carbon agents. How the regulations manage this process will be critical, and we have not seen that yet.

The impact of this bill on the agricultural landscape of Australia is also of paramount importance. Pricing carbon provides an incentive to shift from food to carbon production. On some areas of marginal land this is not automatically a negative, but food production is critically important in a world in which the human population will rise from 7 billion to over 9 billion—recently I heard some information at a conference that Australian farmers by default feed 60 million people in the world now—especially here in Australia, where our food producers and their viability are constantly undermined by supermarkets and, unfortunately, by some of the decisions that have been made by this government.

How we ensure that our food-producing farmers maintain commercial and viable returns is a real issue for us in this nation. Australia's, and global, interests are not best served if our farmers stop producing food here in Australia. I acknowledge, as you would, Mr Deputy Speaker, that our farmers in Australia are some of the most efficient producers in the world. They produce some of the best quality food and fibre that the world sees, which is not something that is necessarily recognised or valued in the way that it should be. I hear the members at the table, who are perhaps discussing this issue. I hope they are, because we do produce some of the best food and fibre in the world. The choice to keep producing food must be available, and the rewards for doing so should go to those producing that food and fibre.

I am very concerned about the practical matters in this legislation and, unfortunately, I am concerned that putting this government in charge of anything to do with farmers and growers is probably a bit like letting the fox into the hen house, which is something that we understand very well. The practical nature of farmers means that we will need some very good ways for them to tender for and be engaged in the soil carbon market, as they could through the coalition's process. I will be very interested to see the findings of the Senate report and to see how the range of issues that I and so many others have raised in this respect are dealt with.

Mr CRAIG THOMSON (Dobell) (17:14): It is always good to follow the member for Forrest. What she was saying in relation to the contribution of Australian farmers to the global food bowl was interesting. It is a very important issue and it is always worth putting on record the outstanding work and innovation that our farmers bring to their craft. However, it would also have been good if the member for Forrest had spent some time at the climate change commission summit the other day, because, while she may be quite good at telling us some of the facts and figures about the farming sector, she is clearly, like her party, lost and in the wilderness in relation to climate change. That is one of the reasons that I am so supportive of these bills and the legislation before the House today, and I will spend a little time talking about why and how important it is.
The Carbon Credits (Carbon Farming Initiative) Bill 2011 fulfils the Australian government's commitment to develop legislation to give farmers, forest growers and landholders access to domestic, voluntary and international carbon markets. This will begin to unlock the abatement opportunities in the land sector, which currently make up 23 per cent of Australia's emissions. The first objective is to help Australia meet its international obligations under the United Nations conventions on climate change and the Kyoto protocol to reduce its emissions of greenhouse gases. We know that those on the other side have all sorts of difficulties with the Kyoto protocol and continue now to struggle on a daily basis with their position on climate change.

The second objective is to create incentives for people to undertake land sector abatement projects. The ability to generate saleable carbon credits provides an investment incentive, thereby helping to channel carbon finance into the land sector abatement. A further objective is to achieve carbon abatement in a manner consistent with protection of Australia's natural environment and to improve resilience to the impacts of climate change. This recognises the important contribution that this scheme can make towards environmental objects such as improving water quality, reducing salinity and erosion, protecting and promoting biodiversity, regenerating landscapes and improving the productivity of agricultural soils.

The Australian National Registry of Emissions Units Bill 2011 establishes a national registry. The registry serves two primary purposes: to be Australia's first national registry for Kyoto units, which is required under the Kyoto protocol, and to act as a registry for Australian carbon credit units under the Carbon Farming Initiative. Accordingly, this bill is necessary to support carbon farming initiatives and to allow people to trade credits. The third bill is the Carbon Credits (Consequential Amendments) Bill, which has a range of amendments to legislation, and I will not spend much time talking about that.

There are timing sensitivities with these bills. We have previously committed to having legislation passed by 1 July 2011 to provide certainty to farmers, forest growers and landholders, who have previously invested in abatement projects or are looking to invest in the near future. In particular, there are a number of projects which were previously supported by the Greenhouse Friendly program, which concluded on 30 June 2010. These included forest sequestration projects and landfill waste projects. The failure to pass the Carbon Pollution Reduction Scheme significantly impacted the investment in these types of projects. There is already a domestic voluntary market for carbon neutral products and services with which these credits will sell into—for example, when Qantas offers to offset flight emissions. At the moment, there are no domestic credits for Australian companies to buy until this bill is passed. The bill allows for a backdating of credits to 1 July 2010 to accommodate projects previously in the Greenhouse Friendly program, where these projects meet the new standards and have properly measured the abatement.

The legislation will establish an important funding stream for regional and rural Australia. The legislation is a voluntary mechanism. No-one has to be part of the scheme if they choose not to be. If they do take part, they can gain credit for their action to reduce or store carbon pollution. The size of the voluntary market will initially be quite small, but significant revenue would be available if internationally compliant credits
are used in the carbon price mechanism. This matter, of course, is being discussed in the Multi-Party Climate Change Committee.

Tony Abbott’s so-called direct action policy relies excessively on storing carbon in soils and does nothing to move the economy to a clean energy future. Other countries are already taking action on climate change and the economic competitiveness of some of Australia’s companies could be disadvantaged if we do not take action at home.

The Gillard government is committed to introducing a price on carbon. It is the right thing to do for jobs, for our economy and for the environment. A carbon price is the cheapest and the fairest way to cut pollution and drive investment in a clean energy future. Just this week, the Climate Commission report made clear that the next 10 years requires critical policy decisions by putting a price on carbon if we are to stabilise carbon pollution and avoid dangerous levels of global warming in the future.

It is worth talking about my electorate because it is one of those electorates that is being dramatically affected by climate change. At north Entrance, we have massive erosion of the beach. Backyards of houses have been washed away and continue to be washed away. The local council has a program to continually dredge sand and put it back in place. But the effects of climate change with more frequent storm surges and changing sea levels have meant that that community is in some danger and continues to be in some danger.

In the north of my electorate at Cabbage Tree Bay at Norah Head, houses are falling into the ocean. The council is having to buy back those houses because we have not acted in relation to climate change. It is too late for those areas already in terms of what is happening there, but it is not too late to act to save the planet. And we need to be doing that, and that was made absolutely clear just the other day with the Climate Commission’s report.

We have an opposition who are putting their heads in the sand on climate change issues. If they put their heads in the sand in my electorate, they will get washed away. Quite frankly, they are going to get washed away in the debate on climate change because there is an overwhelming view out there that we need to act to make sure that the environment is protected. Even those opposite do not actually believe the position that their leader is putting. There are many on the other side who know that climate change is real, that climate change is induced and made worse by man and that we need to act and we need to act now. That is one of the reasons that I am so supportive of these bills and the legislation before the House today, and I will spend a little time talking about why and how important it is.

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The coalition cannot vote in parliament on this legislation because the Labor government wants us to vote without seeing the detail and we will not do that, The coalition is awaiting a Senate report. We await with interest views on the following matters: one, prime agricultural land protection; two, protection for Western Australia from effective expropriation of crown land usage rights by the bill; three, completion of the key regulations; four, inclusion of soil carbon from the outset; five, the risk of rorting, as in Europe, without adequate protections, as reported on the front page of the Australian, 19 May 2011; six, construction of an acceptable set of rules around the permanence; seven, construction of an acceptable set of rules around additionality; and, eight, other amendments to be identified by the Senate Environment and Communications Legislation Committee report on the bills to report on Friday, 27 May 2011.

We need simple answers to questions such as: what happens if forest on your farm is destroyed by bush fire? Are you penalised? Do you have to pay those credits back? That is a worry for many farmers—that if they get a credit somehow they might have to pay it
back in years to come when their forest is destroyed by fire. In fact, those credits might be costing a lot more by then. So that is a concern.

I spoke in this place on 29 October 2009 about the ETS in Europe and their ETS statistics at the time. They were dismal—the results spoke for themselves and now we see rorting also. This is why it is so important that the government provides the detail and why the coalition supports the principle but has serious concerns about the legislation. We are not prepared to give a blank cheque.

This legislation does not contain the opportunities for carbon farming as outlined in our direct action plan. Under the direct action plan the coalition will reduce carbon dioxide emissions through biosequestration in general and, in particular, the replenishment of our soil carbons. Farmers will be entitled to tender for additions in soil carbon.

The Gillard government's approach to the carbon farming offsets bill will be completely skewed by a carbon tax and ETS, leading to the wholesale conversion of prime farming land from agriculture to trees. We simply do not know what we are dealing with here. It is an unknown quantity. For that reason, the opposition will be moving an amendment in the House, declining to give the bill a second reading until the regulations giving effect to the provisions of the bill are laid before the House. The coalition will reserve its position on other matters until the Senate inquiry report is handed down on Friday 27 May 2011. That is not very long to wait. Why can the government not wait until we get some of those answers?

Further amendments will be considered following the Senate inquiry report. Ultimate support for this bill in the Senate will depend upon a satisfactory resolution on the range of amendments to be presented. Without the regulations and the amendments we would not consider the legislation to be anywhere near ready.

Based on the facts we have—which are not a lot—it would be careless for the coalition to let this legislation continue in its current form. As a member of parliament, I have to look out for my constituents. Many are farmers who will be affected by this legislation. I hope it is a positive effect but we simply do not know. The consultation process for the exposure draft of the legislation was only in capital cities, which are not always easy for farmers to access—there are no farmers in the city. I refuse to give Labor and the Greens the opportunity to decide the future of farmers in my electorate and all over Australia.

At Senate estimates, officials confirmed there is not yet a definition of 'common practice' for farming. There needs to be an education program to teach farmers the implications of signing up for such a scheme. Major Studies by ABARE and CSIRO which would provide invaluable information on the carbon farming initiative will not be released till after the carbon farming initiative is voted on. Why wait? We should have that information now. This is so typical of this government. It is back to front logic, putting the cart before the horse; it just does not make sense.

The coalition supports biosequestration—capturing carbon emissions in soils, trees and other biological matter. It is a key part of the coalition's direct action climate policy. A report issued this year by the CSIRO, 'Greenhouse gas mitigation: sources and sinks in agriculture and forestry', by the head of the Sustainable Agriculture Flagship, Michael Battaglia, pointed to the great potential for biosequestration in reducing greenhouse gas emissions. The report found that 'we can potentially increase these stores
in our rural lands and perhaps store or mitigate enough greenhouse gases to offset up to 20 per cent or more of Australia's emissions during the next 40 years.' The carbon farming initiative legislation risks dire consequences for the farming sector and will have major implications for our nation's food security.

A major concern we have is that while tree planting can be good—and it has a place under our direct action plan—there must be appropriate controls to ensure large tracts of good food-producing land are not lost to trees. Labor's plan will cause the wholesale transfer of food production land to trees in Australia's best farming areas, trees which cannot be harvested in any form. A leaked CSIRO report featured in the Sydney Morning Herald claims a carbon price of $36 dollars a tonne would likely see the whole lower Murray-Darling Basin converted to trees, starting at a carbon price as low as $11 a tonne. This is much worse than commercial forestry as there will be no employment required after the trees are planted and the flow-on impacts of job losses in the community will be large.

The Murray-Darling Basin produces 39 per cent of Australia's agricultural production. It also contains 65 per cent of the irrigated land and 40 per cent of the farms. Even if you only halve that, you reduce Australia's food production by 20 per cent. Does the government want to see Australia turn into a country that imports all its food? That is what will happen if Labor threatens our food security with this legislation. Australia is a big country and there is plenty of scope to plant trees in marginal country where farming is less viable and where there are environmental co-benefits in relation to salinity, erosion, woody weeds, biodiversity, bird life and so on. I question Labor's consultation process if they believe it is a good idea to plant trees on Australia's prime food production land. This is just another example of why the coalition needs to see more detail. We will not and cannot support initiatives that damage food security and cause job losses.

A concern for farmers is the duration of abatements in this legislation. The 100-year life of credits gives rise to problems when carbon stores are prematurely disturbed by no-fault or natural events but proponents are required to re-establish or regenerate carbon stores, or relinquish carbon credits. Over a 100-year life cycle, it is highly probable that carbon stores will be affected by an event, such as a bushfire, which releases the carbon store, leaving the proponent liable. It is ridiculous to lock farmers in for 100 years; so much can change in that time. Farmers should be concerned about this government and its legislation. Labor is certainly out of touch.

Labor and the Greens are in conflict over the starting price of their carbon tax. The Greens have called for a carbon price in excess of $40 a tonne. The government commissioned report from Deloitte has found that an emissions tax of $40 per tonne would be needed to encourage a national transition from coal-fired electricity to gas. Not that long ago, on 18 May, Senator Sarah Hanson-Young from the Greens said the carbon tax may need to reach $100 a tonne to make renewable energy competitive.

Our direct action climate change policy will reduce emissions in a way that is economically responsible and it will not cost Australian jobs. The coalition's direct action plan will reduce emissions by 5 per cent by 2020 through creating a fund to buy back greenhouse emissions, more tree planting, better soils and smarter technology. We want the detail and, if the government has nothing to hide, why would they deny the House the ability to examine the regulations so that we
in opposition can make up our minds fully informed?

Mr NEUMANN (Blair) (17:41): For those who are listening to parliament, it is always important to look at what the coalition actually do on climate change issues relating to the farming and regional areas of our country, not what they say they do. We have heard, in this debate on the Carbon Credits (Carbon Farming Initiative) Bill 2011 and related bills, the member for Barker and the member for Forrest talk about their farming backgrounds, the assistance they provided and their concerns for the farming sector. But, when given the opportunity to actually vote on legislation that would in the future provide, according to the parliamentary secretary's second reading speech, hundreds of millions of dollars for the farming sector, they say they are opposed to it. They claim they are standing up for the regions, but we know they are opposing our regional infrastructure funding. We know that they will be opposing the $4.3 billion we have rolled out in this budget. They oppose this and they oppose so much when it comes to the farming regions, yet they say they are standing up for farmers. There is a grave inconsistency between what the coalition say and what they actually do.

We have heard the member for Barker and the member for Forrest say that they have not been consulted. There has been extensive consultation on this matter. I heard some discussion about the issue of the additionality test, but changes on these matters have been made as a result of the consultation process. The National Farmers Federation supports what we are doing here. The last time I looked, the National Farmers Federation was not affiliated with the Australian Labor Party. They actually support what we are doing here, yet those opposite will not listen to them. They will not listen to them on the issue of climate change either. We accept the science of climate change here; those opposite really do not. Anyone who comes to question time hears the comments made by those opposite—over in that corner where all the Nats hang out. You can hear what they have to say and you can hear the comments they make—they do not accept the science. On this side, we want to price carbon. We want to make a difference to the environment, improve the situation for farmers, improve the situation for our regional areas and give farmers the opportunity for a new industry, an industry that could help them whether they be wheat farmers, tree planters, beef farmers or involved in the dairy sector.

I have the honour of representing many farming communities in the electorate of Blair in South-East Queensland. We are providing a chance for a new industry for hard-pressed regions, regions such as those in my area of South-East Queensland affected by the flood—the Somerset and the rural parts of Ipswich. And those opposite are opposing it. They are trying to delay this. I do not understand it. I truly do not get why the coalition is opposing this. They know there has been extensive consultation. In fact the members opposite have talked about the extensive consultation.

It is inaction on climate change. Whenever the opportunity arises, such as with the Carbon Pollution Reduction Scheme that they voted against many times in the House and Senate, they want to take a giant step backwards on climate change action—every single time. It is a disgrace. We want to assist farmers, households and low-income earners because we know our economy needs to transition to a cleaner energy economy. We know we have to do it. We know we are not jumping ahead of the
world; we know we are going with the world on this.

We are taking steps to improve our economy. This is a great national reform. We need to take steps. So on this side of the House we say we are going to tax the polluters and we are going to help the community, low-income earners, farmers and small business. Those on the other side want to tax those people and help the big polluters. I just do not get where the coalition parties are coming from these days and I do not think their natural constituency, which they think is the farming sector, will go with them on this issue. I do not think the farming sector will support them on this issue; they will be opposed to them.

This is important legislation. It is not as though we have come up with this idea recently. I recall it being an election commitment. I can recall sending out press releases on this. I can recall speaking on River 94.9 radio about carbon farming. I remember discussing this with local journalists and farmers in my area. I remember having this discussion all through the campaign—it is not something new that we have come up with. It is not something that the opposition has not heard about before.

This is going to afford abatement opportunities in the agricultural sector that will give it a new industry. It is a very good thing for agricultural areas. We will see the need for those farmers to have a good look at the kind of work they are undertaking. Farmers are used to difficult conditions. They are used to markets and know what markets are like because they deal with them, whether it is beetroot, carrots, lettuce or cauliflower.

We are going to address salinity, reduce erosion—tree planting will help—and make sure that we improve soil health and productivity. We will do that by increasing carbon storage in those soils. We will help to protect biodiversity and degraded landscapes by revegetation. We will see farmers undertake that sort of work. We will fulfil our election commitment to help farmers, forest growers and landholders to access the carbon markets. The member for Dobell very accurately outlined what we are proposing to do.

This is an important initiative because we believe climate change is real. So many on that side of the House deny the science. We believe that acting on climate change is the right thing to do for our economy. We are not going to play politics on this issue. It is a very serious issue. The coalition members tonight are playing politics—and why wouldn't they? They believe they have a chance. They think that if they can narrow the political agenda to a couple of issues—not talk about the economy or the things that affect people—they can scoot into the Lodge. That is what they want. You hear it in every speech in this place from those opposite. It is not about the national interest; it is about their short-term interest. It is not about creating jobs, taxing polluters, transitioning the economy or assisting people. It is about their short-term interest. That is what they are all about.

I will talk to the second reading amendment that the member for Flinders moved. We know that farmers and landholders want access to carbon markets. Contrary to the coalition's record, they are holding back those markets as well as farmers, income and opportunity. With this amendment, the member for Flinders has basically told farmers in my region and in the region of the member for Maranoa—I see him sitting over there—that the coalition would rather play politics than support the farming sector. That is what they have said today.
The farmers and landholders in Blair want me and all the people in this House to end the politics on this issue. They want to make sure that we have a framework—and we set out the framework back in February this year—and that the legislation is in place. I mention to the House the National Farmers Federation and what they submitted to the House of Representatives Standing Committee on Climate Change, Environment and the Arts inquiry on this issue. They said about this legislation:

The legislation has also addressed the NFF concerns around potential perverse outcomes in relation to food production, water, local communities, employment and biodiversity, as well as reducing some of the uncertainty and administration costs surrounding crediting periods, reporting timeframes and offsets compliance.

The government deserves credit for listening to the farm sector and modifying its proposal to ensure that genuine abatement opportunities under the CFI are not unnecessarily overlooked. That looks like we have railroaded the whole thing through, doesn't it? It really looks like we have not consulted with the farming sector at all! Those opposite should go back to the farmers they claim they represent and have a word with them about what this is all about.

The coalition really should stop playing politics with this. We are trying to reward farmers with an income source and those opposite are opposed to it. Labor are doing a lot of stuff with respect to protecting the environment in my electorate and elsewhere. We are committed to a more sustainable environment by investing in our Caring for our Country programs on the ground. I have seen many of them in my electorate. We are committed to managing water resources in the Murray-Darling in a way that supports healthy rivers, strong communities and sustainable food production. We have delivered generational water reforms in the Murray-Darling Basin and we are giving communities confidence to plan for the future, whereas those opposite have delayed, delayed and delayed on the Murray-Darling Basin.
One of the first acts of this Labor government—of which I was very proud—in 2007, when I was elected, was to ratify the Kyoto protocol. We expanded the renewable energy target to ensure that, by 2020, 20 per cent of our electricity comes from renewable energy sources. We have supported green jobs, and I have seen that locally in my electorate around Ipswich and in the rural areas. We have modernised the economy by implementing many clean energy initiatives. We have helped local schools to tackle climate change by installing solar panels on roofs and water tanks. I have seen those across Ipswich and also in the Somerset region. These things are important.

By setting a price on carbon and also implementing the Carbon Farming Initiative we are taking action on climate change. We think it will drive innovation and investment. Hard-pressed regional and rural areas know how important markets are, how important farming production is, how important a dollar is and how hard it is to earn. So this will give them jobs for the future and whole industries in areas like the Lockyer Valley and the Brisbane Valley. I look forward to seeing those.

As I said, we are ensuring the big polluters are the ones who bear the burden and we are ensuring that the farming sector is looked after in this way. Only Labor governments would help rural and regional Australia and only Labor governments would help the farming sector, because those opposite claim they do but they deliver almost nothing.

As a result of those Building the Education Revolution initiatives in their electorates, which helped those really hard-pressed rural communities—places such as Esk and Fernvale in the electorate of Blair—those multipurpose halls provided evacuation centres in the recent flood. Yet those opposite voted against that initiative. Those opposite should hang their heads in shame. Every chance they get, they vote against regional and rural Australia. Every chance they get, they oppose climate change initiatives. Every chance they get, they do not support the farming sector. They will say it, they do so here but, when it comes to the crunch, they don't.

Labor are introducing emission standards on coal-fired power stations to ensure future electricity generation is cleaner and greener. We are delivering a strong signal to investors to build a low-pollution economy for the future. The Carbon Farming Initiative will provide economic opportunities for farmers, forest growers, landholders and will help the environment by reducing carbon pollution. This is something that we are doing—something those opposite are opposing. Once again, the coalition show that they have no determination and no commitment to regional and rural areas. Once again, they betray them by the speeches they make in here and by the votes that they will cast later on tonight on carbon farming. This is another great Labor initiative, helping the farming sector, opposed by the National Party, which preen, pose and parade in this place as supporters of the farmers. When they get a chance to vote, they will vote against them. They will vote against the legislation tonight. I want every farmer in the electorates of Blair, Maranoa, Flynn and Kennedy, and all those farmers in Queensland, to listen to these debates, to listen to what the coalition are saying and, when you cast your vote next time, think about who supports regional and rural Queensland and who supports farmers. I want to make it crystal clear to them: the federal Labor government does that, as we always have.

Mr BRUCE SCOTT (Maranoa—Second Deputy Speaker) (17:55): I rise tonight to speak on the Carbon Credits (Carbon
Farming Initiative) Bill 2011 and cognate bills. I join this debate with a background, unlike the member for Blair, as a farmer for many years, having to farm the land to ensure I could pay the bills, feed and educate my children. So I have a very close affinity with the soil and the land, as did my parents and my grandparents before me. So I come to this debate with a background knowledge, having been a working participant in a productive farm.

I also come to this debate as the member for Maranoa, which has a very large agricultural base, from the edge of the Simpson Desert in the west of the electorate to the highly productive Darling Downs soils, where we have real pressure at the moment from mining companies and coal seam methane gas companies. But I did not hear any mention of that from the member for Blair. I want to talk about the competition between both those sectors in my address tonight.

I also come to this debate tonight as having observed farming practices not only across Australia but also in other parts of the world. I particularly refer to my studies as a Nuffield scholar in the United Kingdom and Europe, observing some of the farming practices in some of the oldest farming lands of the globe, apart from those perhaps in the Middle East and North Africa. Interestingly, when we talk about carbon sequestration, that has been going on for centuries and centuries. When you think about it, probably the best carbon sequestration is the old golden hoof fertiliser—the manure from the feedlot, the organic matter being returned to the soil.

That is what this bill seeks to achieve: to convert atmospheric carbon into soil carbon. Of course, when you think about it, golden hoof fertiliser does that daily. It returns organic matter back into the soil, which will break down over time Crop residues are of course a part of that breakdown into soil carbon.

Carbon sequestration to improve productivity on the land is a good idea. The coalition supports that. Contrary to the spray we have had from the member for Blair, we do support that. We support the target. But it is how we get there that is important. Our amendment wants to put a stop on this legislation until we see the regulations that will be attached to this legislation. It is like asking us to buy a pig in a poke: site unseen, and committing to a Carbon Farming Initiative without all the regulations in place. As I said, carbon sequestration to improve productivity and soil structure is a good idea. I have seen it in many parts of the world. We have practised it—without legislation I might add—on our own farm. In fact, after my Nuffield scholarship year, I purchased imported farming equipment so that we could better utilise our crop residues. Much of the farm machinery that had been used in Australia was incapable of retaining crop residues on top of the soil and planting new crops, so we bought farming equipment from importers who had bought it in the United States of America.

The other aspect of this is that we are concerned that this legislation could lead to the wholesale transfer of prime agricultural land, some of our best land, to growing trees that cannot be harvested for 100 years. If they are going to be used for carbon sequestration, they are going to have to be locked away for 100 years, locking up the land as well. That is a genuine concern that I have, that farmers in my electorate would have and that I am sure the National Farmers Federation would have. It is biased towards tree plantations, as the regulations are now, and native vegetation will not be allowed to be included under this bill.
In my own electorate, we saw the Queensland Labor Party lock up large tracts of land when they put a ban on tree clearing. Farmers still come to me and say, 'I wouldn't mind locking up some of my land, but I can't get anything for it.' I am talking about native timbers, native vegetation. It is particularly in western Queensland that these farmers come to me. They may have bought their land in good faith, wanting to develop it over their lifetime and perhaps their children's lifetime. But the ban on tree clearing in Queensland locked up, in some cases, up to half or two-thirds of that land, and they can never go back to developing it while that ban remains in place. And they cannot participate in this Carbon Farming Initiative because it is native vegetation. I understand that the state government has claimed that under the Kyoto protocol, and that has already been counted, but these farmers are not able to continue to develop their farms. They would have done it responsibly, as I am sure the member for New England would agree. We know there have been mistakes made in the past, and we have all learnt from the mistakes, but there are farmers out there who have got native vegetation and who will not be able to participate in what is proposed in this legislation.

I mentioned the issue of our prime agricultural land and the conflict that we have in some cases with the resource companies, particularly calcium methane gas and large resource companies, wanting to mine coal. I have already got an international company in my electorate that wants to buy up to 80,000 hectares of land that is actually mapped on the Queensland prime agricultural land or strategic cropping land map as being strategic cropping land. They want to basically open it up for an open-cut coalmine. That is 80,000 hectares of magnificent cattle-producing, grain-producing, food-producing land. It will be locked away as this coalmine moves through it over the next 30 years, taking prime agricultural land out of food production.

I have already got a gas company in my electorate that is growing trees as part of its strategy to deal with the water that has been extracted as part of the coal seam methane gas process. If you are going to extract coal seam methane gas, you have first got to de-water the aquifer where the coal bed is. The water comes up and you have got to do something with it; you have got to make good with it. This company have decided that they are going to grow trees. They have purchased a property, formerly a very productive cattle property. This water is a by-product that they thought they might have been able to just let run away down the creek somewhere, but they have got to do something more with it. What are they doing with it? They are using it for a timber plantation. I do not know whether the company are going to try and sell carbon credits on this land, but it is a very good example of taking good agricultural land out of food production and using it for a timber plantation.

This raises questions about what land will be used and, if this legislation goes through, what restrictions there will be in the Carbon Farming Initiative on plantation timber being planted on good food-producing land in Australia. Sixty-odd per cent of Australia's farming land is owned by Australians. The other 40 per cent is owned by foreign interests. Will foreign based companies want to come to Australia to buy some of our prime agricultural land, our food-producing land—it could be strategic cropping land or good grazing land, pasture land—convert it to timber and then receive a carbon credit for planting a timber forest that is an offset to emissions that they have to deal with in another part of the world? Will they be
receiving the carbon credits? Will they be investing in some of this land?

The mining companies have got far more available money to buy land than the farmers can ever hope to have to keep their farms in their own possession. I have got very near family members right now dealing with a gas company. In the negotiations that people near them have been going through, it really ends up with the farmer saying, 'We're not going to be able to coexist with the gas company because they want to almost take over the land for the next 30 years,' as they have in some areas. As I said earlier, they have planted trees on what was once a cattle-producing farm. One example I know of is that for the last nine months this farm that is very close to my family has backgrounded some 2,000 head of cattle. It is part of the food-producing chain to background cattle to put into a feedlot and from the feedlot process it into food for Australians and also for export. But they do not believe they are going to be able to coexist with that company. What will they do if they buy it? They have bought quite a lot around the place near them. Are they going to convert it, like another company north of Roma has, into a plantation because they might be able to sell carbon credits from it with the water that they have extracted without a licence from underground as part of the coal seam methane gas extraction process? The coal seam methane gas is then sent to Gladstone. We know it is all about great wealth and new jobs—we understand all of that—but what are they going to do with all the land as they continually buy these wonderful food-producing areas? Because of this legislation, they might be going to see an opportunity: 'Well, we'll put it down for trees. We've got water that we've got to deal with. It's a bit of a problem this part of the coal seam methane gas extraction. We'll grow plantation timber and get a carbon credit for it and take it out of food production.'

I want to touch on the carbon tax. The carbon tax that this government wants to introduce is going to do untold damage to the viability of many rural farming enterprises across Australia. The tax is going to drive up the price of electricity. You cannot get away from having to use electricity in most farming operations that I am aware of, whether it be dairy, feedlot, the wool industry or the beef-processing sector. It is essential element of either the primary or the downstream processing side of the agricultural food production.

What this carbon tax will do is drive up the cost of electricity. The tyranny of distance has always been a factor. I am sure the member for New England would concur about the tyranny of distance in Australia, given we have one of the largest geographic areas of the countries in the world. We have populated it with great farmers with great skills across this large land mass, but the tyranny of distance means the transport sector will be hit by this carbon tax. How will farmers respond as their costs go up? They are going to have to drive their land harder. When it comes to crop rotation or pasture renovation, because of the cost increases they are going to look at the bottom line and say, 'Well, we can't afford to do that.

So, whilst we on this side of the House support the initiatives to look at carbon sequestration—and farmers do—our point is that it is how you get there. The regulations are not with this bill. We still have not seen the CSIRO or ABARES studies which are
due out on this whole issue of carbon farming. We should wait for those reports before we vote on this bill. That is why this amendment is so essential and this bill should not proceed at this stage tonight. (Time expired)

Mr SYMON (Deakin) (18:11): I speak in support of the Carbon Credits (Carbon Farming Initiative) Bill 2011, the Carbon Credits (Consequential Amendments) Bill 2011 and the Australian National Registry of Emissions Units Bill 2011 in this cognate debate. This legislation is a part of the federal government's response to the challenge of tackling climate change and will create opportunities for Australian farmers and landowners to benefit from reducing carbon emissions or from storing carbon in their soil. The Carbon Farming Initiative will reward land based carbon abatement projects with credits for each tonne of carbon saved or stored, which can then be sold in domestic and international markets or retained to offset emissions. Carbon abatement can be achieved by land based projects which reduce emissions or remove carbon from the atmosphere. An example of projects that reduce emissions is the capture and destruction of methane emissions from landfill or projects that reduce methane emissions from farm animals. The company or entity that invests funds into reducing the leakage of methane emissions into the air will receive in return a credit for that carbon abated, credits that can be sold or retained to offset other emissions. Examples of projects that remove carbon from the atmosphere include reforestation, revegetation, avoided devegetation, improved management of forests and enhanced soil carbon. The bills we are debating today are just one small part of the Labor government's response to climate change.

The Labor government is committed to introduce a carbon price to take effect from 1 July 2012. Although the price on carbon would not place any liability on agricultural, forestry or legacy waste emissions, the Carbon Farming Initiative bill is about creating an opportunity to use the demand for carbon offsets created by a price on carbon to fund projects on the land that would reduce carbon. The Gillard Labor government understands the importance of having accurate scientific information on climate change. We need to know the science, what the international community is doing to deal with climate change and the world's best practice. So it was the Labor government that established the Climate Commission as an independent source of information on the science and impacts of climate change, global responses to climate change and the operation of carbon pricing. The Climate Commission is supported by a scientific advisory panel made up of nine independent experts. Just this week, on 23 May, the Climate Commission released its report entitled The critical decade: Key messages. There are some salient lines in it. I quote from its report:

There is no doubt that the climate is changing, the evidence is overwhelming and clear. The atmosphere is warming, the ocean is warming, ice is being lost from glaciers and ice caps and sea levels are rising. Global surface temperature is rising fast; the last decade was the hottest on record. In the last 50 years the number of record hot days in Australia has more than doubled.

This is also from the report:

A very large body of observations, experiments, analyses, and physical theory points to increasing greenhouse gases in the atmosphere—with carbon dioxide being the most important—as the primary cause of the observed warming.

I believe Australia has an obligation to act to reduce its carbon emissions. The science clearly proves that reduction in carbon emissions is the key to tackling climate change. As the highest per capita emitter in
the developed world and one of the 20 largest emitters on an absolute basis, Australia must take action.

As part of the international efforts to tackle climate change, Australia under the Labor government ratified the Kyoto protocol, a move the Howard Liberal government could not bring itself to make. Under the Kyoto protocol, Australia is committed to restraining its national emissions to an average of 108 per cent of 1990 levels over the first commitment period from 2008 to 2012. Whilst Australia’s emissions projections released on 9 February this year demonstrate that Australia is on track to meet this target, without additional policy action our emissions are projected to be 24 per cent above 2000 levels by 2020 and 44 per cent above 2000 levels by 2030.

The ability to generate saleable carbon credits provides an investment incentive helping to channel carbon finance into land sector abatement. These bills will allow for carbon farming projects to be created and for the carbon sequestered in these projects to be exchanged for Australian carbon credit units. It is crucial that the integrity of the abatement projects is protected, and this will ensure that credits can be bought and sold with the assurance that carbon has been or will be abated.

Under this legislation, the Australian National Registry of Emissions Units will oversee the issuing of the Australian carbon credit units. The Australian national registry already exists as an electronic system which is used to ensure accurate accounting of the issuance, holding, transfer, acquisition, cancellation, retirement and carryover of emissions units under the Kyoto protocol. This legislation will combine the registry functions of the Carbon Farming Initiative and the Kyoto protocol together in the Australian National Registry of Emissions Units.

Offset projects will be required to use methodologies assessed and endorsed by the Domestic Offsets Integrity Committee and approved by the minister. The committee is an independent expert that assesses draft methodologies proposed for use under the scheme. These methodologies contain the detailed rules for implementing and monitoring specific abatement activities and generating carbon credits under the scheme.

This legislation also commits to monitoring the impact of the scheme on the environment and on rural communities and to taking steps to prevent perverse impacts if there is evidence that projects are likely to have a material and adverse impact on the allocation of prime agricultural land, water availability or biodiversity.

I refer to statements in support of this legislation from the National Farmers Federation. On 24 March this year they put out a media release welcoming the introduction of the Carbon Farming Initiative legislation to parliament and noting that the NFF were pleased it had addressed a number of key concerns raised through the draft consultation process. Further, they said:

The Government deserves credit for listening to the farm sector and modifying its proposal to ensure that genuine abatement opportunities under the CFI are not unnecessarily overlooked.

The government has been supporting research into land based carbon abatement. Some of the serious work in researching how carbon abatement can be achieved on the land has already commenced. For instance, under the Australia’s Farming Future program, the federal government has funded $46 million over four years to research how primary producers can reduce carbon emissions. The CSIRO and other research
institutions are making important advances under this program.

The Soil Carbon Research Program funded under Australia's Farming Future is developing a scientific understanding of the potential of Australia's agricultural soils to sequester carbon. Early trials show that perennial grasses including kikuyu grass can increase soil carbon levels. Additional research is investigating tillage methods, crop rotation and other practical steps that may increase carbon sequestration. Research to date is showing that if farms adopt new tillage methods or use perennial grasses they could increase carbon absorption in the soil, generate carbon credits and improve the quality of the land.

Other research programs include the Reducing Emissions from Livestock Research Program. It is estimated that direct livestock emissions account for about 12 per cent of Australia's greenhouse gas emissions and account for nearly three-quarters of all agricultural emissions. Researchers are investigating whether livestock can be bred as low-methane emitters without compromising production. Another area of research is in the investigation of biological methods to reduce carbon emissions—for example, viruses to attack the microbes that generate methane emissions in the digestion process.

Thirdly, research is being conducted into feed supplements and the impact these may have on the carbon emitted by farm animals. Recent research at the Victorian Department of Primary Industries in Ellinbank shows that modifying the diet of dairy cows with feed supplements such as brewers' grains, a by-product of beer making, cuts cows' methane emissions. The research shows that, for every one per cent increase in fat in the diet of dairy cows, methane emissions are cut by 3.5 per cent. Lead researcher Peter Moate said that this was significant, as each year a dairy cow emitted approximately the same amount of greenhouse gases as a family motor car. He also advised that the fatty supplements did not affect the dairy cows' appetite or milk production.

The research being conducted into how to reduce carbon from farming and how to absorb carbon into land and vegetation is showing positive results, and this legislation has the potential to attract funding for implementing this research into rural communities, as the reduction in carbon will now generate saleable certificates.

The Carbon Farming Initiative will create an economic opportunity for Australian farmers and other land managers to generate accredited carbon credits which can be sold in Australia and allows Australian agriculture to take advantage of the growing international carbon market. The legislated scheme will allow sellers to deal directly with buyers and leverage the opportunities of the marketplace. Such a marketplace allows companies to invest in local land sector abatement through long-term contracts and partnerships with farmers and landholders. But, in order to drive this marketplace for carbon abatement schemes, we will need a price on carbon. A price on carbon emissions will create demand for carbon credits, as companies and entities—in fact, everyone involved in the process—will need to reduce their carbon emissions or purchase carbon credits to offset their emissions.

On 24 February this year, the government announced a framework for a carbon price due to take effect from 1 July 2012. This framework does not place any liability on agricultural, forestry or legacy waste emissions produced. However, the Carbon Farming Initiative will ensure that any project that reduces emissions on the land
will be able to generate funding from the sale of carbon credits.

The Labor government is committed to taking action to deal with climate change. This legislation is an important part of that action and I commend these bills to the House.

Mr CHESTER (Gippsland) (18:22): In joining the debate on the Carbon Credits (Carbon Farming Initiative) Bill 2011 I intend to take up where the shadow minister for agriculture left off earlier this morning by posing the question: why would we trust this government in relation to the future of farming? It is like there is a message coming from those opposite: I am from the Labor Party and I am here to help. And as the shadow minister rightly indicated the bill before the House is incomplete and misleading. The shadow minister used the phrase that it is like 'mutton dressed as lamb'. At the risk of prolonging the rural metaphors for too much longer, there are so many holes in this you could drive a Mack truck through it.

This government expects the coalition to blindly accept this bill. They seem to be simply saying, 'Trust us and we will add the details later on in the regulations.' You will have to excuse my cynicism, but the people of my electorate have no reason whatsoever to trust this government when it comes to its policies relating to climate change and emissions reductions.

This bill, as those opposite have indicated, feeds directly into the broader debate about this government's policies on so-called 'dangerous' climate change. The minister for climate change was in Gippsland last week and was on ABC Radio, where he almost tied himself in knots avoiding using the word 'tax'. During the interview I counted the number of times the minister referred to the government's carbon policy, and it was all about a 'carbon price'. Obviously the focus groups have tried to sanitise the tax now. It has got to be a carbon price. We do not talk about tax any more, apparently. Painfully avoiding the word 'tax' will not escape the attention of the people of Gippsland, who, as on many occasions in the past, will be at the pointy end of any government policies in relation to the emission of carbon dioxide.

On a more positive note, it was good that the minister actually visited Gippsland. He is the first cabinet minister to visit and actually consult with my community in relation to the government's climate change policy. I appreciate that he took the time to attend a summit in the electorate. But I would encourage him to go out into the broader community. If he had he would have picked up on the anger and disappointment within my community about the way this government has conducted itself on this particular issue. The bottom line is that the people in Gippsland and the La Trobe Valley do not want this government's household assistance package. They want to keep their jobs.

This government accuses the coalition of running a scare campaign, yet listen to their rhetoric. Listen to the words they use out in the community in relation to their policies on carbon dioxide emissions. They love using the term 'dangerous climate change'. They cannot help themselves—they have to refer to 'dirty' coal-fired power stations. They must always mention '1,000 biggest polluters'. They do not mention the fact that they also happen to be some of the biggest employers in this nation. Let's vilify them as these 'dirty polluters' who are causing 'dangerous climate change'. This rhetoric has got to stop. This government is embarrassing itself with the public by its attempt to vilify some of the most successful businesses in our nation, and they are also vilifying the men and women who work in these coal-
fired power stations, who have done nothing more than they were asked to do by our nation. They have provided cheap, reliable baseload energy for our nation and now this Labor Party—the party that used to stand up for workers—is vilifying these people in communities like the La Trobe Valley. This government should be embarrassed by its conduct.

We also have the government out there talking about 'saving' the Great Barrier Reef and Kakadu, as if Australia alone could actually do anything in terms of the ultimate environmental impacts of any forecast in relation to climate change. This deliberate scaring and spreading of myths is all about gaining support for a tax.

Government MPs are also desperately trying to avoid mentioning this fundamental breach of trust. This is where the government has its biggest problem in the electorate. Before the election this Prime Minister said:

There will be no carbon tax under the government I lead.

It is becoming abundantly clear that this Prime Minister is not leading anything, when you have Kevin Rudd running foreign policy, Bob Brown running domestic policy and the Prime Minister running out of excuses. But put that aside. The fundamental breach of trust is where this government has its greatest problem. You now bring this bill into the House and expect Gippslanders to take you on trust that the Carbon Farming Initiative is in their interests, when the government has not even released the details of how the carbon tax, which will directly feed into this process, will play out in the broader community.

When government ministers come to my electorate, I have constantly asked them just to be honest in this debate about climate change. And I can report a small breakthrough this week. We had Minister Combet actually admitting that no Australian solution to this problem would save the Great Barrier Reef. He has finally come out and explained that it will take global action. But, if you had listened over the past three years during which I have been in this place, we have heard constantly from those opposite how they are taking action now to save the Great Barrier Reef. But Australia emits only 1.5 per cent of total global emissions. If we cut all our emissions, we do not do anything about the other 98.5 per cent, so how is that going to save the Great Barrier Reef.

Stop telling people lies about what can be achieved by Australians acting independently of other nations. It is great that the minister this week finally indicated that we are better off directing our money and energy at direct local action ahead of any global efforts in terms of the so-called 'saving' of the Great Barrier Reef. We have had our own climate change zealot in Tim Flannery out there admitting the same thing this week. He even went a step further when, in March this year, he said:

If the world as a whole cut all emissions tomorrow, the average temperature of the planet is not going to drop for several hundred years, perhaps over 1,000 years.

To me that is a very telling admission by Mr Flannery, because he has finally acknowledged that we are talking about long-term change. The temperature of the planet is not going to drop for several hundred years and perhaps over 1,000 years. That is what Mr Flannery said. He also said this week that reputable scientists do have different views on man's impact and man's contribution to climate change. So, finally, there is a little bit of honesty coming into the debate and some sort of recognition that not everyone who has some degree of caution in relation to the more extreme forecasts is a sceptic or somehow a denier, now that even
Mr Flannery admits that there are reputable scientists who have different views. We are after all only talking about models and forecasts. Just as an aside, when the weather bureau cannot reliably tell me what the weather is going to be like tomorrow and then tells me that in 100 years there are going to be sea level rises of a metre as a result of climate change, I think I am entitled to exercise a level of caution in deciding whether to accept everything that is put to me about weather, climate and long-term trends. This government wants to take reckless action that will send Australian jobs overseas by driving up the costs of production, yet, as Tim Flannery has indicated, the average temperature of the planet will not move for 1,000 years.

I want to refer specifically to the concerns I have about the future of the Latrobe Valley under this government. When the minister visited the Latrobe Valley he repeatedly refused to give a guarantee that this government will actually undertake a social and economic analysis of the impact of its policies in our community. The question must now be asked: what is the minister hiding? Why won't the Gillard government be honest with the people of the Latrobe Valley and undertake a full assessment of how its policies will play out in a regional community like Gippsland and the Latrobe Valley?

I do acknowledge that the Minister for Regional Australia, Regional Development and Local Government acknowledged today in the media that coal will play an important part in our nation's energy needs for decades into the future. That is a breakthrough. It is a breakthrough to have a government minister actually acknowledge the importance of coal. I wonder how Labor's partners in government, the Greens, reacted to that? I wonder if that statement had to be run past the Greens' media unit, since the Greens have such a hold over this government? I sincerely hope there will be other ministers who will state the obvious fact that coal is such an important part of the future energy needs of our nation.

I believe the Latrobe Valley has a great future. Our challenge, though, is to get rid of this government to allow us to achieve that future. In the Latrobe Valley we have 500 years worth of brown coal reserves. I cannot think of another nation in the world with an extraordinary natural resource of that capacity that would simply be saying, 'We
can't use dirty brown coal; we're going to leave it in the ground.' That is a ridiculous proposition in a world where energy demand is growing. Our challenge—

Mr Adams: That's cheap populism.

Mr CHESTER: I will take up that interjection. Now we know what backbenchers from the Labor Party actually think. They think it is cheap populism to talk about Latrobe Valley power workers' jobs. Well, congratulations to the backbenchers of the Labor Party. That is what they now think about the workers of our nation. Congratulations! It is no wonder the Labor Party cannot hold a seat east of Melbourne if that is what they think of the workers these days. You should be embarrassed.

There are 500 years worth of brown coal. It is a reliable natural resource. It provides a cheap form of energy, and our challenge is to use it in the most environmentally friendly way possible. There have been some remarkable efforts over the past decade by companies that are exploring ways to reduce the moisture content and export brown coal. There is a well-advanced proposal to use the carbon dioxide emissions to grow algae for several environmentally friendly products, and I understand there have been some great breakthroughs with a particular project in the Townsville area. Carbon geosequestration remains, I admit, something of a holy grail for the coal-fired power stations, and it is doubtful whether it will proceed on an industrial scale in the foreseeable future, but the research and development is needed in this particular space.

The point I am trying to make is that over the past six or seven decades working families—who the Labor Party used to speak so much about—in the Latrobe Valley have made an enormous contribution to the Australian nation, and they will continue to do so if they are supported in the future. They should not be vilified in this place. The government should not be using terms like 'dirty coal-fired power stations' and 'the 1,000 biggest polluters'. It should start acknowledging some of the positive achievements of these families working in my region. The Nationals do support a range of policies that provide for direct action to meet the agreed emissions reduction target of five per cent by 2020, but our policy is to avoid the punitive nature of the carbon tax and provide incentives for these companies to invest in technology and new systems to reduce their emissions. Some very successful trial projects have already been undertaken in the Latrobe Valley region with funding from both the former Labor state government and the coalition government at a federal level.

We do support direct and practical environmental action that achieves a positive outcome, makes sense in terms of improved productivity and builds a bridge with the sections of the community who have some reasonable doubts about some of the more extreme forecasts. I believe that is the real opportunity for us in building community consensus about the need to undertake practical environmental works.

This government has a long list of failures when it comes to its so-called green programs. There was the home insulation disaster in which four people tragically lost their lives. We had the abandoned cash-for-clunkers policy and the green loans and home assessors programs. The wasteful and reckless policy we have seen from this government is probably the worst in living memory, and now the government expects us to trust it with this important piece of legislation—the same government that could not deliver any of these programs just mentioned, the same government that cut $11 million out of the forward budget estimates for Landcare.
So we have a government that will cut money out of Landcare but is still able to find money for a climate change advertising campaign. Given a choice between propaganda and propagation, this government will always go for self-promotion and the propaganda campaign. I do not believe that the community trusts this government to be able to deliver any program, particularly something as complex as this carbon farming initiative. Like other speakers on this side of the House I will reserve my judgment until we see the full details of this bill, but I am not convinced that this government understands the risky nature of the path it wants to lead Australian farmers down. At a time when food security should be the focus of national attention, we run the risk of introducing a scheme that will see prime agricultural land turned into forests on the back of government incentives. Any schemes that distort land use decisions and result in large tracts of prime agricultural land being turned into plantations are a huge risk for the future of rural and regional Australia. Our prime agricultural land must be protected from this type of government interference. I congratulate the many members on this side of the House who expressed similar sentiments. I am not against tree planting or reforestation projects in the appropriate places, such as on the more marginal land in our nation, but that has not been the experience of many rural and regional communities over recent years. I fear that this government does not properly understand the needs of regional communities. Simply saying 'trust us' will not wash with farming families.

Mr ADAMS (Lyons) (18:37): The rationale for these bills is to establish the Carbon Farming Initiative to give farmers, forest growers and landholders access to domestic voluntary and international carbon markets. This will begin to unlock the abatement opportunities in the land sector, which currently make up 23 per cent of Australia's emissions. The Carbon Farming Initiative will include a carbon crediting mechanism, the scheme; funding to fast track the development of methodologies for offset projects, including on-farm demonstration of biochar; and information and tools to help farmers and landholders benefit from carbon markets.

In 2010, this government undertook to give farmers, forest growers and landholders access to carbon markets so that they could offset costs that they might incur while they abate carbon emissions, which currently make up 23 per cent of those in Australia. The Carbon Credits (Carbon Farming Initiative) Bill 2011 fulfils that election commitment.

Australia has among the highest agricultural emissions of the developed countries. But because we are a very big country we also have significant opportunities to increase carbon storage in our landscape. This scheme presents an opportunity for Australia to address those high emissions and for the agriculture sector to be part of the ongoing actions to address the changing climatic conditions.

The CSIRO and other research institutions are making important advances in carbon estimation techniques. And, as revealed in the House of Representatives report Farming the future, which included evidence from around the country, innovative farmers have already been developing ways to improve the health of agricultural soils, to improve herd efficiency, to include tree farming as part of their mix and to generally farm more sustainably.

This scheme will drive and reward efforts in developing Australian innovation. Farmers and landholders will be rewarded for their actions to reduce or store carbon pollution.
This is a very important step forward for regional and rural Australia. It will create incentives to protect our natural environment and adopt more sustainable farming practices as well as mitigate climate change. Increasing carbon storage in agricultural soils improves soil health and productivity. Revegetation will help restore degraded landscape, protect biodiversity and bring underutilised land into production. Tree planting can help to address salinity, reduce erosion and act as a carbon sink.

In this discussion we have to ask ourselves about the role carbon plays in our daily lives and what it is about its presence in our lives that makes it so important that we do something about it. There needs to be an understanding of what carbon is and how it relates to our lives. We rely on a variety of elements and compounds for life, including nitrogen, oxygen, carbon dioxide, helium, methane and hydrogen. There are some others, but they are not very important to this discussion. A mixture of these makes up the air we breathe. Carbon dioxide is a minor part of the air but it has a major impact as it helps to keep our planet and us warm and prevents us from freezing to death.

Of course, there is also a bad side. Too much carbon dioxide will cause the earth to heat up and become too hot—the greenhouse effect. That is a scientific fact. There is enough science to give us that belief. It is this that is causing us to query the growing carbon content of the atmosphere. It is said that the world has been growing warmer since the industrial revolution because more carbon has been emitted than can naturally be taken up. Therefore, it is important to have some sort of control over the release of carbon dioxide, and setting a price on carbon emissions has been identified by the Stern review and the Garnaut report, among many others, as a critical policy tool for achieving carbon reductions. Therefore, a carbon price needs to be set, but we need to allow time for industry to implement measures to limit or offset the costs so that we can continue to compete in the world market.

One way of coping with unduly high carbon emissions is to relate those to how we can reduce their impact. It means that carbon has to become a commodity that can play a role in the market, much like what has been done in relation to water in this country. Therefore, we need a scheme that will allow sellers to deal directly with buyers and leverage the opportunities of the marketplace. Such a marketplace will allow companies to invest in local land sector abatement through long-term contracts and partnerships with farmers and landholders.

Markets are not new to farmers and nor are many of the things that can save or store carbon, such as trees and soil. What farmers need is a mechanism to add value to their actions and help them decide whether or not to invest. And that is what this series of bills is all about. One of the areas dear to me where this could play a very important part in the future is that of forestry. Carbon markets are one of the elements now falling into place as a potential driver of investment in forestry. By recognising the contribution of forestry to the carbon economy, we are placing a value on forestry which should allow it to compete for investment dollars with other parts of the economy.

Using trees to take up excess carbon is not new and there are other ways to lock up carbon for use in another form. But it needs to work within an economic framework so that industry can be encouraged to lessen its emissions or to trade them with another industry so the overall amount of carbon in the atmosphere is not increased.

Tasmania is well placed to develop our forest industry to be a carbon store in wood products such as building materials and
wooden furniture. It can help to provide carbon credits to high emitters. But to do this, we need a trading scheme and a carbon price. Using the carbon trading schemes it is possible for rural industries to work together to develop a more sustainable farming and forestry industry.

For instance, Forestry Tasmania runs a program called Trees on Farms. Trees on Farms encourages landowners to partner Forestry Tasmania in planting trees on land that would otherwise be unproductive. The program provides a timber resource to Forestry Tasmania and a revenue stream for farmers. Forestry Tasmania provides the tree growing expertise and management, the farmer provides the land, the farmer enjoys the environmental benefits of tree growing and both share in the returns.

In the New England region of New South Wales, the Engineered Woodlands Project utilises tree plantings to provide carbon offsets, windbreaks and stock shelters, as well as a harvestable resources. Through careful design, it was possible to place a substantial proportion of a property under trees with no loss of stock-carrying capacity or productivity.

In Victoria, the Otway Agroforestry Network offers an extension service focused on farmers developing forestry skills so that they can have exclusive control of the forestry resources developed on their land. The network focuses on trees as part of the farm infrastructure, providing aesthetic value, environmental services—habitat for birds as part of integrated pest management, stock shelter and revegetation of water courses—while also providing an income stream through the production of high-quality sawlogs.

The key to success was giving each farmer the training and tools to manage the timber on their own properties, within the context of group leadership and peer support. Farmers undertook formal training through the master treegrowers course, and had access to expertise and support within the network.

Network cooperation meant that relatively small stands of timber could be harvested at commercial rates. The result of the network's operation was a significant increase in tree cover without loss of productivity, and an improvement in the commercial and environmental sustainability of individual farm enterprises.

When I listen to the doubters on the other side, I think we have to be careful about the way we treat the scientific data that we hear. If we look at the mountains of information that are currently scurrying around our media sources, our emails, our blogs and tweets and our day-to-day information—if we really come down to the nitty-gritty it appears that, although we know that there are significant changes going on, what we really do not know is their actual impact. Climate change information is only as good as the models that have been put up, and the bottom line is that they are inconclusive.

That is why we get such a range of views around the globe. Nothing is really right or wrong and we will only really know what will happen when it happens. According to Professor Michael Hulme of the University of East Anglia, one of the leading commentators on climate change, climate change projections are only as good as their models, and we know models are not infallible because they are made by us, humans—educated humans, scientists, and other professionals, but humans nonetheless.

So what we are really into is risk assessment—like an insurance company goes through all the possible risks to a body or an individual—and coming up with some plan to mitigate any possible risks. I believe
that is what we are about at the moment with this debate. Nothing is absolute and the effects and risks of not doing anything in the long run depends on who you are and where you live. Like insurance companies have done for decades, trading in offsetting their risks, these bills give us an option to work on dealing with a very real risk and helping the big emitters to offset their risks by investing in the carbon reduction activities, such as farms and forestry. Shouldn't we, as decision makers, take decisions to mitigate those risks by setting a price on the cost of reducing a possible severe risk to our world?

Scientists are telling us that there are methods and systems to ensure we do not have to deal with a major world catastrophe sometime vaguely in the future—maybe tomorrow, maybe in a hundred years time. We should make those decisions now and try and alleviate the risk by understanding our systems better. There needs to be some understanding on how each activity can actually be assessed. For example, with tree growth, some trees species grow faster than others, some get a lot bigger than others and therefore will be able to process more carbon. So we need experts to advise us on the best species and the best methods. Therefore, an independent expert committee, the Domestic Offsets Integrity Committee, has been established to ensure that estimation methodologies are rigorous and lead to real abatement.

But trees ultimately die after a finite period and therefore no longer can take up carbon. So there is little point in having trees and carbon stored in them remaining upright taking up air space that could be replaced by a young, vigorous, carbon-devouring tree. Managed forestry allows for the trees to reach their economic peak and then be harvested for specific purposes, such as furniture, building materials, paper and even crafts, allowing that stored carbon to be permanently locked up and used elsewhere.

Other elements of the design of the scheme to ensure the integrity of credits include: issuing credits after the sequestration or emissions reductions have actually occurred; tracking of credits through a central national registry, which is included in the registry bill; transparency provisions, including the publication of a wide range of information about approved projects; appropriate enforcement provisions to address non-compliance; and a robust audit scheme based on the National Greenhouse and Energy Reporting Scheme.

Carbon storage has to be permanent if it is going to be treated as equivalent to carbon emissions from the industrial sectors—and what is more permanent than a house made of wood with its fittings and furniture all storing carbon! Participants would be able to cancel their project and hand back credits issued at any time—for example, because they wish to sell the land or use it for something else.

Land managers would not have to hand back credits if carbon stores are lost because of bushfire or drought. This is a very important point to understand. Instead, land manager-holders will be required to take steps to re-establish lost carbon stores. Temporary losses of carbon following a bushfire or drought would be covered by a risk of reversal buffer where a proportion of the credits are withheld.

So a scheme by which we can set a price for carbon and use it for assisting both industry and the rural sector in reducing emissions—which will start to mitigate the risk of further global warming—is essential for Australia. I don't believe we are alone in this. Other countries are starting to work at this problem without signing up to particular protocols; they are minimising their risk.
We have already seen Qantas highlighting that they will have to put up fares next year as the EU has penalised the airline because Australia does not have a price on greenhouse emissions. Qantas will have to pay 15 per cent on its carbon emissions from its nearest port of call. The world will not go away!

We have to start taking these steps. I support the legislation.

Mr HAASE (Durack) (18:52): I thank the member for Lyons because the longer he spoke the more information he gave me to use as ammunition. Of course, the member for Lyons was speaking of those who may doubt the issue of global warming. It strikes me that the member for Lyons may be in that very same category. The issue that he has raised is the absolute unknown factors in relation to the Carbon Credits (Carbon Farming Initiative) Bill 2011 and related bill that we are discussing.

The coalition, as is well known by our government friends, support the idea of carbon sequestration in soil and various other attributes of farming carbon. What we do not support is simply accepting, in the broadest of terms without analysis, some proposition being put up by a government that has such a track record of failure. Anything this government was to suggest albeit, prima facie, quite reasonable, you would surely doubt the veracity of because the track record is there. We know it well but I will mention some of them again.

They had a great idea to save the economy and save energy by insulating ceilings, prima facie, a wonderful idea. It was an abject failure that burned down houses, cost lives and is costing taxpayers millions of dollars still to check where they went wrong. And we were promised this was going to be absolute lifesaver. School halls—wonderful monuments were built to the Prime Minister but at what cost to the Australian taxpayer? Where was the veracity? Where was the rigour? Where was the value for money? Totally absent. Solar panels—great idea for anyone totally ignorant as to how to select the best process of renewable energy. Photovoltaic cells seems to be a great idea—energy for free from the sun. Well it is not free; it is about six times the price of power generation by coal. That has been a failure and is starting to send state governments broke.

Then we had the issue of the cash for clunkers. That lasted a very, very short period of time. But, once again, it was a bright idea. I am sure the surveyed groups and the consultative groups that were listening to the public would have rushed to the caucus and said: 'We have another idea that is going to save the planet.' That did not last long. How are we, as intelligent members of this parliament, in this place to take seriously a proposition from the government—until we see the detail; maybe this Friday—and why would we for a moment accept that this is a good idea as it is presented? My experience indicates quite clearly that those on the land have a lot of commonsense and they are not easily fooled. They will not swallow glibly the ideas that are proposed by this government because lurking in the background is the knowledge that this government's reputation will surely result in this proposition being yet another failure.

We are being told that, of course, this is a panacea and this will be one of the tools in the box, so to speak, that will bring salvation and credit to this government. I am not going to hold my breath waiting for the time when the Australian public recognises that this government can save itself. Everywhere I go—and I accept I am from Western Australia and many recognise that we are slightly different—I hear the clamour of
constituents for the cessation of this
government and this government's policies
that are impacting negatively on the people
of Western Australia. Quite frankly, my
great concern is for the people of Durack.
They are my primary concern. They are tax-
paying Australians and they deserve better
than that that is being meted out by this
government, especially when we are
confronted with legislation that has no rigour
whatsoever, not an ounce of real detail that
will allow those people who might put this
program into play—that is, the farmers of
Australia, specifically in my case the farmers
of Durack. They are wanting this
government to give them some indication
that there is an opportunity for them to
contribute to the reduction of carbon dioxide
in the atmosphere and, at the same time, use
some of their non-productive land to turn a
quid. Farming is a tough game these days. It
is dependent upon so many externals. This
might at best—as I said I will not hold my
breath—be a salvation for farmers who are
doing it tough and it may make some serious
contribution to carbon sequestration.

There are so many holes and so many
unknowns, yet we are being told that this is a
great panacea. The member for Lyons, of
course, raised the issue that it depends on
the model. So much depends on the fine print
of the final regulation that will be addressing
the core of this legislation. Amongst other
things we do not at this stage know even the
starting point for the cost of a tonne of
carbon. Therefore, farmers have no idea of
the value of compensation for planting out
hectares of non-productive country with
trees. They know nothing about what the
impact will be of some climatic event that
will release the carbon that is contained in
those trees.
of waiting for the insurer to decide whether or not they are going to honour a claim. But, worse than that, Charlton lost its hospital, its aged-care service facility and the medical clinic, all in one complex, inundated with water up to my shoulders. I was grateful for the request from the Prime Minister at the time asking, 'What do you need?' I said we needed a field hospital immediately for Charlton between her office and the state government in Victoria. That was provided within a few days. I am grateful for that, but the problems at the medical centre at Charlton continue.

On Monday this week I wrote to the Hon. Nicola Roxon, the Minister for Health and Ageing, for some assistance here. To add insult to injury, as well as losing the surgery the doctor's house has been inundated and his insurer will not honour the claim for flood despite the doctor thinking that he was insured for flood. He is in that predicament and not in a very good state of mind. I have written to the minister for some assistance here. His business has been dramatically impacted. For a GP in a country town with a hospital and an aged-care facility when 25 aged care residents are shifted right across the region, 20 or 30 per cent of his income has just disappeared. He is a very good Irish trained doctor. I remember years ago supporting his application to come to Manangatang in my electorate. He later moved to Charlton. We need some sort of sustainability just to keep him there, because if we lose this really good country doctor the capacity to attract another doctor to Charlton is going to be impossible without the resolution of the hospital and so forth.

So far to this stage the field hospital is operating there with pretty limited capacity. A new temporary clinic has been established and a doctor has been able to move back to town. There is temporary accommodation being provided as far east as Bendigo. We need to get behind this doctor. I plead with the minister for some ongoing assistance for Charlton. They are good, determined and resolute people. They have coped with three floods in less than six months and they need desperate help. I am hoping she will respond to my letter with the greatest of expedition and I look forward to a positive outcome to keep this doctor in Charlton.

I thank the House for an opportunity to bring this report. There are a host of other issues I could report on, but I might leave that to another occasion. This is the most urgent one. A township like Charlton without a medical doctor is not a good formula for rehabilitating people through the future. They need good strong medical and emotional support, and I am pleading for the government to respond to my request.

Visit of President of Cyprus

Mr GEORGANAS (Hindmarsh) (19:05): I rise today to acknowledge the state visit by the President of the Republic of Cyprus, His Excellency Mr Demetris Christofias, to Australia. He arrived today for a five-day official visit. This visit is highly significant for both Cypriot and Greek Australians. On behalf of the community I would like to extend to him a warm welcome.

The visit is a wonderful opportunity for all Cypriot and Greek Australians, as it represents the strengthening of the rich people-to-people bonds which exist between our nations. I acknowledge the significance of this visit for the enhancement of the very friendly bilateral relationship between the Republic of Cyprus and the Commonwealth of Australia. The vibrant relationship is characterised by strong and enduring bonds of friendship and of cooperation and it is underpinned by people-to-people links. Both countries share common values such as respect for democratic principles, human rights and the law, and of course Australia

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and Cyprus cooperate in many international fora such as the United Nations and the Commonwealth. It is very important that we recognise the continuing, untiring efforts and the positive contribution that His Excellency Mr Christofias has made for the reunification of Cyprus in the framework of the agreed basis of a bizonal, bicomunal federation with a single sovereignty, a single citizenship and a single international personality, which is important for any nation, and a settlement in accordance with the United Nations Security Council resolutions on Cyprus and the principles on which the EU is founded, because the Republic of Cyprus is a member of the EU. All these things safeguard the human rights and fundamental freedoms of all people.

Australia has an interest within the region and global interests as well. We have an interest in contributing to and further playing an active role in multilateral fora such as the United Nations and the Commonwealth. We recognise the importance of upholding their principles, including those enshrined in the UN Charter. Australia thus follows with interest the developments that take place on the Cyprus issue, recognising the importance of reaching a just and lasting agreed settlement.

A significant number of my constituents in the electorate of Hindmarsh in South Australia are of Cypriot descent. They make an invaluable contribution to the multicultural spirit of our society, which I am sure is recognized by everyone in this House. The visit of the President of the Republic of Cyprus today underlines the positive role of Cypriot Australians in the communities in all of our electorates, and it is underpinned by Cyprus's genuine desire to further upgrade this relationship. As a member of the Australia-Cyprus Parliamentary Friendship Group, I assure this House that we will continue to play a role in fostering the relationship. We are hosting a breakfast tomorrow morning for the president and for members of all political parties who are members of the Australia-Cyprus Parliamentary Friendship Group to welcome the president and Mrs Christofias to Australia.

During his time in Australia, the president will be travelling to my home state of South Australia where he will meet with the Cypriot community and will lay a foundation stone at the community's new cultural centre, which I am very pleased to say is in the suburb of West Hindmarsh in the electorate Hindmarsh. The function tomorrow night will be hosted by the president of the South Australian Cypriot community, Mr Chris Ioannou, who I know actually lives in the electorate of Port Adelaide. I am very pleased to see the member for Port Adelaide, Mark Butler, here in the chamber tonight, and of course Sophie Mirabella, who is here in support as well. He will also be meeting with the premier of South Australia, the Hon. Mike Rann, and will attend a lunch with the Governor of South Australia, Rear Admiral Kevin Scarce. Today he attended a lunch with the PM and will be at a function with the Governor-General tonight, which unfortunately I will not be able to attend because we are here in this chamber.

It is a true honour to host the president in my home state of South Australia tomorrow, where the Cypriot community will this year be celebrating its 63rd anniversary. In my electorate of Hindmarsh alone, there are well over 2,000 people who identify themselves as Cypriot Australians. It is an extremely strong and supportive community and I know that the whole community is absolutely delighted that the president is taking the time to visit not only Australia but also South Australia. We look forward to having him there. (Time expired)
Manufacturing

Mrs MIRABELLA (Indi) (19:10): We are halfway through National Manufacturing Week and, sadly, the woeful and weak Gillard government still cannot even summon so much as a half-hearted interest in the sector's future. Nearly 90,000 jobs have already been lost under Labor. There have been more than 20 separate monthly contractions in sectoral activity, after 13 expansions in the last 14 months of the Howard government. A string of manufacturing businesses have been forced to close or are relocating offshore. The government has failed to seriously address the increasingly fraught problem of the ineffectiveness of Australia's anti-dumping laws. They have not adequately changed government procurement processes that are not always working in the best interests of local firms. And now there is the imposition of a carbon tax on a sector that is already punch drunk after being whacked between the eyes again and again by a government that appears to be hell bent on beating it into surrender.

The tragedy is that it does not have to come to this. If sensible policies had been put in place and if the government were not now trying to saddle the sector with a carbon tax then we could actually do something to assist innovative and hard-working Australian manufacturers. Instead, thousands of hard-working Australians are paying for the government's incompetence with lost jobs and lost opportunities. Sadly, the industry minister has been spearing the darts at Australian businesses himself. He should be ashamed to collect the salary of a cabinet minister and purport to represent the interests of Australian manufacturing. He has pretended on the one hand, through his meaningless rhetoric, that he is interested in activities like manufacturing but, behind the sector's back, he has not done a damn thing to build a policy framework and that has left the sector particularly exposed. Unfortunately, there is a stench and a deep seated hostility that has grown all around this minister and it is engulfing him quite desperately. This is a minister who is so badly out of touch that he even sends out media releases that describe axed programs as being 'integral' to his manufacturing vision. For his first few years in the job he played a silly game of picking winners or, to be more accurate in this government's case, picking losers. But he has lost the game. In fact, he has been given a shellacking at it.

To be fair, it is a challenging time for policymakers in this space. But most of the problems have been self-inflicted by this government. Where previous governments engaged in genuine reform, this abysmal administration has been found wanting and failed in any way to confront the serious and difficult issues confronting not just the Australian economy but specifically manufacturing. It has been more interested in naval gazing and its own spin than in the lives and prosperity of these manufacturing businesses and the decent, hard-working Australians who have invested so much. How much more humiliating can it get for a government when a former union boss who now fancies himself as a Prime Minister in waiting gets the frostiest of frosty receptions from a mass of workers at Port Kembla, or when an industry minister who once eulogised about the importance of working closely with manufacturers is told in no uncertain terms by manufacturing leaders that he is part of a government with an approach that is simplistic, ill-considered, destructive and politically expedient?

These are not descriptions from the coalition. These come from the business community, from real people out there employing one million Australians. But what does the government do? It just buries its
head in the sand. During this National Manufacturing Week it is time to focus on this particular sector. As hostile as the current government and its supporters are to Australian manufacturing and workers, I applaud the innovation, the commitment and the risks that manufacturing businesses take and commend their innovation and hard work. The coalition recognise this—we value you. We give you a political voice and an alternative of real policy and reform that will see Australia still making things by 2050. (Time expired)

Climate Change

Mr MURPHY (Reid) (19:15): At a community forum in Perth the Leader of the Opposition evidently put forward the completely discredited proposition that the science that describes the processes driving climate change 'was not settled' and further stated 'Whether carbon dioxide is quite the environmental villain that some people make it out to be is not yet proven'. Once again, in an unguarded moment, the Leader of the Opposition allowed his strongly held belief that 'climate change is crap' to leak out from his usual deceptive facade of claiming that he either understands the seriousness of the issue or intends to do something about it.

On the following day, no doubt following a frenzy of phone calls from his unsettled but more enlightened colleagues, the Leader of the Opposition suddenly discovered that, as he said on Adelaide radio, 'Climate change is real' and ' Humanity is making a contribution' and, furthermore, 'It's important to have a strong and effective policy to bring emissions down and that is what we're doing.'

It would appear that the positions of the opposition leader on climate change and its causes now flip-flop on a daily basis, with him on one day saying that climate change is 'crap' and on the next day saying that 'Climate change is real'. I ask tonight: would the Leader of the Opposition please tell us which one of these positions represents the truth as he sees it?

The latest version of the opposition's confused policy on climate change that the Leader of the Opposition likes to refer to can be found in documentary form on the Liberal Party's website entitled The Coalition's Direct Action Plan. This rambling document is a grab bag of promises and unworkable proposals that contains no discussion of the science of climate change or of the purpose behind the opposition's muddled measures for emission reductions. Curiously, while the opposition has been claiming that Australia should not be leading the world in measures to reduce carbon dioxide emissions, this document has a list of major economies that have already introduced carbon taxes and emission trading schemes.

The list includes France, which has carbon taxes and an emissions trading scheme; Germany, which has carbon taxes and an emissions trading scheme; Italy, which has carbon taxes and an emissions trading scheme; the United Kingdom, which has carbon taxes and an emissions trading scheme; Japan, which has carbon taxes and an emissions trading scheme; Canada, which has carbon taxes; Mexico, which has carbon taxes; Turkey, which has carbon taxes; the United States, which has emissions trading for power stations and carbon taxes in some states; and South Africa, which according to the coalition's direct action plan is also considering the introduction of a carbon tax despite the country's position as the world's third largest coal exporter. This list, including errors or omissions, is taken from the current coalition policy document that outlines its proposed measures to reduce carbon dioxide emissions. By the way, Mr Deputy Speaker, for the assistance of the
opposition, the table to which I am referring is on page 9 of their document.

In reading his own policy, the Leader of the Opposition may discover that, instead of Australia leading the world in introducing measures to reduce emissions, as he claims, this country is—thanks to the opposition's destructive obstruction and deception—actually behind many other parts of the world in implementing effective responses to global warming. I suggest that the problem that the Leader of the Opposition and the other deniers have with comprehending the links between carbon dioxide emissions from burning fossil fuels, global warming and resulting climate change is that they fail to discriminate between belief and measurements.

I further suggest that the division between the deniers and the scientists is another manifestation of CP Snow's famous Two Cultures, the breakdown in communication between the sciences and the humanities that still forms a major hindrance in the solving of many of the world's problems. To quote Snow:

So the great edifice of modern physics goes up, and the majority of the cleverest people in the western world have about as much insight into it as their Neolithic ancestors would have had.

No more is this evident than in the position of the climate change deniers and their supporters in the opposition.

My motion that climate change is real and human induced was voted on in this House in February of this year. It was supported by this government. The Leader of the Opposition wants to talk about the economy. I make the point that if you do not look after the environment you have no economy.

(Australian Federation of Totally and Permanently Incapacitated Ex-Service Men and Women)

Dr JENSEN (Tangney) (19:20): I was a scientist in a past life and I am sceptical on the science. However, my speech is about something else. In my time as a member I have been in regular contact with members of the Australian Federation of Totally and Permanently Incapacitated Ex-Service Men and Women West Australian Branch, known affectionately as TPIs. TPI members in my electorate have studiously and consistently advocated for the fair indexation of their pensions. On 18 November 2010 the coalition introduced into the Senate the Defence Force Retirement and Death Benefits Amendment (Fair Indexation) Bill 2010. This coalition bill is still before the Senate. It has gone to committee but has not yet been debated or voted on. I call on Labor, Greens and Independent members of this House to support this bill.

The bill affirms the coalition's commitment to introduce a fair, equitable and fiscally responsible military superannuation scheme. Currently, DFRDB and DFRB members have their superannuation indexed only in line with movements in the CPI. This bill provides for these superannuants, aged 55 and over, to have their superannuation indexed in the same way as Australian government income support pensions. Twice yearly, pensions will be indexed to the higher of the consumer price index, male total average weekly earnings or
the pensioner and beneficiary living cost index. This will provide increases for over 56,000 retired Australian Defence Force members of the now closed DFRDB and DFRB schemes, with a superannuation pension indexation which better reflects changes in the costs of living. These changes have long been sought by veterans' organisations, including the TPI ex-serviceman in my electorate of Tangney.

The change proposed by this bill would bring indexation arrangements for these superannuants into line with the aged pension. These are honourable men and women who served Australia, and the coalition believes this fair indexation is the right thing to do given the unique nature and risks of military service. Australia's service personnel, past and present, after giving so much to their nation, deserve to live their lives with financial security. Widows of superannuants of this scheme will also benefit from the announced changes.

Again I call on the Independent members and senators, who have been vocal supporters of such measures in the past, to support this bill. The coalition has introduced this bill because Labor's commitment at the 2007 election to fix military superannuation has become another one of its many broken promises. The Gillard Labor government has promised much to those in the veteran community but, as I have heard consistently from local TPI representatives, has repeatedly failed to deliver, due to its self-interest and poll driven policy paralysis. Unlike Labor, the coalition has consulted widely and listened carefully to the views put forward by veterans, ex-service people, ex-service organisations and current ADF personnel. Labor has failed veterans when it comes to military superannuation reform. Labor has failed to respond to the review into military superannuation arrangements, whose report it has had for over three years.

Ex-serviceman and women deserve more than their empty rhetoric. After spending so much money on pink batts, green loans and the failed BER school halls program, this Labor-Greens government are probably unable and unwilling to find the funds necessary to meet their commitment to veterans and their military superannuation reform requests to 'prevent further erosion due to unfair indexation.' I do not believe the government had any military superannuation policy at the last election. My understanding is that they still do not have any policy on military superannuation reform. There has been more energy and paper spent by the government in criticising this coalition plan than in coming up with anything of their own. I call on the government to listen to veterans in my local community and around Australia, tackle the pressing issues in the veteran community, end the spin, and support the coalition's bill.

Banking

Ms BIRD (Cunningham) (19:55): I very much enjoy the opportunity to contribute to adjournment debates and as much enjoy listening to them. I have been enlightened today by the member for Indi, who suddenly discovered anti-dumping issues in the manufacturing section. She is obviously very worried about them, and I look forward to going back to look at all the speeches and motions she moved on that issue when the coalition were in government. I am also going to go back and check all the statements made by the member for Tangney about TPI pension indexation. Given that he does swim against the tide a bit, I give him credit for acknowledging that he may have been swimming against his own government at the time. But I will go and check to see how often he raised both issues when the coalition were in government.
I want to talk about a program that the Gillard government has introduced which may seem small in the grand scheme of things but will actually make a significant difference to the lives of some people in my area under the pilot and, I hope, if it goes well, more broadly across the nation. On Tuesday last week I had the great pleasure of participating in the launch of the Community Development Financial Investment Pilot program at the University of Wollongong function centre with Mr Peter Quarmby, the Executive Director of Strategic Development at Committee Sector Banking, which is headquartered in Corrimal in my electorate. Community Sector Banking is Australia’s only specialist banking service for not-for-profit organisations and it has joined in partnership with another excellent local service, Access Community Group, to deliver a federal government pilot program aimed at addressing financial exclusion in Australia.

The Minister for Families, Housing, Community Services and Indigenous Affairs, the Hon. Jenny Macklin, announced on 17 February this year that the federal government will provide $6.27 million for a pilot to be run by five community development finance institutions across Australia to provide individuals and organisations with appropriate financial products for people who would otherwise be excluded from accessing such products. This measure recognises that Australia has a well-established banking industry but that there are individuals who suffer financial exclusion. They may suffer from low levels of financial literacy and poor knowledge of financial products and services. For these people, the standard services may be denied because of previous poor credit records or they may indeed exclude themselves because of the lack of trust in or knowledge of those institutions and services. Sadly, all too often these people also fall prey to less scrupulous operators in the financial loans market area, particularly when they are seeking funds often in the most desperate circumstances, which usually leads them into even more financial distress and difficulty and leaves them more at the mercy of the sharks. It is clear from many studies that this sort of pressure is also devastating on families and can in fact contribute directly to problems such as conflict and family breakdown.

The CDFI pilot seeks to build the capacity and resilience of disadvantaged and financially excluded individuals by attracting investment and injecting funds into community finance organisations which will then offer the appropriate product and, most importantly, education and support services to manage the repayment of loans. Importantly, this will provide financial literacy skills and improved saving and loan repayment records for these people. It has been proven in other programs that the successful management of a loan, accompanied by new knowledge and skills, can build self-reliance and confidence in the people in the target groups. In the Illawarra, the two local partners have been funded with $2.3 million to deliver the pilot for our region. I am thrilled that this support is now available to disadvantaged people across our area. I welcome the fact that two very local organisations will be entrusted with its delivery—Community Sector Banking, which has been in Wollongong since 2002, and Access Community Group, which has been working with the target group in our area since 1986 and is ably led by Samantha Hill, who is well known to me.

It was a pleasure to join the local community support workers at this important local launch last week. I know there was much interest by those who are working with the most disadvantaged in our community in
being part of this project in partnership with these groups. I look forward to the stories of individuals who manage to get themselves into the mainstream of reliable financial product service and out of the hands of the sharks that operate all too often in this sector—and, as MPs in this place, we are all very familiar with the devastating outcome of their intervention in people's lives.

Gilmore Electorate: Tourism

Mrs GASH (Gilmore) (19:30): The tourism industry plays a significant role in the economy of the Shoalhaven. But it is a very competitive industry and tourism operators are perpetually challenged in attracting and keeping customers. Those best able to survive know they have to adapt to the changed environment and put into place the necessary changes.

A few weeks ago I was privileged to officiate at the relaunch of the Kangaroo Valley Pioneer Museum Park. The role of the museum park is twofold, as the name implies. It entertains and it informs. And what better way to be introduced to local history than by a hands-on approach?

The operators of Kangaroo Valley Pioneer Museum Park recognised the need for a makeover, to refresh their product. The staff have been busy, with their volunteers, restoring features. They have restored the forge and bails buildings, moved rock and debris and the chook run from around the old forge and bails. They have created a viewing area with a toughened glass viewing screen. The forge is working, and for the first time I was able to see a horse being shod. Not many people have that opportunity, and I am sure it will rivet the attention of many suburban dwellers.

They hope to have butter, cheese and candle making and spinning and pottery demonstrations to entertain visitors. There will also be a cow that can be hand milked and a separator to separate the milk from the cream. Who here can say they have actually seen that being done? I am sure you have, Mr Deputy Speaker Scott.

Mr Secker: I have.

Mrs GASH: I am sure there are others too! Thank you. But the ones to gain the most will be the children, because it is they who will inherit this legacy to carry these stories for future generations.

An attraction such as this so close to Sydney and Canberra cannot fail to please and educate all who visit, and I hope they will be many. This has only come about through the efforts of many locals, volunteers and the dedicated. Elaine Apperley and her crew have done a marvellous job and I commend them on their achievement. Tourism has been an abiding interest with me, and I can report to the House that the Shoalhaven Tourism Board has gained a new member, me. I am very thrilled at being given the opportunity to renew an unrequited love with the industry. My reason for getting involved as a board member was the successful track record of Shoalhaven Tourism in difficult circumstances. Attracting visitors to the area has been made a little easier following the construction of the Shoalhaven Entertainment Centre in Nowra.

Last week, we hosted the annual Country Women's Association conference, which brought over 1,000 delegates from all over New South Wales. I have the greatest respect for this organisation and the work that they do for rural and regional areas such as the Shoalhaven. The power and vibration that comes from the imagination of women with a 'can do' attitude was palpable in the auditorium. The atmosphere was enthusiastic, infectious and inspirational. You really had to be there to gain a full
appreciation of the unity of purpose that bound these women.

I spoke to a number of delegates before and after the opening address and I can say that I received only positive comments. They said they felt welcome wherever they went, and the hospitality extended to them throughout the town made them feel entirely at home. The service they got in our restaurants and the many accommodation venues they stayed at was first class. The conference not only provided an economic boost to the local coffers but also served as an opportunity to promote the area to other regions.

The more who see our product, the greater the likelihood of them telling someone else and enticing them to see for themselves. I cannot stress the importance of the need to continually review the product on offer to ensure the level of appeal is maintained. This holds true not only for our local product but also throughout other tourist destinations within Australia. I hope the Minister for Tourism is aware of the parlous state of tourism in Australia, exacerbated by the strength of our dollar. This is an industry that brings something like $92 billion in spending. As a sector, tourism contributes $33 billion in GDP. That is 2.6 per cent of Australia's total GDP.

It is not a trivial industry in the overall scheme of things and it has huge potential to grow, with the right approach and adequate support. I can only echo the comments of the industry itself, which has said that reducing red tape and fast-tracking investment, as well as integrating tourism into regional development plans, is essential not only for the future of the tourism industry but also for the very existence of our regional and remote towns. This is exactly the time the government needs to reconsider its approach to tourism and to upgrade the status of the portfolio.

I sincerely hope that the new coalition government in New South Wales will make New South Wales No. 1 again for tourism, as the previous Labor minister for tourism was off the radar. Other states were promoting not only to the domestic market but overseas as well, whilst New South Wales was asleep at the wheel. Tourism is the livelihood, as I said, of many regional areas, and that includes the Shoalhaven. I would like to place on the record my appreciation for the foresight of our former mayor Mr Greg Watson, who had the vision to build a 1,000-seat auditorium entertainment centre and, not only that, was able to get the building completed. Later this year, we will be hosting the local government conference. So, by building something, we can reward ourselves as well.

**Banks Electorate: Salvation Army**

**Mr MELHAM** (Banks) (19:35): Last Thursday, 19 May 2011, I hosted the Minister for Families, Housing, Community Services and Indigenous Affairs, the Hon. Jenny Macklin MP, during her visit to my seat of Banks. The purpose of the visit was to show the minister the work done by the Salvation Army St George Community Welfare Centre in Hurstville, particularly in the area of providing emergency assistance to those in desperate need. The Salvation Army has a 130-year history of helping the poor and the disadvantaged.

The minister met case managers, both full time and volunteer, together with senior Salvation Army representatives. What really struck both of us was the room at the back of the offices where food and other basic commodities are kept to provide immediate assistance to people coming in off the street.

The minister outlined the government's plan, announced in the recent budget, to
continue to provide funding for emergency relief and financial counselling through agencies such as the Salvos. The government will be providing an extra $83.3 million to vulnerable Australians over the next four years. This represents a 60 per cent increase on base funding for emergency relief providers across Australia.

In my seat $151,693 will be provided to the Salvation Army, $175,366 to St Vincent de Paul in Hurstville and $176,434 to Padstow Community Centre—a total of over $500,000 for the electorate of Banks alone in 2011-12. This funding will ensure that local people will have access to emergency assistance, including food, clothing and pharmacy and transport vouchers, when they need it most. With our patchwork economy, it is vital that we do not forget those in need. In addition the Australian government will continue to support the No-Interest Loans Scheme, which the Salvation Army's St George community welfare centre currently provides in Hurstville. No-interest loans help people on low incomes make household purchases to meet unexpected costs such as buying a new washing machine. The popular program is delivered nationally by local community organisations in partnership with Good Shepherd Youth and Family Services and NAB. The Australian government is providing $60.6 million over the next four years to support innovative projects such as no- and low-interest loan schemes, matched savings schemes and financial literacy projects.

In my years practising as a legal aid solicitor and barrister, there were occasions when my clients were desperately in need of life essentials and counselling. The Salvos never let me down. This year the Salvation Army's Red Shield Appeal will be held on May 28-29 and I will again be involved in assisting the many volunteers as they knock on doors. In my experience, very few people say no to the Salvos and, in fact, are usually very generous. One of the Salvation Army majors I met last week was just on his way back from speaking at local schools to encourage students to act as door-knocking volunteers. I encourage people to either volunteer to assist in collecting for the Red Shield Appeal or, if collectors arrive on your doorstep on 28 or 29 May, to give as generously as you can. I was very pleased to meet with my local Salvos and to introduce the minister to the hard-working team at Hurstville. Again, I encourage everyone to become involved in assisting the Salvos in their vital work.

This is the sort of assistance that should be given by government. There is a partnership here and the money that we give is miniscule compared to the effort that is given by the volunteers of all those organisations in assisting the dispossessed and the needy in our community. It is a Good Samaritan approach. If we were to actually pay these organisations what they were worth, our budget would be continually in the red on that alone. Volunteerism is something that Australians are well known for, and that was shown in the Sydney 2000 Olympics. This is another area of volunteerism where these volunteers will use the money from the government to help those most in need in our community. They are not the loudest. They are the most vulnerable. They are not greedy. They are in need. You judge a civilised society on the way it helps those in need. We do not put the boot into them. We help them. We give them a hand up. That is why I think the government's increase in funding is something to be commended and lauded.

Bradfield Electorate: Roads

Mr FLETCHER (Bradfield) (19:40): I rise to speak about the matter of the missing link between the F3 freeway and the M2 motorway in north-western Sydney. There
was a very disappointing announcement tucked in the back pages of the budget papers in which it was announced that $150 million which had previously been committed for a feasibility study into that link in 2013-14 was to be deferred to a point beyond the forward estimates. That is bad news for the people of Normanhurst and Thornleigh, in my electorate, and for people who live near or use Pennant Hills Road, a major artery which passes through the northern part of my electorate. The need for a long-term solution as to Pennant Hills Road is regularly raised with me by local residents. For example, on 14 February I met with local residents, Gordon Fuller, Peter and Pat Edwards and Ian Faulkes, to discuss Pennant Hills Road and to view the traffic which passes along that road at around eight o'clock on a typical weekday morning. On Tuesday, 19 April I held a community meeting at the Thornleigh community centre and again the question of Pennant Hills Road was raised by a number of people present.

Pennant Hills Road is presently designated as the interim national highway and it is the route along which much traffic passes coming from the M2 and, before it, the M7 onto the F3. There is a large number of trucks travelling along Pennant Hills Road including trucks that are passing through from Melbourne up to Brisbane. Indeed, included within those is a large number of B-doubles. So it is an extremely busy road. That causes disruption, inconvenience and danger for those who live nearby and for those who use that road.

The need for an upgrade has been a pressing one for some time. In the last years of the Howard government the then minister for roads, the Hon. Jim Lloyd, commissioned the Pearlman review. That review reported in 2007. It examined the options in relation to the so-called missing link and looked at earlier work which had been done that was commissioned by the New South Wales Roads and Traffic Authority, being the Sinclair Knight Merz study. As that former minister, Jim Lloyd, has pointed out in a letter to the *Sydney Morning Herald* today, the Howard government made a significant funding commitment in the 2007 election which it would have been in a position to implement had it been returned to power. By contrast, unfortunately little has been done to deal with the missing link and therefore the pressing needs in relation to Pennant Hills Road by either the former New South Wales state Labor government or the current federal Labor government. The federal Labor government's Infrastructure Australia failed to allocate funding for the missing link, and unfortunately the previous New South Wales state Labor government effectively ceased all planning and preconstruction work in relation to the missing link between the F3 and the M2. As a consequence, this matter has effectively been stalled for some time.

The New South Wales Minister for Roads and Ports, the Hon. Duncan Gay, I am pleased to say, advised the New South Wales state parliament that there are a range of major projects which are under consideration for funding by the New South Wales State government, and the F3-M2 link is one of those. I simply wish to call on the Gillard government to work cooperatively with the New South Wales state government to find a solution to this matter as quickly as possible.

**Live Animal Exports**

Mr ZAPPIA (Makin) (19:45): According to the animal protection organisation Animals Australia, over the last three decades Australia's live export industry has sent over 150 million animals to the Middle East, of which an estimated 2.5 million animals died during transportation. Much of the Middle East is yet to embrace animal welfare legislation, and those animals that
I understand that Animals Australia has compiled a significant body of evidence as a result of seven investigations conducted in the Middle East since 2003. Some of the footage secretly filmed by investigators, which is publicly accessible on the Animals Australia website, would be disturbing to many Australians, including, I expect, many of the farmers who grew those animals. I am also aware that other organisations have highlighted similar mistreatment of animals.

I understand that the Minister for Agriculture, Fisheries and Forestry, Senator the Hon. Joe Ludwig, has met with the Australian livestock export industry and asked it to assess progress made in improving animal-handling practices in importing countries and to find ways of achieving a higher standard of animal welfare in relevant countries.

I acknowledge that in recent years significant improvements have been made in relation to animal welfare in several importing countries and in relation to the transport of animals to those countries. The situation in many places, including here in Australia, is still, however, far from satisfactory. Those who receive our animals often point out that, if the Australian government allows animals to be sent to them, cognisant of how those animals will be treated, then surely Australians cannot be too concerned about what goes on in such places. From the emails and letters that I receive and the people that I speak to, nothing could be further from the truth.

I am also not convinced that there is a strong economic argument for live exports. The numbers given by lobbyists working on behalf of the industry to evaluate a particular sector's contribution are often accepted without being questioned. I understand that a number of institutes and organisations are looking closely at the actual contribution the live export industry makes to the Australian economy. I expect that members of this House will be interested to see how the numbers presented by lobbyists for the live export industry stand up to that scrutiny when their findings become available.

It is very likely that those who are dependent on the industry may in fact stand to benefit financially from a ban on live exports. The argument that being part of the international livestock export trade means Australia can help the way the international market operates, benefitting all animals involved in the trade by seeking to raise standards across the board, also has merit. Australia, however, is often one of the few countries that can provide the quantity and type of meat our export partners require.

If Australia ceases live exports, we could fundamentally change the game in respect of the welfare of these animals while simultaneously yielding economic benefits for rural communities and businesses in Australia. Slaughtering the animals locally and selling chilled meat value-adds to the sector. Conversely, the sale of live export animals has already caused the loss of hundreds of jobs in Australia. I understand that a 2009 report by ACIL Tasman found that sheep processed in Australia are worth 20 per cent more to our economy than when they are processed overseas. Further, in instances where live exports had been temporarily banned, the report found that a dramatic increase in meat exports to that particular country took place. It is clear that the Middle East customers do accept chilled meats, and the need to export live animals is therefore questionable.

I know that this is a matter of deep concern to many Australians and certainly to people in my community. I also note that this
matter was the subject of a private member's motion moved by the member for Page and debated in this place on 21 March. I commend the member for Page for moving that motion, and I also commend all of those members who spoke in support of her motion at the time.

**Middle East**

*Ms O'DWYER* (Higgins) (19:50): Yesterday we saw a reaffirmation of the longstanding strong relationship between Israel and the United States with the visit of the Prime Minister of Israel, Benjamin Netanyahu, to Washington DC and his second speech to the joint session of congress. Australia counts both the United States and Israel as close friends and allies. The Prime Minister's speech to congress could not come at a more critical time for the Middle East and for the world. We are witness to a historic tectonic shift in the Middle East in places like Tunisia, Syria, Egypt, Yemen and Lebanon, where people have taken to the streets to demand their basic democratic rights.

In his powerful address to the congress, Prime Minister Netanyahu said:

An epic battle is now under way in the Middle East between tyranny and freedom. A great convulsion is shaking the earth, from the Khyber Pass to the Straits of Gibraltar. This is not a movement that is confined to a single country but one that is beginning to shape the entire Middle East, much like the fall of communism shaped Europe forever.

Prime Minister Netanyahu said:

There are millions of young people out there who are determined to change their future. We all look at them. They mustering courage. They risk their lives. They demand dignity. They desire liberty.

These extraordinary scenes in Tunis and Cairo evoke those of Berlin and Prague in 1989. The so-called Velvet Revolution in the now Czech Republic in 1989 saw the communist government begrudgingly allow a multiparty system without the need for people to take up arms against the state. Indeed, the reason it is called the Velvet Revolution is that the protesters were non-violent, and the state eventually surrendered to the people's wishes for democracy after the Warsaw Pact fell apart.

The fall of the Berlin Wall in Germany occurred with an equal sense of inevitability among the state's apparatus. When the time came there was no opposition to the people moving freely across the border. The East German government recognised that its time had come to an end. More importantly, there was little debate over what the people wanted in place of communism: freedom and democracy. We can only hope that the Middle East transitions away from tyrants and militant Islamic governments as peacefully as Europe transitioned away from communism. But there are forces in the Middle East that are determined to ensure a bloody path to change.

Israel is the lone beacon of democracy in the Middle East. We hope that she will not be a lone beacon for much longer. But we must be mindful that in this tumult anything is possible. And we must be realistic. With this great opportunity comes real risks: threats to the security of Israel and her people and to a long-lasting peace in the Middle East.

The unity between Hamas and Fatah is something that we should be deeply concerned about. Hamas is a group that represents the antithesis of democracy and peace. It celebrates the terrorist Osama bin Laden as a holy martyr. It actively opposes Israel's right to exist and is committed to her destruction. It has a charter of hate at its...
centre. It is committed to killing Jews wherever it finds them.

Exactly one month from today, on 25 June, it will be five years since that young Israeli soldier Gilad Shalit was taken and captured by Hamas. He remains a hostage to this day. Hamas have refused requests from the Red Cross to visit Shalit, because they do not want anyone to know where he is being kept. These are not the actions of an organisation that is striving for peace and stability nor of a group that is deserving of any moral or political legitimacy.

I have had the opportunity to visit Israel twice, as a Rambam Fellow of the Australia/Israel and Jewish Affairs Council, in 2006, and last year with the Australia-Israel Leadership Forum, led by Albert Dadon. On both occasions I was able to see firsthand the threats to security that Israel faces. Moreover, I saw a country very similar to ours in terms of its culture and values. Israel has been a valuable friend and ally since her inception and we celebrate her 63rd anniversary.

The best thing about democracy is that it maintains a habit of individual thought. A political party cannot simply push a single agenda and expect it to be met without resistance. It must negotiate and listen to other points of view. When Prime Minister Netanyahu was heckled by a protester during his speech to congress yesterday, he brushed it aside by saying:

I take it as a badge of honour, and so should you, that in our free societies you can protest. You can't have protests in the farcical parliaments in Tehran or in Tripoli. This is real democracy.

Australia and Israel both share in this great democratic tradition. It is vital that we support Israel and those who support freedom in the Middle East, whether they be Arab, Jewish or Christian.

I would like to conclude by echoing the words of the Prime Minister of Israel, when he said:

We stand together to defend democracy. We stand together to advance peace. We stand together to fight terrorism.

With the ties between Israel and the United States reaffirmed, let us hope that through this long-standing relationship peace will be achieved between Israel and its neighbours.

Science Policy

Mr BANDT (Melbourne) (19:55): My electorate of Melbourne has one of the highest densities of scientific research facilities in the country, from biomedical to energy and everything else in between. Science, technology and innovation are crucial to Australia's current and future prosperity. Science underpins many of our existing industries, from manufacturing to mining and agricultural. And as we make the shift from a pollution-generating economy to an economy based on clean energy, science and technology will be central to this transformation.

There was a time when support for science was a shared value in this parliament. Unfortunately, it seems that we are moving into a time, at least in this parliament, where support for science is waning. On the one hand, we have the coalition, which claims to be supportive of science, including climate science, but whose members, including the Leader of the Opposition, spend much of their time attempting to denigrate and undermine that same science.

On the other hand we have the government, which again professes strong support for science but, as reflected in this budget, is not willing to step up and fully support the science community with adequate funding. First we had the spectre of possible cuts to health and medical research
funding, which the Greens opposed, backed by an enormous community campaign led by medical scientists from my electorate of Melbourne. Thankfully the campaign was a success and the government saw reason and did not go ahead with the cuts.

But other parts of the science and research budget were in fact cut; for example, $33.4 million from the Cooperative Research Centres program and $20.7 million from the Collaborative Research Networks. The budget also contained no funding for the International Science Linkages program, which will run out of money in June. Many scientists are concerned that the government's failure to support the linkages program, which supports collaboration between Australian and international researchers, could be read as Australia shutting the door on the rest of the world.

According to the *Age*, the secretary for science policy at the Australian Academy of Science, Bob Williamson, said the linkages program could continue on as little as $10 million to $15 million a year, which would keep Australian researchers in the global scientific loop. He said:

The scientific links that we make with colleagues in other countries are the glue that maintains Australia's connections and prestige in the rest of the world. Without a linkage program ... our scientists will not be as respected, will not be able to collaborate and will not win a place at research forums internationally.

Professor Williamson said that while there were collaboration agreements with China and India, Australia would suffer from a narrowing of focus.

It is not enough to profess a support for science, research and innovation unless we are prepared to back it up with funding. And the funding needs to be secure and into the long term and not rely on the vicissitudes of budgets from year to year.

My fellow Victorian the Minister for Innovation, Industry, Science and Research has been very active in the last few weeks in condemning the Victorian Baillieu Government for being short-sighted in its failure to fund the Australian synchrotron based in Melbourne. The synchrotron is a world-class research facility that shoots intense beams of light used for scientific experiments. Professor Andrew Peele, the head of science for the synchrotron, says thousands of scientists use the facility for anything from medical research to forensics. He says that although they have only been operating for four years, they have already 'achieved wonderful results across hundreds, literally hundreds, of different areas of research'. Despite this the Victorian state government has failed to guarantee any more funding beyond June next year.

I agree with the minister in his criticisms of the Baillieu government for not backing one of Australia's largest pieces of science infrastructure. They deserve to be condemned. Like their federal coalition colleagues there seem to be luddites and flat-earthers amongst them when it comes to supporting science. But my question for the minister is: given the state government is not willing to back the synchrotron, why haven't you? Why hasn't the minister been able to ensure this important facility stays open, by upping the federal funding to the project? It is not enough to point the finger. One must be prepared to put one's money where one's mouth is. It is too important to play politics with this project.

The Greens believe science and innovation are central to the future of our country and our ability to meet the challenges we face. Our researchers and scientists are top class but they need the confidence and backing of all sides of parliament and proper funding from the government.
The SPEAKER: Order! It being 8 pm the debate is interrupted. The House stands adjourned until 9 am tomorrow.

House adjourned at 20:00

NOTICES

Ms KATE ELLIS: to present a Bill for an Act to amend the law in relation to child care services, and for related purposes.

Mr BUTLER: to present a Bill for an Act to amend the Aged Care Act 1997, and for other purposes.

Mr GARRETT: to present a Bill for an Act to amend the Social Security Act 1991, and for related purposes.

Mr GARRETT: to present a Bill for an Act to amend the law relating to Aboriginal and Torres Strait Islander education, and for related purposes.

Mr GARRETT: to present a Bill for an Act to amend the Higher Education Support Act 2003, and for related purposes.

Mr BRENDAN O'CONNOR: to present a Bill for an Act to amend the Mutual Assistance in Criminal Matters Act 1987, and for related purposes.
CONSTITUENCY STATEMENTS

Child Care

Mr CHESTER (Gippsland) (09:30): I rise to highlight this government's failure to deliver on its rhetoric in relation to providing affordable child care to all Australian families. This government is good at making big announcements but when it comes to delivering results on the ground it seems that regional communities always miss out. I have a copy of the Women's budget statement 2011-12 where the Minister for the Status of Women refers to early childhood education and care and states:

Child care is essential in enabling parents who are primary carers ..., often women, to enter and remain in the workforce.

Feelgood statements like this do not deliver a service on the ground. This government promised to build 260 new childcare centres and it has delivered fewer than 40, with the minister claiming that private providers were covering the needs in our community. What about places where private providers will never go? What about the smaller regional and rural centres where there will never be enough people to make a childcare centre profitable for a private operator?

The government had a program to help those people in those communities as well. It was called the Take a Break program. Last year the Gillard government cut funding for that program as well. Just to save a miserable $12.6 million over four years, the Labor government withdrew a service and support for a childcare program which provided a service to regional communities which even the minister acknowledges is, and I quote the minister again:

... essential in enabling parents who are the primary carers ..., often women, to enter and remain in the workforce.

The federal government used to provide 70 per cent of the funding for this program. Now it provides nothing and that is exactly the level of service families in my electorate are likely to face within a few months.

The budget cuts were announced last year but the Victorian government at the time provided a stay of execution for these much-needed services, with funding continuing until the end of the current financial year. The new Victorian coalition government has provided another reprieve with funding guaranteed until the end of December. But if the Gillard government does not come good with its support, this program will be abolished.

Those opposite might think I am exaggerating the importance of this service, so let me quote from some of the letters I have received in the past week and forwarded to the minister's office. One from Lenore Richardson at Swifts Creek states: 'Being so far from any other town, it is impossible for families to make other arrangements regarding child care. Some young families do not have the support of a family member to help them. This could result in them having to leave our district to find help and work. If the community centre loses funding for their child care, it will be a tragic loss to our whole community.'
Angela Savage, Executive Officer of the Association of Neighbourhood Houses and Learning Centres, states: 'Gormandale is a low-income community under a lot of stress as a result of the 2009 bushfires. Increasing childcare fees is not an option for the community house. The service will be forced to close its doors. There is no public transport in the area and no alternative childcare service within 25 kilometres.'

Murray Kibble, Manager of the Swifts Creek Community Centre, explains: 'We already subsidise the services through fundraising and other activities run by the community centre to ensure it is affordable for families in the region. We use the funding purely to assist with the staff wages as per the amendments to the Children's Services Act made in May 2009. We still subsidise the direct wages of the childcare staff by an average of $8,000 per year.'

I call on the government to adopt to the coalition's policy position and reintroduce the $12.6 million occasional care funding which provides a vital service in regional areas like Swifts Creek, Gormandale and Hayfield. (Time expired)

**Fremantle Electorate: Carinya of Bicton Aged-Care Centre**

Ms PARKE (Fremantle) (09:33): I want to cover briefly the circumstances at the Carinya of Bicton aged-care centre in my electorate of Fremantle. The centre has been dealing with an industrial dispute since early last year which highlights a number of issues about workplace fairness in the aged-care sector. The dispute began when management put a new agreement to employees proposing a reduction in the current entitlement from seven or six weeks annual leave to five or four weeks annual leave, while delivering a pay increase of two per cent that would only be paid in the third year of the three-year agreement. Unsurprisingly, that magnificent offer was rejected.

Unfortunately what followed was not a fair and good-faith bargaining process. Indeed the centre's owner and management quickly took a take-it or leave-it approach and then responded to the inevitable and proper industrial action in an inflammatory and illegal way. At one point, centre workers who had been conducting a carefully designed stop-work program, which was premised on maintaining the excellent care of the centre's residents, were locked out by the centre management for seven days. This unprecedented move was subsequently declared illegal by a Fair Work Australia commissioner.

It should be said that Carinya of Bicton is a high quality aged-care facility with good facilities and excellent staff. Throughout this dispute, which was not of their making, the employees and their union, United Voice, have struggled to fight their side of an insupportable and unjust conflict, yet they have always done so with an unswerving commitment to the people in their care. That is a measure of the character of those aged-care workers and of the union that supports them. The Carinya of Bicton situation involves a number of issues that have wider significance. The first is the place of aged-care workers in Australia. They do incredibly important work in caring for some of the most vulnerable in our community but do so with pay and conditions that do not reflect the value and importance of their work. The second is the perennial issue of how difficult it is for government to ensure that critical public care services, which are funded to a significant degree by public moneys but are often provided by private operators, actually deliver the best quality care and fair working conditions. Unfortunately, it remains the case that in vocational areas of work like aged care and in occupations that involve a high proportion of women there are private for-profit operators who are still very much prepared to exploit the vocational commitment and
other vulnerabilities of some workers to hold wages down. That is not fair and it is not in the interests of our community's vulnerable elderly people.

This is a difficult policy challenge for government but one that must be taken up with vigour and energy. While I remain hopeful of a good and fair outcome in this matter, I fear that the process may have worn down the employees to the point where an inequitable EBA will be the result, notwithstanding the fortitude and courage that the workers and their union have shown in the last six months. If that occurs, it will be a bad outcome for all of us because a high-quality aged-care system in Australia must be founded on fair pay and conditions for aged care workers.

Varuna, the Writers House

Mrs MARKUS (Macquarie) (09:36): Earlier this month I had the great pleasure of joining members of the Katoomba community in celebrating the 20th anniversary of Varuna, the Writers House. Varuna provides writers with a quiet place to escape the everyday pressures and constraints of life, allowing five writers each week of the year to retreat from everyday life and focus on their writing. The organisation behind Varuna, the Eleanor Dark Foundation, also provides other services directly related to encouraging writers. The ongoing support of the arts is so critical to preserving our literary history and providing opportunities for budding writers from all over the country to come to Varuna to hone their skills and to explore their writing in a supportive environment.

The house was constructed in the 1930s by Australian writer Eleanor Dark and her husband, Dr Eric Dark. A great writer, Eleanor wrote many short stories, articles and 10 novels. Her best selling novel was the 1941 *The Timeless Land*. An important figure in Australian literature, Eleanor won many awards, receiving an Order of Australia Medal in 1977. Dr Eric Dark was a writer as well. His work focused on politics and medicine. Dr Dark served with the Royal Army Medical Corps during World War I and was awarded the Military Cross for his service. Dr Dark's books include *The World Against Russia* and *Who Are the Reds*.

Inheriting the home in 1989, Mick Dark formed the Eleanor Dark Foundation, with the house to be used as a writers centre. Following his generous donation, the house was renovated in 1990 with funding contributed by numerous state government authorities and the first Varuna fellowships began in December 1990, with the house officially opened by the then state Minister for the Arts, the Hon. Peter Collins, in 1991.

Varuna, the Writers House, offers a variety of services for anyone interested in writing. For the professional writer, the Eleanor Dark Foundation administers several scholarship programs. These scholarship programs, offered in partnership with major publishers, including Penguin and Random House, are designed to encourage budding writers taking the next step from writing to publishing. Committed to developing young writers as well, Varuna offers the Ray Koppe Young Writers Residency to ensure that young writers are not forgotten or overlooked. Varuna also runs several masterclasses and workshops for those in the community interested in literature and provides mentoring services.

Many examples of great Australian literature are written by Varuna alumni. Notable works include *Malcolm Fraser: The Political Memoirs*, written with Margaret Simons; *Border Watch* by Helene Young; and *Violent Exposure* by Katherine Howell, who is running this...
month's masterclass at Varuna. I thank Mick Dark for making such a generous contribution to the Blue Mountains community and writers all over the country. His modesty, generosity and ongoing support for the work of Varuna is something which should be celebrated. Others who deserve congratulations include Lis Bastian, Lynn Vernon and their team for the outstanding work they have done to raise the profile of Varuna, the Writers House, throughout the country. I congratulate everyone at Varuna for reaching this milestone and look forward to their success continuing into the future.

Pay Equity

Mr STEPHEN JONES (Throsby) (09:39): The campaign of community sector workers for equal pay is close to my heart. Led by the Australian Services Union, these workers recently won an important victory before Fair Work Australia. While the credit for that victory lies entirely with the union and their members, it was made possible by our Fair Work Act. It is the sort of victory that never could have happened under the dog-eat-dog system of Work Choices that the coalition still believe in. The independent umpire has recently ruled that a gender pay gap exists in the community services sector, where women make up the large majority of the workforce. It is an important milestone in a campaign that I have supported since before my election to parliament. My admiration for our community sector workers was born of my own experience. One of my first jobs was working in the community sector, helping kids with profound disabilities. I spent many, many years working as a community sector worker. My respect for the community sector and those who work in it has not diminished in the years that have passed—quite the opposite.

There are many people in my electorate of Throsby who live on very low incomes. Many were born into poverty and their lives have always been very hard, with opportunities difficult to come by. The Leader of the Opposition has had a lot to say recently about certain budget measures and class war. But those opposite would not last long arguing the plight of $150,000-a-year families with the residents in the southern Illawarra, I can tell you. An average salary of a community sector worker with years of experience is less than $45,000 a year. Members opposite might do well to imagine the cost-of-living pressures you feel on those kinds of wages. No wonder many experienced community workers are leaving the sector in droves. We cannot afford for this to continue and I do not know what we would do without these wonderful workers.

Community workers do the most difficult work of all by attempting to mend broken lives. They show trust, they share love and they keep the faith. These workers are the glue that holds our community together and they deserve our highest esteem for their labours. The only thing that is worse than taking their dedication and compassion for granted is using these noble qualities to justify their unfair wages. Over the next few months unions, employers and all levels of government will provide further information to Fair Work Australia to assist in determining appropriate levels of wages. The practical commitment of all players, including those in this place, to the principle of pay equity will truly be tested.

Higgins Electorate

Ms O'DWYER (Higgins) (09:42): When I was first elected to parliament in December 2009, I committed to being an advocate for the people of Higgins on local issues as well as national ones. I came to this place with a commitment to improve our local community. I said I would fight to have clearway extensions removed, a police presence returned to Ashburton,
Gardiners Creek restored and planning laws made fairer for local residents. Despite opposition from the previous Brumby state government and from the current federal government, I am happy to say that together with my local state colleagues we have worked hard at achieving real outcomes for the people of Higgins.

Within weeks of being elected, the incoming Baillieu government scrapped clearway extensions along shopping strips, allowing small businesses to trade freely. I am proud to have been part of this campaign, along with local traders and residents, the Stonnington council and my state colleagues Michael O'Brien, the member for Malvern, Clem Newton-Brown, the member for Prahran and members of the Southern Metropolitan Region, Andrea Coote and Georgie Crozier.

When the Brumby Labor government slashed the police presence in Ashburton to just one policeman, residents expressed their concern that crime and antisocial behaviour in Ashburton was not a priority. Working with my now state colleague Graham Watt, the new member for Burwood, and then member for the Southern Metropolitan Region David Davis, we mounted a campaign to return a police presence to Ashburton to ensure better community safety. In the recent state government budget this occurred with $500,000 allocated to the Ashburton police station, which resulted in an increase in police numbers from the current solitary police officer to 11 officers, and the weekly opening hours will be almost tripled, from six to 16 hours.

The state budget has also allocated $1.2 million for new police vans, which Stonnington's Inspector Adrian White has said will help target crime and antisocial behaviour in the area, particularly in the Chapel Street precinct. There is still however a need for CCTV cameras in areas like Chapel Street and Toorak Road, where there is a high incidence of crime. When I held a community safety forum in my electorate last year, attended by the now local member for Prahran, Clem Newton-Brown, the need for these cameras was emphasised by local traders and residents. CCTV cameras would be an important and relatively inexpensive aid to discourage crime and antisocial behaviour. They help the police in the apprehension of criminals and they act as a deterrent. Despite my continued representations to the federal government for federal funding for the Stonnington council to install these cameras and provide non-fixed cameras for hotspots, the federal government has refused funding. I will continue this campaign.

The Higgins electorate has a wonderful natural environment, and preserving our natural assets is something that my electorate feels very strongly about. I am pleased that the joint efforts of my federal colleague Josh Frydenberg in Kooyong and my state colleagues Graham Watt and Clem Newton-Brown have resulted in an investment of $350,000 in the recent state budget to improve Gardiners Creek. The project will provide stabilisation work to the riverbank with rock embankments to prevent erosion and restore the river's flora and fauna. Once again, I thank the Baillieu government for listening to local residents.

Although there will always be work to do in ensuring the right balance between planning and development, the Baillieu government has reversed Labor's disastrous VC71 planning scheme changes which would have allowed huge out-of-character developments along every bus, train, tram and light rail corridor across the metropolitan area, including throughout Higgins. Restoring democracy to the planning process and empowering local residents will
ensure that inappropriate developments do not detract from the utility of our neighbourhood. I will continue to fight for the electorate of Higgins at all levels— (Time expired)

O'Connor Electorate: Albany Community Care Respite Centre

Mr CROOK (O'Connor) (09:45): I would like to take this opportunity to welcome a major funding contribution in my electorate of O'Connor. The Albany Community Care Respite Centre has been allocated $1.1 million in funds over three years under the National Partnership Agreement on Improving Public Hospital Services through the state and federal governments. This will allow the facility to operate on a full-time basis for the next three years and deliver an essential service to Albany and the Great Southern region. I had the privilege of announcing this funding alongside my Nationals WA colleagues when I visited Albany last week. To say the news was warmly received—

A division having been called in the House of Representatives—

Proceedings suspended from 09:45 to 09:51

Mr CROOK: This news was what the respite care staff, centre staff and many carers residing in the Great Southern had been waiting for for more than a year. This funding means the Albany Community Respite Centre will now be available to provide 1,460 bed-days each year of respite care for local and visiting patients. It is very positive news for carers and their families living in the Great Southern.

The Albany Community Care Respite Centre is a brand new facility, constructed in 2010 with a generous amount of community support. However, a lack of funds means it has been able to operate for just one week each month. The respite centre will now allow carers to take a much-needed break to recharge and refresh, knowing that their loved ones are in good hands. A service like this, in a major regional centre like Albany, is vitally important to ensuring that regional Australia is sustainable. Indeed, according to Carers Australia, a break for respite care, whether it be for a few hours or a few days, will significantly increase the duration that a carer will continue to provide care. I believe that many families will benefit from this service, and the availability of respite care in Albany will continue to keep families living in the Great Southern.

Over the past several months I have campaigned strongly to secure ongoing funding for this respite centre and I am very fortunate to have a strong supporter in the federal health minister, the Hon. Nicola Roxon. I thank Minister Roxon for dedicating time and resources towards addressing this issue and securing much-needed funding. I would also like to acknowledge the WA health minister, Kim Hames, for his assistance. I wish to thank the Albany Community Care Respite Centre manager, Colleen Tombleson, who took me on numerous tours of the facility and was always available if I had any questions. I also thank the Nationals WA for their continued support for the project, particularly the Hon. Colin Holt MLC, member for the South West Region, and the Hon. Terry Redman, member for Blackwood-Stirling and former state MP Matt Stephens. I would also like to sincerely thank my Albany staff.

Carers provide a valuable service to our country, taking on what can often be a thankless job. I commend the state and federal governments on their decision to fully fund this vital service— (Time expired)
Australian Tamil Community

Dr JENSEN (Tangney) (09:54): I rise to draw the attention of the House to issues brought to me by members of the Australian Tamil community in my electorate of Tangney. The United Nations has released the report of the Secretary-General's Panel of Experts on the final stages of the armed conflict that ended in Sri Lanka in May 2009. The report states:

The United Nations report is scathing in its assessment of the Sri Lankan government-appointed Lessons Learnt and Reconciliation Commission, saying it was not impartial and concluding that it 'has not conducted genuine truth-seeking about what happened in the final stages of the armed conflict' between January and May 2009.

Several key international leaders, including the UK and the US, have congratulated the UN Secretary-General for initiating this inquiry and for publicly releasing this detailed report that covers all aspects of the alleged human rights violations. A similar public response from Australia will give the Australian Tamil community the strength to continue to bring justice through accountability and peace to the Tamil people and indeed all people of Sri Lanka.

Corio Electorate: Climate Change

Mr MARLES (Corio—Parliamentary Secretary for Pacific Island Affairs) (09:57): This week the Climate Commission released a report telling us of the urgent need to act on climate change. The commission says we have 10 years in which to start lowering carbon pollution if we are to avoid dangerous levels of global warming. It is a sobering warning. This report, The critical decade, has particular relevance to Geelong. As I have said before, Geelong's coastal location and industrial economy places us at the front line of the climate change debate in this country. If the national conversation on climate change has been robust, in Geelong the discussion at a local level has been no less heartfelt.
The Climate Commission confirmed the importance of the issue in our community when it made Geelong the first port of call during its series of roving visits around the country two months ago. I understand the concerns that people have about climate change and the desire they feel to do something about it. That is why discussing this issue at a community level is so important. Geelong is fortunate to be home to major industry. Major companies have provided generations with employment, identity and tradition—companies like Ford, Alcoa, Shell and Blue Circle cement. These industries provide jobs for Geelong families and, at the same time, they are also carbon intensive industries. They are, if you like, at the pointy end of this debate. Geelong is also home to many smaller manufacturing firms who also sustain the livelihoods of many Geelong families.

In my view, the actions of the rest of the world in moving to less carbon intensive economies demand of us that we start to move as well. A failure to do so will see our industry left behind and the consequences of that for an industrial town like Geelong are too devastating to imagine. We must start this transition now. But there will be opportunities in the transition to a low-carbon economy as well. That is what we, as a community, need to talk about. On 17 June in Geelong, I will be convening a climate change roundtable. I am gathering local manufacturers, businesses and unions at this roundtable to look at the future for Geelong in a low-carbon economy. They will all play a vital and pivotal role in this transition: what changes are needed, what opportunities will arise, how can we face these challenges in a way that protects our jobs now and our community in the future. There will be new technologies and new jobs and new ways of doing business, so we need to be ready.

This will be a great opportunity for major stakeholders to have their say and to seek a better understanding of the issues being tackled by the federal government. It is part of a much larger and ongoing discussion we need to have in Geelong about one of the very biggest issues that we face as a community.

**Gilmore Electorate: Sanctuary Point**

**Mrs GASH (Gilmore) (09:59):** I am sure that every member of parliament has heard the comment, 'The government ought to do this and the government ought to do that; otherwise someone else will do it.' There is a village in my electorate, Sanctuary Point, where the people have decided that enough is enough, that they are that 'someone else' and that they will do something about it. Six months ago Sanctuary Point was plagued with serious issues of graffiti, vandalism and questionable council maintenance. These problems had all slowly contributed to Sanctuary Point becoming something much less than a sanctuary.

Dennis and Kate Williams are long-term residents of Sanctuary Point and like many others in Sanctuary Point they were concerned, sad and angry to witness the negative outlook their town had developed. Fed up with seeing their village degrading into something unrecognisable, Mr and Mrs Williams took it upon themselves to change their town back to the sanctuary it once was. Firstly, they wrote to every single one of their government representatives. They wrote lengthy letters that detailed their objections to what their town had become and, most importantly, they had suggestions on how to fix it.

After the letter campaign they designed a newsletter that explained their plight. They had it printed and then hand-distributed it to every business in town. The response to their campaign was incredible. Instead of waiting for council or someone else who ought to have been doing it, a call was made to the local 2ST radio station for a public call to arms which recruited a
local councillor. Very quickly, a group of local residents gathered—armed with lawnmowers, gloves and sponges—who all wanted to clean up the town and restore it to what it once was. Together they cleaned out weeds, mowed nature strips, removed litter, cleaned pavements and more. Even the council stepped up its maintenance regime and restored areas that had not been tended to for years.

In only a matter of weeks after the Williams's began their campaign, the village of Sanctuary Point started to look like it deserved its name once again. There is a lot more to be done but it goes to show that due to some local leadership from two ordinary residents who had decided to take matters into their own hands an entire community has regained its pride. Well done, Mr and Mrs Williams and Councillor Proudfoot. You have restored my faith that people really do want to participate. There are other villages that come to mind with many volunteers who do not wait for someone else to do it for them. We all have an obligation to look after what our great Australian community has to offer.

On the subject of volunteering, it is not often that we give a bouquet to our local councils but last weekend was Graffiti Action Day. Again, there were locals who were prepared to rejuvenate the areas covered by graffiti throughout their village. I thank Glen Elliot from the council who was well prepared with paint and brushes. I also thank Mr Bert Hawke who turned 76 last week and outlasted many younger people. I am so proud of you all. My thanks go to the lady who turned up out of the blue with morning tea. It goes to show that not everyone waits around for someone else to do it. We still have many good people in our community who just do it without thought of reward or recognition. It is no wonder that I am so proud to be the member for Gilmore.

Lindsay Electorate: Nepean Youth Accommodation Service

Mr BRADBURY (Lindsay—Parliamentary Secretary to the Treasurer) (10:02): I rise to acknowledge the efforts of a number of residents in the Lindsay electorate. Last week I joined with local business and community leaders at the Lakeside Restaurant at the Penrith Lakes to acknowledge the efforts of the Nepean Youth Accommodation Service—its board, management, staff, members, volunteers and sponsors. NYAS, which began in 1989 as the Penrith Youth Refuge, is a community based not-for-profit organisation that provides accommodation and support to young families and young people in my region who are homeless.

For the past three decades, NYAS has been making sure that young people can access crisis and transition accommodation services, as well as all of the complementary support that vulnerable young people need. I have long been a supporter of the fantastic work that NYAS does in my community and it was an honour to attend their inaugural members dinner.

I would like to acknowledge the manager of NYAS, Joe Magri, and his dedicated staff and volunteers for the commitment they have brought to the service. I would also like to recognise the chairman, David Keegan, and the dedicated members of the board: Ken Buttrum AM, Carole Kelaher, George Rabie, Michael Rosano, Gary Askwith and Cliff Foley. NYAS works in close partnership with Wesley Mission to deliver its programs but it also receives a great deal of financial and in-kind support from local businesses and individuals, and it relies on a team of passionate volunteers.
The members dinner was also an opportunity to hear from Gerald Dalziel, Melanie Coates, Shane Rollings and Rebecca and Andrew Armadoros. These are some of the young people who have used NYAS services and who have benefited greatly from them. In some cases, they are now in the process of turning their lives around. It was a pleasure to hear their stories and be involved in this important local event.

I also wish to take this opportunity to recognise the efforts of an outstanding young person in my local community: Miles Stepniewski, who recently received the Queen's Scout Award at a special ceremony at Government House which was hosted by the Governor and Chief Scout of New South Wales, Her Excellency Professor Marie Bashir. The Queen's Scout Award, the highest award in scouting for venturers, recognises the good character, leadership and community involvement of the Venturer Scout. Recipients of this award must have demonstrated leadership, development, personal growth, community involvement and participation in adventurous activities. It was a great privilege last Sunday to join with other community leaders, Miles's proud family and friends, and members of the scouting fraternity to acknowledge his achievement. Apart from his efforts as a Venturer Scout, Miles has also demonstrated his commitment to the local community through his work with other young people at the Glenmore Park Anglican Church. I congratulate Miles on his achievements. He is a great role model for other young people, and I wish him all the best in the future.

The DEPUTY SPEAKER (Mrs D’Ath): Order! In accordance with standing order 193 the time for constituency statements has concluded.

BILLS

Appropriation Bill (No. 1) 2011-2012

Second Reading

The DEPUTY SPEAKER: Order! Before the debate is resumed on this bill, I remind the Committee that, pursuant to the resolution agreed to by the House on 10 May 2011, this order of the day will be debated concurrently with Appropriation Bill (No. 2) 2011-2012 and Appropriation (Parliamentary Departments) Bill (No. 1) 2011-2012.

Debate resumed on the motion:

That this bill be now read a second time.

to which the following amendment was moved:

That all words after “That” be omitted with a view to substituting the following words:

“while not declining to give the bill a second reading, the House:

(1) condemns the government for incorporating in an annual appropriation bill provisions to increase the limit on government borrowings above the total of $200 billion;

(2) recognises that a special case must be made for such a significant increase in borrowing limits and that the government must explain any special circumstances that it believes justify such an increase; and

(3) demands that the parliament be given the opportunity to consider separately and vote on the proposed increases in borrowing limits set out in Part 5 of Appropriation Bill (No. 2) 2001-12."

Mr LYONS (Bass) (10:06): Our strong economy is boosting incomes and creating jobs. But with unemployment heading down to 4.5 per cent, capacity constraints are emerging from some groups and they are at risk of being left behind. From budget measures it is easy to see what the Labor Party stands for. That Gillard Labor government is a government that is
assisting those Australians who have been left behind, untouched by the dignity of work. We are reaching out to disadvantaged and marginalised groups who risk missing out on the benefits of a strong economy.

Australia emerged strong from the global financial crisis as a result of our financial management. In this budget, we had to make some tough decisions to bring the budget back into surplus in 2012-13 despite the impact of recent natural disasters that have devastated families, cities and towns. The human tragedies are foremost in our minds, but there are economic consequences as well. The high Australian dollar hurts tourism and manufacturing industries, especially small businesses. This, unfortunately, is a consequence of a strong economy and unemployment of 4.5 per cent. Australia's economy is in transition. We often hear the phrase 'patchwork economy'.

Labor is working hard to address the chronic skills shortages and waiting lists caused by ineffective Liberal governance. For 11 long years our health system was neglected and strangled by the Liberals in government. Labor will spend $1.8 billion over six years on refurbishing or rebuilding new country hospitals, clinics and health facilities all over the country. In cities and in rural and regional Australia, Australians are benefiting from our health reforms. There will be improved health services in every state and territory of Australia.

In my electorate of Bass, the Launceston General Hospital is currently undergoing a $110 million upgrade, partly funded by the Gillard Labor government. This has facilitated the creation of hundreds of jobs and has seen a real boost to the Tasmanian economy. Partnered with the BER projects, the Tasmanian community has greatly benefited from the infrastructure projects initiated by the federal Labor government.

Labor is about jobs. Labor is delivering the largest expansion in rural health care in several decades, repairing the neglect of the Howard years. We will rebuild and deliver new hospitals, cancer centres and dental clinics in every state and territory. Labor is investing $10 billion over 10 years to build new and better services for regional and country Australia, neglected by the National Party and the city-based Liberals. The 2011-12 Labor federal budget includes an extra $500 million for regional universities and training institutions; $28 million for aerodrome safety construction works in remote and Indigenous townships; an extra 16,000 skilled migration places to help fix labour shortages, including mining and agriculture; and $60 million for digital technology projects in regional towns.

There is a clear difference between the Australian Labor Party and the National-Liberal coalition. Labor are delivering $10 billion over 10 years for regional Australia; building the National Broadband Network; increasing regional university funding by $500 million—lifting regional enrolments by 10 per cent since 2009; delivering major road and rail projects in the eastern seaboard and Western Australia to connect our regions, promote export industries and create country jobs; providing 3,000 nursing locum positions so that rural nurses can take time off for study and to advance their careers; and, providing $222 million for the Royal Flying Doctor Service to replace older aircraft and improve basic buildings. The Liberals by comparison should be ashamed. In 2010 their policy was to cut $1.8 billion from rural and regional road, rail and port projects and abandon the NBN. They doubled out-of-pocket expenses for country families needing health care during the Howard government. We now know that the Abbott-led Liberal Party cannot be trusted to deliver sensible budgets.
On 14 May this year, the *Australian* commented, 'Abbott and his shadow Treasurer Joe Hockey portrayed an almost comic lack of seriousness in their budget response this week.' Yet this man thinks he is capable of leading Australia. But how can the Australian people trust the Leader of the Opposition, Tony Abbott, when he was a senior minister in the Howard government that introduced the most antifamily legislation in our nation's history—Work Choices—and gutted health care.

The government are also determined to support families. I was pleased to see that the budget included new measures to help provide for the cost of living pressures, particularly for low-income families with kids at school. Three thousand nine hundred local families in the electorate of Bass could be eligible for $4,200 per child for children aged between 16 and 19 years. The Leader of the Opposition and the Liberals are too big a risk for Australian families.

These are the right policies for the right time. We support the Australian promise that if you work hard you will not be left behind. The Australian Labor government was right to step in and support the economy during the world downturn. It is now right to step back and make room for the private sector to step up to the mark. I commend these bills to the House.

**Mr VAN MANEN** (Forde) (10:13): These appropriation bills confirm the sad and sorry story of a government with a budget position that has spiralled out of control and is going down the drain. This budget provides little support for families hard hit by ever-increasing costs of living from new taxes and rising interest rates. These budget bills reveal just how high the government's deficit has risen. In November, we were told the deficit for 2010-11 would be $41.5 billion. On budget night, it was revealed to have blown out to almost $50 billion. In November, we were told that net debt would peak at $94 billion. On budget night, it was revealed that figure is now $107 billion. This net debt is set to stay above $100 billion for at least the next four years. Labor's reckless spending and borrowing have seen interest rates higher than they would otherwise be, resulting in Australia having the highest interest rates in the OECD and among the highest mortgage rates in the world. In less than four years, Labor have beaten Paul Keating's record—he left the Howard government with a $96 billion debt in 1996. It took the coalition to repay the debt and we will repay it again. Labor's spending as a percentage of GDP is 25.2 per cent, almost three per cent higher than in the last year of the Howard government.

This budget saw family benefit changes which will impact many families who receive the family tax benefit, having their indexation of family tax benefit supplement frozen. To add to this strain on families, Labor's cuts especially hurt those families in the higher income bracket at a time when they are struggling as well.

Small business is a core employer in my electorate and is finding it costly and difficult to access new capital to grow and expand or just to get through present difficult trading conditions. These issues arise from the fact that the government continues to borrow at a rate of $135 million per day, which in essence means there is $135 million per day less in the capital markets available for business. Now the government wants to increase its debt ceiling from $200 billion to $250 billion. This capital would be far better allocated and utilised by business as it would seek to utilise that capital productively to employ staff, manufacture goods and make profits. The release of the budget saw the government pocketing $365 million as a result of axing an important microbusiness tax incentive which leaves more than 400,000 business people in Australia with further financial stress. The entrepreneur's tax
offset, delivering up to $2,500 in support and encouragement to Australia's smallest businesses as they get off the ground and grow, was also cut from this year's budget, showing the government's obvious disdain for small business, one of the cornerstones of our economy.

This government has wasted billions of dollars on ill-fated, poorly managed and poorly thought out green programs to deal with the great global warming swindle. This absurdity has now been compounded by the Prime Minister's plans to introduce a carbon tax from 1 July 2012. The Prime Minister has broken her election promise to the Australian people that there would be no carbon tax. We should not be surprised, as Labor consistently mismanages and wastes taxpayers' money. With electricity prices rising, the Prime Minister's proposed carbon tax will only make Australian lives more difficult.

We can look to Europe for the painful examples of what will happen with a carbon tax. Spain, for example, has pursued the folly of this action. In Spain they discovered that, on average, for every green job they created they lost between two and three jobs in the normal economy. In addition, each green job created required approximately $174,000 in various subsidies, leading to a suffocating national debt and a double-digit unemployment rate.

As I am sure members in this House are aware, the UK has raised its carbon targets to a 50 per cent reduction over the past week or so, leaving many businesses worried about having to close their doors. A number of businesses have already come out in the past week and said they are going to shed jobs, particularly British Steel owned by Tata from India which announced it was going to retrench 1,500 people. Some of those people are employed in areas in Britain with high unemployment rates already. Is that just an example of what we are going to face here in Australia with the introduction of a carbon tax?

It is worth reviewing some points with regard to the carbon tax. Australia is responsible for only 1.2 per cent of global carbon dioxide emissions. A price on carbon intended to reduce Australia's emissions will have little effect globally, particularly when global emissions are increasing at a rate of approximately three per cent per annum, mostly driven by China and India. Australia's unilateral reduction in carbon emissions brought about by a price on carbon will be wiped out by increases in emissions in the rest of the world in only 22 days. The question I pose is: at what cost to our economy and our lifestyle?

As an example of that, one of the local businesses in my electorate, a linen and commercial cleaning business that currently employs 200 people, has advised that based on a carbon tax of around $26 a tonne its estimated costs will increase by $1 million a year. They say at that level it wipes out all of their profits and they will put 200 people out of work. As they are a local business and they are not trade exposed, they are not going to have any compensation. Whatever compensation the government offers is not going to be sufficient to cover the fact that these 200 people will be out of work.

This government's record is replete with examples of waste and mismanagement of the taxes Australians have currently been paying and the money that they have entrusted to the government. The government seems to think that imposing taxes will get them out of their financial problems, but it is not for the people of Australia to pay for the government's mismanagement. Take for example the pink batts scheme, which turned out to be a monumental waste of time and money. Not only was there enormous financial loss to all concerned, but there are still risks of fire due to faulty installation, all of which are yet to be identified by the program as the government refuses to complete inspections on all homes.
The government spent approximately $2½ billion on the pink batts scheme, which is to cost taxpayers yet more money to fix. In addition, numerous small to medium businesses, some of which have been in the industry for many years, have suffered significant losses and in some cases gone out of business altogether. The number of jobs created was fewer than promised and the ones created did not last as long as promised. A review in 2010 found a third of the 14,000 properties surveyed appeared to have faulty or dangerous installation, resulting in the loss of any potential environmental benefits.

Another example of waste and mismanagement is the Building the Education Revolution program, which has seen cost blowouts, inappropriate or poorly designed buildings and a lack of consultation. It is important to understand the coalition is not against spending on school infrastructure. As with the Howard government's Investing in Our Schools program, we would like to see the money spent through school communities rather than via state bureaucracies. The government is so unconcerned with education that it decided to cut back on funding for important research facilities in the budget. For example, a cooperative research centre suffered a $33½ million cut over the forward estimates, a breach of Labor's 2010 election policy, which was still to cut funding but by a lesser amount. A cooperative research networks program which aids smaller and often regional universities network with larger research institutions has also had a funding cut.

This government is one that lacks empathy and expects everybody else to pay for its mistakes. The health sector is yet another area that has suffered in the latest budget due to funding cuts. The mental health sector, to the government's credit, has had some additional funding, although the majority of that has been delayed to future time periods. This funding only came about as Labor was shamed into its decision by the Leader of the Opposition, who understands the importance of mental health facilities and the important work that professionals in that area do. Hidden in the details of the budget is $580 million in cuts to mental health programs coordinated by GPs, an important front-line resource for identifying people at risk of mental illnesses. This is a far cry from the empathetic coalition plan, which sees an additional $2 billion over four years. The mental health sector will go backwards from day one under these new arrangements.

The budget has shown the arrogance of the Labor government by failing to take expert advice in cutting crucial new drugs from the Pharmaceutical Benefits Scheme. Due to the government's reckless spending and empty bank accounts, patients with chronic disabling pain, schizophrenia, lung disease and blood clots will either go without necessary medication or pay hundreds of dollars for drugs instead of the PBS co-payment. This government's financial mismanagement shows its willingness to hurt its own citizens.

This government is a wasteful and reckless government that continues to treat Australians with contempt and as fools by counting new or higher taxes as savings, continuing to deliver policies that lead only to a higher cost of living for all Australians and doing nothing for the future prosperity of our nation by leaving a legacy marred by debt, the interest on which will rob future generations of their wealth.

Mr MITCHELL (McEwen) (10:26): I rise in support of the government's Appropriation Bill (No.1) 2011-2012 and cognate bills. It is a pleasure to speak on these bills and, in turn, the budget because it is, as we said, a great Labor budget, particularly for residents in McEwen. In my view, the 2011-12 federal budget can be characterised by its focus on
supporting and providing opportunities for all Australians, no matter where they choose to live. This budget will create jobs and spread the opportunities of the mining boom. It will deliver better hospitals and health care and make investments in our education system, support families with cost-of-living pressures and invest in Australia's regions—the heart of our nation.

This budget demonstrates how the Gillard Labor government is investing directly in Australian families, because we know that by supporting Australian families and providing them with opportunities we are strengthening the Australian economy and Australia's future. This budget supports families in McEwen and it continues to support the recovery and rebuilding efforts in my community following the Black Saturday fires.

Last week I was joined by the Minister for Families, Housing, Community Services and Indigenous Affairs, Jenny Macklin, to confirm that the government would deliver $2.25 million to build the Black Saturday memorial stadium in Wandong. This stadium will continue to boost morale and investment in the local region after the fires, which devastated our community. The new stadium will be in a place where locals can come together to enjoy themselves, to socialise, to play sport and to hold large gatherings. It will also include a sprung timber playing surface, competition standard lighting, a portable stage, seating, change rooms, storage facilities, car parking and landscaping.

Not only will this stadium be a much needed asset to the local community but also it will ensure that in years to come our community's history will never be forgotten. About 100 local people will be employed to build the new stadium and about 40 permanent jobs—local jobs—will be created once the stadium is built. Therefore, this budget is proof that this government is directly investing in my community to help strengthen our economy and to get us back in the black by 2012-13. I am pleased to be delivering on this important election commitment to the people of Wandong and pleased that it is the Gillard Labor government that is continuing to support the rebuilding efforts in my community.

The budget has also delivered a huge injection of funds—$10 million—to the Kilmore and District Hospital as we continue to deliver on our national health reform agenda. The funding will go towards expanding the Kilmore and District Hospital and ensure that my community has the best health services and facilities around. This fantastic budget allocation will fund the redevelopment of the theatre suite with day procedures and a recovery unit, the expansion and enhancement of the acute inpatient facility to provide expanded acute care services and increase the number of acute care beds from 30 to 60, and the construction of a new outpatient facility to deliver comprehensive, integrated primary health care. Not only will this funding go to improving and strengthening our local healthcare system; it will also provide opportunities for training and development and will stimulate our local economy by creating more jobs for more local people. Finding room in this very responsible budget for local projects has been challenging, but the $10 million provided to the Kilmore District Hospital shows what a high priority our community's health care is for the Gillard Labor government. In addition to the funding to expand and upgrade the Kilmore hospital, the Wallan community will benefit from an extra $2.6 million in funding for the construction of a new primary health centre to be integrated into the Wallan GP superclinic. This is the GP superclinic that the Liberals said that they would not build. Again, this is further evidence that health is still not a priority for any Abbott-led Liberals. The project is part of our ongoing commitment to
improve regional health services and it will ensure that regional Australians can go and see a doctor close to home. The new integrated primary health care centre in Wallan will promote better health care in the community, and as I said it builds on the $3.5 million that the Gillard government has already committed and already delivered to the Wallan GP superclinic.

This new health centre will also provide a strong training and research element. There will be a health resources hub, clinical education and training facilities using modern things like telemedicine and teleconferencing, and a dedicated research area. What this means is that we have the opportunity to have our best and brightest who are training in the medical research area and in the medical field work close to home and keep our communities growing by making sure that our young families stay there and deliver for the future. Funding for this project is going to include consulting rooms and a health resources hub, with a focus on children and adolescent health services; clinical education and training facilities; office space for clinical placement coordination; and a dedicated research area with full network capabilities and connections to universities. It is a growing partnership between Mitchell Community Health Services, the Gillard government and all those that are involved in our healthcare professional networks like universities, GP associations and the specialists that we need to provide us with services locally in our community.

McEwen has a high rate of tradesmen and apprentices, which is why I am thrilled that our government and our budget is investing in an apprenticeship system that works for more Australians and in long-term reform to drive productivity. As a qualified tradesman myself I have always believed in the need to support apprentices and drive first-class training through things like the trade apprentices income bonus. Over 3,172 apprentices in McEwen will benefit from the following investments. They will benefit directly from the $100 million to be invested in a national apprenticeship mentoring program to support apprentices finishing their training. They will benefit directly from the $100 million to develop new apprenticeship models that deliver high-quality skills quickly. This is part of our commitment to end the skills gap shortage. The skills shortage that we had is a legacy of 12 years of underinvestment by the Liberals when they were in power. There is a $281 million support package for additional tax-free payments to encourage apprentices in critical trades to complete their qualifications.

As I mentioned earlier, this budget is about jobs, jobs, jobs. It is about creating jobs, it is about skilling Australians for jobs and it is about ensuring Australians stay in jobs. In McEwen, unfortunately we have 1,212 very long term unemployed people who have been without work for two years or more. To help these people prepare for and to find work, the Gillard Labor government has provided an additional $2.7 million over 2012-15 to support local employment services in McEwen and to provide the long-term unemployed with the training and work experience they require to be able to get them into long-term employment. It is Labor who is taking action to ensure all Australians are skilled, trained and ready for work. We have already created over 700,000 jobs. That is in stark contrast to the 200,000 jobs that would have been lost had the Liberal Party had their way. Mental health has been a headline of this budget and it is something I am proud we are doing. Recently the Victorian adolescent health and wellbeing survey was released in Mitchell Shire in my electorate. The findings stated that mental health was a real issue, with 7.9 psychiatric hospitalisations per 1,000 adolescents during 2009-10. Almost 80 per cent of Mitchell adolescents felt, however,
they could access mental health support services if they needed to. I have no doubt that this budget's focus on mental health and early prevention will assist in decreasing psychiatric hospitalisations and ensure that all Australians can access mental health services, with the Gillard government's budget making a huge investment in a more integrated mental health care system. We are serious about mental health reform and I am proud to be part of a government that has appointed Australia's first federal mental health minister. It just shows the commitment we have to ensuring that we help all Australians who are suffering from mental health problems, something that we know is a huge priority that needs to be addressed. That is why this budget invests $2.2 billion into the government's national mental health reform package, to support our communities and provide a total of 90 Headspace clinics as well as early detection to support young people who struggle with mental health. The government's mental health reform package is not only good news for my community but for all Australians no matter where we choose to live.

I was proud to be part of this budget, a Labor budget. It is a Labor budget because it supports Australian families, invests in education, invests in training, invests in skills to boost jobs and invests in our economy. It is a Labor budget because it increases health services, infrastructure, education and jobs. It is a Labor budget, importantly, because it supports all Australians no matter where they choose to live, whether they live in the suburban growth corridors of Moondah and Craigieburn in my electorate or in regional areas like Kilmore and Seymour.

What would constitute a Liberal budget? A Liberal Party budget based on what we have seen from those opposite would slash funding to schools, would axe the National Broadband Network and in turn abandon regional Australia, leaving them without the critical infrastructure they require for work, businesses, e-health and education. A Liberal budget would cut jobs, about 200,000 Australian jobs directly. The member for North Sydney, during what he terms his budget reply, said at the National Press Club that the global financial crisis was just a hiccup. What an insult to all the Australians who lost their jobs or had their hours cut through one of the biggest economic downturns the world has seen. The member for North Sydney should apologise to families across the country, particularly those in my electorate of McEwen, for comparing their job losses, their financial hardship, their loss of income, to a hiccup. Just because he may not have been affected, he should not assume that all Australian families were not. His remarks are just further proof that the Liberal Party does not understand the needs and concerns of everyday Australian families. The Liberals have not forgotten Australians, they just do not care to remember them.

I would like to ask the member for North Sydney how he and the Liberal Party would have cured the economy during this so-called hiccup. Would they have told Australians to stand upside down on their heads, hold their breath, have a glass of water? I know the people in my electorate who have been affected by the GFC do not view this as a hiccup. It is outrageous that the Liberal Party shadow Treasurer does not take the struggles of ordinary families seriously. Would the member for North Sydney call 20 per cent unemployment in countries like Ireland and Spain a hiccup? Maybe the member for North Sydney views it as a hiccup because of the swift action taken by this government to make sure we did not end up like countries like Spain and Ireland, to ensure that Australians stayed in work and our economy was stimulated. Unlike the Liberal Party, we took the GFC seriously. We took action, which
is why we are fortunate to have a steady 4.9 per cent unemployment rate—the lowest among most developed nations. We took immediate action to create over 700,000 jobs, because we did not view the GFC as a hiccup. This is in contrast to the 200,000 jobs that would have been lost had the Leader of the Opposition and the shadow Treasurer had their way.

Unlike those opposite, this Labor government will get us back into surplus in 2012-13, because we have a plan and a vision for this country. That is why I commend these bills to the House so strongly.

Mr VASTA (Bonner) (10:39): I am pleased to rise today to speak on the Appropriation Bill (No. 1) 2011-2012 and its cognate bills. I am pleased to give my electorate of Bonner a voice on this budget. This is a government that expects everyone else to pay for its mistakes, and that message is clear in this budget. The first budget of the Gillard government is no different to any other Labor budget—more borrowing, more taxes and yet another big deficit.

On behalf of the overwhelming number of families in my electorate, I can tell you that they summarise this Labor budget in one word: disappointing. They summarise this budget as disappointing because, despite all of the pre-budget talk about this being a tough budget, this government has been tough on no-one but families. These are families who are working hard to meet the increasing cost of living. Many of them are struggling, and this budget seems to have ignored that fact.

The response from my constituents in Bonner since the delivery of this budget, only a couple of weeks ago, is that the government is out of touch with everyday people. My constituents tell me that they are struggling to tighten the family purse strings and that it is especially disheartening that the government is clearly not tightening the budget purse strings, because it is continuing with its wasteful spending. Families are paying for Labor's failed border protection policies through cuts to family payments. My office has been inundated by families who are desperate to understand what the freezing of the indexation of family tax payment supplements will mean for them. It is incomprehensible that the government would gouge $2 billion from families at this time. Not only that—this budget has revealed that Labor has not been able to keep control of the deficit and debt, and both of these have increased even further. The government continues to borrow $135 million a day, and interest on Labor's debt will be an incredible $7 billion a year. The government's reckless spending and borrowing have seen interest rates rise higher than they would otherwise be, and this just compounds the pressure on the overall cost of living.

As I mentioned in my first speech to this parliament, Bonner is, not surprisingly, attractive to a higher than average number of retired or semiretired people, given the relaxed and tranquil paradise along our beautiful bay side. Just as this budget is out of touch with the realities for families, this budget is out of control with the reality faced by many seniors and the semiretired. This government does not understand the cost-of-living pressures that pensioners, the semiretired and self-funded retirees are facing. It is not about the need for set-top boxes; it is about being able to manage the increasing costs of petrol, electricity, groceries, health and home repayments. A post-budget survey revealed that 60 per cent of pensioners do not even want set-top boxes, and we know that Gerry Harvey said that he could provide and install them for $168, compared to Labor's budgeted cost of $350. This government's record of delivery is certainly not one to be proud of, given the debacle seen with the Home Insulation Program, computers in schools and Building the Education Revolution.
I should be genuinely outraged that the government has not learned any lessons and is again proposing another incredible waste of taxpayers' money.

I also want to talk about another group of Australians that this government is out of touch with. A number of my constituents have highlighted to me the situation of self-funded retirees. They have reminded me that self-funded retirees have been the hardest hit by the global financial crisis but have never received anything from this government. Most self-funded retirees have been able to be self-funded because they have been extremely conscientious in investing for their old age. However, the income for self-funded retirees has been hit in several ways. Their superannuation funds went into a downward spiral, dividend income went down, the value of their share portfolios went down and interest on their savings went down. At the same time as their income went down, the cost of living has soared in the opposite direction.

They are faced not only with another budget that will put further pressure on the cost of living but also with another tax—a carbon tax. There is no doubt the carbon tax will push the cost of living even higher. While this is true, the government has made no mention of the carbon tax and its implications in this budget. This is another tax that Labor should be ashamed of. Worse than that, this is a budget they should be ashamed of for the financial negligence of not including the carbon tax revenue and associated spending, estimated to be in the order of $11.5 billion, in this budget.

The carbon tax will destroy jobs and increase the cost of virtually everything. Overwhelmingly, residents of Bonner do not support it. What they do support is access to fast, affordable broadband now. I note that Labor plans to borrow $18.2 billion for the NBN over the forward estimates. Given that my constituents in Bonner will not have access to the NBN for at least another eight years, the potential for waste in this project is frightening. Again, the government's financial negligence is astounding when the borrowings for the NBN are shown in this budget but the money does not hit the bottom line because Labor says it is an investment. When I was running my own small business, and as any business in my electorate would agree, I would never make such a huge investment without a cost-benefit analysis. But, astoundingly, this is exactly what this government has done. The coalition has a clear alternative plan for the delivery of high-speed broadband that will be much cheaper than the government's monopoly that it tenuously hopes will one day be an investment.

Finally, I acknowledge the disappointment of many in my electorate about the government's mental health package in this budget. While creating the illusion that the government was outspending the coalition's election promise in this most important area, the detail reveals that there is only $1.5 million in new money over five years. The coalition remains committed to its mental health policy that will deliver $2 billion over four years. Again, we have seen a typical old-fashioned Labor budget that is big on taxes and big on spending but fails to help households battling a high cost of living with petrol, electricity, gas, grocery and health costs and home repayments. It is a budget balancing on a knife edge.

The most salient point about Labor's budgets was made by my colleague the member for Longman, Wyatt Roy. In his lifetime Labor has not delivered a budget surplus and, unfortunately for my electorate of Bonner and for all Australians, I am certain that when we are celebrating the member for Longman's 30th birthday this statistic will remain unchanged.
Ms O’NEILL (Robertson) (10:48): I rise to speak in support of Appropriation Bill (No. 1) 2011-2012 and Appropriation Bill (No. 2) 2011-2012 and strongly affirm the record of the Gillard government of responsible economic management. This is a budget that will positively benefit many individuals and families in my electorate. In addition to facing up to the overall challenges that are facing our national economy, steering the ship of state through the global financial crisis is a challenge in itself before we even consider the natural challenges presented to this government over the last six months in the form of the Queensland floods, tropical Cyclone Yasi and other natural disasters. As a Labor member of parliament, I believe that our economic health and good fortune needs to be shared by all Australians, but particularly those who are vulnerable and disadvantaged. They need opportunities, including the opportunity to be employed, to have a fulfilling career, to receive and benefit from a quality education, to self-advance and to lead a fulfilling life. This is what this budget is all about. I welcome and rejoice in Labor's commitment to training that is a centrepiece of this budget.

My regional electorate will benefit from the $558 million National Workforce Development Fund designed to deliver 130,000 new training places over four years. Since being elected as the member for Robertson, I have been acutely aware of the need for more apprenticeships and traineeships on the Central Coast. Our area is clamouring for opportunities for our young people to get on the ladder of success and advance their lives. I have worked closely with organisations like Central Coast Group Training and Youth Connections, who are doing an amazing job in engaging and retaining apprentices and supporting them in their training.

The best way to support our youth is through a pathway to employment. At a recent presentation by the Central Coast Research Foundation, I was proud to hear it acknowledged and confirmed that Labor's nation-building stimulus had protected my region from what would have been catastrophic effects of the GFC. I barely needed to be told because every week I go to the opening of a new BER hall or classroom, and I meet the builders and architects who worked on these projects. I know how vital the stimulus was for the Central Coast. Our local economy is still standing, our local businesses are still operating and our local people are still working.

In the budget for 2011-12, we are setting the foundations for a stronger Central Coast by investing in our greatest resource—our people, particularly our young people. Improving educational outcomes for our youth is so crucial for the Central Coast. Increasing the number of apprentice and trainee positions on the Central Coast is a cornerstone of any positive future for our region. Since having been elected the member for Robertson, the member for the Central Coast, I have worked with Central Coast Group Training to achieve this. Last year, I wrote to several thousand local businesses on the Central Coast, encouraging them to participate in CCGT's apprentice drive. I am pleased to say that CCGT succeeded in targeting employers and 30 apprenticeships were found in 30 days. I know that CCGT will be continuing with its efforts to find apprenticeships for its young clients throughout the entire year. I am proud of the heavy emphasis on training in the budget because it will have such a positive impact on the Central Coast.

In addition to the National Workplace Development Fund, there is the $101 million national mentoring program to help 40,000 apprentices finish their training. It is vital that as a
government we continually strive to improve completion rates for apprenticeships and traineeships. From an educational point of view, a learner's identity can change significantly on the journey from commencement of their training to the end of their training. What they believe about themselves, what they believe about the future—all these things can change.

In a climate where we have such carping negativity by those opposite in the public space, the impact on business sentiment and consumer confidence should not be underestimated. We have a great country; we have a great future. We survived the GFC. We more than survived it. We have actually benefited our country for a whole generation through the assets that have been gained by schools. Instead of acknowledging the positive achievement and success which I find celebrated at every school that I go to, we have carping negativity in the public space and a loss of confidence. This can be enough to dissuade an uncertain learner from continuing their journey. I would advocate that those opposite cease and desist from their negativity.

By supporting young people and enabling them to finish their training, we ensure that youth employment increases. In the longer term, we can ensure that employers are much more willing and able to make the commitment to take on an apprentice. These programs are vital in ensuring that we can address youth employment in addition to ensuring that we have the skilled workers for the future that we need. These issues are of vital economic importance. Despite the mindless negativity of those opposite, it was absolutely necessary that this government provided a comprehensive and effective stimulus in the aftermath of the global financial crisis. The Reserve Bank Governor, Glenn Stevens, has stated that the size and speed of the government's fiscal response was one of the critical factors that supported private demand in the months succeeding the global financial crisis—leadership by a Labor government. Since these decisions were made, those opposite have criticised the stimulus measures on the basis of a wilfully misleading campaign that plays into fears and ignorance about government debt. These arguments are flawed and businesses are alive to the fact that they are getting a lot of misinformation from those opposite.

I am also pleased to observe, as many others have, that this budget will put Australia on track for a surplus in 2012-13. It is perhaps a little un-Australian to crow about success, but it is important to get this on the record. When we look around the world at the economic situation in so many countries following the global financial crisis, Australia has an outstanding outcome. Our Treasurer's actions are applauded at every convention where the GFC is being discussed. Australia's economy is being applauded. We in this country have an amazingly strong economy and we owe that to the quick and timely response of the Labor government, which acted on its belief that people need to have work. People need jobs. We continue that commitment to the Australian people in the budget this year.

The Building the Education Revolution program was particularly important on the Central Coast in ensuring that local jobs were retained, families kept their income and we maintained demand in our local economy. Additionally, I will always champion the most comprehensive modernisation of our schools in my lifetime. Since being elected the member for Robertson, I have yet to go to a school that was not appreciative of the BER funding. Indeed, I have highly valued the chance to visit schools to see how the BER has modernised facilities and opened students' sense of what is possible and opened teachers' sense of what is possible in learning as well.
A beautiful space in which to do our work as teachers is critical in building the capacity of our nation, but there are two prominent examples that spring to mind from my recent visits to Green Point Christian College and Chertsey Primary School. I went to Green Point Christian College just last Friday. It is an independent Christian school that through the BER initiative engaged in building a creative and performing arts centre. It was a wonderfully managed local project. In my discussion with the architect and those who participated in making sure the project was brought fully to completion—and in a very timely manner, I might add—the architect indicated how important this work was for him and his business. I heard a series of anecdotes from people who attended the opening day, explaining how trucks had been coming through. People had been moving the dirt. People had been bringing in supplies from local suppliers. There were 300 local people working in that context, bringing their money into the local economy, keeping the local newsagency operating, keeping a roof over their kids' heads, paying the mortgages. These are the things that matter to us as Labor members of this House, and this budget is about continuing to make sure Australians have the security of a strong economy. It was a privilege for me to be able to visit such a wonderful school and see our policy in action.

Another school I had the pleasure to visit, as I mentioned, was Chertsey Primary School. This is a model example of a school operating as a caring community centre. It operates on the basis that each child should receive the best possible opportunity, and this approach extends to its comprehensive and well-establish unit for autistic and deaf children plus its innovative after school care that links in to the local community. This school was operating a unit for deaf children out of a 14-year-old demountable that was hot in the summer and cold in the winter. They had great teachers and learning happens there, but there is such joy in the community because of the new facilities they have to work in. At the same time, they saw all of the utes pulling up each morning, all of the tradies getting in and doing their jobs. Those kids saw the work in that industry up close and personal. I think it might have been a little opportunity for a bit of work experience and an encouragement for lots of those young people to think about future work possibilities for themselves in the construction industry. As the US Secretary of State Hillary Clinton once said, 'It takes a village to raise a child.' On the Central Coast we are a region, but we are still a collection of villages. Schools like Green Point Christian College and Chertsey Primary are empowered to do their work because of a Labor initiative. I completely endorse this government's commitment to prudent fiscal management in the aftermath of the stimulus package. The savings of $22 billion found in this budget are vital in ensuring that a return to surplus occurs.

Furthermore, these savings were made in a manner that ensured that the most vulnerable in our society were not unduly burdened. In managing the macro-economy, however, we need to acknowledge that the negative impact of inflation and interest rates on families is very real. Also, it impacts significantly on retirees on fixed incomes. Because we understand that and because we do genuinely understand families and retirees, who are such a part of the Central Coast seat that I represent, it is for these reasons that prudent and effective fiscal policy is absolutely needed to ensure that government spending does not lead to increased inflation. Issues of inflation are particularly important in my electorate, which contains such a high proportion of retirees, many of whom have moved from metropolitan Sydney. I therefore strongly support this government's commitment to returning the budget to surplus.
I also endorse this government's commitment to making a lasting difference in the area of mental health. For too long the area of mental health has been overlooked by state and commonwealth governments. I welcome the commitment by the Treasurer to make room in this tight, responsible budget to commit $1.5 billion in new initiatives, as part of a $2.2 billion package to deliver better care for mental health.

Recently, I visited headspace in Gosford, on the Central Coast. It is an organisation whose mission it is to reduce the burden of mental illness in young people, aged 12 to 25. I saw firsthand the immense positive benefits of early intervention in addressing mental health issues in our youth. Also, by visiting headspace Central Coast, I observed the importance of treating mental health in a very compassionate and easily accessible manner, which was directed at youth.

The Gosford centre is the second busiest in Australia, seeing around 150 clients per month, which just goes to show how critical this service is for our community. I met an amazing girl Melanie—whom I happened to meet a couple of days later at the citizenship ceremony; I think her mum was becoming an Australian citizen—and her life has been transformed by headspace. She is now a passionate supporter of the program. I was moved by her uplifting success story. The support she received from headspace, when she was just 15 years old, was a powerful change agent in her life. Melanie took herself along to headspace, and it was touching to hear just how effective headspace was for her in removing the stigma around mental health issues. I am pleased to say that, through the support she received there, she returned to school. Because of this budget and our investment in education and training we have great stories for our young people in the future of this country.

I am delighted that the government has recognised the importance of early intervention in addressing mental health issues in young people. Specifically, I also support the government's commitment to invest a further $419 million in headspace and early psychosis prevention.

I appreciate that the government was able to make this commitment in a tight and well-disciplined budget. I am also delighted that the government will deliver almost $2 million to three local disability organisations: Fairhaven, Lasercraft and Terama Industries.

As a member of parliament, representing a regional electorate, I strongly support the rollout of the National Broadband Network. I have been campaigning with my federal colleague the member for Dobell. The National Broadband Network represents an equalisation of telecommunications.

There are so many things in this budget for the coast and I commend the bill to the House. (Time expired)

Mr TONY SMITH (Casey) (11:03): In speaking on the Appropriation Bill (No. 1) 2011-2012 and cognate bills, the fourth budget from this Labor government, delivered by the Treasurer, Mr Swan, it is right and proper to reflect on the fiscal failure of this government and the Treasurer, on the level of confidence in the delivery of budget programs and on the level of honesty of the Treasurer himself. In this wide-ranging debate on these appropriation bills, it is right and proper that the House reflect on what the government has promised in the past, that the House reflect on the government's ability to manage the budget and the economy and that the House reflect on the value of the government's word, and indeed the value of the Treasurer's word as the person responsible for the budget and the government's approach
financially. Each appropriation debate, we get this opportunity to reflect and I want to start on the most obvious issue in the budget—that is, the position of the budget and the government's fiscal strategy.

We have heard the Treasurer talk about the government's planned fiscal consolidation, spruiking that if all goes to plan this will be a very fast fiscal consolidation—and my friend and colleague the member for Bradfield in the chamber with me has heard speaker after speaker on the other side talk about this. Of course what they fail to mention every time is that they presided over a very fast fiscal deterioration. You only need to go to the detail of the budget papers to see the true picture that has emerged under this Treasurer. Our debt position is a good starting point. On the government's own budget figures, Australia's net government debt this financial year will be $107 billion. You would not have found that figure in the Treasurer's budget speech. But you would know from the Treasurer's budget speech, if you were watching, that there is a percentage of GDP in there. But in mentioning that figure alone and not mentioning the net government debt dollar figure, we know that that is the Treasurer's history and form. He deliberately does not mention the dollar figure of the debt and his colleagues, like the previous speaker, will never mention the dollar figure of the debt because they do not want the Australian public to know the level of their financial failure and incompetence.

The Treasurer did not mention the $107 billion figure in his budget speech. He went from his budget speech to a series of television interviews. In one of them on Sky News on budget night, he was asked to name the dollar figure. His response was that he did not have the figure with him. From this we are led to believe that the Treasurer of this country either does not actually know the dollar figure for net government debt without it being brought to his attention in his own budget papers or—and I think this is really the case—will go to any lengths to conceal it. The member for Bradfield may not agree with me on this, as good friends as we are, but even this Treasurer would know the level of government debt in dollar terms. I think this Treasurer will go to any lengths to conceal the truth. He will engage in any amount of trickery to conceal the facts and those opposite will engage in any level of juvenile behaviour and never mention the figure.

Dr Mike Kelly: We don't like talking figures.

Mr TONY SMITH: That is right. I am glad you do not like talking figures because you would get a headache if you talked figures. The unwillingness of the Treasurer to mention the $107 billion of debt follows a consistent history for him. We remember, in his budget speech two years ago, he refused to mention the level of the projected deficit at the time—projected at $57 billion. Now we know that he still will not mention that level of debt. That $107 billion is much higher in dollar terms than the $96 billion debt which Paul Keating left this country, but the story is much worse than that. The Treasurer of this country did not inherit a zero balance; the Treasurer of this country inherited money in the bank.

For those opposite who are not, by their very nature, interested in detail—and it is a point which their electors, including those in Eden-Monaro, will be interested to know when it is pointed out to them—they might like to turn, on behalf of their electors, to page 10.8 of Budget Paper No. 1, which shows the historical table. What they will find is that when they came to government they inherited $44 billion in the bank—nearly $45 billion—and that at
the end of this year net government debt will be $107 billion. So the fiscal deterioration is of the order of $150 billion.

It pains me to say this in this appropriations debate. There has been a lot of criticism, rightly so, of this Treasurer, but we have now seen his performance in concealing the level of debt; in not knowing when Labor was last in surplus, in that shattering performance up in the ABC studio; and in his refusal yesterday to acknowledge the ridiculous situation he had got himself into in denying on ABC radio that he knew anything of the Western Australian government's plans on royalties—only to be confronted with the fact that he had been told, he had been written to, he had received a minute and he had been rung. Short of a message coming by carrier pigeon, it is hard to think of how else the Western Australian government could have communicated with the Treasurer.

When you look to the worst Treasurer in Australian history some people would nominate John Kerin. I think that is a little unfair. I think that, if you look at the whole sweep of history, most people would settle on Jim Cairns—most people except for the two opposite—that famous Treasurer in the Whitlam government whom even Gough Whitlam sacked. Jim Cairns clearly, by the length of the straight, had the title of Australia's worst Treasurer. In question time on April 15, 1975, when Bert Kelly asked:

If printing money is a good solution to the unemployment problem why not print more of the stuff and get rid of unemployment problem altogether?

Jim Cairns famously replied:

We might do precisely that.

But, while it pains me to say it, I think Jim Cairns has now been overtaken by Wayne Swan. I really do. I have thought about this long and hard, but I think if you consider the level of honesty—Jim Cairns was not straight about the loans affair—and the level of competence, what we have from this Treasurer is a combination of incompetence and dishonesty. When he is asked in the parliament what the projected outcome for his own four budgets is, he cannot answer. And when he is asked what he was told by the shadow Treasurer, he says he was told nothing, when every piece of evidence before him shows he was told everything. To a large degree, you can measure the cost of this incompetence by the level of debt. For those opposite $107 billion of debt is just a number. The member for Monaro is not interested in numbers: what do they mean? I will tell you what the cost is. It is $5.5 billion a year. That is just to keep it; not to pay it off. It is going to rise to more than $7 billion a year every year. That does not matter to those opposite. That is just $5 billion, $6 billion or $7 billion every year that cannot be spent on important programs.

The Australian public, though, have lived this debt journey before. They lived it following the accumulation of $96 billion of debt, which took place at the end of the Hawke and Keating governments. I will give the governments of Hawke and Keating one thing: the debt that they accumulated—as incompetent, reckless and dishonest as they were—happened at the end. Australia's level of net government debt in 1989-90 was somewhere between $25 billion and $30 billion. All of that blow-out occurred in the last five or six years. The problem with this government is that they have had no good beginning. They have started off at an incompetent level. And the public will keep paying the price.

Even when it comes to the programs of priority, the government still cannot find it within itself to be straight. With their mental health package—something all members would agree is
a priority area—we have the minister refusing to acknowledge the fact that the majority of his money is back-end loaded. The figures are there in the budget: most of the new money is in the fifth year. But faced with reality, he denies it. Why this government would continue to do that when the public are so awake to it, and when it is so wrong, is beyond me.

Mental health is a priority area. Our leader and our shadow health minister have put it on the agenda. They did so before the last election with a real commitment over the forward estimates. In the local electorate of Casey there is a desperate need for the sorts of initiatives we have put forward. I would say to the government that if they are serious they will look at headspace facilities in the Yarra valley centred in Lilydale. There is an absolute area of need servicing thousands of square kilometres.

The government should at least accept an application. They should look at this as a priority area—I just use this as one example because there are so many—but it is not a good start if the minister and the Prime Minister cannot be straight with the funding and the figures in this important area. But it follows in the tradition of the Treasurer, who cannot be straight about the budget position. Two years ago he could not even mention the deficit figure, the outcome, and this year he cannot mention the debt figure. *(Time expired)*

**Dr MIKE KELLY** (Eden-Monaro—Parliamentary Secretary for Agriculture, Fisheries and Forestry) (11:19): It is a great pleasure to follow the comedy routine from the member for Casey, who regaled us with an interesting history lesson. It seems to have been a very selective history lesson. I recommend that the member for Casey have a good read of the terrific article by George Megalogenis in the *Australian*, whose headline read: ALP best manager of money, history shows.

It was very interesting to note that that article highlighted the fact that during the years Costello was Treasurer in his last seven budgets, between 2001-02 and 2007-08, he increased real spending by 3.3 per cent a year. And in his final term, between 2005-06 and 2007-08, the figure was 3.6 per cent a year. And this was at a time when fiscal restraint was essential because of the booming economy and the overheating of the economy. It was one of the reasons why we saw those 10 interest rate rises in a row, peaking at two percentage points higher than where the rate stands today. The coalition has demonstrated that it simply does not know how to manage an economy through the cycles. It would like to pretend that recessions do not exist and that you do not manage your way through a recession.

The story that we can tell through the four budgets that this government has produced is that we have been the most successful government in the history of this country in economic management. The article by George Megalogenis does show that history of fiscal responsibility stretches back a long way, but most importantly is that recent history. We have been the only government in Australian history that has managed to avoid this country going into recession in the context of a global recession—the only time in the country's history that that has been achieved. How was it done? Because we learnt lessons about how to deal with recessions from the past. Unfortunately, the coalition learn nothing. They just keep repeating the same mistakes, which is one of the definitions of insanity.

The situation with the recession this time around is that we understood that the main story in a recession, and preventing it, is that household consumption is a key factor. It is 55 per cent of the GDP story. The advice was: go hard, go early, go households. We had to get that injection of funds and expenditure that would have the biggest impact in the short term on
household consumption, and that is what we did—and we were successful. We not only avoided going into recession but also avoided, most importantly, the human cost of the unemployment that would have been generated. Treasury has highlighted that we would have lost 200,000 jobs had it not been for the government’s stimulus measures. That is 200,000 people—all of that social dislocation, the social disruption, the tragedies that flow from that as people then fall into that trap of long-term unemployment.

Long term unemployment is an issue that this government seriously wants to do something about. This budget starts to bring home a lot of those themes. One of the key missing pieces of the coalition’s puzzle was its failure to address our key infrastructure and skills needs during those overheating years when the rivers of gold were flowing.

A government member: The Reserve Bank was warning them.

Dr MIKE KELLY: Absolutely being warned several times by the RBA and doing nothing about it. We saw ships piling up at our ports and we saw the serious industry skill shortages being neglected. On the other hand, we have been investing in infrastructure and skills and this budget, once again, highlights that very significantly—$36 billion expenditure on key roads, ports and rail issues and a massive package to address those skill shortage needs. In an electorate like mine, that is going to have a significant impact. In the skills package and the support for apprentices, I have 3,202 apprentices in Eden Monaro who will benefit from this scheme and who are supporting our local industry.

Other measures that relate to the infrastructure needs of the country are also well illustrated in Eden Monaro. We have a situation on the Princes Highway around Bega where the choke node there has prevented the traffic of B-doubles through the town without them uncoupling and coupling again. It has been a real problem that has added enormously to the impediments to business. The construction of the Bega by-pass, which will commence in the new year, will remove that choke node, that impediment to business, and also provide safety and amenity of life to the town of Bega. This budget commits $10 million to the commencement of the construction of that project that will ultimately be funded to the tune of $85 million. This is critical infrastructure investment that this country really needs.

The opposition talks about debt, and talks about it in isolation, as though you do these things, implement these strategies to avoid recession, magically somehow without going into short-term debt and deficit. This country is the envy of the developed world in how we have managed that part of the equation. Our net peak debt will be 7.2 per cent of GDP, whereas in other parts of the developing world we are talking about removing that decimal point, because it is going to be 72 per cent in many cases and higher in some cases. Our extremely manageable debt is the envy of the developed world. It will be resolved through a very clear-cut set of progressional inputs over the period of the forward estimates and beyond, and the deficit situation will be resolved by 2012-13 as we have forecasted. We are the envy of the development world. I should also highlight what was at stake—

Mr Fletcher interjecting—

The DEPUTY SPEAKER: Member for Bradfield, your name is on the list of speakers and you will have ample opportunity to have your say.

Dr MIKE KELLY: I wanted to highlight what was at stake at the last election for communities like mine. When I surveyed my electorate I received over 7,000 responses from
my constituents. Overwhelmingly, the No. 1 issue they highlighted was health. During the campaign last year my coalition opponent was running around making certain promises about health in the region. Of course, we found out that none of those promises were budgeted and almost all of them were completely inadequately costed. One in particular related to the Bega Hospital, which is our only C1 hospital in the region and is a key piece in our health matrix. My opponent promised funding of $1 million for the creation of a certain number of beds. We worked out that it would have actually cost $5 million, but in the end it was not even in their budget estimates.

Through our major health reform that is transforming the health picture right around this nation, in this budget the federal government will be committing $160 million to rebuilding the C1 Bega Hospital on a greenfield site. That hospital has been neglected for decades, which has left a serious gap in addressing the health needs of our community. There have been so many false starts with this but now it is done. This government has decisively acted to make that happen by providing $170 million in funding, with a $10 million contribution from New South Wales. I secured that commitment from Carmel Tebbutt before the state election. She also put in a superb submission as we worked together to put it at the top of the list of New South Wales requirements. I was personally involved in helping with the land transaction between the state health department and a local landholder, and I was also involved in explaining to the executive and my federal colleagues the need for the hospital.

That $170 million contrasts with the $1 million that was offered by the coalition because they had no health reform capability within the context of the offerings they made. We were then all shocked and stunned by the $11 billion black hole that was highlighted by the Treasury. There was an incredible circus when the Leader of the Opposition was unable to explain the budget options that he should have been presenting to the electorate. He famously handed it off to Joe Hockey, whose inability to present a credible story was embarrassing. He once again did the hospital pass to Andrew Robb. At the end of that chain of passing we saw Andrew Robb do the big knock-on as his advisor frantically waved from the back of the room in an attempt to kill off Andrew Robb's disastrous response.

Have we seen any improvement on that? This year, of course, they cut short the chain of passing. There was no Andrew Robb at the end of the line to do the knock-on. It stopped at Joe Hockey and he staged the big knock-on. It was just so embarrassing to watch that and the Leader of the Opposition's speech. It was a farce. It showed utter contempt for the people of this nation and for the serious journalists who have since been tearing the coalition's position apart by emphasising the double counting, the fraud and the failure in what they have presented as a story to sell them as credible alternative economic managers.

They have revealed a few other things through what they have said. Joe Hockey has been consistent in saying that they would apply the 12,000 job cuts that would devastate my region and devastate the ability of the government to deliver services. He not only continues to emphasise that he would stick to those 12,000 job cuts but also emphasises that it would just be a start. So we would see the same devastation in my region that we saw in 1996 when thousands and thousands of jobs were cut from my region and which sent my region into a mini recession of its own. The impact of our economic measures is that we now have a time of great employment, development and prosperity emerging for Eden-Monaro, and it shows the real risk that was at stake there.
We have also heard the opposition talk about broadband and whether it is a waste of government money. It is incredible what their ignorance has revealed about the importance of this infrastructure. They would only have had to watch the wonderful *Four Corners* program to understand what this means to our region and to rural and regional Australia in general. Instead, they keep talking about downloading movies and digging holes in backyards, which exposes just how shallow and ignorant they are about this important national infrastructure measure. What is even more embarrassing about their attitude is that Mr Hockey talks about the difference between a Bentley and a Commodore. He says we cannot afford the Bentley and we have to go with the Commodore, but what he is actually saying is that the cities will get the Bentley and the regions will get the Commodore. So, once again, rural and regional Australians would be treated as second-class citizens.

The opposition are saying: 'You are too stupid to really take advantage of the full potential of an NBN anyway with all that speed and capacity. You don't need it. Just get by.' It is the same as saying: 'Okay, we're not going to roll out electricity to the bush, either. You can just get by with kerosene lamps. What would you know about using electricity to its full capacity?'

This is a shameful position from the coalition. They have in their ranks the National Party, who claim to represent rural and regional Australia but who have only embarrassed rural and regional Australia with that claim and abandoned and betrayed the bush by taking that position. We will not sit still on it. Eden-Monaro understood the importance of this vital piece of infrastructure—it was a key factor in the election. A good example of that is a company that came to see me recently who want to set up a high-end service call centre. They provided me with a chart: on one side, it gave a list of connection speeds and, on the other, a number of employees. The number of employees was directly related to connection speeds. At the top of that list, at 20 megabits per second, they can employ 50 people—something that could not be delivered by a wireless stand-alone network, particularly in a region like mine with its terrain and vegetation issues. It highlighted again how embarrassing is the Opel proposal that the coalition presented. They do not understand the needs of my community and they do not understand the potential of the National Broadband Network for rural and regional Australia.

Finally, in my own portfolio of agriculture, fisheries and forestry, I am delighted at the commitments that have been made in this budget: the $44 million to continue investigating the drought policy that needs to replace the old exceptional circumstances system, which has been a terribly blunt instrument. It has, of course, delivered emergency relief and that has been gratefully received, but we need to move from a consequence management model to a risk management model, and this investment in drought policy is welcome. I welcome also the $84.2 million for environmental stewardship programs, which our farmers and community have taken great advantage of and which are producing tremendous environmental outcomes as well as productivity gains on the land.

One other measure, which I will speak more on later today, is the introduction of the carbon farming initiative, at $45.6 million. It is going to be a tremendous opportunity for our producers. It will contribute not only to our action on climate change—Garnaut and others have highlighted the benefits to be gained and the opportunities in the bush for sequestering and abating carbon—but also to the opportunity for farmers to diversify their incomes and achieve significant productivity gains. We will work very hard now to roll that out through our landcare facilitators. Workshops will be conducted with landholders and farmers to show
how they can take advantage of this scheme. The scheme will also need to be underpinned by a carbon price. A carbon price will be essential to upholding that market, as it will be to unleashing the investment that we need in all of these renewable energy options that are so important. In my own region we have a $700 million wind farm project, which would have been under construction within the next couple of months had we a carbon-pricing mechanism in place. I am delighted to support these bills. This is a successful government that is hard at work. *(Time expired)*

**Mr FLETCHER** (Bradfield) (11:34): The Booker prize is one of the world's great prizes for works of fiction. I think the Treasurer, Wayne Swan, might want to consider lodging the 2011-12 budget as an entrant in the Booker prize as a work of fiction, because the numbers in the budget bear very little relation to reality. For one thing, we are told repeatedly that there is to be a carbon tax introduced in Australia, but the budget makes no reference to either costs or revenues associated with the carbon tax.

Another gaping omission in the 2011-12 budget and in the forward estimates is the National Broadband Network—this policy which we are told is one of the centrepieces of what the Labor government is delivering to Australia, likely to cost some $56 billion on the latest estimates. Yet, if you try and work out where, in the underlying cash balance, the contribution from the National Broadband Network is to be found, you will search in vain because those numbers make no reference to the National Broadband Network. What you can find are some statements about the amounts of capital to be injected into the National Broadband Network. In particular, at page 342 of budget paper No. 2 it is disclosed that the capital contribution in 2012-13 will be $4.4 billion. If that number were treated appropriately as an expenditure, it would have the consequence that the projected budget deficit for 2012-13 would disappear, because $4.4 billion is more than the projected surplus for 2012-13.

I want to make three points in the brief time available to me today. Firstly, the basis on which the moneys to be paid by the government on behalf of taxpayers, on behalf of citizens, into the National Broadband Network are not included in this budget is conceptually extremely shaky; indeed, a less charitable description would be to call it straight-out misleading. The second point I want to make is that the National Broadband Network shows every sign of being, in financial terms, a disaster. That is something that all taxpayers and all citizens ought to be very concerned about, because we are all compelled to have our collective funds invested in this venture, notwithstanding all of the signs that the return we will get on that investment is going to be highly unsatisfactory. The third point I wish to make is that the root cause of this looming financial disaster is decisions about the broadband strategy for this country which are needlessly extravagant. There is no question that our broadband infrastructure in Australia needs to be upgraded, but there are vastly more cost-effective ways of doing it than the ill-advised strategy which this government is pursuing.

Let me turn firstly to the question of the justification for not including within the budget, within the numbers that make up the underlying cash balance, the expenditure which is to be made on the National Broadband Network. I put to you, Madam Deputy Speaker, that it has been done for one reason and one reason only: a desperate desire to try to make the budget look better than it actually is. I might incidentally make the point that even the numbers which have been included in the papers that are provided only provide for government funding of $18.2 billion to go into the National Broadband Network by 2014-15. If you look at the
corporate plan of the NBN Co., it assumes funding of $30.2 billion. That is a $12 billion gap. Where is that money to come from when we know that the only source of funding for the NBN Co. is the government, is the taxpayers of Australia? That is a question as to which so far no answer has been provided. There is a $12 billion gap by 2014-15 and no answer has been provided.

If we turn to the core question of why this money is being spent but does not appear in the budget, there is a very illuminating parallel with the practices of investment banks such as Bear Stearns and others which collapsed in 2008. You could look at Enron some 10 years ago. All of those companies followed the practice of having so-called off-balance sheet vehicles which spent real money but pretended that in some way the parent entity was not liable. That was a fallacy then, and the approach being taken in this budget in relation to the National Broadband Network is a fallacy now. Taxpayers are on the hook for this money. This is real money which is being spent. It is being spent every year. There are billions of dollars being spent out to 2014-15. As I have demonstrated, there is a yawning gap compared to what NBN Co. seems to expect, and yet none of that appears in the budget. We are simply deluding ourselves if we think that for some reason, based upon the numbers that Treasurer Swan has put forward, there is going to be a genuine surplus in 2012-13. There will not be.

Is there any theoretical basis for the proposition that this money ought not to be included in the underlying cash balance? The claim is that this is an investment by taxpayers, by government, and in due course a return will be realised. But what a threadbare claim that is when you look at some of the realities. Firstly, even the returns that it is claimed NBN Co. will generate, in the order of six to seven per cent a year, are extremely low rates of return which no private sector investor would accept. Even those extremely low rates of return are based on highly unrealistic assumptions about the number of people who will take up this service.

But there is another reason to be deeply sceptical about the application of the theory that this is an investment and in some way taxpayers can be confident that the government is going to get this money back. Last year legislation was introduced and passed which set out five detailed steps which need to be completed before NBN Co. can ever be privatised. Those five steps include a declaration by the communications minister, an inquiry by the Productivity Commission, a parliamentary joint committee, a declaration by the finance minister and parliament not disallowing that declaration. All of that has been done to appease the Greens, whose stated position is that NBN Co. should never be sold. So now we are supposed to treat as an investment an asset which is in practical terms constrained from being sold with alacrity. In reality, there is real reason to doubt it will ever be sold at all.

Let me make another point here. In addition to the $27.5 billion of equity investment in NBN Co., the corporate plan also assumes that there will be a further $13 billion of debt issued by NBN Co. What private investor is going to want to acquire this paper? The only condition on which a private sector investor is likely to invest in these debt securities is if they are either explicitly or, at the very least, implicitly guaranteed by government. So there is another significant element of public commitment and government commitment to this project which ought to be included in this budget and has not been.

Let me turn to the second proposition I want to put, which is that all the signs are that the National Broadband Network is going to be a financial disaster. The first point to substantiate
that claim is that the network design choice which has been made is enormously expensive. Building a fibre-to-the-premises network is hugely expensive. The build cost, we are told, will be $36 billion and a return needs to be generated on that capital. One of the practical consequences of that is that the pricing will need to be sufficiently high to accommodate that return, and of course the higher the pricing is the lower the take-up will be. We also know that the build plan is a very lengthy one. It is not to be completed until mid-2020, and again that delays the rate at which customers can come onto the network and start to generate revenue.

We also know that the take-up assumptions to achieve even the paltry six per cent return which is promised are exceptionally optimistic. The corporate plan assumes that 70 per cent of homes passed will take a service. One of the core issues here is the extent to which homes and householders will choose to be connected to this network or will choose to take a wireless service, including a fourth-generation wireless service, likely to be delivered by all of the major mobile operators after the coming spectrum auctions. We know from the NBN Co.’s corporate plan that already 13 per cent of homes are wireless only—that is, they do not take a fixed broadband service. Yet there is an assumption in the plan that that number, 13 per cent—which has grown from four per cent in less than 10 years—is going to conveniently taper out at 16 per cent and miraculously everybody else will take a service from NBN Co. Therefore, the revenues will be secured and we need have no concerns. I am deeply sceptical. No private sector investor would accept the proposition that it is plausible that this network is going to achieve a 70 per cent take-up and, in turn, therefore, no private sector player would be persuaded by this corporate plan to put in the kind of money that the government is proposing to compel all taxpayers collectively to invest in this venture.

Indeed, even on its face, the corporate plan reveals that this venture will lose investors money. The corporate plan notes that the weighted average cost of capital for a venture of this kind is typically around 10 per cent. It might be plus or minus a bit, but it is typically around 10 per cent. We also know that the return on investment is a little over six per cent. It is a basic proposition of corporate finance that if your return on investment, your internal rate of return, is lower than your weighted average cost of capital then the net present value of the project is negative. This project loses money. The corporate plan of NBN Co. makes that absolutely plain on its face.

Overlay that with the fact that there is increasing evidence that the project is already running behind time. For example, there is an assumption in the corporate plan that the deal with Telstra will be both signed and approved by 30 June this year when in reality we are almost at the end of May and the deal has not yet been signed. Even if it were signed tomorrow, the approval process would take several months.

All the indicators are that the company is struggling to meet its optimistic assumptions as to the costs it will be able to achieve. A key cost is building out the network. The company has tried several times to secure a deal with construction partners which gives it a price for homes passed which is low enough to meet the overall parameters of the corporate plan. It has not been able to do that. The reality is that the NBN Co. is facing construction costs materially higher than it has assumed.

Let me turn thirdly and briefly to the underlying problem behind this financial disaster which is increasingly afflicting the budget of the federal government and will affect it to a greater extent with each passing year until such time as corrective action is taken. Yes, we
need to improve the broadband infrastructure in this country. That is not contested on our side of the House. Indeed, it is vigorously supported as a proposition. But it makes no sense to choose such an extravagantly expensive design. Where is the case for the applications which require 100 megabits per second? We have seen very little evidence. For the kinds of instances that have been put to, for example, the House Standing Committee on Infrastructure and Communications, such as the Hunter nursing trial—a very impressive trial involving home monitoring of patients—we were told that the speed required is 512 kilobits per second in each direction. Why are we pursuing a policy of building out immediately everywhere? Why are we not making good use of existing infrastructure such as the HFC networks, which pass almost a third of homes and can already, or with very little upgrading, deliver 100 megabits per second?

In conclusion, this budget is a fiction because it excludes the National Broadband Network expenditure. This will be a growing and increasingly serious black hole for Commonwealth budgets for years to come unless corrective action is taken. (Time expired)

Ms GRIERSON (Newcastle) (11:49): I am very pleased to speak today in support of the three appropriation bills—Appropriation Bill (No. 1) 2011-2012, Appropriation Bill (No. 2) 2011-2012 and Appropriation (Parliamentary Departments) Bill (No. 1) 2011-2012—and to discuss the responsible economic management credentials of this federal Labor government. We have delivered a responsible budget; it is a budget true to the values of Labor and true to our commitment to equality and opportunity for all. But, as the Treasurer has said, it is also 'a budget for the times'. As he has noted, we have been Keynesians while the economy was on the way down and we will continue to apply Keynesian thinking while the economy is on the way up. As a government, we have successfully navigated the waves of the worst financial crisis since the Great Depression. Of the world’s 33 advanced economies, only three maintained positive growth after the onset of the global financial crisis, only two avoided recession and only one had growth over one percent. Gross government debt in the OECD is forecast to exceed 100 per cent of GDP by the end of this year, reaching heights of 158 per cent of GDP in Greece. Ours is the economy that avoided recession and recorded growth of more than one percent. Ours is the economy with net debt which will peak at 7.2 per cent of GDP—a tiny fraction of the comparable countries mentioned. I congratulate the Treasurer on his management of the Australian economy in such turbulent times.

The recent OECD report, Restoring public finances, observes:

The Australian economy has been one of the most resilient in the OECD ...

That’s because we made the tough decisions when we needed to. We implemented fiscal stimulus programs that protected an estimated 200,000 jobs and tens of thousands of businesses. We injected $42 billion worth of cash, consumer confidence and infrastructure spending into the arteries of our economy in 2008. We guaranteed bank deposits and we invested in the long-term prosperity of our nation. We saw Australia’s top trading partners fall, like dominoes, into recession.

In Newcastle, my electorate, even though our commodity based exports provide 32 per cent of the total exports of New South Wales, the global financial crisis still posed a real danger to local jobs and local families, particularly in the construction, hospitality, manufacturing and retail sectors. As unemployment in America and the European Union soars towards 10 per cent, our unemployment rate nationally, and in Newcastle, is steady at around five per cent.
We have not seen dole queues like those in Ireland, nor have we seen the levels of youth unemployment witnessed in places like Spain. Losing your job, we understand, is a life-changing experience.

Individuals lose more than just a source of income; they lose stability, their identity and the dignity that attaches to having a job. Hunter labour markets have been resilient, too. We are a very diverse economy. We hit unprecedented heights of workforce participation when, last year, the total number of employed residents rose to 335,500—a record for us. But I note that the shadow minister for finance, Andrew Robb, the member for Goldstein, still refers to Newcastle as a 'one-industry town'. I have to say: where has he been for the past decade? We have one of the most diverse economies in Australia, and we have one of the most resilient economies in Australia. Our one industry that he is perhaps referring to, BHP steelmaking, closed over a decade ago. I think that perhaps typifies an opposition that remain somewhere lost in space when it comes to responsible economic management and their understanding of this country, particularly regional Australia.

Our government, though, has had to make tough decisions, but the decision to invest in skills and training has been the right decision. As Bernard Keane wrote in *Crikey* last week, the government’s stimulus and nation-building measures ‘are the reasons tens of thousands of Australians, maybe hundreds of thousands of Australians, kept their jobs’. He is right. Since we took office in 2007, we have created over 750,000 jobs; that is an average of more than 550 jobs per day. Further, this budget anticipates the creation of more than half a million jobs over the next three years, and we will see our unemployment rate fall to 4½ per cent by mid-2013. But it has not been easy.

A patchwork economy creates patchwork pressures such as higher interest rates, a stronger Australian dollar and rising costs that all need to be managed. This budget balances the needs of regions and sectors where investment and growth are booming and businesses face a tight labour market, with the demands of sectors like manufacturing under stress from the rising dollar and the retail sector suffering from decreased consumer spending, particularly in some regional centres where unemployment is high. That is why we are making changes to the taxation of small businesses, allowing them to claim up to $5,000 as an immediate deduction for motor vehicles purchased in 2012-13. That builds on our tax concession to them of $5,000 as well. That is why we are providing $7.1 million to continue the Small Business Support Line, which I am told has already received 30,000 calls and emails since it began operating in September 2009. That is why we have created a $558 million National Workforce Development Fund to support more than 100,000 new training and workforce development places over four years. This is how we are addressing sectors such as construction and aged care, which are particularly at risk of a skills shortages. We have a proud record of strong economic management and job creation. In Newcastle it has been a particularly satisfying time as we see so many projects made possible by federal funding beginning to take shape. I make special mention of a new regional museum at Honeysuckle due to open in the next few months, where we contributed $8½ million; the Empire Skate Park, a very popular facility now; the Hunter Medical Research Institute, which we contributed $45 million to build and which is now under construction; the Australian Solar Institute; the Smart Grid, Smart City trial; and the Newcastle Institute for Energy and Resources. These are particularly satisfying.
They represent an investment in the stimulus packages or else an investment in regional Australia and infrastructure projects.

Similarly, with many of my colleagues I have had the great pleasure of attending official celebrations at many schools to mark the completion of new buildings and facilities under the BER project. I make mention of and thank the following schools for the wonderful celebrations I have been part of: Tarro Public School, St James Primary School, Newcastle East Public School, Newcastle Grammar School, Waratah Public School, Alesco Learning Centre, St Dominic's Centre for Hearing Impaired Children, New Lambton Public School, Waratah West Public School and Thornton Public School. And there are many more coming up. I am also delighted that the Minister for School Education, Early Childhood and Youth, Mr Garrett, was able to open the new Wetlands Environmental Education Centre at the Hunter Wetlands Centre. Our economic growth and prosperity has been assisted greatly by this government and its responsible economic management.

I am also very pleased that this budget makes health, particularly mental health, a national priority. We are investing $2.2 billion over five years to deliver better mental health care and prevention services, including $443 million to tackle suicide and $492 million for prevention and early intervention mental health services for children and young people. Added to this is $1.8 billion over six years in regional health infrastructure, bringing our investment in this area over the past three years to $2.9 billion.

Following on from the GFC, this budget, as the Treasurer has said, is part of the fastest fiscal consolidation of the modern era. This budget has government finances moving back into the black by 2012-13, ahead of every major advanced economy. This federal budget will keep the national economy strong and that is always good news for my electorate of Newcastle. It is not a high spending budget, but it is a responsible budget. Yes, for the first time in nine years there were no income tax cuts and none of the handouts that the former government was so fond of, but it was a fiscally responsible budget.

Since our election in 2007, federal Labor has already delivered in my electorate more than $1.7 billion in funding, and that is not including the economic benefits that will flow to Newcastle from the $1.5 billion Hunter Expressway now under construction. Interestingly, I note that the member for Paterson stated in his speech that I take my electorate for granted. Well, you wish, Bob. The people of Newcastle have $1.7 billion worth of reasons to know why that is not true. Despite some belt tightening, this budget has Newcastle on track for jobs and growth. By leading us back to surplus the budget will keep our national economy strong, and that is good for the national economy and jobs growth in Newcastle. Indeed, job seekers and apprentices will be among the biggest winners in my electorate. Around 6,547 people in my electorate stand to benefit from federal Labor's investment in training and incentives for apprenticeships. The 2,000 long-term unemployed in Newcastle will also benefit from an additional $1.4 million being invested in training and work experience in Newcastle.

I am also pleased the budget delivered sorely needed resources for cancer treatment in the Hunter region. I have spoken in this place before about the considerable concern in my electorate about access to oncology services in the Hunter region. Cancer has touched the lives of almost all members of this place and all members of the community. For some time now, constituents in Newcastle have approached me expressing concern about unacceptably long waiting times in the Hunter region to see specialists or to receive life-saving treatment.
That is why I was delighted this budget paved the way to grant a Medicare licence to the very recently installed MRI machine at the Calvary Mater hospital. It is due to start scanning later this month. I have campaigned hard for some time for this important resource to be provided to the Hunter community. As many would know, Calvary Mater is one of the largest cancer service providers in the Hunter region. Securing a fully-functioning and partially Medicare-licensed machine has been an important priority for management, staff and patients at the hospital.

MRI machines, as people would understand, are particular effective in diagnosing cancers and working with diseases such as cancers and strokes. Like the other seven new licences for MRI machines in regional areas granted in this budget, the Mater’s new licence will become effective next year. It will support Medicare subsidised services for a specified range of conditions, including common cancers like breast and cervical cancer. This will significantly reduce the cost of scans to patients and bring Medicare funded services closer to home for those who need them. In this case it will complement other MRI machines in the region at the John Hunter Hospital, Hunter Imaging in Cardiff and the private hospital in East Maitland, which have full Medicare licences.

The federal Labor government has a proud record of delivering improved cancer services to the people of the Hunter region. In 2008-2009, the federal Labor government provided $1.5 million in a one-off grant to support upgraded PET services at the Calvary Mater hospital. At that time a further $700,000 was granted to fund Medicare rebates for the additional PET services from the improved facilities. This state-of-the-art scanner is now making a real difference to the lives and early diagnoses of countless cancer sufferers in my electorate.

I would also like to put on the record my appreciation to Minister Roxon, who, in response to my concern regarding recent media allegations of inequitable cancer services and longer waiting times in facilities in Newcastle compared to facilities in other parts of New South Wales, has written to the New South Wales Minister for Health requesting a briefing on this matter so that we can see that the investments we have made are delivering improved cancer services in my electorate.

Of course, in his usual style, the shadow minister for regional development and tourism, Bob Baldwin, chose on Monday to misrepresent this important gain for the people of the Hunter and claimed that the Calvary Mater had 'missed out' on an MRI scanner. That is untrue. That was just another futile effort by the member for Paterson to mislead the people of his own electorate, who will also benefit from this new MRI licence at the Mater, as they do from the licence we granted to the MRI machine at East Maitland.

This is a budget that maps a path for the future prosperity of our nation. This is a budget that delivers on core Labor beliefs in creating jobs, creating prosperity and ensuring that every person in Australia has the opportunity to advance themselves and aspire to the wealth and prosperity that all Australians should enjoy. I commend the bills to the House.
government's changes to the fringe benefits tax arrangements, which will impact on small business in my electorate of Cook, in southern Sydney, to pay for Labor's waste. I am interested in focusing on the impact on changes to family benefits that have been put in place by this government to ensure that families in my electorate will be forced to pay for Labor's waste. I am interested in focusing on the changes to the private health insurance arrangements where, in my electorate, there are 102,578 people who are covered by private health insurance. I am keen to stand up for them because they are being asked to pay for Labor's waste in this budget. The biggest area of government waste that has been brought to my attention in this budget has been the government's failures in the area of border protection. This is a waste, as a result of the government's policy failures, that people in my electorate of Cook will have to pay for. These are measures that the government has brought in, not as savings to reduce a deficit, not as savings to reduce a debt, but as savings they are forcing on Australian families and small business to pay for their waste. The waste and the exorbitant expenditure are exhibited in no greater area than in the government's border protection failures and what they have meant for our detention network and the costs that come.

The costs of paying for Labor's waste are particularly being sheeted home to those who this government thinks are rich, who this Prime Minister thinks are rich. Those on a household income of $150,000 are in the thoughts of this Prime Minister as being rich. I can tell those opposite and I can tell the Prime Minister that she must be so out of touch with the cost of living for Australian families, more generally, but specifically with the cost of living for families living in Sydney. She must know very little about the cost of living for families who are living in southern Sydney, in my part of the city, or in western Sydney or in north-western Sydney or even as far north as the Central Coast and other places. If she thinks a family living in a household in Sydney on a combined household income of $150,000 is rich, then she is dreaming and, clearly, she is completely out of touch with the cost of living for people living in Sydney.

I know that the Prime Minister does not live in Sydney and I know most of the senior ministers, particularly those who make the decisions, do not live in Sydney, and they are completely unaware, I think, of what the real costs of living are for people and families living in Sydney. As a proud Sydneysider and someone who has lived in Sydney all of my life, I need to tell the Prime Minister that she is out of touch with those who live in Sydney and particularly those who live in my own electorate who are being forced to pay for this government's failures and waste.

In the area of border protection, since August 2008, 11,357 people have arrived illegally on 227 boats. Labor has gold and silver when it comes to illegal boat arrivals in Australia—4,706 people this financial year and 5,614 last financial year. These are 'gold and silver performances', to quote the former Prime Minister when he used to hand out medals for these things, and those medals are now squarely and fairly owned by this government because of their failures. They have attempted many things to try to address their failures, but their ideas are mainly forged in this climate of denial about border protection and what is required.

We can all remember the asylum freeze from April 2010 which led to 1,200 additional people coming, processing times tripling and the number of people in detention doubling. That was the first attempt. Then of course we had the regional processing centre which the Prime Minister triumphantly announced before the last election in East Timor. She has finally
admitted that that is going nowhere, the last person on earth to work out that that ridiculous proposal was never going anywhere. The previous Prime Minister, whom she rolled, told her that. She chose to ignore him and has learned through bitter experience how ridiculous the proposal was.

But we find that $130 million has been secretly put into this budget for a regional processing centre. This was revealed in Senate estimates over the last two days—$130 million has been set aside for a regional processing centre. It was not listed as an additional measure or a new measure in the budget. It was not in Budget Paper No. 2, it was not in the portfolio estimates; it had to be uncovered in Senate estimates.

The interesting thing about this $130 million is that it was put aside for a regional processing centre for a country they could not identify, of a size they could not nominate. It was a phantom regional processing centre. We know that it is a phantom regional processing centre because the negotiations, they say, are for a regional processing centre in Papua New Guinea and it was confirmed in Senate estimates that it is nothing of the sort. The proposal for an offshore processing centre in Papua New Guinea is not for a regional processing centre; it is to deal with irregular maritime arrivals to Australia. It is, as outlined in Senate estimates, the rebirth of the Pacific solution that this government, when opposition, condemned. This Labor Party had condemned it for the last decade and now they have been brought to a stunning recognition of the failures of their own policies and are now seeking to embrace the Pacific solution. But that process of embracing has been absolutely tortuous. This government has been trying to buy a stairway to John Howard on border protection, but the process has been absolutely tortuous. It has been characterised by desperate, half-cooked, panicked deals rushed out for a headline by this government prior to the budget to distract attention from nothing other than the budget that we are now debating. That is what they have sought to do. It has been characterised by a government that have been dragged kicking and screaming to a realisation that their policies have been the reason we have seen so many people seek to come to Australia illegally by boat.

Australia has the problem. This region does not have a regional problem. It has an Australia problem, not the reverse. The Prime Minister's rhetoric on all of this is nothing more than disguise for the fact that this government, at least now, I hope—and I can only deduct this—are seeking to change policies and to admit that it is their policies that were actually the problem. For three years we had denial. We had a nonsense argument about push factors, when the number of asylum applications around the world today is almost half what it was 10 years ago, when the coalition government faced this problem. The government have finally admitted, dragged kicking and screaming, that it is their policies that have actually created the issue that we have before us.

I cannot understand why this government does not put its pride aside and go the full measure. If you want to move towards our policies then by all means do so. But stop this tortuous agonising process of denial and trying to pretend you are not going to do it when clearly you have worked out that that is the direction you need to head in. Why not just pick up the phone to Nauru? They are ready and willing to do it. I spoke to the Nauruans last week. They are ready and willing to take up an arrangement for an offshore processing centre in Nauru, but this government continues to live in denial and pride and refuses to get on with the job.
We will see what the result is of the measures that the government have introduced, in particular their move towards reintroducing the Pacific solution in Manus Island, a long-held strong view of the coalition, which should be taken up. We will see what the outcome of those measures is. But what cannot be hidden is the cost of denial and obfuscation for the past three years. That cost is seen absolutely everywhere. It is exhibited in particular in our immigration detention network. The government cannot hide the mess and chaos that have been created as a result of their failed policies. That is the cost of Labor's denial. That cost is measured in the collapse of our immigration detention network under Labor and in critical incidents. Critical incidents include fires, riots, self-harm and even death. More than three critical incidents have been occurring in our detention centres every single day, and they include rooftop protests. We learnt yesterday in Senate estimates of the bizarre farce when on the same day, ironically and coincidentally, that there were protestors sitting on the minister's own electorate office roof in his own electorate, miraculously a deputy secretary of the Department of Immigration, in an extraordinary measure, went down to Villawood and, standing on top of a box, popped his head up into the roof cavity to negotiate with detainees who had been protesting on the roof for some 10 or 11 days.

It was an extraordinary situation, and what were those detainees told? They were told that if they got down from the roof they would not be sent to Silverwater Prison, where 22 others had been sent without charge. The minister can pretend all he likes that there were no special deals, but the same DNA that was in the special deal of the Oceanic Viking was in this minister when he sat there and watched those protesters sit on a roof for 11 days. He did nothing until protesters came and sat on the roof of his own electorate office, and a deputy secretary of the department was, miraculously, all of a sudden poking his head up in a roof cavity—as I am sure deputy secretaries do routinely when they negotiate with people who are protesting and detainees who are defying lawful instructions for those who are in detention!

It was a very special set of arrangements. It was a sad farce and an indictment of the way detention is managed in this country. A damage bill of $9 million was revealed from the Christmas Island and Villawood riots. There have been 133 charter flights, costing $15 million, undertaken in this year alone. There has been a tripling of the time spent in detention, from 61 days to 174 days. People have been accommodated in motels and hotels at an annual cost of $4,500 per person per month. There has been a tenfold increase in staff numbers. This is why we need to have an inquiry and why the coalition is calling for one.

The cost of asylum seeker management has gone from less than $100 million a year to more than $1 billion a year in the short time that this government has been in office. That is a record it should not be proud of. If you go through this budget in careful detail, Madam Deputy Speaker, as I have done, you will see that since the 2009-10 budget was handed down the impact of the government's retreat, abandonment and demolition of the Howard government's regime—which the government now admits it has to restore but which it is just too slow in doing—has cost the taxpayer $3.2 billion in blow-outs, including capital. That is since the Howard regime was rolled back. More than $2 billion of those blow-outs is in this budget alone. Asylum seeker management costs have increased from less than $100 million a year to more than $1 billion a year.

This is a government that thinks that the Australian taxpayer should now have to shell out in cuts to family benefits and in higher taxes for those who are driving utes. Let me tell you
about those who drive utes in my electorate. Because of the state of the economy, they used to be able to get plenty of work, where they are tradies, around the shire. These days they have to travel out to Western Sydney, up to northern Sydney and down into the Illawarra. They are spending more and more time in their utes to chase work, to get the contracts they need to sustain their businesses and to put food on the table for their families. That is what they are doing. But this government says, 'You should be taxed more.'

When I look at this budget I see a very sinister theory or principle being displayed by this government. It is that those who have worked hard to give their families a better deal and a bigger opportunity in life—those who have made sacrifices to give their families and their children a better standard of living—are being told by this government that they need to make sacrifices for this government's inability to control its expenditure and stop the waste. The issue that has probably been raised more than most others in my electorate, along with border protection, is the television set-top box issue. People cannot understand why they should have to pay more and more in taxes but receive less and less in support from this government. This government thinks they are rich and should be paying for the failures of this government and for its inability to control the borders and its expenditure.

Mr NEUMANN (Blair) (12:18): The federal Labor government is committed to a strong economy, a fair society and a sustainable environment, unlike those opposite. The previous speaker, the member for Cook, talked about taxes and about expenditure and waste. Let us talk about the coalition's appalling record on the economy. Let us get a few facts on the table. In the peak period of the Howard government, tax as a percentage of GDP was 24.1 per cent; in 2011-12 it will be 21.8 per cent. Real government expenditure in the next five years will be one per cent, the lowest since 1980. During the last five years of the Howard government it was 3.7 per cent. Underlying inflation in March 2011 was 2.3 per cent. At the end of the Howard government period it was 3.5 per cent. Returning the budget to surplus by 2012-13—

Opposition members interjecting—

Mr NEUMANN: Look at those opposite! The Treasury found an $11 billion black hole after the last election, and a $1 billion black hole as a result of their response to the Queensland, Western Australian and Victorian disasters. They could not even agree in their party room about how they should respond to those disasters. Where was the economic response in the shadow Treasurer's speech at the National Press Club? Where was the economic response from the would-be Prime Minister opposite? It was nowhere to be seen, because they have given up on running an economic argument against us. Where were the questions yesterday in question time about the economy? Nowhere to be seen. Those opposite are a big risk to the economy, they are a big risk to the future surplus and they are a big risk to employment because in my electorate they failed to invest when they were in government for 11 years. I will talk about that in a minute. They are a big risk because of the policies they took to the last election. They wanted to get rid of trade training centres and bring back Work Choices. We know they all want to do that because we see opinion pieces from those opposite that they want to do it. They would have ripped $1 billion out of the hospital system. That is what they proposed. They would have got rid of the NBN. Yet all the councils in South-East Queensland want the NBN, including many of those opposite. The member for Groom should have a talk to Peter Taylor, the mayor of the Toowoomba Regional Council. The member for Wright should have a chat to John Brent, the mayor of the Scenic Rim Regional Council, and
also Steve Jones, the mayor of the Lockyer Valley Regional Council. They love the NBN. They want the NBN there, yet those opposite oppose the NBN. All the business committees and chambers of commerce in the Somerset Regional Council want the NBN. That is the reality. Those opposite should have a look at this. The truth is that they opposed our GFC response. There would have been 200,000 jobs put at risk by those opposite. They wanted to adopt the New Zealand National Party attitude because they thought that was the way to go. But there would have been unemployment in the retail sector and the construction sector.

They opposed the BER response, including $109 million in my electorate alone. Yet I see conservative councillors turning up to BER ceremonies everywhere. I bet those opposite have gone to plenty of BER ceremonies in their electorates but they would not tell the principals, the P&Cs, the schools and the schoolkids that they opposed it. They have done that every step of the way. There has not been a roads funding bill introduced into this House since I was elected that the opposition did not oppose.

There is clear evidence in my electorate of the opposition opposing road infrastructure that is so important for South-East Queensland. I will talk about that in a minute. Negativity is all that we have got from those opposite—opportunistic negativity, no plans, no alternative ideas on what to do. Every time they promise something they do not deliver. The last time we were here, the shadow Treasurer was parading, posing and preening around the press gallery, saying, 'I'll get the budget back into surplus in 2011-12.' Where was one word of how they would do that? There was not a scintilla, not a jot, not one little bit of evidence that they would do it. They did not have any plans to do it—none at all. Yet they come in here supporting, allegedly, the mining interests. And then there was that farce yesterday. If there had been a Labor government in Western Australia doing that to a coalition government here, they would have been screaming absolute blue murder, but they supported their colleagues and comrades in WA because we know the WA Liberals actually wag the dog.

Let us have a look at what we have done in my area that they oppose. There is, for example, the local employment coordinators, such as Samantha Wilson. We have the Ipswich Logan area coordinators; those opposite would oppose that. They would oppose the trade training centres that we see in Ipswich—$6 million has been provided for that in the budget. They would oppose the GP superclinics that acted so wonderfully well in the flood response. The BER halls in Esk and Fernvale acted as flood evacuation centres. They opposed every single assistance we gave to flood affected Queensland as well—all the emergency relief, the mental health funding and all the additional health assistance. Was there one word from those opposite about that?

The Leader of the Opposition could not even get the electoral demography or the flood geography of Queensland right when he got up in the chamber to talk about the floods. He thought the floods in Queensland were in Redcliffe, for crying out loud! He thought the member for Petrie had floods in her electorate. That is how little he understood of what went on. And as he drove out to Grantham, which he did a couple of times, he would have travelled on the Ipswich Motorway. The Ipswich Motorway is a $1.95 billion project linking Ipswich and Toowoomba. This is one of the projects that all the mayors and councils in South-East Queensland supported—even the LNP in Queensland supported it—but the Howard coalition government refused it forever. They opposed the Ipswich Motorway upgrade year after year after year.
In fact, if the member for Wide Bay, if he were on the treasury benches as the roads minister, would close the construction of the Ipswich Motorway, putting at risk 10,000 jobs. We put $155 million in this budget for the completion of the Dinmore to Goodna section. The farmers know it, the miners know it, the councils know it and the chambers of commerce know it: those opposite should support it. But they voted against every single bill in this place to fund the Ipswich Motorway. That is the truth. They have also said nothing about the Blacksoil Interchange—the intersection of the Warrego Highway with the Brisbane Valley Highway. The council of South-East Queensland mayors—led recently by the alternative Premier of Queensland, Campbell Newman, who was the mayor of Brisbane—wanted to support seven projects in the last election. Number one on the list was the Blacksoil Interchange. Did we hear one word of support for that project from those opposite? For the 11½ years they infested and sat on the treasury bench, did they support the upgrade of the Blacksoil Interchange? No—not once did they provide funding for it and yet it is a major intersection for the Lockyer Valley-Ipswich-Somerset regions. All the councils in South-East Queensland know how important national highways are. Kids go through this intersection, parents go through it, farmers go through it and mining company trucks go through it. When we committed to doing this work Steve Jones, the mayor of the Lockyer Valley Regional Council, supported it. So did Peter Taylor, from the Toowoomba Regional Council. Paul Pisasale from Ipswich City Council supported it. Graeme Lehmann, the mayor of the Somerset Regional Council, supported it. They all supported it. John Brent, mayor of the Scenic Rim Regional Council, also supported it. The only one of those people who is a member of the ALP is Paul Pisasale. The rest of them have been or are members of the LNP.

The truth about this is that those opposite failed. They talk about regional Queensland. The Regional Infrastructure Fund, the money we are putting into regions, totals $4.3 billion. Those opposite failed with road funding. Let me give a few facts. When they were last on the treasury bench, under Roads to Recovery Ipswich City Council got $1.18 million. In this budget, they are getting $1.31 million. That is a pretty good increase. Let us look at the Somerset Regional Council. The member for Dickson and the member for Fisher represented those areas for some time. In the last year of the Howard government, under Roads to Recovery Somerset Regional Council received $357,000. Do you think that is alright? It is the biggest land area in South-East Queensland, although the fewest number of people live there. In this budget we are contributing not $357,000 but $653,000—a massive increase; almost double. Those opposite will not fund the Blacksoil Interchange but we have put $54 million into it and the state government is putting $16 million into it.

Those opposite will not support the minerals resource rent tax that gives my home state of Queensland $2 billion in regional infrastructure funding, but we know that is important for small business and superannuation uplift. It is an important infrastructure spend. So all those members of the LNP opposite—the member for Groom, the member of the Wright and all the others—should hang their heads in shame for their failure to support infrastructure in South-East Queensland. They continually failed to do anything when they were in power.

In this budget we are investing a record $8.5 billion as part of our Nation Building Program across the whole period, from 2008-09 through this budget to 2013-14, to renew and expand Queensland's road, rail and public infrastructure. That is not bad, when you consider that the Howard coalition government gave half of that over the same period. They come into this
place and say that they are standing up for regional Queensland and rural Queensland and seats like mine, but the facts do not bear that out. Look at local roads funding, the Blacksoil Interchange and the Ipswich Motorway, and the overall roads, rail and port infrastructure in Queensland. The LNP members in this chamber know very well that only we have invested in regional infrastructure across Queensland. They would not make any commitment to any of that. They opposed the Ipswich Motorway upgrade and failed to support the Blacksoil interchange.

Let us talk about the Warrego Highway, between Toowoomba and Ipswich. They put a pause on the money they gave to the Queensland government to maintain the Warrego Highway. Yet we have the state member for Lockyer all the time bleating about it. The member for Wright bleats about it as well, and the member for Groom talks about it, but they paused the funding for it. We massively increased the funding for the Warrego Highway, and the state government is putting in improvements all along the Warrego Highway. It is not perfect; a lot needs to be done. But the member for Wright, in the Gatton Star, said he could not find one good thing in the budget for his area. He knows that thousands and thousands of his constituents drive through the Blacksoil interchange, drive along the Ipswich Motorway, day after day after day. Those opposite should hang their heads in shame when it comes to road infrastructure in South-East Queensland. They should hang their heads in shame. I see the member for Capricornia. She knows very well that it is only the election of a federal Labor government that has helped Rockhampton and those areas. Those opposite failed in that regard. They are a risk to jobs. They are a risk to health. They closed down the Ipswich GP superclinic. The Queensland Times newspaper editorialised: 'Hands off our GP superclinic'. Those opposite want to shut it down. They would not support the local employment coordinators. They would not support the BER. They would not support the 10,000 jobs on the Ipswich Motorway. They will not support the Blacksoil interchange. They will not support the Roads to Recovery funding that we put in. They are a risk to the budget, a risk to the cost of living.

They are also a risk to health services across my area. Did they support our funding for the Kambu Medical Centre and the Ipswich General Hospital? Have they supported us with Medicare locals? The divisions of general practice in Brisbane's south and Ipswich and West Moreton want it, but those opposite do not want to support what we are doing in primary care infrastructure or local primary care. They will not support that either. The doctors in my area, through the western corridor from south-west Brisbane all the way to the Lockyer Valley and way up into the Somerset, all support it. We put in GP superclinics and upgrades to primary care infrastructure for local GPs in Flinders Peak. Dr Shera runs the practice there. There was $300,000 for that in my local area. Did those opposite support it? No, they did not. It took a federal Labor government to seriously invest in mental health and disability. There is $2.2 billion in this budget. Those opposite say things. When they were there for 11½ years, did we see massive increases in funding? We did not. Look at their record. They failed.

Local organisations in my area have warmly welcomed this. We have some fantastic initiatives and some fantastic organisations, like Focal Extended, AusCare, Spiritus Kinections, Jacaranda Clubhouse, Booval Community Service, Southern Cross Community Service, the Ipswich Regional Advocacy Service and many, many others who help people with disability who are suffering from discrimination and problems, help people with their
lifestyle, provide respite care and tenancy advocacy, help people transition from education to work, provide accommodation assistance and more. These are wonderful organisations that we see locally. There are organisations like CATS Inc. I was there at their recent opening of a service in Raceview. They help young people, 16- to 24-year-olds, make that transition. These are great organisations that got money from the federal Labor government. My area was neglected for 11½ years by those opposite—roads, schools, health, disability services and mental health. They should hang their heads in shame for what they did to the people of the western corridor, Ipswich and all those areas represented by conservative members of this place.

Mr CRAIG KELLY (Hughes) (12:33): We are now approaching almost one year since the Prime Minister admitted in a very rare moment of honesty that this Labor government had lost its way. Since then, this government has gone from bad to worse, with the Prime Minister taking our nation further and further off course. Due to the most reckless and irresponsible spending in our nation's history, in just over four budgets this Labor government will run up combined deficits of over $150 billion. To put this number in some perspective—$150 billion of combined deficits—let's take a $100 bill. If you laid out $100 bills from end to end, to get to $150 billion they would stretch around the globe not once but six times. Then we have the grand promise of returning the budget to surplus. Let's just assume all the planets align and Labor are actually able to deliver their first and only budget surplus in a generation, of $3 billion. To clean up the mess that they created and to pay back the Labor deficits created over four years, they would need to duplicate this budget surplus projected for 2012-13 year after year for the next 50 years. Despite claims of belt-tightening and a tough budget, the reckless spending of this government continues unabated. To fund this, they are continuing to add to our mountain of debt by $135 million every day—day after day. This is what the Prime Minister calls moving forward. I have been allocated 15 minutes for this speech. In this 15-minute period alone, this government will have borrowed another $1,400,000. And they will continue to do so for every 15-minute period day after day, night after night, weekday and weekend, to add to our mountain of debt.

In November last year, we were told that net debt would peak at an incredible $94 billion. But then on budget night it was revealed that it had actually blown out to $107 billion. That is $107,000 million. If you look at this number quickly, it is easy to overlook how much it is. But what this debt means is that every year going forward we need to pay an interest bill of over $6 billion. That is $6,000 million every year forever until we start paying off the debt. What this means for the future is that, before we spend one single dollar on our hospitals and roads and to support our children with disabilities, we will need to pay off $6 billion in interest on Labor's debt. And this debt will mainly be paid to foreigners.

Many other members on our side have detailed the shameful waste and mismanagement of this government and the attitude of doing whatever it takes to cling to power and the future be damned. One could talk all week and only be scratching the surface of this government's waste and mismanagement. Just one of the many examples of waste and mismanagement that I would like to raise is the farcical creation of the position at the ACCC of a Petrol Commissioner. If you were looking for one of the most useless positions in our country, it would be the Petrol Commissioner. Can anyone say exactly what the Petrol Commissioner has achieved for motorists, other than being an apologist for the big oil companies and the
supermarket duopoly? Consumer and competition law expert Professor Frank Zumbo has said that the position was a 'costly gimmick' and should be scrapped because of budgetary pressures. But in last week's budget it was announced that this Labor government would continue to provide another $2 million over two years to continue the Petrol Commissioner's role. This is just one example that demonstrates this government does not have a clue and is prepared to compromise our economic prosperity to cling to power.

If we are looking for ways for our nation to repair the mess that Labor has put us in and to dig us out of the hole of Labor's debt, the burden will again fall on small business. History has shown that it is small business that leads the fight back. History has shown that small business is the creator of real new jobs. History has shown that small businesses come up with the innovations to create the new products and new inventions that we rely on for our economic prosperity. Again, the nation will need to call on small business to lead us out of this Labor induced mess. But the problem we have is that Labor, being ideologically hostile to small business, has launched a jihad against the small business sector. Already, since Labor has come to power, 300,000 jobs have been lost in the small business sector.

To further demonstrate Labor's attitude to small business, the backbone of our economy, we used to have a small business minister. But this Gillard government has disgracefully downgraded the small business portfolio to that of a parliamentary secretary. Now we have the person in charge of small business, the member for Lindsay, who seems so confused that he thinks his job is to make small business smaller. He seems to be doing very well in that role with those 300,000 jobs having disappeared.

Further, what is highly disturbing is that the RBA figures show that since Labor has come to power there has been a slashing of bank lending to small and medium sized businesses by an estimated $56 billion. Further, and even more disturbingly, the Treasurer foolishly and naively allowed St George Bank, when they were taken over by Westpac, to be eliminated as a competitor to the big banks in approving loans to small business. The evidence is that the big banks have been able to bulk up their profits by gouging small business.

The RBA numbers are highly disturbing. While the banks' interest rate margins for loans to large businesses have remained steady at around two per cent, the margin on loans to small businesses—loans secured by mortgages over residential properties—has blown out to over five per cent. This means that the entire Australian small business sector is paying interest rates around three per cent higher than they would in a normally-functioning, competitive market. This is putting Australian small businesses at a competitive disadvantage against their larger competitors and, as a ball-park figure, we now have an annual profit transfer from the small business sector to the big banks of around $9 billion. And the government continues to do nothing to repair our broken competition laws to protect consumers and provide equality of opportunity for small businesses. This government's jihad on the small business sector is going to have serious repercussions for our long-term economic prosperity.

No Australian wants to see this inept government continue on its present path of stumbling from policy disaster to policy disaster. From Fuel Watch and Grocery Watch to pink batts, BER waste, solar rebates, green loans and the set-top-box giveaway the list goes on and on. And now we have the looming financial disaster of the NBN and the self-inflicted punishment of a carbon tax.
With a mountain of debt, already north of $100 billion, this country simply cannot afford this ongoing series of rolling policy disasters. So what can the most inept government in our nation's history do to get out of its current rut and prevent further damage? A good suggestion I have for every member of this government is to go and watch an old episode of the Seinfeld sitcom entitled 'The Opposite'. In this episode George Costanza sums up exactly what Labor are going through when he says:

It's not working, Jerry. It's just not working ... Why did it all turn out like this for me? I had so much promise ... every decision I've ever made, in my entire life, has been wrong. My life is the opposite of everything I want it to be. Every instinct I have—

in every aspect—
It's all been wrong.

I am sure almost every member of the Labor Party, both federally and in the states, can identify with these comments. However, Jerry Seinfeld gives George the answer. He says:

If every instinct you have is wrong, then the opposite would have to be right.

So George then resolves to start doing the complete opposite of what he would normally do. He orders the opposite of his normal lunch. He boldly goes up and introduces himself to beautiful women. He stands up to bullies and he even starts to tell the truth, even when it is uncomfortable. And within a few days George Costanza finds himself dating beautiful women, he has landed a top job with the New York Yankees and he has won new-found respect with family and friends. And George credits his new-found success:

... it's all happening because I am completely ignoring every urge towards commonsense and good judgment I've ever had. This is no longer just some crazy notion. Jerry, this is my new religion.

Clearly this government should follow the lead of George Costanza. If they want to get the best results for this country then every instinct they should do the complete opposite. Think, for a minute, about how much better shape Australia and also the Labor Party would be in if they did the exact opposite of their natural instincts.

For example, when the proposal for a grocery watch scheme was floated, rather than following their natural instincts and throwing away millions in building a useless website, if they had done the exact opposite they would have saved themselves embarrassment and the taxpayer $7 million. The same goes for the pink batts scheme, the cash for clunkers, the solar rebates and the green loans program et cetera.

Then look at border protection. Of course the natural instinct of this Labor government was to abandon the policies of the Howard government. Again, if they had done the exact opposite of their natural instincts, billions of tax dollars would have been saved. Look at the Prime Minister's promise of the Epping to Parramatta rail link during the last election. I am sure the Prime Minister's natural instinct was that this would be a great political stunt, but in effect all it did was tie federal Labor more closely to the political disaster that was the New South Wales Labor government. Clearly, if the Prime Minister had done exactly the opposite of what she thought, Labor would be in a better position. Then take the set-top box program. Giving things away for free at taxpayers' expense for well above market price is a natural instinct of Labor. I am sure all Labor members thought this would be a good idea. But, as normal, it has turned out to be a farce, with Labor being lampooned from coast to coast and the public reminded of their reckless spending.
Moving forward, I call on this government to do the opposite. Rather than kowtowing to the Greens, they should stand up and oppose the carbon tax. Rather than blindly pushing ahead with the NBN, they should stop and call a cost-benefit analysis. Again, doing the opposite of what is their natural instinct will put our country in a better position. And, rather than inflict on our nation a pointless carbon tax, such a self-defeating mechanism, they should again do the complete opposite, say no and look for ways of direct action to reduce our carbon dioxide emissions.

In conclusion, for the rest of this term, no matter how long or how short that may be, if this government are going to avoid the continuation of their irrational and incompetent economic policies, the answer is very simple: they should take every instinct they have and do the complete opposite.

Ms RISHWORTH (Kingston) (12:46): The contribution from the member for Hughes was not dissimilar to contributions often made by the Leader of the Opposition—full of rhetoric, full of one-liners, no substance, no policy and, probably one of its biggest failings, no economic plan for the future. It comes back to the fact that we are debating the Labor budget here today because we have an economic plan for the future. We have an economic plan that will see 500,000 jobs created. That is right. I did not hear about jobs in the contribution from the member for Hughes and we have not heard much about jobs from the members of the opposition in this debate. But we will talk about jobs. We want to talk about jobs because we believe that is the right thing to do. In fact the budget that the Treasurer put forward is all about creating jobs and giving Australians a good, prosperous economic future. It is about bringing the budget back into surplus and ensuring that we have a sustainable footing for the future.

We have heard a lot from the opposition about set-top boxes. That was something that they supported. In fact, Senator Nick Minchin and the member for Mayo, Jamie Briggs, are on the record as supporting it, making sure that we do not have people left in the dark. But it is not uncommon for the Leader of the Opposition to support things and then think: 'Gee, I'm actually supporting something that the government is. I can't do that. I've got to be negative. I've got to disagree.' The Leader of the Opposition is all opposition and no leader. He could not lead anything if his life depended on it. What we have had from the opposition is rhetoric but no plan. We saw that clearly in the budget reply, when the Leader of the Opposition got up and did some one-liners and then, when he got to the point where we thought—we were ready for it—he was going to outline his economic plan, he said: 'Oh, look, I'm not going to outline an economic plan tonight. I'll do that closer to the election.' Clearly the Leader of the Opposition is exactly as he was described—that is, bored by economics.

Today I am going to talk about the significant investment in my electorate since this government was elected. People in my electorate, which is in the outer suburbs of Adelaide, were neglected significantly by the previous coalition government when it came to infrastructure. It took the election of this Labor government for them to start really investing in infrastructure and building. A lot of people talk about congestion. It has been this government that has actually started to address the issue of congestion in the outer suburbs of Adelaide. I'll start by saying that I am very pleased that the Victor Harbour Road, Main South Road intersection is now complete. This is something I committed to in the 2007 election; the opposition did not. The two intersections are now complete. Along with safety improvements,
Traffic congestion has been significantly reduced and this has ensured that there is good flow up to the beautiful area of McLaren Vale on long weekends. Rather than having to sit for a long time there is now a lot less congestion and better infrastructure has been delivered for the local area.

Another commitment that was made after the election is the Noarlunga rail extension to Seaford. This is something that, perhaps, the opposition calls waste. It is not waste to the local residents who desperately need this rail extension. I am very pleased that significant work has began on that rail extension. Work will begin shortly on the bridge that will span across the Onkaparinga to allow the rail extension to get to Seaford. This bridge is going to be slightly longer than the Sydney Harbour Bridge. It is certainly something that people in the southern suburbs have a lot of pride over. More than pride, it will ensure that Seaford gets the rail extension that it so desperately needs. We have seen the southern suburbs of Adelaide grow significantly. After being promised for many years by many governments that they would get this rail extension, it was this government that delivered the $291 million to fund it. It is this government that has awarded the major contract and is getting on with the job of building this. It will make a significant impact. It is expected to attract approximately 6,000 trips per weekday and around 1.7 million trips per year. This, once again, is an area where it took the election of this government to actually address the issues of public transport and congestion. This is the type of stuff that the Liberal Party is calling waste. Far from it, this is the type of investment that has been sorely needed for a long time.

I would like to talk about another investment that includes the McLaren Vale overpass, and which will improve safety for residents in the southern part of Adelaide. It is an $18 million upgrade jointly funded by the states and territories. The federal government is putting in $14 million. This intersection is an important road linking Adelaide to the tourist and commercial area of the Fleurieu Peninsula. Over 18,000 vehicles use the Victor Harbour main south road to McLaren Vale. The junction's current poor safety record is the reasoning behind the upgrade, and sadly there have been over 12 casualty crashes at the junction since 2005. Currently the state department of infrastructure is in its consultation phase. This project is on track to further improve safety and ease congestion in one of Australia's premium wine regions. It has been this government that has begun the investment in rail and road, and certainly my local electorate is benefitting from it.

There has been a lot of discussion in this place about the NBN. The previous speaker talked about what we could do for small business. Then in the same breath he suggested we should scrap the NBN. I can tell the member for Hughes that, if he goes out and actually listens to what small business needs in my electorate, he will see they are telling me they want to be connected to the world, they want to have the opportunity to compete in global markets through the NBN. They are telling me that the biggest impediment to expanding their business is not having access to broadband. We often hear the opposition say they are the party of small business. If they were the party of small business they would listen to small business and hear that in fact the NBN has the potential to revolutionise. Instead we hear the Leader of the Opposition completely ridiculing the NBN. He is clearly not listening to small business—they want this, and they want this now. I am very pleased that Willunga is a first-release site in my electorate. We have seen over 95 per cent of people sign up to be connected to fibre and to have test services that will start within months. There is a lot of excitement...
from local residents, but in particular from businesses. The Southern Economic Development Board has said that broadband is the number one impediment to small business expanding so this is exciting.

But this excitement, this expansion, this economic development will not happen if the Liberal Party gets its way and builds its fibre-to-the-node plan, which has been discredited by experts around the globe. What the opposition fails to understand is that the problems with broadband in my electorate, as in many other electorates around the country, is that there is not enough copper in the ground. That is why so many residents cannot even get ADSL2. They are on pair gains or have a whole range of problems because of insufficient copper and not enough services. So to do fibre to the node, which is the opposition's new plan, will add to their 21 failed broadband plans. It will not get broadband to the people that need it, people in Hallett Cove—

Mr Tudge: That is why we have a specific policy for those areas.

Ms RISHWORTH: The member for Aston interjects, but what he does not understand is that significant suburbs with thousands and thousands of people do not have enough copper so, if you are going to dig it up, why wouldn't you put fibre down?

Mr Tudge interjecting—

Ms RISHWORTH: Why would you just put copper? Why would you put in an old technology—dig it up and spend the money. If you talk about waste, why would you dig up the ground and lay another bit of copper, that is yesterday's technology. Why wouldn't you put fibre in the ground? That is the ill-thought-out Leader of the Opposition's plan on fibre.

To be quite frank, the Leader of the Opposition has not had much input into this plan because he is not interested. He did not even turn up at his broadband policy launch at the last election. I have a little advice for the opposition: saying that you are going to cut our National Broadband Network is not a vote winner in outer metropolitan areas. I do not want to give them too many tips for the next election campaign, but scrapping the National Broadband Network probably is not the right policy to have. Once again, it is about building that critical infrastructure, whether it is roads, whether it is rail or whether it is broadband. This is what this government sat down to do.

I have to talk about another project in my local electorate that is incredibly important. Obviously being a member from Adelaide and from the state of South Australia, I consider water a particularly important issue. I recognise that it has been this government that has had to take up, once again, after neglect from the previous government, the issue of water and the management of the Murray.

For a while there I thought this might be a bipartisan issue. Certainly when the Leader of the Opposition came to Adelaide during the election campaign he inferred it was going to be a bipartisan issue. He was going to sign up to the Murray-Darling plan. Of course, after the election he made it clear that he had no such intention to do anything like that. In fact, in his response to the Queensland floods, he indicated that he would scrap the buyback of water, that he did not think buying back water was important. Now that was of great concern for people of Adelaide. Not only is restoring the Murray critically important, but once again the Leader of the Opposition had gone back on his election commitment.
This Labor government is getting on with the job and, in terms of infrastructure, I am very pleased that this federal government has invested into two projects—Waterproofing the South, Stage 1, and Waterproofing the South, Stage 2. In Waterproofing the South, Stage 2, the federal government has committed $14 million to develop stormwater harvesting in the Onkaparinga Council area. There will be a number of sites which will harvest stormwater and stop it from going out into the sea, which does affect the seagrasses, harvest it and then use it for watering parks and gardens. So is a very exciting project. There is a contribution from the council, $7 million, and $7 million from the state government. This is an example of how state government, federal government and local council can work together constructively. It might not be known to the Leader of the Opposition that one can work constructively and not just be negative about everything. Good outcomes can be reached for the Australian people. In this case good outcomes on water conservation were achieved for the people of Kingston, so this is a particularly important project.

There has been a significant increase in investment in local infrastructure in my electorate. One in particular is the Woodcroft Library and Neighbourhood Centre—which was opened by the council with a contribution by the federal government under the Green Precincts Fund. This is an incredibly exciting centre which has solar electricity and hot water systems, a rainwater harvesting system, smart building controls and artificial lighting and air conditioning that are set according to outside conditions in order to reduce energy. It is a wonderful, energy efficient building. It is an opportunity not just for the building to be energy and water efficient, but for local residents to go down and look at some of the things that have been done and to take some ideas away. It is trying to extend that information. This is, once again, investment in local areas that have not been invested in before. I am pleased that this budget builds on that investment, ensures that there is investment in the areas that are important—training, hospitals, healthcare, roads and rail—and continues to build our nation and to build, support and create jobs, just as we did during the global financial crisis. I commend the budget and continue to support the important initiatives in my local electorate.

Sitting suspended from 13:02 to 16:01

Mr SECKER (Barker—Opposition Whip) (16:01): Mr Deputy Speaker, As a long-term friend and one who came into parliament with you, it is very much a pleasure to appear before you this afternoon.

The DEPUTY SPEAKER (Mr Murphy): Thank you

Mr SECKER: You may not like what I have to say though, Mr Deputy Speaker, which is understandable, because I believe that on budget night the Labor government delivered a budget with a blowout of $50 billion. Before budget night, this Gillard government talked about surpluses. However, this government now has a net debt of $107 billion; and Labor has certainly got form on that.

It is very interesting that not a lot of people in Australia realise that the government is actually borrowing $135 million per day. The interest on Labor's debt will be about $7 billion a year. That is $7 billion a year is unfortunately going to banks. It is not going to services, it is not going out there to provide infrastructure; it is just debt that is lost to the Australian people. Think of all the worthy projects that could be funded by the money wasted on those interest payments alone. For just over $1 million this government could fund three regional hospitals
that are facing closure in South Australia. If you have not already heard, the South Australian 
Labor government has cut funding to Keith, Androssan and Moonta hospitals. If the Keith 
hospital closes its doors the next closest hospitals will be Bordertown, about 50 kilometres 
away; Naracoorte, 100 kilometres away; or Murray Bridge, 170 kilometres away.

On top of forcing residents to attend already overbooked hospitals, this will leave a large 
stretch of notoriously dangerous highways without a hospital—180 kilometres of the the 
Dukes Highway and 240 kilometres of the Riddoch Highway. To understand how important 
the Keith Hospital is to that local community, if you lose your hospital your community starts 
dying. It is that important.

On 1 February this year I introduced the motion that called on the federal government to 
fund these three hospitals and reduce the state government's national health care specific 
purpose payments by the amount that these three hospitals will be directly funded. It is very 
interesting. Even doing it that way will not cost the federal taxpayer one cent. What it will say 
to the state government is: you have made a bad decision and you need to fix it up; if you are 
not prepared to do that we will do it ourselves.

Despite the government letting the motion pass on the voices without dissent, three months 
on, the hospital has received no help from federal or state Labor. Yet two weeks ago we saw a 
budget that had a $50 billion blow-out. It just does not make sense. Ten years ago the state 
government was funding Keith hospital to the amount of 35 per cent of its total costs and the 
other 65 per cent was funded by the Keith community—unlike other community hospitals, 
which are 100 per cent funded by the taxpayer. Over 10 years this figure has been whittled 
down to about 25 per cent of total costs, with 75 per cent funded by the community. That was 
already unsustainable when the state government announced it would cut funding further, by a 
whopping 60 per cent, meaning the state government was going to fund the Keith hospital 
only to about 10 per cent of its total costs, compared to 100 per cent for other community 
hospitals.

This is silo economics at its worst. It is looking only at the savings and not at the costs. The 
costs will actually end up being five times more than the so-called savings. Yes, members, it 
will cost the federal and state governments at least five times what the state government 
thinks they are going to save. This is a hospital that has received over $1 million in capital 
infrastructure funding from both the Howard government and the Rudd government in recent 
years, firstly for aged-care infrastructure and then for the doctors surgery. But that will be 
totally wasted because the aged-care facility of 18 beds will close if something is not done 
and the doctors surgery will close because the patients will go elsewhere. The St John 
Ambulance volunteering service will close, and the state will be forced to put in a paid service 
24 hours a day on one of the busiest highways—if not the busiest—in South Australia, which 
is well known for its accidents. They will have to travel further distances.

Between federal and state Labor governments, regional South Australia is slowly being 
ripped apart. Down in the south-east of my electorate the timber industry is feeling the pain of 
the Labor Party's sting. The south-east of the state, and my electorate, are built on the timber 
industry—that is, they were before the state Labor government decided it could sell the 
forestry assets to refill its coffers. To sell three rotations of forestry, 100 years of forestry, is 
like selling the family silver and not being able to use that silver for 100 years. It is a mindless 
decision by the state government, who have overspent because they are following Labor
federally. The community has been depressed since the state government announced it would
proceed with a forward sale of forestry assets. The region wants to expand and grow the
industry. The state Treasurer cannot guarantee that jobs will not be lost as a result of the sale.
It really is a sad situation to see the community in. The funds from the sale will, more than
likely, be used to prop up the state government after its spendathon in the city. Like most
Labor governments, they are citycentric.

Another issue in the south-east—and all over my electorate, for that matter—is youth
allowance. Yesterday the Prime Minister and Minister Evans made an announcement on
youth allowance. The minister and the Prime Minister think they have done a good job of
youth allowance. Both were pleased with their efforts. I am certainly not so convinced,
because I have spoken to students and parents who are concerned about Labor's changes. The
coalition has been pushing for the government to make the criteria fairer. The maps currently
used are ridiculous and do not reflect the difficulties that students from some areas have in
getting to university. For example, at Mount Gambier the closest universities are in
Melbourne or Adelaide, both about 350 kilometres away. Obviously, you cannot drive there
and back every day to go to university—you have to leave home to attend university. But if
you live inside the city boundaries you are treated differently than if you live across the road
outside the boundaries. We have this really ridiculous set-up, not based on educational criteria
but on medical criteria—nothing to do with education, but on medical criteria. So, we have
this really ridiculous set-up of two classes of student depending on where you live in the
country.

The government has agreed to bring forward a review of the payments to deal with this
issue but this is not enough. The answer is simple: the government must commit to changing
this unfair legislation so that all students can have equal access to further study. This is not a
new issue. Labor cannot plead ignorance about this one. I have spoken in support of regional
students many times in this place.

Also down in the south-east is Millicent, a town with a little over 5,000 people. About 700
of those are employed in the Kimberly-Clark factory. The factory uses a lot of our wood
products that I spoke about earlier. It produces tissues, toilet paper and that sort of thing. The
mill is currently winding down production, which will ultimately result in job losses, because
the Labor government has let dumping occur in Australia.

Mr Champion interjecting—

Mr SECKER: Labor commissioned a report into dumping in Australia and Nick
Champion, the member for Wakefield, knows all about this—in fact, he knows very little
about this. The Productivity Commission report, commissioned by your government member
for Wakefield, said that there were other countries dumping a quite extensive amount of tissue
and toilet paper in Australia, at up to 60 per cent below the cost of production. Under any
ordinary WTO rules and regulations, we would be entitled, because the product has been
dumped at less than the cost of production, to protect our industry from that unfair dumping

Mr Champion interjecting—

The DEPUTY SPEAKER (Hon. Peter Slipper): The member for Wakefield will desist
from interjecting.
Mr SECKER: All of the carping and interjecting from the member for Wakefield will not belie the fact that this government did absolutely nothing. It is very interesting that the member for Wakefield suggested that Kimberly-Clark has not invested very much down there. He should actually go and visit the factory because it has world-class production there now. To suggest and deride Kimberly-Clark, saying that they had not invested in the future of their company, is just absolute poppycock. You should go and see the situation before you make stupid comments and make a bigger fool of yourself than you already have.

Mr Champion interjecting—

The DEPUTY SPEAKER: The member for Wakefield will desist from interjecting. He knows it is disorderly.

Mr SECKER: But the Labor government did not take any action. The local community was hugely concerned about the job losses and the effect that it would have on this small country town of Millicent that relies on this mill. The Gillard government was not interested at all in hearing about the Millicent community's concerns, which were evident, because it took no action then and has not taken any action since.

Instead, the Labor government has offered a patch-up solution. This is simply not good enough. Last week the Labor government announced that the budget would contain an initiative to support workers at the Kimberly-Clark mill. Labor has called it the South East South Australia Innovation and Investment Fund. The government says it will provide $10 million over two years together with $7 million from the state government and that the fund will focus on manufacturing and manufacturing services to help create new sustainable jobs and opportunities for the region.

I am hugely concerned that this funding is a patch-up job. This funding would not have been needed if the government had done its job in the first place. If the Labor government had taken measures to protect Australian industries like Kimberly-Clark, that employ so many people, then the community would not be dealing with such a huge loss of jobs and this extra funding would not be needed. In this budget the government spoke about extra funding for roads in South Australia. As a member for a large electorate, I have a lot of roads, as you would imagine, and I always support funding initiatives that make our roads safer. Labor announced $2 million in funding for the Dukes Highway, which is the gateway from Victoria right up to Adelaide. It also links to the Riddoch Highway that heads down to the south-east and Mt Gambier—very important areas. Guess what? At the corner of those two highways is the Keith Hospital that I spoke about earlier. At the 2010 election the coalition announced $10 billion to duplicate the highway from the Victorian border all the way to Adelaide—not $80 million, as this Labor government crowed about.

This is a very important and necessary upgrade of a dangerous highway. So when Labor announced funding for the Dukes Highway in this year's budget I am sure you can understand why many people's ears perked up, including mine. However, when I looked into the detail, as you must do with this government because the truth is in the detail, I found that this funding announcement was not a new one. In fact, when I looked into it further I found it was another re-announcement, so much so that the work that was funded through this program announced in the budget has already commenced and nearly completed on the Dukes Highway. It was actually announced two years ago. So it was a re-announcement; it was not new money. The Labor government has failed regional Australia once again.
It would seem that this Labor government has a habit of rebadging funding. There was a substantial amount of funding in this budget that was no more than re-announcements. Last week the Gillard government pledged $118 million towards the Lower Lakes and Coorong. I understand how important the Lower Lakes and Coorong are—both are in my electorate. The Murray-Darling system is the lifeblood for so many communities across the country, and at the end of the system are the Lower Lakes. (Time expired)

Mr CHAMPION (Wakefield) (16:17): I listened very closely to what the member for Barker said about Kimberly-Clark and factories in his electorate. He asserts that I have never been in a Kimberly-Clark factory. In fact, I have. I went to the nappy factory down in Lonsdale a couple of—

Mr Secker: How long ago?

Mr CHAMPION: It would have been about four years ago now, because the plant closed. It was not just me asserting that Kimberly-Clark had not invested in South Australia. Kimberly-Clark themselves on ABC radio admitted that they had not invested greatly in many of their plants in the south-east.

Mr Secker: That's rubbish; they wouldn't say that.

The DEPUTY SPEAKER: Order! The member for Barker will desist from interjecting.

Mr CHAMPION: They admitted that they were investing in other parts in the world—in South-East Asia, in particular. We note that this is a big problem where companies do not make vast capital investments in factories in Australia and then close them. I have some experience with this because that is what happened at Bridgestone. Sure, they invested in bits and pieces, but they did not upgrade the plant in any substantial way. Then, of course, when the going gets tough, they shut these plants and leave workers in the lurch. It is often left to the government to push these companies to make industry assistance packages to help the workers.

I would have just said to the member for Barker if he had not left the room that in my electorate we worked very hard with Bridgestone workers to make sure they did get jobs again after that redundancy situation. We were very successful. We did not harp on about the packages that were offered by the government. We actually worked with Job Services Australia providers, the company and the community to make sure everybody was re-employed.

This budget is really about the new jobs that we are creating in the economy. Since coming to office, this government has seen the creation of more than 750,000 jobs, and we expect to see a further 500,000 new jobs created over the next two years. That has currently delivered to Australia an unemployment rate of 4.9 per cent, which stands in pretty stark contrast to: the United Kingdom, which has an unemployment rate of 7.8 per cent; the United States, which has an unemployment rate which is persistently high at nine per cent; Germany, which has an unemployment rate of 6.5 per cent; New Zealand, which has an unemployment rate of 6.8 per cent; and Canada, which has a similar resources based economy to our own and an unemployment rate of 7.8 per cent. During the global economic crisis world growth went back by 1.1 per cent and the world shed six million jobs. That is six million tragic stories of families being without an income. So this government is very proud of our record on creating jobs. Jobs are of course the best defence against any cost-of-living increases, because if you
do not have a job, if you suffer from unemployment, you suffer greatly with the cost of living. Employment is any government's main strategy to prevent people suffering hardship.

We are basing our budget strategy on jobs, skills and training. That is why there are measures in the budget to retain apprentices and to ensure that people complete their apprenticeships. We want to upskill Australians and we are funding about 130,000 training places over four years. This is industry driven training where industry identifies their business needs and then applies for funding to support the training of existing workers and to bring new workers into areas of need.

We are reforming the vocational education and training sector. That is a major priority for COAG in 2011. We have had a new report and are acting on that report to ensure that we get value for our money. The VET sector is worth $7 billion over five years. We are funding more than 30,000 places in language, literacy and numeracy programs to make sure that people have the basic skills that are essential for a job. This is very necessary in my electorate of Wakefield, in northern Adelaide, because only 40 per cent of the population has completed year 12, compared to the national figure of 50 per cent. When you go door-knocking in my electorate you meet a lot of people who desperately want to take up work. They want the opportunities in mining, defence manufacturing or skilled manufacturing but cannot find work because their skills do not match the vacancies that exist. Then when you see employers they tell you that they cannot readily find people and are suffering skills vacancies. It is a terrible, immoral dichotomy.

The government are ensuring that we address this dichotomy that occurs around the country and in my electorate. Recently, we invested $149 million in Holden, the major manufacturer in my electorate, through the green car fund to support the production of a low-emissions small car, the Holden Cruze, which is an excellent vehicle. On 20 May, the Minister for Innovation, Industry, Science and Research, Senator Carr, announced that $39 million would go towards producing a new, highly fuel efficient Holden Commodore. That is based around producing lightweight aluminium panels designed for the next generation Commodore, which will reduce fuel consumption by about seven per cent, saving some 3.6 million litres of fuel and reducing carbon emissions by around 9,000 tonnes. Holden is at the forefront of the green economy, combining blue-collar and green-collar jobs and producing highly sophisticated manufactured goods in Australia.

What is great about Holden is that they are not just providing jobs and investment in the local community and going about their business; they have made an effort to reach out to one of the most disadvantaged groups in my electorate: the long-term unemployed. Recently, Holden introduced a program where they guaranteed 20 jobs specifically for long-term unemployed people, but linked it to a three-month, five-days-a-week training course. This training course was funded through the Department of Further Education, Employment, Science and Technology, which is a state government department, and through TAFE SA, which designed a pre-employment program which was relevant to Holden's skills requirements. They got referrals for the program which were sourced from federally funded Job Services Australia providers. The course was based around skills and employability, personal presentation, meeting employer and industry expectations, and literacy and numeracy skills. It included two weeks of real work experience on the production line at Holden and participants were required to go through Holden's normal recruitment procedures.
to get a job. So they met the same standards as anyone else, but they went through a course to get them there. Many of these people had been unemployed for a very long time and many of them found it very difficult to get jobs normally in the market.

They had a couple of hundred applications for this program—43 people started it, 36 made it to the final two weeks of the course, 16 people were offered a three-month contract and eight were offered one-year contracts. Those who were not employed by Holden were not left for the scrap heap but continued to get help. As I understand it, every single one of them has found employment in the local area. That is a huge success story. Holden have reached out to a very disadvantaged group—people who felt they had been locked out of the real economy and who felt they had been left behind after a decade of economic growth. Holden reached out.

The following people deserve great credit for helping to change the lives of 40 people: Mike Devereux, Managing Director of GM Holden; Terry Cubley, employee development manager at Holden; Tim Hutchinson from SA Works and DFEEST; Gail Sulicich, Executive Officer from Northern Futures; all the Job Service Australia providers; and from the AMWU, John Gee, vehicle division secretary, and John Camillo, the overall secretary of the South Australian branch. They transformed the lives of people who had very low expectations and very poor prospects who now have employment prospects, hope for the future, a higher income and a much greater ability to deal with life's pressures. The prospects for the families of these people as well as the prospects for their communities have also been improved.

The idea that Holden is hiring again in disadvantaged communities like Elizabeth South and Davoren Park is a very great thing. It is a great message to send to those communities. The Local Messenger reported that a young man, Blair Ford, 25 years old from Andrews Farm, had been unemployed for 12 months prior to doing the course. He had been knocked back for job after job. The training and job skills helped him to regain his confidence and he got a job at Holden. We know that that young man's life has been changed.

Holden is not the only good news story in my electorate. Civil Train, which is the training arm of the Civil Contractors Federation in South Australia, runs 'live work' sites. Basically, people do varying amounts of training. They get practical experience doing earthmoving, civil construction, horticulture, concrete and landscaping work. This is a unique program. It is not done anywhere else in the country. Civil Train have a contract with Playford Alive with the Land Management Corporation of South Australia, a state government body. Basically, they do real work on real land developments and they train people for real jobs. The federal government has invested $8 million to help provide Civil Train with a mobile facility that can go to places like Port Lincoln, the Pitjantjatjara Lands and Millicent in the south-east—which the member for Barker will be talking about—and teach people how to drive graders, do earthworks and get a job in civil construction. That is a hugely important operation. It means people do not have to come to Adelaide. It means people can train in their local communities and train from real jobs. This is a very important investment. Civil construction is the fourth-largest industry employer in northern Adelaide. This program makes people job ready. The federal government has also been involved in helping Civil Train get a simulator, which basically reduces the amount of carbon emissions and reduces the amount of time one has to spend on earth-moving equipment. The Prime Minister was down at Civil Train looking at this simulator and having a drive of it, as many of the trainees at Civil Train are doing every
day of the week. These are investments in high-quality training, training for an industry which will need more and more workers as time goes on.

South Australia is currently going through something of a renaissance. Fifteen years ago when I came out of school and university there were not many jobs around. It was very hard to find work. We now find that with the exploration boom in our state, with the prospect of Olympic Dam opening and with the vast amounts of land development, commercial development and industrial development occurring in places like my electorate, we are going to need more and more people to do this work. It is just great that we have key people like Christopher Reynolds, the Civil Contractors Federation president; Andrew Young, the treasurer; Tony Boulderstone, the national deputy president; and Andrew Haste and Andrew White, Civil Train business managers. They are engaging with the local community and engaging with individuals to get jobs.

I am very keen on this area. We have recently signed a pledge with Northern Futures to get more employers to find jobs for local disadvantaged groups, for long-term unemployed people, for people who have been locked out of decades of economic growth—to give those people a chance in the job market. It is something the government want to do, it is something I am very committed to doing and it is something that I think will transform lives, families and communities.

**Mrs Mirabella** (Indi) (16:32): We heard an extraordinary set of words from the Treasurer in question time today. I know he has been a bit rattled and is a bit nervous these days, but it was really quite an extraordinary comment. He said, 'Business employs a lot of people.' Well, you have got to be Sherlock to get that one, don't you—that business employs a lot of people! He might need a few other economics lessons as well. It is actually the real world out there that creates wealth and creates income. As governments, we do not do that. Governments and parliaments do not create wealth. Those members of parliament who get the opportunity to form government actually take money away from the businesses who employ people and redistribute it. They are the wealth creators—the real world out there and the business community. So thank you, Treasurer, for stating the obvious, that business employs a lot of people. But what you are doing in your budget and with your carbon tax is ensuring that business employs a hell of a lot fewer people.

Do not believe the coalition; do not believe me—all you need to do is visit manufacturing hubs right around the country. Go from one end of Australia to the other, to a small or medium sized family firm, a successful firm that is innovative, that has evolved, that competes, that works on a very small margin. Ask them whether they will be able to employ a lot of people when your carbon tax comes in. Ask a large steel fabricator whether they will be employing a lot of people when the carbon tax comes in. You know what? They will tell you that they will not. They will tell you that they do not live in a protected economic environment. They will be priced out of the market by imports that do not have a carbon tax imposed on them. So this is a tax on Australian innovation and on Australian business and it will not reduce emissions. By sending them to less efficient countries, by sending manufacturing to countries that do not have the same environmental laws as we do, what will happen is that we will actually increase emissions. This genius of a Treasurer, who admitted today that business employs a lot of people, is doing his damnedest as part of the minority Gillard government that is beholden to Bob Brown and to those loopy people who occupy
those Green spots in the Senate and in the House of Representatives, and is beholden to their less than mainstream approach, shall I say, to job creation in this country.

We knew that the Treasurer was in trouble on budget night. In the over nine years it is now that I have had the privilege of representing the people of Indi in the House of Representatives, there is one thing I have seen on budget night. That is the Treasurer's own colleagues, at the conclusion of the budget speech, applauding him. They applaud him, go up to him, pat him on the back, give him a hug and some of them give him a kiss. Guess what was missing from this year's budget: there was no applause. The galleries were empty, the Labor backbench was rather morose and you knew that poor old Swanny was in for a very difficult time. Perhaps the problem is that he is out of his depth. He is out of his depth if he has only just realised that business employs a lot of people. He is out of his depth in delivering a budget that will enable Australians to be innovative, to build businesses and to take this nation to even higher living standards and greater employment.

It is quite fascinating that, for a government so obsessed with spin and symbolic gestures, they failed on this occasion with that very symbolic gesture—that is, giving poor old Swanny a clap and a pat on the back.

**The DEPUTY SPEAKER:** The member for Indi will refer to members by their title or the electoral division they represent in this place.

**Mrs MIRABELLA:** Yes, I will do so. Thank you, Mr Deputy Speaker. It was an admission of course that the back bench and, indeed, the front bench do not harbour confidence in the Treasurer that the Labor Party have appointed. I am sure they can do better, and I am sure there are discussions about how they can do better and about who is the best possible option amongst their ranks to take over the position.

What was heartening was the fact that there is a glimmer of hope for the Australian people—that, in that silent protest without the clapping and the pat on the back, just perhaps there was a reflection of the protest out there in the community against the carbon tax and against the direction the government is taking this country. I know there are good people on the other side who care about their communities, who care about employment and who care about financial security for families in their electorates. They know that the path on which this Treasurer and this Prime Minister are taking the country will damage, sometimes irreparably, some of these industries and will cause severe financial anxiety and crisis for families who work in manufacturing and who lose their job. It is a time for those members to have their voices heard.

The ego of one member of parliament, even if they are the Prime Minister, should not override the considerations and concerns, and in fact the responsibility that we have, that we make the best possible decisions. People trust us. They do not think that their governments would willingly make decisions and enact laws that would damage their country. They still like to believe that a government will make laws that will improve this nation, that will improve our way of life and our standard of living and that will unlock to a greater extent the potential that we have. What they are seeing is a government that is deliberately, wilfully, recklessly, negligently going on a path that it knows will destroy jobs and industries in this country for the sake of one person's political ego. It is very difficult to see a situation where the current Prime Minister, having had a very successful go at backstabbing and frontstabbing
the former Prime Minister to have his job, will have the courage to say she got it wrong as well.

So it is against this background of great anxiety and concern and increased costs of living across the board in this great nation of ours that we contemplate the budget and the issues raised in it. We see normal, ordinary Australian families paying the price. Make no mistake: for every budget blow-out, there is an equal cut somewhere else. In last year's budget, Labor's asylum budget blew out by a massive $1.75 billion, or a 240 per cent increase on last year's estimate. Interestingly, there has been a $2 billion cut to family assistance payments by way of a freeze of the indexation of the family tax benefits for three years. What this means is that a quarter of a million families will be worse off. Even families struggling to make ends meet on incomes of $45,000 will be hit. This is a boat tax on Australian families. Why? Again, because of the Prime Minister's vanity and inability to say she got it wrong; that maybe other political parties—other governments of different hues—have good ideas; that Nauru was in fact a good option and a good idea; and that she might perhaps pick up the phone to Nauru. But no: her political vanity will not let her do that, and history will judge her for that.

In a desperate attempt to deliver a tiny surplus in 2012-13, the Labor government need to offset any cost blow-outs with equal or larger cuts elsewhere. With their absolute failure to provide basic competence in the protection of our borders, we are now seeing this impact on Australian families. From a practical perspective, what this means is that the rising cost of living will hit families even worse.

Labor like to claim that they are making record investments in regional Australia, and as a member who represents a rural and regional area I take a keen interest in policies and grants that purport to assist electorates like mine. But this budget actually tells a very different story. Far from increasing new investment, they have actually cut regional funding by a whopping $500 million. This budget proves that the government's so-called commitment to regional Australia is nothing but some more spin. Just two months ago, the Minister for Regional Development, Regional Australia and Local Government promised $1 billion for the Regional Development Australia Fund, but the budget papers show that just $150 million of this fund will be spent before the next election. We have seen $350 million cut from the Priority Regional Infrastructure Program; $100 million cut from the Building Better Regional Cities program; and $50 million redirected from the Regional Development Australia Fund for projects in the seat of Lyne. When the Labor Party talk about delivering for regional Australia, this is actually code, because what they really mean is that they are delivering ransom money to those who have kept them in power.

Another major announcement in this budget was funding for mental health. The coalition are extremely proud that we have shamed the government into acting in this very important area and are pleased to see some new money directed towards mental health. But, as the member for Sturt has pointed out, the actual investment is not quite the $2.2 billion that the government would have you think they have invested. In fact, there is only $583 million worth of new money. While we on this side of the House are pleased to see the government actually start to take notice of this very important issue that causes great for so many communities and families, I know that many of these families and communities feel let down.

In slashing the MBS patient rebate for GP mental health plans to help fund the mental health package, the government has devalued the role of the family doctor, which effectively
means people will now have to pay more to see their family doctor for vital mental health care advice and referrals. Again, this is policy on the run, robbing Peter to pay Paul, rather than long-term planning or ideas about how to deal with this insidious problem of mental health in our community. So, whilst we do welcome some extra funding here, there is more to be done.

It should be remembered that during the time of the Howard government it was Tony Abbott, as Minister for Health and Ageing, who extended Medicare to psychologists and social workers in a package worth $1.9 billion. Also, we took a $1.5 billion mental health package to the last election that represented a very real boost of new funding—not repackaged money cut from elsewhere but new funding. So we have a genuine record on this and a genuine commitment going into the future.

An issue close to home in my electorate is communication black-spot funding. I share the disappointment of my constituents in north-east Victoria who are frustrated by poor mobile phone, radio and television coverage. It is quite clear that basic communication issues are nowhere near the government's radar. The obsessive focus on a gold-plated, overpriced NBN has meant there is no money available to address critical deficiencies across many parts of rural and regional Australia, particularly in bushfire and disaster prone areas.

Whilst I welcome Minister Burke's investment of $845 million in this budget towards irrigation infrastructure, I will watch very carefully to see if this is actually invested. The Howard government set aside $5.7 billion and to date we have only seen around $500 million of that being invested in irrigation infrastructure.

Mr BYRNE (Holt) (16:47): It is interesting to discuss the Appropriation Bill (No. 1) 2011-2012 in the context of the government's budget this year, which was delivered by our Treasurer. There has been much discussion about this budget. There seems to have been a collective amnesia about what transpired in our country over the past three years which has led in many respects to the way this budget has been framed.

On reflecting on my contribution to the debate today, I cast my mind back to what was actually occurring in 2008, because it does have a very profound bearing on the responsible budget that was delivered by our Treasurer. It is probably worth reminding those here and people more broadly about what was occurring. We basically had the collapse of, initially, the United States banking system, which then spread like a contagion throughout other countries, including and particularly in Europe. As I recall, during that period there was great uncertainty within the Australian community and concern, I might add, amongst governments around the world about whether the world financial system would hold up or collapse. There were banks in America that would not lend to each other; effectively, capital dried up in America and then almost throughout the world. As I understand it, on as many as three occasions during that turbulent period of time in 2008, policy makers, legislators and governments from countries around the globe were effectively looking at the collapse of the global financial system. Here we have escaped the ravages of that global recession, as has been discussed elsewhere. Let's look at what was occurring within Australia before the introduction of the—much-criticised by some—stimulus packages. We had a situation, for example, on a weekend in October where our government through its SPBC, Strategic Priorities and Budget Committee, had absolute evidence that, were we not going to introduce a bank guarantee, there was going to be a run on our banks. That evidence was not just
anecdotal, it was evidentiary and it was conclusive, which led to the Australian government underpinning our banks with the bank guarantee—and it did.

I was actively speaking to people in my electorate who, had we not issued that guarantee on that weekend in October, were going to take enormous amounts of money out of their banks, and these were solid banks with triple A credit rating at that time—these were our four banks. These business people saw what was occurring globally and they were effectively reflecting that onto our existing banking system, notwithstanding the fact that it was underpinned by fundamentals. But at that stage when you are dealing with consumer confidence, you have to take measures that restore consumer confidence, so that bank guarantee was put in place and it actually stopped a run on the banks.

The second issue that we dealt with at that time from talking to a number of major employers around the area was that they were tremendously concerned about that consumer confidence and what was actually going to occur, which was major employers in my electorate were going to lay off workers. In fact, they were going to lay off thousands of workers. I would meet very regularly with groups of employers around the Dandenong region, major manufacturers and major retailers, and they would be effectively saying that the government needed to take action; we needed to spend money; we needed to stimulate the economy—and we did through two stimulus packages, and as a consequence of that we saved many thousands of jobs in the south-eastern area.

It is instructive to recall the background which led to these stimulus measures being taken, which have been very heavily criticised but in reality saved a lot of jobs in our region and delivered much-needed social infrastructure in our region as well. It is important to note that in that period of time, notwithstanding the global financial crisis and its potential impact on Australia, as a consequence of the actions that the government took we created over 300,000 jobs in this past year alone.

But one thing we should take note of, and the budget looks at, is that there are still 320,000 young people who are not in education, who are not in employment and who are not in training. In my electorate of Holt, which is one of the fastest growing areas in the country, there is an ever-increasing need to invest in education infrastructure to support the needs of families in our area. According to the statistics provided by our local council, the city of Casey, there are approximately 23,000 Casey residents attending primary school and 17,000 attending secondary school, which adds up to about 18.4 per cent of the Casey population. There are approximately 5,000 Casey residents attending university and an equivalent number attending TAFE.

Now as these statistics indicate, with a large population of young people in my electorate, it has been imperative for our government to invest in education infrastructure in the local area as well as supporting families coping with increasing educational costs. As I have said, in my electorate since 2007 we have delivered 101 educational projects at a cost of more than $129 million. We have seen the construction of new multipurpose halls, performing arts centres, trade training centres and improved sporting facilities at many schools in my electorate.

Before looking at how these projects have made a real difference—and they have made a very significant difference—to the local community, let us look at some of the other measures we have taken in terms of delivering further opportunities to people in our area and ameliorating some of the cost of living pressures that we know they are experiencing. For
example, the $1,700 trades apprentice income bonus will be provided for up to 3,005 people in Holt to encourage them to complete critical trade qualifications. There are up to 8,700 families in Holt that could be eligible for the extra $4,200 per child for kids aged between 16 and 19 under the changes to the family tax benefit. With the educational tax refund, which is very important in terms of families in my area, we are increasing the government's investment by $460 million. In addition, payment advances of $1,000 will be provided to meet unexpected family expenses, which happens a lot particularly in areas like mine, and give parents the choice to receive child care support fortnightly.

There are other significant investments, one of which I was particularly proud of and that I think would be supported by those on the other side—that is, the $222 million to support the National School Chaplaincy Program. I presume that that is being supported. I think that is a much needed program that delivers essential support.

Opposition members interjecting—

Mr BYRNE: I do not think we were dragged screaming. We have been a very strong advocate for some period of time. Many people and many schools in my area will be talking about this. I do not think we were dragged screaming; I think we were the ones that initiated it and guaranteed it in the forward estimates.

In terms of some of the local infrastructure effected by the stimulus spending, I was certainly proud earlier this year to attend the BER opening of a new multipurpose facility at the Southern Cross Primary School, which was established in 1983. At the opening I had the pleasure of recognising Principal Averil Nunn for her hard work in ensuring the project's success, having worked closely with parents and tradespeople to deliver this important project in Endeavour Hills. I was delighted to open this multipurpose facility and witness firsthand the impact that its construction had on the community and to hear of the many practical functions that the facility will be used for by this school and the broader community. One of the community programs the hall will be used for is the Community Culture Group. So the hall is providing facilities not only for the students but also for the broader community, which was the intention of these projects. The Community Culture Group aims to facilitate the integration of non-English speaking families through dinners, get-togethers and information sessions for up to 50 people. The group was established four years ago and it has grown so much that they now require a bigger space in which to meet. Prior to this group being formed the participants had limited contact in the community. The participants, most of them parents now, have real bonds within their community. The program has also been successful in bridging potential misunderstanding between cultures. It is a real chance for the participants to engage in the community.

Other programs that will be run at the facility include the Mindfulness Meditation Program, financial counselling and classes and parenting help sessions. Principal Averil Nunn has stated:

This project—
the BER project—
has opened the door for the community to strengthen ties and provide role-models to our community, showing that we understand and trust each other.
It is great to see how a new multipurpose facility at this school can have such a positive impact on our local community.

Another facility that I wish to talk about, and one which we certainly initiated, was the trade training centre, particularly the Hallam Valley Trade Training and Skills Hub, which will benefit seven local schools. The federal Labor government has committed $10 million to this project, which is part of Labor's economic plan to provide world-class job-ready training for our young secondary students across the region in traditional and emerging trades. The Hallam Valley Trade Training and Skills Hub is a cross-sectoral trade training centre that aims to provide high-level training in traditional and emerging trades for senior school students at Hallam Senior Secondary College, Fountain Gate Secondary College, Gleneagles Secondary College, Endeavour Hills Secondary College, Hampton Park Secondary College, Narre Warren South P-12 and St Johns Regional College.

The participants in the program will have the opportunity to experience a wide variety of vocational skills training whilst at the same time continue their studies for entry to university or higher education at their local secondary college. We know that our long-term prosperity is dependent on investing in a world-class training and education system and that is why we have made investments in projects like these. The feedback has been extremely positive with respect to this trade training facility and the demand for a facility of its type in this area. We want to give them opportunity. It is one of the great things that our previous Prime Minister, Kevin Rudd, said in the famous 2007 election campaign, where he spoke about a trade qualification being the equivalent of a university degree. I think this government has been putting its money where its mouth is with respect to that by providing an opportunity for our young people to go to these sorts of facilities. As I said, a lot of the genesis of the trade training centres came about from seeing the work that people in some of these schools had been doing and responding to their needs to provide those comprehensive facilities.

There is one more thing that I wish to discuss—another BER funded project: the River Gum Performing Arts Centre. During Education Week, which was last week, I had the pleasure of officially opening the River Gum Performing Arts Centre, which is located at the Hampton Park Secondary College. This was funded through the BER and the National School Pride Program.

The performing arts centre is being constructed on the Hampton Park Secondary College site, and is a shared facility between River Gum Primary School and Hampton Park Secondary College. It is the first facility of its type in Hampton Park, allowing community use for events such as drama school, musicals and other performances. The project overcame some significant hurdles—particularly at the start, because it was not built on the site of the River Gum Primary School; it was actually built at the Hampton Park Secondary College. After extensive negotiations, the project was accepted—it was within the guidelines—much to the delight of the school members and the Hampton Park community and residents.

The principal of River Gum Primary School, Roma McKinnon, basically was thrilled with the opening, because it was the culmination of years of hard work and it is used not only by the students of River Gum Primary School and Hampton Park Secondary College but also by the community. We had Christmas Day performances, graduation ceremonies, and a 'movie with mum' event for Mother's Day this year.
This performing arts centre which had been discussed by many for some number of years came to fruition as a consequence of this federal government funding through the BER program. I was absolutely delighted to launch that facility.

These are just a few examples of the investment that the federal government has made in much-needed social infrastructure in this region—driven by the financial exigencies of the time, driven by the fact that we needed to be putting money into the system. These projects are magnificent projects. They are delivering the community what they want and what they need.

Ms GAMBARO (Brisbane) (17:02): Member for Brisbane: I rise today to also speak to the appropriation bills. Every day, we hear of the increases in the cost of living—electricity, gas, petrol, housing and health—and it is a sad indictment of the Labor Party that their carbon tax, the universal slug on all Australians, will make everyday living much more difficult for everyday families.

This budget confirms just how out of touch the government is with Australian families. There is nothing in this budget for Australian families doing it tough. All the budget does is deliver more deficit, more debt and more pain. The government's failure to rein in its wasteful and reckless spending will lead to higher inflation and higher interest rates. Because of the budget's avoidance of the elephant in the room, Labor's great new carbon tax, this budget is not worth the paper it is written on. The government's claim to deliver a surplus in 2012 and 2013 cannot be taken seriously. The carbon tax is not fair. But the budget is certainly carbonated. It is just all fizz. Strong leadership provides certainty. This government is weak, unstable and directionless; it lacks the leadership to do what is right for Australian families and businesses.

This year's budget deficit has soared to $49.4 billion. The forecast deficit in 2011-12 has blown out from $9.6 billion to $22.6 billion. Net government debt has climbed to a record $107 billion in 2011-12 and is forecast to remain above $100 billion over the forward estimates. This amounts to more than $4,700 for every Australian. Again, we have seen a typical Labor budget that is very big on taxes and big on spending but it fails to help households battling higher costs of living in terms of petrol, electricity, gas, groceries, health costs and home repayments. The government is launching a $2 billion assault on families by freezing the indexation of key family tax payments and income thresholds for three years. This measure will have a profound effect on many people in the electorate of Brisbane.

Small business is another area that has been slugged. Having owned and operated in various small- and medium-size enterprises over my career, I think I know a little bit about how to plan for the future, how to run a tight balance sheet and how to keep the cash flowing through the till—a concept that seems to have been lost on those on the other side of the House. The new arrangements for taxing company cars will slug small-business operators and tradespeople and will increase costs at a time when they are already doing it tough. Business today continues to be swamped—and swamped is the word—by tax and by red tape. The claimed cash-flow benefit resulting from the instant write-off of the first $5,000 of a new work vehicle requires a small business to spend nearly $34,000 to receive an extra tax benefit of $1,275 in the year of purchase, according to the example promoted by the Treasurer. It is a lot to spend to get a little, but the measure comes at the expense of over 400,000 of Australia's
smallest businesses and self-employed who are set to lose up to $2,500 by the scrapping of the entrepreneurs tax offset.

Changes to vehicle fringe benefits tax, and particularly the rules governing that, risk leaving small businesses that provide employees with vehicles, and themselves, up to $3,000 worse off in increased tax as a result of this government’s caving in to the Greens on changes to fringe benefits tax. I was at the Holy Cross fete on Saturday of last week and a couple of disturbed and upset business people came up and talked to me about this particular measure and how it was going to impact on their small business when they are already doing it tough.

The business people I speak to across the Brisbane electorate inform me that their major issue over the last operating year has been dealing with unnecessary forms, the lack of access to credit for business development and a sense that both federal and state Labor governments are not listening to their concerns and have no answers. Without this consideration, the government has begun making poor and illogical decisions that are now going to affect business. For instance, the plan to scrap the entrepreneurs tax offset and replace it with a $5,000 tax incentive for a new car purchase has not been thought through very well. The offset was a tax incentive for people to set up their own business and it seemed to be making a worthwhile contribution. More than 400,000 start-ups and microbusinesses have utilised this offset.

Not only are the government punishing small business by scrapping of the entrepreneurs tax offset but they are taxing our small-business operators in flood ravaged suburbs in Brisbane through the flood levy. From day one of the flood tax announcement, I fielded calls from small businesses in Rosalie, Paddington, Albion and the city who were struggling to clean out the mud and rebuild their lives, only to find out that their wallets had been cleaned out by the Treasurer. Fancy their dismay to hear Mr Swan was going to tax the very people whose lives and livelihoods are under significant stress. These businesses deserve better.

Perhaps the greatest failure in this budget is in relation to families and the cost of living. As reported yesterday by ABC Radio and also in the print media, a new report by the Queensland Council of Social Service, QCOS, said that the increased cost of living pressures means that at least a third of all Queenslanders are living in poverty or dangerously close to it. A third— that is inconceivable. This figure, in a nation that is as prosperous as Australia, is both shameful and alarming. The report says that electricity, gas and water costs are up more than 60 per cent and that rent is up 35 per cent. Public transport costs rose nearly 50 per cent.

Families today in Queensland are going without fresh fruit and vegetables just to provide extracurricular activities for their children. We have seen reports of families having to default on the cost of childcare fees. The sector estimates that roughly 11 per cent of families are struggling to pay childcare fees. It is important that we support the family sector, and the budget that was meant to help these people does nothing to help them in this regard. Over 6,000 families in Brisbane will be impacted by the changes to family tax benefit part A, and 5,000 families will be impacted by the changes to tax benefit B.

The increasing cost of living is making the great Australian dream of owning a home a nightmare for many, and it is not just struggling families feeling the pain. The many people I speak to in my electorate, when I go around and visit shopping centres and do community corners, are telling me that they have great concern about making a home purchase because they feel very uncertain about the economy and what the future will bring. The prospect of the
added burden of a carbon tax and its flow-on effects to living costs will no doubt cause further and greater harm to the housing sector.

The higher education needs and costs to families are also front of mind for many of my electors in the Brisbane area. Almost immediately after the government leaked its intention to cut the HECS discount in the 2011-12 federal budget, I began to receive correspondence from many of my constituents, who were only too keen to voice their overwhelming concerns. Whilst coming from many different people from many different backgrounds and suburbs, the overall tone of the complaints they made for me was very clear: this was yet another blatant attack on the middle class and working families. I would like to read just one email that was sent to me regarding this issue. One particular constituent wrote to me, saying:

… our two daughters have paid their HECS through sheer hard work and determination, not because we are a rich family. Now we can expect an even harder financial road for our son when he finishes year 12.

These are just ordinary families who have been frugal, who have saved, who have tried to help their children, and they have been severely disadvantaged by the cuts to the HECS discount. This sentiment is true of all families, and indeed students, who will be hit very hard by this government—families who have worked hard all their lives, parents who go without life's luxuries to provide for their children, families who are given no assistance. Families in the Brisbane electorate are tired of working hard, only to keep having one arm tied behind their backs. Amazingly, in this budget, the Treasurer has managed to hurt just about every sector with these proposals, including the phase-out of the dependent spouse offset.

Health is a very important issue and, for many years in this House—previously as the member for Petrie and currently as the member for Brisbane—I have been an advocate for health issues, medical research and continued, appropriate paediatric care in Brisbane. I believe we need a health system that concentrates on preserving wellness; a system that puts patients first; a system that values and supports its workforce; and a system that gets hospitals and services right. This budget fails all these tests.

I have stated before that the people of Brisbane and all other citizens across Australia need and should demand a world-class healthcare system. This would necessarily involve appropriately funded medical research centres and specialised treatment facilities in our major hospitals. With this in mind, the budget is genuinely shameful. There was widespread aggravation and concern from directors of health research institutes and from the community at large over the attitude of the Labor government towards the health sector in the lead-up to the budget. I have met with each and every one of the directors of health research institutes in my electorate, and I join them in protesting the severe, mooted cuts that have occurred. Thank goodness the government had the sense not to proceed with the cuts to a very valuable sector that provides not only investment but also life-saving discoveries and cures. The government should also be ashamed of their scant regard to expert advice regarding crucial new drugs on the Pharmaceutical Benefits Scheme. Those with chronic disabling pain, schizophrenia, lung disease or blood clots will either go without new drugs or pay hundreds of dollars for drugs rather than the PBS co-payment of $34.20. As Medicines Australia has said, the government is penny-pinching to get a budget surplus and they are using people, they are using patients' medicines, to do it. This government's financial mismanagement has a direct and costly and painful result for all Australians. It is a government that is prepared to hurt its own people.
Across Brisbane, people are telling me that they will leave their private insurance provider if there are dramatic changes to the 30 per cent private health insurance rebate. All Australians want a health-care system that puts the patient first. Part of putting the patient first is addressing waiting times for surgery and access to specialist services. Means-testing private health insurance rebates will ensure that our waiting times are longer. We are being asked to change the incentive for people earning over $80,000 per annum, but the long-serving school teachers, nurses and police officers in my electorate are fuming that they are considered high-income earners when the cost of living is skyrocketing. The coalition will not support any changes to means-testing private health insurance.

Mental health reform has been very important to me and the electors of Brisbane, so I was pleased to see that many of the initiatives that the coalition had led the way on in mental health funding, particularly in 2006 with a $1.9 billion investment, were continuing, but then I looked at the budget papers and saw that there had been merely a reallocation and that, sadly, the government had done this by ripping $580 million from GP's mental health services and allied health treatments. So there is a little bit of creative shuffling and, again, it will hurt the very people who really need to see a GP and it is their first point of call.

It is a sad fact that Labor is borrowing $135 million each and every day. Our net government debt will climb to a record $107 billion in 2011-12, which is more than $4,700 for every Australian family. This is an economy-destroying budget.

Mr BRADBURY (Lindsay—Parliamentary Secretary to the Treasurer) (17:17): It is a great pleasure to be able to join this debate to inject some facts into the discussion. We heard from the member for Brisbane who comes to this place not as a new member but as someone who served previously in this place and was part of a government that failed this country in so many respects. I was interested to hear her talk about mental health. What she did not talk about was the complete failure of the previous Liberal government, of which she was a part, to invest in mental health. We have heard the discussion about Mr Abbott proposing this or proposing that, when they had a chance in government. When they had a chance in government, they did absolutely nothing. In fact, when the Leader of the Opposition was last the health minister, he ripped a billion dollars worth of funding out of the health system.

Let's have a look at some of the facts. This is a budget that is about getting the budget back into surplus. We are charting a pathway back to a surplus in 2012-13. We hear so much about debt and deficit from the other side. Let's look at the facts. When it comes to debt, national government debt in this country is amongst the lowest in the world: 7.2 per cent of gross domestic product. That is 10 times less than that of the UK, at 75 per cent, or the US, at 72 per cent. The comparison is 7.2 per cent to 75 per cent and 72 per cent. They come in here and lecture us about that. The thing that the opposition seem to have forgotten is that there was a global financial crisis. There was a global recession, and we as a country managed to escape sinking into recession. There was a reason why that occurred. That is because we invested in jobs in this country. This budget is a further investment in jobs. Hundreds of thousands of jobs were created during our response to the global financial crisis, at a time when comparable countries elsewhere in the world were shedding jobs by hundreds of thousands. If we look back to when the stimulus package was being voted upon, we see that Mr Abbott was not even in the House. At the time, the Daily Telegraph correctly reported that he was having a few glasses of chardonnay with the then member for Higgins. We can go
back and pull out the article. Not a lot of attention was paid to that. The point is that the jobs of working Australians were not at the forefront of his thinking then and they are not at the forefront of his thinking now.

This budget is good for jobs. It is about recognising that we now have an unemployment rate of less than five per cent. Our unemployment rate in this country has a four in front of it, but we are not finished yet. We know that the massive challenges that this country faces in the future will be about confronting the supply challenges and the various skills and labour shortages that this country will face as a result of mining boom mark II.

We remember the more than 20 warnings that the Reserve Bank gave the previous government about the need to tackle these chronic shortages or we would have upward pressure on interest rates. They failed to act. That is why we had interest rate increase after increase—10 of them in a row. We hear the talk about the cost of living. There is no question that families are facing challenges when it comes to costs of living, but let us look at the facts. When it comes to official interest rates, when the Liberals lost office, rates were at 6.75 per cent. They are now at 4.75 per cent. So, when we talk about cost of living pressures, we know how much greater those pressures would be if the opposition had their hands on the treasury benches and were able to carry out the sort of economic vandalism that we have seen put forward in the various proposals from the opposition. In fact, to their credit, at least this time they did not even attempt to put up an alternative budget. They did not even attempt it. There was not one mention of what they would do if they were in government.

We saw what they did at the last budget. Mr Abbott squirmed out of it by passing it to Mr Hockey. Mr Hockey turned up the Press Club, where everyone was waiting with baited breath, and flicked it to Andrew Robb. When Andrew Robb gave that much-celebrated press conference that ended up being cut short by his staffer signalling that it was time to bring this production to an end by gesturing a cut across the throat, we saw what a debacle that was. What a debacle!

If that was not bad enough, when it came to the election costings and the commitments that were being brought forward before the election, we had an $11 billion black hole. Mr Abbott and those on the other side thought they could fool the Australian people with this one, but let us be absolutely clear about this. There are two reasons why the Liberal Party is not in government at the moment. One is because of the shonky costings. They were eventually caught out by Treasury costings that occurred at the request of the Independents after the election. That shows the sort of gross economic mismanagement this country would have been subjected to had their commitments—with an $11 billion black hole—ended up being foisted on the Australian people. At least that crisis was averted.

The second reason was the National Broadband Network. That continues to be a significant investment that this government is making in our future. It is about giving people in communities all around this country access to high-speed broadband with sufficient bandwidth to ensure that we are competitive and that economic opportunities are opened up to people regardless of where they live in this country. The NBN will one day be seen as a visionary program. The sort of criticism that we hear from the opposition today is the same sort of criticism that big projects of national significance have always faced from those who did not have the courage to bite the bullet and do what the nation required in the longer term.
Let us have a look at the budget. The member for Brisbane said that there was nothing in it for families. That is just not right. With regard to the improvements to our tax and transfer system that have benefited families, just have a look at the election commitment that we made and are now implementing in relation to family tax benefit part A. We have extended it to those families with teenagers. We recognise that, in this day and age, for families that have dependant children, that dependency stays on right up to the end of the teenage years and indeed, in some cases, well and truly beyond that. We have sought to fix an anomaly in the system to ensure that those families with teenagers at the older end of the spectrum have better access to the family tax benefit system. For some families, this will mean up to $4,200 extra per year. Mr Abbott runs around from fish markets to door manufacturers to grocery stores to the town of Whyalla. He went to Whyalla and said he would wipe it off the map. How irresponsible was that? It is irresponsible because the sort of fear and smear that is being spread in relation to the pricing of carbon pollution in this country is appalling. The day of reckoning will come for Mr Abbott, because people are going to see that if this is implemented it will not have anywhere near the sort of negative impact that he is suggesting. The member for Mayo comes in here and he has all the arguments in the world, but deep down in his heart of hearts—and I know he has one in there somewhere—he knows that we need to price carbon in this country.

There are big economic calls that governments and political figures have to make on occasion. Sometimes you get them right and sometimes you get them wrong. But when they are the really big ones, if you get them wrong then they are like an albatross that hangs around your neck and sits with you for the rest of your political career. The member for Mayo knows that because he was one of the architects of Work Choices and he wears that almost as well as he wears that resplendent red tie that he currently has on. He wears it around his neck. But he equally will wear around his neck the ongoing damage that will come from having opposed what is one of the most significant reforms that this country needs. He knows that we need to price carbon. He knows that we need to do it. The fact is that others in his party do not have the political courage to do it. I can understand why they might take the coward's option, but when people know that this is what needs to happen and they choose not to do it they should be condemned for it.

We will price carbon because it is important that we do that so that we put a price on pollution. The big polluters will have a price signal to do what they do—to provide energy, to provide goods and services across our economy—in a way that is less dependent on fossil fuels, less dependent upon the carbon emissions that are damaging the climate not just here in Australia but right around the world. We need to take action. Other countries in the world, even countries governed by conservatives, are taking genuine action. History will judge them well. History will not be so kind to those on the other side, who oppose everything and will stand in the way of making one of the most significant changes that we need to make.

Mr Briggs interjecting—

Mr BRADBURY: I am always encouraged when the member for Mayo tells me to move on to another topic, because it means to me that he does not want to talk about this topic, and I can understand that. I can understand why the member for Mayo does not want to talk about pricing carbon. To his credit, he is one of the more talented people on the other side, who oppose everything and it must frustrate him to see some of the fossils on the front bench supporting this proposal to
continually oppose taking action on climate change. I think he actually believes in climate change, unlike a very large contingent within his party.

But the reality is that, whichever way you like to look at it, the coalition have a pretence of a policy when it comes to carbon pollution. They say they want to reduce emissions by five per cent, but they do not have a plan that will do that. The only thing they have is a plan that will be business as usual and will require us in the end to fork out money to import carbon offsets from other countries. It will cost families $720 a year. It might not be with a new tax, but I tell you what: services will be cut or their taxes will ultimately have to be increased. That is the dishonesty of their argument. They will not acknowledge that there is a significant cost to their proposal. But their proposal will not do anything. It will not cut emissions and, at the same time, it will cost families $720 a year and there will not be one dollar of compensation. We will get on with the job of pricing carbon, with or without the support of the member for Mayo. Let him and his colleagues stand condemned if they oppose what is going to be a significant reform.

I have observed some of the more significant figures that we have seen in recent times in the political debate. For example, I will give credit to John Howard. There were occasions when major reforms were being proposed by the Labor Party and, in opposition, he acknowledged that these reforms were in the long-term national interest and he actually supported them. He offered bipartisan support. In fact, one of those proposals was to have an emissions trading scheme. This is one of the perversities of what we currently have. We have the current opposition being more brown than the Howard government. The Howard government had committed to introducing an emissions trading scheme and, had they been elected in 2007, by the end of this year we would have an emissions trading scheme in place. We would have the Howard emissions trading scheme in place. Instead of the Howard emissions trading scheme, we have a proposal called the Abbott subsidies for polluters scheme, and the member for Mayo knows what a sham of a policy that is.

I want to spend the remaining time talking about a couple of projects that have been funded in this budget in my local electorate. I want to draw the House's attention to the investment of $1 million in the Western Sydney regional hockey facility, which is located in my electorate. Hockey is a significant sport in our local area. For a very long time, the facilities have been very poor and inadequate. This funding will ensure that improvements will be made.

Opposition members interjecting—

Mr BRADBURY: I hear some interjection about the New South Wales government, and that is an interesting segue that I would like to make into talking about the massive investment that we have made into our hospital system through the Health and Hospitals Fund. The Nepean Hospital now has an investment of over $100 million being undertaken in relation to the construction works being carried out there. Ninety-four million dollars has been committed by this government, the Labor federal government. I see that shortly after being elected the new Premier of New South Wales, Barry O'Farrell, came out to Nepean Hospital and stood in front of the construction works that our government has funded, and he talked about how hospitals will be much improved as a result of investments that his government is making. I do not think anyone in the community is silly enough to think that
within a matter of months any government could inject money and get construction works underway, but Mr O'Farrell seemed to think that, by standing in front of construction works and talking about investments he purportedly is going to make into hospitals, he was going to get some credit for that. It is a disgrace. Labor has delivered and will continue to deliver for the health and hospital services in my electorate. (Time expired)

Mr BRIGGS (Mayo) (17:32): I might, unlike the Parliamentary Secretary to the Treasurer, speak about the Appropriation Bill (No. 1) 2011-2012 and cognate bills, which are before the House. I know there is a practice that we can talk about a wide range of issues in this place, but I thought it was quite ironic that the member for Lindsay, the Parliamentary Secretary to the Treasurer, the third in charge and third in line—after, of course, the Assistant Treasurer, who is desperately hanging out there waiting to be the Treasurer for just one day—could not actually bring himself to talk about the budget until about the last minute; his speech was about a hockey field. What he was talking about was the carbon tax, which, of course, ironically is not in the budget; it was left out of the budget, which makes these figures a complete house-of-cards-based assessment of where the national fiscal policy will be at in a couple of years time. So it was quite ironic that the Parliamentary Secretary to the Treasurer could not talk about the Treasurer's own budget—probably an endorsement of the performance of the Treasurer. We saw again today the Treasurer not being able to answer direct questions about what is in his budget.

I think it reflects upon the nervousness of the members on the other side that they continue to try and play this nasty, negative campaign that we saw the Prime Minister leading on Saturday about the Leader of the Opposition, who is out there day after day talking about the challenges that Australian families and businesses face and proposing policies which will deal with them—policies that we have now had in place for some 18 months and that we took to the election. We had there in the election the direct action policy to deal with climate change, and we still have it today. I know it is an unusual approach for the Labor Party, because of course the Labor Party were for the emissions trading scheme before they were against it before they were for it; it was just that there was an election in the middle there where they did not tell the people quite the full truth about what they intended to do if they were re-elected. That was absolutely difficult to deal with, what with the challenge of the economy. Plus there was a stimulus package put in place which we supported. That was the first stimulus package. The second stimulus package we said was too much debt and deficit. But the first stimulus package we supported because there was estimated to be a big loss in revenue and we were not sure how much that was going to be. The estimate was $210 billion. It turned out to be about $90 billion. The deficits at the time were estimated to be around $50 billion, around the same amount as what they are now. So there is a missing $90 billion there. I will tell you what happened to it. They spent it.

The problem with the budget is not the revenue side; it is the spending side of the budget. It is the payment side of the budget. The claim that the global financial crisis meant that they had to go into $106 million of debt is wrong. There was an estimated $210 million loss in revenue over the forward estimates; it turned out to be only about $90 billion over the forward estimates. If they had managed it properly, if they had not gone and spent the $90 billion that they actually had and did not estimate having, if they had not wasted that money on roof batt programs, overpriced school halls, set-top boxes double the price of what Gerry Harvey could
do, Green Loans, more public servants—should I go on with all these programs?—then we would not be in the deficit and debt situation that we find ourselves today.

I hate to say that the member for Dobell is predictable, but I am guessing that he might get up and, like some of his colleagues, talk about how the government will supposedly return to surplus in 2012-13. I have just a sneaking suspicion that the member for Dobell might say that this budget is about tough decisions, jobs in the future and returning to surplus in 2012-13. I thought I might make a point about that too. This is interesting. If you look at the spending and the revenue base of the government, the claim in this tough budget, with its tough decisions and so-called reduction in spending—which actually turned out to be tax increases, whether they be a mining tax or a freeze on family tax benefits—is that the revenue will go from $272 billion in 2006-07, the second last Howard budget, to an estimated $378 billion in 2012-13. That is an increase of about $100 billion since 2006-07. The spending side of the budget in 2006-07 was $253 billion. The spending side of the budget in 2012-13 will be $372 billion, an increase of $120 billion.

In other words, just to flesh out the picture for the member for Dobell, they are getting more and they are spending more. They are spending more year upon year, and that is why we have $106 billion in net debt. We have $106 billion of debt above savings because they spend more. They plan to spend $120 billion more in 2012-13 than was spent in 2006-07. That is because they cannot make hard decisions. When they find a problem they throw money at it, and they always spend double the money. They cannot do anything without spending double the money that is actually required to do the project in the first place.

There are no better examples than the overpriced school halls, the Green Loans or the roof batts—the disastrous program where workers died. It is quite clear that the deficit and debt situation is not because of the GFC. It is not because the government inherited some terrible budget situation. They of course inherited a $20 billion surplus in savings at the bank. It is because the Labor Party spend too much money. They cannot make hard decisions and they make policy decisions which make things worse.

One of the worst policy decisions this government has made—and I am sure in his quieter moments the member for Dobell would probably reflect on this—was in August 2008 when they changed the border protection laws in this country. The outcome of that is that in this budget there is a $1.7 billion blowout in detention costs. I am someone with a detention facility in my electorate. The only budget promise which directly affected spending on infrastructure in my electorate was for the Inverbrackie detention facility. The outcome of that is in this budget: a $1.7 billion blowout in detention costs. It is one of the worst outcomes you could ever imagine from a government policy decision. They came to government and the situation was fixed, and they created a problem. Now they are desperately trying to thrash around. The minister for immigration, who is fundamentally a nice person, is stuck desperately hoping he gets moved out of this portfolio at some point because it is killing him. He has watched his career wash away. The decisions made by a former minister and by a former Prime Minister are holding this government to the situation where the boats keep coming.

They are trying to be hard. The member for Lindsay of course was the famous admiral on the ship out of Darwin just before the last election. He was out there on coast guard. He had the hat on. He was ready to take them on himself. He was going to stop the boats. He was
going to be part of the process to stop the boats. But of course he did not stop the boats, because the other side is trying to look soft and nice and humanitarian in dealing with the issue. You cannot be both. It is costing the budget $1.75 billion more than what it should every year. More waste, more Labor spending, more Labor deficit, more Labor debt—that is the real story of this budget.

The country faces genuine challenges. We have a huge opportunity in the next few years with increased revenue because of the international circumstances because of the Asia-Pacific century, because China is growing so rapidly, and we should take advantage of that. I am not a pessimist about the Chinese growth. I am not a pessimist about Australia's opportunities which come from that. We must make the most of those opportunities. But spending more than what you get is not making the most of those opportunities. Looking at the out years of this budget, it is a disgrace. You get an increase on spending by 2012-13, in just six or seven budgets, of $120 billion. This is a disgrace and it will saddle our future generations with massive debt when we should be investing the proceeds of this once-in-a-lifetime opportunity that we find ourselves in now. We find ourselves in this position because of growth in our region and we should take advantage of it.

I do not have today the opportunity to go through the inflationary impacts of all this extra spending, or the inflationary impacts of the re-regulation of certain laws in this country. But at another opportunity I will talk about that, because these are the risks, the decisions that have been taken by this Labor government, this incompetent, hopeless Treasurer, as we saw during question time today. This budget is a disgrace.

Mr CRAIG THOMSON (Dobell) (17:47): It is always a pleasure to follow the member for Mayo. He had his angry pills today. He was becoming quite personal in his criticism. I had a whole range of things I was going to talk about but I have to start with a critique of his contribution. Can I say in the first place, to call it a contribution to this debate is raising it to a level well beyond what it actually was.

Let us start with those from the opposition more generally. They are serial deniers. For some of them the global financial crisis was just a small event. At least the member for Mayo actually tried to face up and have a bit of a discussion about the global financial crisis. He does try to downplay it too, which is consistent with the opposition leader. Generally we do not hear anything from those opposite about the global financial crisis because it is an inconvenient truth to them in relation to what has actually occurred and to the state of the Australian economy right now. So they tend to be serial deniers—whether it is about the global financial crisis, whether it is about climate change, whether it is about their record when they were in government, they deny the truth of what actually happened.

I am going to take the opportunity to do a little bit of a comparison between the record of this government and the record of the previous government, at the invitation of the member for Mayo. He got so much wrong that I know he will appreciate having the correct position put on the record so that when he makes future contributions he can correct his errors from today. First of all, when we look at the taxation record of the previous government—well, let us be radical. Let us not look at just the previous government, let us look at the taxation record of the previous government compared to all governments since Federation. Which government comes out as the biggest taxing government?
The previous government. Not once, not twice, not even three times, but four times they took the record as the highest taxing government in Australia's history. For them to come here and lecture this government about taxation issues and say that we are a higher taxing government completely ignores their record as the highest taxing government four years in a row. Their solution to issues, when they were in government, was to tax as much as they possibly could. No wonder they had surpluses. This occurred during mining boom mark I. The lazy former government did not have to make any hard economic decisions; they merely rode the mining boom, taxed the heck out of the Australian public and then said at the end of the day: 'We made all these surpluses. Aren't we economic geniuses?' If you were the heaviest taxing government and you had the quite extraordinary mining boom that we had last time, of course you were going to be in that situation.

This government faces a very different set of economic circumstances. We faced the worst global downturn in trade and the economy since the Great Depression. This government took hard decisions to make sure that ordinary Australians were looked after in electorates like mine, on the Central Coast, and that of my good friend the member for Shortland, where unemployment is always an issue. This government took the position that jobs come first and that we would make sure that we kept people productive and in work. If you look at the record of this government and how we were able to achieve that through the two stimulus packages, compared to what happened around the world, you will see that this government stands in marked contrast to most governments and economies around the world. It certainly stands in marked contrast to the opposition, whose proposition on the global financial crisis was: 'Let the market rip. Let's see what happens, if we lose a few jobs, that's fine.'

There are other approaches we could have taken. We could have taken the US approach; we could have taken the Spanish approach, and ended up with 10 or 20 per cent unemployment; or we could make a difference and intervene in the economy as we did through our stimulus packages to make sure people had jobs. That was good not just for the people who kept their jobs but for their communities and the economy. It is what was needed by Australia and it is why we are the envy of the world.

Our record on managing the economy stands in stark contrast not only to the record of those on the other side but to those of many other countries around the world. Our prudent economic management made sure that Australia's economy did not collapse like others did around the world. We did not go into recession.

We heard from the member for Mayo about so-called pressures on interest rates from inflationary pressures. Interest rates—official cash rates—are some two per cent lower now than they were when we came to government. Under the previous government there were 10 interest rate rises in a row. They were warned repeatedly by the Reserve Bank about constraints, or bottlenecks, in the economy and about the need to invest in skills, training and jobs. They did nothing. In fact they cut investment in those vital areas. This government's budgets have been about investing in skills, training and jobs, because job creation is the engine room of our economy. To make sure that people continue to be able to work, we invest in education and we make sure that industry can keep ticking over. We are increasing participation rates, getting everyone who wants to work in a job, and making sure they can be productive for themselves, their community and the economy. Those are very important, stark differences.
The other issue I want to raise in comparing this government's budget this time and the previous government and, more particularly, the opposition at the moment and their proposals, is that this was a hard budget, a budget where we had to make some hard decisions about where we would put our resources. We were not out there willy-nilly promising money everywhere, as we saw at the last election with the Leader of the Opposition, who refused right up to the day of the election to have his promises costed. What we found out, of course, after the election was that there was an $11 billion budget hole in their election promises. So if those on the other side had been delivering this budget that we are talking about here today we would have seen higher unemployment, we would have seen this country go into recession, we would have seen a bigger deficit because of unfunded promises from this lazy opposition coming out of a lazy previous government, the Howard government, that was not prepared to work hard on these issues.

The last critique I wish to make of the member for Mayo's contribution relates to migration policy. A point he made was that it is impossible to be humane and also to be tough on borders. That is a proposition I totally reject and I think everyone on this side of the House totally rejects. Certainly you can be humane in the way in which you deal with asylum seekers as well as making sure that you have policies in place that are going to provide the greatest protection for our borders. The way you do that is by making sure that you look at regional solutions that break the people-smuggling-chain business model, and that is what this government is about doing. I think it is a vulgar position to put that governments have to make a choice between being tough on border protection and being humane in the way they treat asylum seekers. It simply is not the case, and that view has to be utterly rejected. I did think that the member for Mayo was better than that, but it looks like the early promise he showed when he first came here has drifted away as his leader has drifted more and more to the right, has lacked any real policies or humanity but has maintained the slogans. Unfortunately, I think the member for Mayo has fallen into that very dangerous web. One can only hope that when he does listen to this speech and reflects on his comments he will come and make a correction to that assumption that you need to choose between those two positions.

Not just in this budget but in previous budgets this government has addressed areas like mine, areas of need, that need to be supported. This budget builds on that tradition of the Labor government of making sure that those most in need get the assistance they need, the opportunities to be able to work and the opportunities through educational advantage to reach their full potential. The area that the member for Shortland and I share was one of 10 regions in the country to receive extra help in the budget for the difficult long-term unemployed who have often missed out, who have fallen through the gaps and whose lives have made it difficult for them to break out of that cycle. Often it is families and generations who have been caught in this unemployment trap. This government is determined to make sure that every Australian who wants to be able to be productive is given the opportunity to do so. The $304 million in this budget to help break the cycle of unemployment in these 10 areas is a very important initiative. What is particularly important about it is that we have learned from previous federal government initiatives that sometimes the best solutions are local solutions, solutions that are found and moulded locally. That is what the funding of these 10 regions is all about. It is to develop solutions that suit the local employment situation, matching
employers with those who seek jobs and looking at the different circumstances of different areas and tailoring schemes accordingly.

This is a very important initiative. It is one of the most important initiatives to occur in our areas in a long time. The member for Shortland will agree with me that for too long people in our areas have spoken about high unemployment and how it is impossible to break that sort of cycle. This government is determined to do that, to break that cycle. The budget measures that were announced the other night are part of making sure that we are able to help people back into employment, to be productive, to contribute to the economy and to gain that self-esteem. The budget measures are aimed at helping to build communities by ensuring people have jobs.

This budget also saw a commitment of $2½ million to a jobs incubator in Wyong. This is going to provide businesses that operate from home with the opportunity to step out of the home and into an environment where they can get resourced and assistance to grow. If every small business were able to employ one more person through schemes like this, unemployment would be a thing of the past for our area. This budget provides over $9 million to trade training centres across my electorate and the electorate of the member for Shortland through the Lakes Community Trade Training Centre, which is based at Wadalba but also includes Lake Munmorah High School, Gorokan High School, Wyong High School and Northlakes High School. It is a terrific coming together of resources and schools in our electorates to give young people the training opportunities that they have been missing out on for a long time.

In this budget we put money aside to refurbish surf clubs—two to be refurbished and two to be completely rebuilt. Often neglected, surf clubs are a vital part of the Central Coast community. We have the best beaches in Australia, but we have not always had the best resources. This budget addresses those things. Most importantly, this budget also continues to make sure that resources are available for the NBN. For regions outside the metropolitan areas, such as ours, the NBN is one of the single biggest life-changing initiatives. This is a Labor budget because it is about looking after communities. It is about making sure that all communities get a fair go. It is something that all on this side of the House should be very proud of.

Ms MARINO (Forrest—Opposition Whip) (18:03): What will the Australian people remember about this Labor government? People will remember the massive deficits, the debt, the uncontrolled borrowings, greater taxes, unprecedented waste, appalling mismanagement and sheer unmitigated incompetence. Taxpayers know that they will be paying for this unmitigated incompetence for years and years to come. Under this government, Australia will have its biggest debt ever—record debt of $107 billion. The government will be borrowing $135 million a day, with daily interest payments of $18 million. It will increase government debt with a budget deficit of nearly $50 billion as it continues its reckless and wasteful spending. It just goes on and on.

Not only can we not afford to increase the government's gross debt ceiling from $200 billion to $250 billion as outlined in these appropriation bills, we cannot allow Labor to waste even more taxpayers' dollars. This government has made, unfortunately, an art form out of throwing around taxpayer dollars like confetti, wasting billions and billions on the endless litany of the latest Labor thought bubbles.

MAIN COMMITTEE
This is appallingly obscene for an Australian government. For example, the government has revealed a massive $1.7 billion blowout in managing asylum seekers. It plans to borrow $18.2 billion, just for starters, over the forward estimates for the NBN. It failed to provide detail in the budget about the proposed carbon tax. The Labor government's budget will add more financial stress on families and small businesses and put more pressure on interest rates. Any south-west individual family or business that has borrowed money faces increases in interest rates of up to one per cent in the next 18 months as a result of Labor's reckless borrowing and spending. But, unfortunately, Labor are totally oblivious to daily cost of living pressures or the issues facing small and larger businesses. This was graphically demonstrated by the member for Banks, who said, 'I know there is a suggestion that interest rates may go up in the next 12 months.' Well, interest rates go up and down. This just demonstrates how arrogant and out of touch the Labor government are. What an insult to every Australian who will be affected by those interest rates going up. This is the same group of small business operators, tradesmen and farmers in regional areas who will be hit by the new arrangements for taxing company cars, increasing their costs at a time when they are already doing it tough.

This budget has also failed to address the discrimination against students, classed as inner regional when they apply for youth allowance. We actually care about the higher education opportunities of all regional and rural students, not just the winners chosen by Labor. On a number of occasions the coalition introduced legislation and motions that would have allowed inner regional students to access youth allowance under the same criteria as other rural and remote students. However, Labor and the Greens voted against these measures.

The Prime Minister personally made the decision to discriminate against many students in my electorate and has had the time and opportunity to fix the problem. It is an absolute tragedy for the students and their families. They contact me constantly, but the Prime Minister has not done so and continues this discrimination at the same time she is wasting billions and billions of dollars. Regional and rural students deserve a fair go and, as many in this House would be aware, I do not intend to give up on my efforts to ensure young people have equal access to independent youth allowance.

Another focus of mine since I was first elected has been mental health issues in the south-west. At last it appears that the Labor government have followed the coalition's lead to invest in mental health. But I will keep working with key stakeholders to ensure that one of the proposed headspace facilities is actually delivered in the south-west. But Labor continues their attack on private health insurance in this budget and private health insurance is clearly on the Labor-Greens hit list. Private health insurance is not about having two tiers of service; it is about people taking personal responsibility for their health and their lives as well reducing the cost on the public health system.

The coalition want you to have a choice in your health services. Those who can or want to invest in their own health must be encouraged to do so. The coalition government encouraged people to take responsibility by ensuring private health insurance premiums were affordable. But Labor and the Greens want to drive people out of private cover back onto the public system, which will cost taxpayers even more. It is a lose-lose situation. Many of those with private health cover will no longer be able to afford it and will not be able to choose which service that they need. Many of those without private cover will have to wait longer for services in the public system as more people leave the private system, increasing the queues.
And everyone will be worse off. The Greens might be happy, however, because the agenda of eliminating choice and undermining personal responsibility will take another leap forward.

One of my top five priorities for my electorate was infrastructure and these are some of the areas where appropriately prioritised spending would have made a difference and not just been wasted by the billion. The south-west of Western Australia is a 11.9 GDP region. It could and should be producing more with billions of dollars of investment planned in the area. However, we need investment in roads, rail and the port of Bunbury. But there is no mention of federal funding to commence stage 2 of the Bunbury outer ring-road in the budget, in spite of the fact that the Western Australian government allocated $131 million for the project in its 2011 budget. Stages 2 and 3 of the Bunbury outer ring-road were most recently costed at $365 million, and as yet it is unfunded. These roads are a priority for the economic and social development of the south-west. I was extremely pleased to see the Liberal-led government in Western Australia invest even further in the Coalfields Highway in 2011, something the Labor Party have continually refused to do.

However, my plans and the infrastructure needs in the south-west go much further than this project and how targeted funding and prioritised funding, not wasted billions, could have assisted. Like the Bussell, Vasse, Coalfields and South Western highways, there are the important rail lines in the south-west. With the growth of mining and minerals processing in my electorate, additional capacity on the Pinjarra and Collie to Bunbury lines are required. However, the federal government are ignoring these needs. I also note that funds allocated for regional infrastructure have largely been allocated out to 2014. The government must prioritise the needs of the south-west as a matter of urgency and not continue to waste billions on other programs.

Another area rejected by the Labor government in this budget is tourism funding. The tourism sector has been in great difficulty. We have responded to their concerns with our policy to increase federal investment in Tourism Research Australia by 40 per cent—had we been elected. That would have meant another $2.25 million. I recently took the shadow minister for tourism to the tourism hotspot of Margaret River in my electorate, where we were told by a restaurateur that they could not get the staff required to open for both lunch and dinner. How can this restaurant be profitable if it cannot open for both sittings? How counterproductive and short-sighted it was of the government to remove cooks and chefs from the skilled occupation list.

Agriculture and the environment work together. The natural symbiosis that exists between land managers who use their land purely for nature conservation and those who use their land for both agricultural production and conservation is obvious. In Western Australia more tree planting occurs on private property than on public lands, and private sector spending on salinity control outstrips government funding dramatically. It is therefore beyond belief that this Labor government should undermine both agriculture and the environment by abrogating its responsibility to protect Australia's borders against weed, pest and disease invasion at the same time as it undermines the community's ability to respond to such invasions at a local level. Unfortunately, Labor prefers to waste billions and billions of tax payers dollars rather than prioritising practical policy decisions.

Labor's 2009 federal budget slashed $35.8 million from the quarantine and biosecurity budgets, leading to the loss of 125 jobs and reduced inspections of arriving passengers and
cargo. Also, $58 million was slashed from the Customs budget, leading to 4.7 million fewer air cargo consignments being inspected each year and 2,150 fewer vessels being bordered on arrival. This is deliberate, calculated neglect and it sets a trend which has been continued in the current budget.

In 2011 another $32.8 million has been cut from the operational budget of the Department of Agriculture, Fisheries and Forestry, reducing the department's capacity to deliver services to Australian agriculture. Unfortunately, the government continues to demonstrate its contempt for farmers and Australia's biosecurity by ignoring the threats to our borders. The example of the slack quarantine standards being imposed by Biosecurity Australia on the importation of New Zealand apples means, unfortunately and drastically, incursion by exotic disease is no longer a matter of if, but when.

At the same time, the Labor government has slashed the natural resource management budget going to local communities that might have been used to combat weeds and feral animals. The funding that the previous Howard Liberal government delivered to regional community groups across Australia to fund on-ground control of invasive species has been left in tatters. Clearly, this is not a priority for this government, which unfortunately would prefer to waste billions of dollars on pink batts instead of spending on practical outcomes that actually work.

Indeed, the Australian landscape, both environmental and agricultural, faces a feral future. In addition to the threat of phytophthora dieback remains ignored, with no significant action since I raised this issue a year ago. I support the amendments by the shadow minister for finance condemning the Labor government for not only increasing the government's borrowings above $200 billion but for failing to explain the special circumstances justifying any increase. The parliament must consider and vote on proposed increases to borrowing limits every time the government seeks to increase Commonwealth debt above that $200 billion mark. There are very serious issues that affect my electorate. Every time I see another program that involves even more waste—unfortunately, we have seen this repeated over and over by this government—I look around my electorate and I can see so many practical programs, including infrastructure and agriculture. It is the most diverse electorate in Australia—as I said, an 11.9 GDP region—and it has the capacity to grow and deliver even more. Those are the sorts of projects that the government should be engaged in, rather than in continuous wasteful spending and mismanagement and, unfortunately, the incompetence that we have seen to date.

Ms HALL (Shortland—Government Whip) (18:15): It is always good to follow the member for Forrest. It is interesting that at the commencement of her speech she raised the idea of thought bubbles. Unfortunately for the people of Australia, the opposition are incapable of thinking or having any thoughts at all that will lead to constructive policies. I understand that she could be quite anxious about the fact that we are constantly thinking and revising and looking at policies that will benefit Australia, and bringing down budgets like the budget we have before us, because her side of this parliament are unable to come up with any ideas. All they can do is be negative. The member for Forrest also mentioned interest rates, and I would like to just remind her that, up to the time the Howard government was defeated, there had been a long series of interest rate rises. Interest rates were going one way, and that
was up. It was only when Labor came to power that interest rates started to go down. I am sure the member for Forrest appreciates me pointing that out to her!

This is a good budget and I commend it to the House. I have been contacted by people in my electorate and people that I work with who deliver services to the community, and one of them was very excited about the budget. He said it was a great budget and 'one that will really help our area'. He is involved in the area of employment, and I will touch on that little bit further on in my contribution to this debate.

This is a budget that is in line with the government's plan to bring Australia back into the black by 2012. It is a budget for the future, one that tackles the hard problems and does not ignore them or blame someone else for them. For years we have had a skills shortage in Australia, and this budget is designed to address that issue, not just push it aside and hope it goes away and then blame somebody else for it—for example, blame employers for not training apprentices. The coalition blame anyone they get in their sights. This government is about addressing that skills shortage, about working for the future and about making sure that Australia is in a sound position as it moves through the 21st century.

This approach is in stark contrast with that of the Leader of the Opposition and the shadow Treasurer. I was exceptionally disappointed by the budget response from the Leader of the Opposition. I would have to say it was not a budget response. There was nothing outlined in it. There was no vision. It was very negative. The only commitment he made was to take away from the bottom line of the budget and put a little bit of money into some of his pet areas. If we take that as the opposition's blueprint for the future, we should be very, very worried. There was no vision, just negative attacks and taking money away from the bottom line—as opposed to the budget that was delivered by the Treasurer, moving towards bringing Australia back into the black by 2012. It is interesting when I hear the opposition talking about taxing because, as the member for Dobell said, what government was the highest taxing government in not the last decade, not the last two decades but in Australia's history? And not once, not twice, not three times but four times the Howard government was accorded that prize as the highest taxing government in Australia's history.

Now we have the Leader of the Opposition, a man that is negative and that puts out misinformation. His only solution to the problem is an election and saying to the Australian people, 'Elect me, elect me, I want to be in the Lodge.' We have the problems between the Leader of the Opposition and his shadow Treasurer. It is quite a worry for the Australian people that we have a situation where we have a dysfunctional opposition that cannot give the Australian people anything positive, that cannot give them a view for the future but rather just gets out there giving negative messages and misinformation. I think the Leader of the Opposition works on the principle that if you say things often enough people are going to believe what you say, no matter how outlandish it is or how incorrect it is.

The government steered Australia through the global financial crisis. In the Shortland electorate a number of schools benefited from the investment that the government made in schools. I think in excess of $85 million went into my local schools. But it did not end with the investment in the schools. I have had a number of building companies and tradespeople come into my office and say that if it wasn't for the government's initiative and stimulus package they would have had to close down. Many of these people were not Labor voters.
They were straightforward with me and said, 'I am not a Labor voter, but this helped me to survive.' This is once again in stark contrast to what the opposition would have done.

There is going to be an ongoing investment in more MRI machines. We will not see any repeat of the MRI scan scam that happened under the Howard government in the time of Dr Wooldridge. In actual fact, cscan, a group within the Shortland electorate has been given a partial MRI scan, and the Martyr hospital in the Hunter has also benefited under this investment. These will come into effect in November 2012.

This budget is about families; it is about jobs; it is about our seniors; and it is about delivering ground-breaking mental health services. That is something that is vital for our Australian communities. This budget has delivered an increase in family tax benefit A for older teenagers. That benefit has gone up by $4,208 a year, which is an extra $121 a fortnight. That is delivering to families with students who are 16 to 18, a time when they incur a lot more costs than they do in their younger years. So that is a really good initiative in this budget. There is an extension of the education tax refund to cover school uniforms, which once again is a great initiative that will help struggling families. It is an initiative we promised to deliver in the lead-up to the last election. There is $53 million to improve access to dental health. That will train more dentists in our public hospital and have an intern system that will really skill up a new generation of dentists and put in place a system to ensure that all Australians have access to good quality dental care. And, as I mentioned, there is a $2 billion package for mental health services. Prior to becoming a member of Parliament I worked in rehabilitation and did work with people that were involved in the mental health system. I know that for a very long period of time there has not been enough support. This program will put in place mentors, it will put in place programs that will develop living skills. The aim of it is to move people from being dysfunctional within the community with no support to actually finally being able to participate in employment. So the mentors and the services will help them develop the living skills and get the vocational training to be able to enter the workforce and live a more fulfilling life. The $20 million that is going to support school students with disabilities is really needed because there is an increasing number of young people that have disabilities and we need to recognise that and put in place support for those students.

Some of the really important initiatives in this year's budget were the initiatives surrounding employment. There has been a greater commitment to apprentices with $100 million for a national mentoring program, $100 million investment in a more flexible training model for apprentices. That is something that has been asked for by apprentices and employers for a very long period of time. The tax-free bonus for eligible apprentices who reach their key milestones in their training is also something that will encourage more apprentices to train. There is $281 million for additional incentives to help apprentices train. There are plans to reform and update vocational education and training.

In the Shortland electorate, as the member for Dobell also mentioned, there is a cluster of high schools that are working together with trade training centres and the Australian Technical College. The government has put money into that. Previously under the Howard government there was a plan that never came to fruition to put in place an Australian technical college on the southern part of the Central Coast. It would have done nothing to benefit the young people in Shortland electorate. In the northern part of Wyong Shire is the area where there is the highest level of youth unemployment. It is an area where young people have
trouble with transport. By putting the facilities in the local high schools, training the teachers, having tradespeople actually working in those schools, it has been so beneficial for the students in that part of my electorate.

The other initiative that is very important which the member for Dobell referred to is that Wyong Shire is one of 10 regions to share in the $304 million that has been allocated to train long-term unemployed. I see the member for Throsby in the chamber and I note that his area has also been identified as one of those areas. It is an area where long-term unemployed will get special assistance in case management and their needs will be looked at. It is all about people that have been unemployed for a very long period of time, and maybe even their parents or their grandparents were unemployed, giving them the skills and training that they need to actually get jobs. As somebody who comes from an employment background, I know how important it is to address those issues on the ground and address them now. The investment and the ongoing viability of the NBN is very important to the people I represent in this parliament. I must also mention that the funding allocation to the Active After-school Communities program is vitally important, particularly in those areas of the electorate that are disadvantaged.

No matter where I look in this budget I can find things that are really good for the people I represent in this parliament. It is a good budget. It is a Labor budget. It is about inclusiveness, community and every group within our community. Businesses, individuals, seniors and families have all been taken into account in the budget. I commend the budget to the House.

Mr FRYDENBERG (Kooyong) (18:30): I rise to speak tonight on the three appropriation bills we are debating concurrently. Appropriation Bill (No. 1) 2011-12 is the primary bill to appropriate funds from the Consolidated Revenue Fund for the ordinary annual services of government and related purposes. The total appropriation under this bill is $72.8 billion. Appropriation Bill (No. 2) 2011-12 allows annual appropriations from the Consolidated Revenue Fund for services that are not the ordinary annual services of government, which includes payments through individual portfolios to states and territories. The amount sought is $7.39 billion. Significantly, this bill seeks to raise the government's gross debt ceiling from $200 billion to $250 billion—a reflection of their propensity to spend. Finally, via Appropriation (Parliamentary Departments) Bill (No. 1) 2011-12, $180 million is sought for the Department of the Senate, the Department of the House of Representatives and the Department of Parliamentary Services.

I stand here at a time when the international community is experiencing significant economic uncertainty. The world's largest economy, the United States, has over $14 trillion of debt and was recently forced to raise its debt ceiling. Significantly, the global credit rating agency Moody's fired a warning shot at Washington, saying that the AAA sovereign credit rating was at risk unless dramatic action was taken to curb ballooning budget deficits and rein in government debt. So too in Europe, unsustainable debt levels in Greece, Ireland, Spain, Portugal and the United Kingdom have rattled international markets, forced urgent refinancing and necessitated painful and far-reaching government cuts.

The messages for Australia are clear: 'Big government is bad government' and 'Live within your means before it is too late.' Unfortunately, those messages are not getting through. Both the Rudd and Gillard governments have displayed their addiction to debt. While historically this is not uncommon for Labor governments at federal and state levels, this federal
government takes the cake. Net government debt has blown out from $94 billion to a record $107 billion in 2011-12. Government borrowings are $135 million a day, or $1 billion a month. Interest payments have grown to an astronomical $7.5 billion a year, which is already $12.5 million a day and they reach $20 million a day in 2014-15.

That is a lot of hospitals, schools and roads that could easily have been fully financed on the interest payments alone. This year's budget deficit blew out by more than $8 billion to $49.4 billion—the second largest since World War Two—and the 2011-12 budget deficit is forecast to rise by $10 billion to $22.6 billion. For this government, another billion dollars in debt is just a rounding error. It would be laughable if it was not so serious. Australia's future prosperity is today on the line. It is no wonder that we cannot take seriously the government's commitment to surplus in 2012-13. Labor has not delivered one in 21 years or, as the coalition's rising star, the member for Longman, Wyatt Roy, so tellingly pointed out in the House, 'Not in his lifetime.' What is more, Labor's failure to rein in spending is occurring at a time of low unemployment and a China-led boom. If the government cannot take the hard decisions when the terms of trade are their strongest in more than a century, then they will never do it. They promised a tough budget, but it was anything but. As editorialised in the Australian:

...the only time he—

the Treasurer—

has wielded a knife is when he helped to bring down Kevin Rudd.

The Treasurer's announcement of $22 billion of savings out of a total spend of $1,500 billion over the next four years was just about matched by its new spending spree. Next year, for example, the government is spending $2 billion more than it will save. In the words of Australia's distinguished former Treasurer Peter Costello, 'This year's budget was a major lost opportunity.' Peter Costello should know. Today, revenue is rising to unprecedented levels and expenditure by 2014-15 will be up by more than 23 per cent in real terms from when he was at the helm.

This dangerous addiction of Labor to spending will only send interest rates one way—up. Already, seven rate rises since October 2009 have punished homeowners and those dreaming of entering the market. Expectations in the market are of worse still to come. Moreover, this government provides no relief. This is the first budget in eight years without tax cuts, meaning the thresholds in 2015 will be the same as those announced by the Howard government in 2007. Tax cuts, no; but tax increases, yes.

The government's carbon tax is the latest impost from a government that in just a few years has given us a mining tax, an alcopops tax and higher taxes on cigarettes and luxury cars et cetera. While the mining tax was announced by the Labor government without consultation with those in the industry most affected, the government's carbon tax has been a metaphor for consultation. The only problem is that those consulted are not the families who will face higher costs of living but Labor's political partner, the Greens, who see a historic opportunity to close down important energy intensive industries and distribute wealth according to their own social agenda. The Greens are today's modern-day Luddites.

With electricity prices up by more than 50 per cent, water up by more than 45 per cent and gas up 30 per cent—all since Labor came to office—the public have made it clear they can ill
afford a carbon tax, which will only exacerbate their existing hardship. As the Leader of the Opposition has said, the carbon tax should have been detailed in this budget, for it is a massive economy-wide reform with ramifications for the government's expenditure and revenue forecasts. The government's failure to do so means its forecast budget surplus for 2012-13 is not even worth the paper it is written on.

One does not have to look deeply into this budget to see dangerous signs of waste and mismanagement. More than $300 million has been set aside for high definition television set-top boxes at a cost of nearly $400 each. Given Harvey Norman can provide the equivalent technology, delivery and instalment for half the price, it should remind every taxpayer that this program is another pink batts and school hall fiasco just waiting to happen.

The $1.75 billion blowout on asylum seeker management is also a reminder that this government has failed to protect our borders. Christmas Island, Villawood and other detention centres are at breaking point and the government has stubbornly refused to adopt John Howard's successful Pacific solution. On this issue and on many others, Labor has no answers.

The freeze on indexation of family tax benefits part A and part B supplements will hurt Australian families to the tune of $2 billion and has been criticised widely. The axing of the entrepreneurs tax offset, which delivered support to small businesses around the country, will damage a sector already struggling from the loss of more than 300,000 jobs since Labor came to power. The tighter eligibility requirements proposed for the private health insurance rebate are also a retrograde step. People who take up health insurance are in effect saving the taxpayer money and reducing the burden on the already squeezed public health system. The cuts to rebates for general practitioners delivering mental health services, and cuts to the number of Medicare-funded visits patients can make to their psychologist, have been widely criticised by professionals working in the sector. The government was shamed into allocating new money for mental health, but at just over $500 million it was less than a third of what was promised by the coalition. What is more, the government has back-ended the money at a time when more mental health services are urgently required.

Aged care was also inexplicably ignored by the Gillard government at a time when our population demographic is undergoing rapid change. Around 13 per cent of Australians are today over the age of 65, a figure that will double by 2050. This government provided no new money for the aged-care sector. Despite the Productivity Commission's Caring for older Australians report, scheduled to be out in June, the government missed a vital opportunity to demonstrate with new funding its commitment to the sector and the millions of older Australians dependent on aged care.

Somehow this government can find the money for its political priorities, like the 24,000 new public servants employed by this government since 2007 or the nearly $50 billion it plans to spend on the National Broadband Network without even a cost-benefit study, but when it comes to helping aspirational Australian families it simply remains silent. It was former British Prime Minister Margaret Thatcher who said, 'The problem with socialism is that you eventually run out of other people's money.' The Australian Labor Party may not be the socialists Thatcher originally had in mind, but its willingness to nationalise industries, intervene in the market and live beyond its means indicates that this Gillard government is not far off.
Just four years ago, Australia’s balance sheet was the envy of the world: no government debt, low unemployment and inflation, and a vibrant private sector sitting alongside a relatively effective public sector. But things can so quickly change. Under this Labor government, our competitive advantage has been squandered, our savings have been spent and we are now left to ponder how much more damage this Labor government will do before the Australian people have their opportunity to vote them out. It cannot come soon enough.

Ms BIRD (Cunningham) (18:43): It is a pleasure to follow the member for Kooyong. Perhaps he would like to take his philosophy of the market being the best option, apply it to consideration of the carbon debates in this place and reconsider the direct action policy of his leader as the most appropriate way to address the climate change challenge. I look forward to the reassessment, as I understand some of his colleagues would probably be keen to get in behind him on that. So I anticipate that with great pleasure.

I want to take the opportunity to speak today in the debate on the Appropriation Bill (No. 1) 2011-2012 and cognate bills, as most of us do in this place, and to pull together a view of where we have gone since the last budget and, indeed, where our budget sits within the context of a series of budgets in our economic progress. In my first term in this place, in discussing the budget of the then government, obviously there were various points that I took issue with that government on. That is not surprising; that is why we sit on opposite sides of the House. But I well remember—it never leaves me—the intense debate we were having about how this nation managed the mining boom. We had seen across the nation the great advantages that came from the mining boom creating significant problems for other parts of the economy. In particular, as a member of the House Standing Committee on Economics, I was a member of two important inquiries initiated at that time by Peter Costello as the Treasurer to look at the effects of the mining boom on two important sectors of the economy: the manufacturing sector and the services sector. Certainly, there was clear evidence that the great growth and the black hole effect of the mining boom was sucking resources, investment and skills out of the broader economy. While that was great for that sector, and we all benefited from the wellbeing of that sector—and we would wish it to continue its wellbeing—we also have to acknowledge the effects that it had across the broader economy.

The result of that was that we saw significant messages coming from places like the Reserve Bank about the inflationary pressures that were being put into the economy from both skill shortages and infrastructure bottlenecks. It has been on the agenda of the Rudd and then Gillard governments to address seriously those major breaks in our economy, and in particular with this budget to look at significant ways in which we can facilitate a broader range of people—that is, individuals and regions—to participate in the future economy.

I think this budget stands the test of this place within that process. It is, indeed, about addressing the patchwork national economy, and despite the natural disasters which we saw, very sadly, on our screens and in reality for too many of our members in this place and the people they represent in Queensland, northern New South Wales and regional Victoria, our economic prospects are strong. The economy is expected to grow over the next two years, we are enjoying the highest terms of trade in 140 years and we are in the midst of an unprecedented mining boom.

Given its nature, the mining boom will generate significant strong employment growth, including in my own area and that of my colleague sitting here with me, the member for
Throsby. We see that. I well remember uncles in the mining industry saying to me in the 80s that the biggest most recent skill they had developed was rewriting their CV to add another closure on it and to look for work elsewhere. We had several members of our family have to move out of the area. That is not the case now; there is good strong employment in that sector.

But this does place pressure on the capacity of the economy more broadly, and that daunting challenge remains where we have to manage to add to supply and demand in the economy at about the same time. It is for this reason that the government is determined to return the budget to surplus in 2012-13. The government will turn around a deficit into a surplus of $3.5 billion in 2012-13, increasing to $3.7 billion in the 2013-14 year, and consolidating the surplus at $5.8 billion in the 2014-15 year.

This fiscal consolidation—an unprecedented achievement, completely ignored by those opposite—will keep pressure off interest rates, which will help families with mortgages and businesses. I would remind people more broadly of the 10 back-to-back interest-rate increases that occurred at the end of the Howard government era as a result of their failure to address the warnings that were coming about inflationary pressures.

Mr Stephen Jones: They were blind!

Ms BIRD: Exactly right—the member indicates that they were blind to those, and they were indeed. And they were not spread over time; they were not a response to gradual changes and a tapping on the brakes. They were back to back, and they were devastating for people.

In describing the budget, the economics editor of the Sydney Morning Herald, Ross Gittins, said in his column on 14 May 2011:

Sound like a weak effort to you? It's a turnaround equivalent to 3.8 percentage points of gross domestic product - 2.1 points in the coming year and 1.7 points in 2012-13.

This means that, in the simple way most economists (including those at the Reserve Bank) measure it these days, the "stance of policy" is highly contractionary.

He goes on to say:

The budget's net contribution to demand is negative - contracting rather than expanding - thus leaving more room for private sector demand to expand without generating as much inflation pressure.

It should be indicated that what has been missing from many of the contributions of those opposite is the fact that we have been through a cycle of a global financial downturn of great significance. We in this place all listen with great interest to those opposite. The whole global financial crisis, which is critical in most discussions that occur about the international economy, has been completely missing from their conversations about the economy over recent years. We have come through that much stronger than most other advanced economies and we are recovering much more strongly as well. The opposition cannot seem to agree with itself, indeed, on whether the 2011-12 budget was too tough or too soft. On the one hand, we had the spectacle of the Leader of the Opposition and the shadow Treasurer claiming that the budget was too tough on families. On the other hand, they were trying to play to the economic and political commentators by saying that the budget was far too weak.

The Leader of the Opposition in his effect non budget reply simply ran to half an hour with a negative message and a reheat of the coalition's 2010 election policy platform. That does not particularly help us in assessing his economic view for the future of the nation. The shadow
Treasurer fronted the National Press Club to give a rather dismal performance of last year's comedy. At least we did not have 'pass the baton' this time round. But there was not much of any great substance to assist us, either.

I will leave the best independent observation to Mr Gittins. He said this on 11 May, the morning after the budget was handed down:

It could have been more excruciating—economists are hard to please when it comes to inflicting pain—but it's tougher and more courageous than all but the first of the 12 budgets the now-sainted Peter Costello delivered.

The facts are that the 2011-12 budget will keep tax revenue as a proportion of GDP lower than the Howard government managed—21.8 per cent compared to 24.1 per cent in 2005-06. Real government spending is one per cent over the next five years, while the Howard government spent nearly four per cent in its last five years. The government has cut personal income tax, as the member for Throsby reminded us previously, leaving an income earner on $50,000 a year better off by $1,750 annually and an income earner on $100,000 nearly $2,000 better off. We will cut corporate tax to 29 per cent for small business in the year that we bring the budget back to surplus and for all other businesses from 2013-14 as part of the government's reforms in taxing superprofits from resources.

Small businesses, including those in the Illawarra, will benefit from a $5,000 upfronttax break, as well as the instant tax write off for the first $5,000 of any car purchase from next year. The coalition, by contrast, maintained a 30 per cent corporate tax rate. The government will increase the retirement incomes of workers from nine per cent to 12 per cent, sustaining not only the retirement of workers but importantly—and this is one of the great strengths over the long term of our economy—adding to national savings through the superannuation pool.

The budget delivers a further downpayment to all Australians. The government recognises that the patchwork economy is placing pressure on the cost of living of Australians. From 1 July 2011—only about 13 weeks away—the government will increase the proportion of the low-income tax offset delivered to 6.5 million Australians. This provides an income earner on an annual income of $30,000 an extra $300 during the year in their regular pay, rather than making them wait until the end of the financial year.

The government will expand the work bonus from 1 July, enabling an age pensioner to earn up to $250 per fortnight extra without it being assessed under the income tax laws. So on top of the permanent built-in increase that we have provided to age pensioners so that they do not have to wait each year in expectant hope as they did during the Howard-Costello period that some largesse would fall out of the budget we have provided them with the capacity to earn an extra $250 per fortnight before it is assessed. Age pensioners are continuing to benefit from the inbuilt increases that are worth $128 per fortnight for single pensioners and $116 per fortnight for pensioner couples combined.

Self-funded retirees remain eligible for the seniors supplement, providing $806 for single self-funded retirees and $1,216.80 for couples combined. The government will also deliver a 50 per cent discount on the up to $1,000 of interest earned as income on savings products, including bank accounts, benefitting both self-funded retirees and age pensioners.

We will expand the education tax rebate—and this is very welcomed by families, and particularly by those in our area in the Illawarra—to include the cost of school uniforms. The payment of the childcare rebate will be made fortnightly to either the childcare provider or
families to assist in reducing the upfront costs. I well remember under the old Howard scheme families coming to me because they were having to wait two years in reality before they got the refund because of the way that the tax claim system worked.

We will also, importantly, increase family tax benefit A for 16-to-19-year-old teenagers who are in school or an equivalent vocational qualification by about $160 per fortnight. For families who are trying to keep their kids in school and on to year 12, when we know how significant that is to their long-term wellbeing, then this particular payment continuing after the age of 16 is significantly important. In my role heading the education committee, when we looked at young people combining work and school—not work and post-school study—the capacity to earn an income in many of those families was critical to support the family income. Those kids were trying to study for their senior years at the same time.

The budget goes further. It touches on an area that is of great significance for our long-term future, and it is of great importance to me, and that is the skills agenda. There are several very significant initiatives with $3 billion in skills by placing industry at the heart of Australia’s training effort and, in particular, another round of great investment in our Australian apprenticeship scheme. I think all of those will be very, very welcome. Certainly in my area of the Illawarra the importance of youth employment and apprenticeship opportunities will be very, very welcome.

More broadly, I should indicate that the member for Throsby and I sit on an apprenticeship committee in the Illawarra, and I want to take this opportunity to commend the work of that committee in targeting the most at-risk young people in our region and getting them into apprenticeship opportunities. It is work that we will continue to undertake.

In the short time that I have left, I want to do a little bit of parochial messaging. There is a view, I believe, that is very wrongly expressed on occasions in the Illawarra, that we get ignored by various governments. I would remind local people that in fact over time we have delivered from the Commonwealth government over $498 million into the federal electorates of Cunningham, Throsby and Gilmore in the process of fighting off the global financial crisis. It is worth recapping that there were jobs fund programs for 14 projects of over $7 million, and this supported nearly 300 jobs, 58 traineeships and 107 work experience places. We invested nearly $6 million in the Regional and Local Community Infrastructure Program in my electorate, including the magnificent Blue Mile project, which will support local tourism for a long time into the future. We put $83 million into social housing in my electorate, not only creating job opportunities for tradespeople but also providing housing for the most at-risk. It should be acknowledged that we put significant money into the Illawarra Care Centre at Wollongong Hospital with its outreach in the Shoalhaven of over $12 million in the hospital. These are all serious and significant investments in my electorate. I am sure they will continue, and I will continue to lobby for them with my colleague the member for Throsby. We will never, ever allow our area to be taken for granted. We have the greatest confidence that this government, unlike the Howard government, will take those calls seriously. I commend the appropriations bills to the House.

**WYATT ROY** (Longman) (18:58): I rise to speak to the three budget appropriation bills that are currently being debated. Without doubt, the most unsettling aspects of this budget are the omission of the carbon tax and the attack on ordinary Australians. How can Australians have faith in a budget that does not make mention of a significant new tax that will cost jobs
and will make life tougher for families? How can Australians have faith in a budget that is ripping billions of dollars from families at a time when cost of living pressures are placing an almost unbearable strain on the budgets of families?

This is a budget from a Labor government whose only vision for the future of our country is one of new taxes. My electorate of Longman stretches over 1,239 square kilometres between Brisbane and the Sunshine Coast. Economic drivers of the region include tourism, light industry, farming, retail and small business. It is an electorate in the heart of Queensland’s fastest-growing region. It is close enough to Brisbane for people to commute there to work. It is also close enough for people to enjoy the lifestyle, beautiful beaches, the Pumicestone Passage, a stunning hinterland and above all else a strong sense of local, smaller town community that make it one of the best places to live. It is, of course, not surprising that people are moving into the area. There has been an increase in population in Longman of about 30 per cent over the past 10 years. It is little wonder, then, that each time I drive around Longman I see new houses being built and new subdivisions being developed. I have recently been actively seeking the views of my community on the issues that matter to them. I have issued an electorate-wide survey to which I have received thousands of responses and I have held many listening posts all over Longman. Despite what many would rightly say are our natural advantages, people are often brutally disillusioned with the current Labor government. Without doubt, the federal issue that is of most concern to the people of Longman is the imposition of a carbon tax and what this will do to family budgets, local employment opportunities and how small businesses will survive. The state issues that the are the most concerning are the chronic failure to deliver local health services and the dreadful state of the D’aguilar Highway and the Bribie Island Bridge. The picture I paint is one of a community whose boundless potential is being hamstrung by uncertainty, a lack of trust in the federal Labor government and a lack of faith in a disastrous state Labor government that has neglected our community for too long. This budget has done nothing to generate confidence in my local community. This budget has done nothing to harness the opportunities of growth or to plan for the future.

Let me first turn to the carbon tax. I have repeatedly voiced my concerns about this toxic new tax after the Prime Minister broke her promise to the Australian people that a government she would lead would not introduce the carbon tax. Since the Prime Minister’s announcement, I have had call after call, email after email and survey response after survey response and have been stopped countless times in the streets, at shops and at schools as locals express dismay at the introduction of the Labor/Green carbon tax and the Prime Minister’s breach of faith with the Australian people.

As I have already said, life is getting tougher for the forgotten families in my community and they are struggling to make ends meet as the day-to-day essentials are increasing in price—something the Labor Party fails to understand. I will repeat what I said in March this year: the price of water has gone up. The price of electricity has gone up. The price of fuel has gone up. The cost of public transport has gone up. It is getting harder and harder for ordinary Australians to make ends meet. When ordinary Australians have reasonably expected to own their homes and aspire to a life better than that of their parents, under this Labor Government, this is increasingly not the case. Ordinary Australians have to work harder and harder. And for what? Is it to live a better life? Is it to give your children a better life? Is it to get ahead?
No. Ordinary Australians work harder and harder not to achieve the aspirations we have previously taken for granted, but to pay more taxes to pay off the debt incurred by this Labor government.

Ordinary Australians do not have extraordinary expectations, but they do and should expect a government that will make their lives easier, that will stand up for them and that will look after their interests. Not under this Labor government. Under this Labor government, the lives of the locals in my community get harder, not easier. There is nothing in this budget for the many families in Longman who are doing it really tough. At a time when the cost of living is soaring, this Labor government has ripped the rug out from under the feet of ordinary Australian families.

Small business is undeniably the engine room of the Australian economy. It is the driver of employment and the realiser of potential. Yet small business in Longman is suffering from a crisis in confidence brought about by inconsistencies and incompetence in Labor government policy that seems to urge them on to failure, not to success. The carbon tax is causing an unsettling amount of uncertainty for small businesses. They are worried that their spiralling costs are going to climb even higher under the imposition of another tax and the harsh reality is going to see some of them close their doors.

Post budget, small business owners in my community are saying that the budget is a wasted opportunity that has done nothing to encourage employment or to engender confidence in the market place. Small business owners are saying to me: 'Can the government just get out of the way and support some of us so that we can thrive and employ more people?' The budget has not provided any relief or any reassurance that this is going to improve confidence in my community. The challenges facing small business, such as difficulty accessing credit, have not been addressed and interest rates will invariably go up as a result of the deficit, waste and mismanagement of this Labor government.

In my local community people just want a job and it is a vibrant small business community that will deliver this opportunity to them, not new Labor taxes. The Labor government will never understand the value of a hand up over a handout, that a meaningful job is the best form of welfare and that you cannot compensate someone who has just lost their job. Like the community at large, life for small business is destined to get harder under this Labor government. Given the growth in the Longman area and the potential generated by that growth, I want to see my electorate as an area of boundless opportunity. I want it to be a productive, vibrant community with its potential fully realised. I want it to be a powerhouse for the region and a place where people live, work and play. That is what growth should mean. We should not be afraid of it, we should embrace it as a way of responsibly growing our economy and providing jobs and increased opportunities for our community.

But for this to occur we need a plan for the future, not to play catch-up and not to use bandaid solutions. We need to ensure that the services available are adequate. We need to make sure that the community is confident that when they are sick they are going to be able to receive the care they need. We need to make sure that the commute to Brisbane, if that is where you work, is as easy as possible. We need to make sure that the major roads servicing the regional areas of my electorate are up to the task and are safe. We need to make sure that we have a culture of opportunity, where the greatest equaliser in our society is equality of
opportunity, not subsidy. There was a time when Labor was led by a Queenslander who said he was here to help. This budget is not helping the ordinary Australians in my community.

It is crystal clear to me and the locals in Longman that infrastructure has simply not kept up with growth, starting with health. We have a hospital that is plainly stretched well beyond its capacity. I have talked about the Caboolture Hospital in this place numerous times and I will continue to talk about it over and over again. The locals deserve to be confident that when their child has a raging ear infection after hours they are not going to have to wait most of the night to be seen. When you are taken by ambulance to the hospital with an acute emergency you should not be ramped or redirected to another hospital across south-east Queensland. My constituents deserve better access to mental health services so that they can receive the care they need.

The expansion of the Caboolture Hospital is of fundamental importance to Longman. Everyone wants it. Locals want it, the doctors and nurses who do such a fantastic job at the hospital want it, I want it, and it is one of the things that I am determined to continue fighting for. The hospital needs more beds; it is as plain as that. The hospital has 187 beds servicing the region and 21 beds in the accident and emergency department. With the population of the region expected to grow to 200,000 by 2026, we are estimated to need some 600 beds and 52 emergency bays, with more than half of that by 2016. Together with increasing the hospital’s capacity we need to redirect patients to other places to relieve the pressure on the hospital in the short and long term. Before the last election I was working with the Moreton Bay general practice network to help facilitate real after-hours care and expand after-hours GP services. This model has the benefit to begin support by GPs, allowing access to the family GP for after-hours consultations and relieving pressure on the emergency department of the hospital. It is a win-win model for the whole community. I remain committed to a commonsense, practical solution around issues of access to health care in Longman. I am sure that local GPs and healthcare professionals will always understand the needs of locals more than bureaucrats in Canberra do.

Mental health is an area of significant concern and an area close to my heart. I am told that mental health affects one in five people every year and one in two people across the course of a lifetime. We are in urgent need of early intervention services that are able to provide support before people require acute mental health care. At the last election, with my colleague Peter Dutton, shadow minister for health, I was proud to announce $60 million of funding for the establishment of an early psychosis prevention and intervention centre in Caboolture. This would have provided services to those who most need them and have relieved pressure on the hospital. I remain committed to the establishment of an EPIC in Caboolture. In this budget, the Labor government has provided only $2.9 million for expenditure in the next financial year for the whole country, and only $23 million in the following financial year—again, for the whole nation, not Caboolture. If we really want this critical service delivered in Longman, we need to change the government.

I have also spoken in this place on numerous occasions about the woeful state of the D'Aguiar Highway and the Bribie Island bridge. The D'Aguiar Highway, like the hospital, is straining under the pressure of increased demand. It has, quite frankly, become a deathtrap. It needs to be upgraded urgently to cope with the increased growth in the region. The solution to this problem needs to be a combined state and federal effort. During the last election...
campaign, I announced a coalition commitment of an additional $12 million of funding to fix the black spots on the deadly highway, but more needs to be done. Passing lanes would also save lives, and I have repeatedly called on the Queensland state Labor government to urgently address this issue. After all, this is a state government road. The Bribie Island bridge is another arterial that is straining under pressure. It is the only access to and from the island and was designed decades ago to meet the demands of a small population. Bribie Island is now a large community that swells during the summer, and the bridge is plainly inadequate and needs upgrading. I am committed to ensuring upgrades for both pieces of infrastructure. If it were not for the waste and mismanagement of Labor governments, infrastructure and essential services would be delivered for my local community.

Longman is a growth corridor and warrants effective infrastructure to support it for the future as it inevitably grows. Now is the time to plan and prepare. Longman cannot afford to be left behind. I want Longman to be a community looking to the future with optimism and energy and looking towards opportunities. I do not want it to be a community that is consistently overlooked, with health services and infrastructure requirements overlooked. It is the forgotten people of Longman who are again being overlooked and neglected by this Labor government. I want my community to be a place where people want to settle and raise a family, where they will stay because there is work to be had, and where there is a great sense of local community. That is why I will continue to be a vocal voice in this place and elsewhere so that I can give voice to my constituents and strive to have their concerns addressed, something this Labor budget plainly fails to do.

The DEPUTY SPEAKER (Ms AE Burke): Before I call the next member, I think the chamber should congratulate the member for Longman on his momentous occasion, his 21st birthday today. He will probably be the only person in the place to ever see his 21st birthday while here. Congratulations.

Mr LAURIE FERGUSON (Werriwa) (19:12): It is very timely; I was persuaded this week by my federal electorate council to start sending out cards to people on their 21st birthday. The thrust of the budget, of course, is around necessary measures towards reducing middle-class welfare. I think we know that over the period of the Howard government, when massive infrastructure needs in this country were ignored, there was large expenditure in this area, and it has been quite interesting. My electorate particularly would be appalled by the emphasis over the last fortnight on the sad state, as the opposition apparently regards it, of those people on $150,000 a year—how sad their situation is and how basically we should not move money elsewhere to help those more in need. Another thrust, of course, is mental health, the need to support low-income families, and regional health and education infrastructure.

I want to talk about two areas that particularly affect my electorate of Werriwa. They are the question of training, skills and apprenticeships; and the issue of mental health. Both these affect people personally close but are, in the broader sense, crucial issues in the electorate of Werriwa. People speak about a two-pronged economy—states that are progressing well in regard to raw materials and those such as New South Wales in particular that are lagging. We have a different concept of a two-state economy, as this country has only 4.9 per cent unemployment, a very good record by the standards of the advanced industrial countries, and it is predicted that over the next two years 500,000 jobs will be created. However, within that
situation, we have 230,000 people who have been out of work for at least two years. On the other hand, we are also seeking an increase in skilled migration because of the dereliction of duty that has characterised the way in which skills and apprenticeships have been ignored over a period of time. I remember the rhetoric of the previous government in parliament day after day carrying on about how there were too many aspirations for working-class people and that they should not all be going to university. That was just code for people not going to university from working-class areas; it was not a promise by the previous government to actually do anything about apprenticeships, about TAFE and about vocational education. If it had been, they would have more credibility.

We have a situation here today where only 50 per cent of apprenticeships are completed. It is no wonder that a major aspect of this government and this budget is to do something in regard to training. It is important in my electorate, which is a young electorate in far contrast to my previous electorate with families consisting of two working parents on many occasions, a significant number of children and a large youth population. It is also on the edge of Sydney and involves very significant cross-city movement of people, congestion et cetera because of the availability of jobs in other regions of Sydney. So this is important.

We see in this budget over $100 million going towards mentoring 10,000 apprenticeships to make sure that people actually complete them. I have indicated the abysmal completion rate of only 50 per cent. Something has to be done about it. That is a major initiative in this budget. A similar figure is going towards accelerated apprenticeships. Obviously we should be concerned if there is any deterioration of standards in that acceleration process. It is a way in which people can be brought into the work force, set up for life and for establishing families, and at the same time they can be accelerated through the award payscales that otherwise would stretch for many years. So there is a degree of attraction for a person to come towards apprenticeships if this succeeds where their apprenticeship will be completed earlier. People will be able to utilise those skills at an earlier point and thus able to get higher income. There are special measures that give grants to employers in crucial skilled areas.

In addition, $560 million will go to a National Workforce Development Fund, and a significant amount of that will be spent working with industry to make sure there is a national workforce capability and an agency will be established to give independent advice to the government. It should not be conceded for a moment that, despite these very significant initiatives by the government, little has been happening in the interim because in actual fact there has been a doubling of funding on apprenticeships and to employers since 2007.

In this budget we see $143 million over a four-year period going towards language, literacy and numeracy. We all understand this is a significant problem for individuals, for their families and for their lifestyle but it is also a major difficulty for our country in regard to productivity in that large parts of our workforce are not able to fully utilise their skills and are not attractive to employers because they lack these skills. So we see money that is very necessary going into that area.

Even for people in employment, and this is a situation which has deteriorated in this country. I remember the days a few decades ago particularly in Victoria—where most progressive action on this front occurs—where the Italian, Turkish and Greek workers were fighting for workplace English. It has fallen by the wayside under both sides of politics in the
interim. But in this budget $20 million is going to workplace English for people already in employment whose situation is precarious because of their lack of English.

An amount of $80 million is going towards an endeavour to get job training for 30,000 sole parents. People on the other side of politics stigmatise, attack and assail people in this situation, but the reality of life is that many of these people do not have options because of a variety of circumstances. This government is going to try to do something about it.

For vulnerable job seekers, there is nearly $20 million to help 5,000 people whose situation in the workforce is vulnerable maybe because of technology, because of the disappearance of some jobs or because other people are available in the workplace. This will go towards increasing their skills, making sure they have more possibilities. There is a very strong emphasis on the direct partnership with industry to try to make sure that 130,000 new apprenticeships are provided through that cooperation. One thing that I am not as attracted towards is the proposal in this budget that COAG work towards vocational education. That sounds nice, and let's be hopeful that the outcome is positive. It speaks about catering to employers' needs, and that should always be a significant factor but not predominant. It talks about high quality training and an investment in the right skills. Again, that is laudatory that we try to get the right skills, but it speaks about a degree of choice for people. They can supposedly choose training organisations that perform best and meet their needs. I for one am a very strong defender of government provided technical education in this country.

Under the previous government we saw one of the biggest immigration disasters that has ever occurred in the way in which they handled the international student situation. Hundreds of thousands of people came into this country, essentially attracted not by education but by the possibility that they could live here for the next 50 years. One of the situations that the current government had to deal with in that area was the growth of very questionable private sector colleges. This government has had to go out and require all of those to be certified again. I am not highly attracted to the private sector education-for-dollar concept in this area. I hope that what happens in COAG does not go in a direction which says that education in TAFE is too broad, too humanistic, that it covers too many subjects the employer does not want and that it is cheaper to do it through these private providers. Quite frankly, we will get a third-rate outcome. So I very much commend the government's initiatives in this area. It is something that my electorate needs very much.

I want to mention another initiative of the government. I recently attended with the Minister for Tertiary Education, Skills, Jobs and Workplace Relations, Senator Chris Evans, the opening of an extension to the Macquarie Fields TAFE. I saw young people there who obviously wanted to go into the building sector and they had a site available where they could construct buildings on site. I met a young woman, an inspiring person, who worked at Bunnings, decided that she knew a bit about carpentry and decided to go into that career. She was the spokesperson on the day for all the students and it was truly inspiring to see the opportunities she will get in life to be a female carpenter. She very much stressed that the TAFE providers were in no way gender discriminatory.

Another matter I want to deal with in the limited time is the question of mental health. Again, for me this is very different in my new electorate. I represented an electorate of many migrants and new arrivals and there was often a bit of a tendency to hide mental health problems behind doors. All the statistics indicate that. In this new electorate, because of the
higher prevalence of public housing, it is even more of an issue than in my old electorate. When you have a high public housing presence, you have a higher level of disadvantage and a consequent preponderance of disabilities and mental health issues. I have been surprised in my area to see organisations such as Beautiful Minds, the Campbelltown Mental Health Service on Brown Street, Waratah House at Campbelltown Hospital and the Liverpool Hospital Mental Health Centre. I do not think any other electorate in this country has such a plethora of disability and mental health organisations working in the community.

It is indeed important to my electorate that one of the central focuses of this budget is mental health. There is $2.2 billion over a five-year period. It is aimed at areas most in need. There is intensive support, better coordination. Funding is devoted to those people who have severe and persistent problems and complex needs. There is an accent on support for areas and communities that are socioeconomically disadvantaged because, as I noted earlier, that is where there is a preponderance of these problems. There is also a very strong emphasis in this budget on looking at early detection, supporting young people and ensuring that people get options in life and have the possibility of participating in the workforce. One thing that was great which I saw in the last few weeks was the relevant minister, the member for Sydney, coming to my electorate to open a centre where a large number of services will be provided at the one site. This seems to be increasingly emphasised by the government in the area of workforce participation.

There will be a mental health commission which will directly report to the Prime Minister and will provide, for public scrutiny, an annual report. The fact that those reports will be going to the Prime Minister reveals her commitment to it and the priority it will receive, and this is shown by this budget.

I think the previous member spoke about Medicare Locals and there will be a responsibility for them to better coordinate services with significant NGOs. There is funding towards headspace and to provide far more early psychosis prevention and intervention centres to give young people the possibility of resilience in that area. I want to commend that area of the budget because, as I say, it is very significant locally.

Foreign aid is another facet of the budget. I noticed that Caritas Australia very strongly commended the decision by the government to move its foreign aid commitment to 0.35 per cent of gross national income, which is a step towards the commitment to 0.5 per cent. It is a step forward, but I and many other members of this parliament will continue to advocate for the government to place an even higher priority on it. Caritas also noted that despite this significant advance it still places Australia only 14th out of the 23 OECD countries, and these are the countries we should compare ourselves with. They said:

The responsible increase of aid and development spending, announced tonight, will see Australia increase the delivery of life-saving development initiatives in some of the world’s least developed countries. When the Government is in belt-tightening mode, Caritas Australia welcomes AusAID’s commitment to prioritise the poorest of the poor.

It is interesting that some emphasis has been placed on expanding assistance to Indonesia. I have to note the lamentable performance of the opposition when they recently decried the government spending money on education in Indonesia to try to build moderate Islamic schools as an alternative to Saudi-financed extremist schools. While the opposition members
nod their heads, I advise them to go and see their foreign affairs spokesperson to get their message across.

There is also an emphasis on improving education in the Pacific, eliminating violence against women, and improving water, sanitation and hygiene. I commend the budget to the House.

Debate adjourned.

Main Committee adjourned at 19:28
QUESTIONS IN WRITING

**Broadband**

(Question No. 111)

Mr Fletcher asked the Minister representing the Minister for Broadband, Communications and the Digital Economy, in writing, on 25 November 2010.

In respect of the statement by the Minister: 'Let me be really clear about this; you cannot monitor somebody 24/7, every second, on an existing fixed wireless network or on some of the copper that we have in the ground.' (Senate Environment and Communications Legislation Committee, Supplementary Budget Estimates, 19 October 2010, page 116): (a) what implications does this have for those Australians in areas where the National Broadband Network will operate over wireless; and (b) is this statement consistent with the claims made in Product Overview, Wireless Access Services (NBN Co Limited, August 2010, page 6), that (i) wireless services will ‘...provide speeds of 12 Mbps downstream and 1 Mbps upstream to mass market customers and 4 Mbps upstream for business customers at launch.’, and (ii) the wireless product features ‘...draw on the capabilities of the latest wireless technology to deliver maximum performance and a consistent and predictable service experience.’

**Mr Albanese:** The Minister for Broadband, Communications and the Digital Economy has provided the following answer to the honourable member's question:

(a) In areas where the National Broadband Network will operate over wireless, NBN Co will deploy next generation wireless technologies that are capable of providing reliable broadband services enabling the delivery of high quality services, such as e-health services and in-home tele-monitoring.

While fibre optic is the most future-proof technology available, with the capacity to deliver broadband speeds far beyond the government's stated 100 megabits per second objective, next generation wireless technologies will still play an important role in Australia's broadband landscape and are well suited to providing services to areas with low population density.

In lower population density areas, where the NBN will operate via next generation wireless or satellite technologies, NBN users will still be able to access broadband services with peak speeds of at least 12 megabits per second downstream and 1 megabit per second upstream, which is faster than the average fixed broadband service experienced by most Australians today.

(b) (i) Yes

(ii) Yes

**Superclinics**

(Question No. 193)

Dr Southcott asked the Minister for Health and Ageing, in writing, on 10 February 2011:

For the eight operational GP Super Clinics, collectively, how many (a) services have been provided, (b) services have been provided by a general practitioner, and (c) services have been billed to (i) Medicare, (ii) Medicare by a general practitioner, (iii) Medicare by a specialist medical practitioner, and (iv) Medicare by an allied health professional.

**Ms Roxon:** The answer to the honourable member's question is as follows:

(a) As at end of March 2011, 10 GP Super Clinics were operational. These 10 clinics reported over 354,000 presentations. This includes those clinics which have offered early services prior to opening.

(b) Over 256,000 presentations were reported to have been with a general practitioner.

(c) Under the GP Super Clinics Program, self reported data is collected on patient presentations to GPs and allied health professionals. This data is not collected on the basis of Medicare/non-Medicare
services. This reflects more completely the multidisciplinary nature of the services being provided in GP Super Clinics, some of which are not Medicare eligible services.

**Queen Elizabeth II Diamond Jubilee**

(Question No. 198)

**Mr Slipper** asked the Prime Minister, in writing, on 21 February 2011:

(1) Is the Government planning to commemorate the Diamond Jubilee of the accession to the Throne of Her Majesty Queen Elizabeth II in 2012; if so, how; if not, why not?

(2) Is the Government creating a commemorative Queen Elizabeth II Diamond Jubilee Medal to honour both Her Majesty and the significant contributions and achievements by Australians (as the Canadian Government is doing); if not, why not?

**Ms Gillard:** I am advised that the answer to the honourable member's question is as follows:

(1) and (2) The Government is planning to commemorate the Diamond Jubilee of Her Majesty The Queen. Detailed consideration of a number of options is currently occurring and the outcome of those deliberations will be made public at the appropriate time.

**Health and Hospitals Fund**

(Question No. 215)

**Mr Baldwin** asked the Minister for Health and Ageing, in writing, on 1 March 2011:

In respect of Round Three (Regional Priority Round) of the Health and Hospitals Fund:

(1) What total sum of funding is currently available.

(2) What total sum of funding has been allocated to (a) 2010-11, (b) 2011-12, (c) 2012-13, (d) 2013-14, and (e) financial years beyond 2013-14.

(3) In respect of the Australian Standard Geographical Classification—Remoteness Areas (RA), will there be a limit by (a) number, (b) dollar value, or (c) share of available funding, to the projects funded in this round in: (i) non-capital city RA1, (ii) capital city RA1, (iii) RA2, (iv) RA3, (v) RA4, and (vi) RA5.

**Ms Roxon:** The answer to the honourable member's question is as follows:

(1) The Government has committed $1.8 billion to regional health infrastructure through the Health and Hospitals Fund (HHF). Funding of $1.33 billion was announced in the 2011-12 Budget for 63 projects arising from the Regional Priority Round. A further $475 million has been committed to a further regional round to commence before the end of 2011.

(2) An initial allocation of $315 million was made at the 2010-11 Mid Year Economic and Fiscal Outlook for the Royal Hobart and Port Macquarie Hospitals, subject to the HHF Advisory Board assessing these projects as eligible under the HHF evaluation criteria and Regional Priority Round additional guidance. This comprised $240 million for the Royal Hobart Hospital and $75 million for the Port Macquarie Hospital as follows:

<table>
<thead>
<tr>
<th>Health and Hospitals Fund</th>
<th>Profile</th>
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<tbody>
<tr>
<td></td>
<td>($m)</td>
</tr>
<tr>
<td>Regional Priority Round</td>
<td></td>
</tr>
<tr>
<td>Port Macquarie Hospital</td>
<td>30.0</td>
</tr>
<tr>
<td>Royal Hobart</td>
<td>120.0</td>
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</tbody>
</table>
The Government announced on 11 March 2011 that it would fund the Port Macquarie Hospital project at the $96 million assessed by the Board as eligible. This includes $75 million appropriated in the 2010-11 Mid Year Economic and Fiscal Outlook and $21 million approved by the Acting Prime Minister on 10 March 2011, with this latter amount to be appropriated in the 2011-12 Budget.

The Government has announced the other projects to be funded under the Regional Priority Round and the funding profile is at page 218 of Budget Paper number 2.

(3) No. However, the grant guidelines provided for funding of RA1 proposals only where they would exclusively or predominantly service the health needs of regional patients.

Asian Honeybees
(Question No. 229)

Mr Slipper asked the Minister representing the Minister for Agriculture, Fisheries and Forestry, in writing, on 2 March 2011:

What financial assistance is the Government providing to the honeybee industry to help eradicate the threat posed to food security and biodiversity by the Asian honeybee, found in North Queensland.

Mr Burke: The Minister for Agriculture, Fisheries and Forestry has provided the following answer to the honourable member's question:

The Commonwealth has contributed $1.2 million to the national Asian honeybee eradication program, which is 50 per cent of the government costs of the nationally cost shared program. The Commonwealth also provided funding to the Rural Industries Research and Development Corporation, which produced a report on "Estimating the Potential Public Cost of the Asian Honeybee Incursion", at a cost of $5,000.

Hunter Urban Division of General Practice
(Question No. 233)

Mr Fitzgibbon asked the Minister for Health and Ageing, in writing, on 3 March 2011:

(1) What total sum of funding was provided to the Hunter Urban Division of General Practice (GP Access) in (a) 2007-08, (b) 2008-09, (c) 2009-10, and (d) 2010-11.

(2) What proportion of funding in each year in part (1) was for the operation of the (a) GP Access After Hours service, and (b) Patient Streaming Service (call centre).

(3) What funding streams exist for any other (a) services provided by, or (b) operational costs incurred by, GP Access.

Ms Roxon: The answer to the honourable member's question is as follows:

(1) (a) and (d) Total Commonwealth funding provided to Hunter Urban Division of General Practice (GP Access) by the Department of Health and Ageing is outlined below:

<table>
<thead>
<tr>
<th>Financial Year</th>
<th>Total (GST incl)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2007-08</td>
<td>$5,934,621</td>
</tr>
<tr>
<td>2008-09</td>
<td>$7,436,234</td>
</tr>
<tr>
<td>2009-10</td>
<td>$7,628,630</td>
</tr>
<tr>
<td>2010-11</td>
<td>$8,034,005</td>
</tr>
</tbody>
</table>
(2) (a) and (b)

<table>
<thead>
<tr>
<th></th>
<th>2007-08 $m (GST excl)</th>
<th>2008-09 $m (GST excl)</th>
<th>2009-10 $m (GST excl)</th>
<th>2010-11 $m (GST excl)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2a</td>
<td>GP Access After Hours Service Commonwealth Funding</td>
<td>$3.80</td>
<td>$3.76</td>
<td>$3.76</td>
</tr>
<tr>
<td>2b</td>
<td>Estimated Total Patient Streaming Service (call centre) costs (100% of costs are covered by funding)*</td>
<td>$1.82</td>
<td>$1.82</td>
<td>$1.82</td>
</tr>
<tr>
<td></td>
<td>Proportion of Commonwealth funding to GP Access After Hours used to fund the Patient Streaming Service (call centre)</td>
<td>47.9%</td>
<td>48.4%</td>
<td>48.4%</td>
</tr>
</tbody>
</table>

* Calculated on the basis of direct costs and a proportion of management and corporate costs

(3) (a) and (b)

Funding outlined at question 1 includes all direct funding from the Commonwealth Department of Health and Ageing.

The Department is unable to provide details of other sources of funding provided to GP Access.

Ministers: Staff, Capital Works and Acquisitions
(Question No. 242, 269 and 276)

Mr Briggs asked the Minister for Defence, the Minister for Defence Science and Personnel and the Minister for Defence Materiel, in writing, on 3 March 2011:

(1) How many personal staff are employed by the Minister.

(2) What is the (a) total cost; and (b) breakdown of costs, of all capital works and acquisitions in the Minister's private office since 3 December 2007.

Mr Stephen Smith: The answer to the honourable member's question is as follows:

(1) The employment of staff under the Members of Parliament (Staff) Act 1984 is administered by the Department of Finance and Deregulation. On 22 February 2011, the Department tabled with the Senate Finance and Public Administration Committee a list of Government Personal Staff Positions as at 1 February 2011.

(2) (a) and (b) The cost of capital works and acquisitions for ministers' offices is shared by the Department of Parliamentary Services (DPS), Department of Finance and Deregulation (DoFD) and the home department in line with Appendix 2 of Supporting Ministers, Upholding the Values. The Special Minister of State will accordingly respond on behalf of all ministers in respect of costs incurred by the DPS and DoFD.

I am advised that the costs incurred by the Department of Defence are as follows:

<table>
<thead>
<tr>
<th>Office of</th>
<th>Acquisitions Expenditure</th>
<th>Capital Works Expenditure</th>
</tr>
</thead>
<tbody>
<tr>
<td>Minister for Defence—Smith</td>
<td>$14,135.77</td>
<td>Nil</td>
</tr>
<tr>
<td>Minister for Defence Science &amp; Personnel—Snowdon</td>
<td>$522.28</td>
<td>Nil</td>
</tr>
<tr>
<td>Minister for Defence Materiel—Clare</td>
<td>$6,036.11</td>
<td>Nil</td>
</tr>
<tr>
<td>Total (ex GST)</td>
<td>$20,694.16</td>
<td>Nil</td>
</tr>
</tbody>
</table>
Note:

a. The Minister for Defence, the Minister for Defence Science and Personnel and the Minister for Defence Materiel were appointed on 14 September 2010. The reported figures are for the period 14 September 2010 to 3 March 2011.

b. Reported figures cover acquisitions and capital works costs based on the following definitions:

Acquisitions are understood to include, but not necessarily be limited to, standalone objects and equipment hired and/or purchased for the office, but exclude portable communication devices, office consumables and operating costs.

c. Reported expenditure is for the ministers' offices in the ministerial wing of Parliament House only and is understood to mean the entire ministerial suite that has been assigned for use by the minister and staff.

d. Reported expenditure for the Minister for Defence Science and Personnel are for information only. Veteran Affairs as the lead department in the provision of ministerial office support for Mr Snowdon will separately respond on behalf of the Minister in respect of the total cost incurred on capital works and acquisitions which will include the $522.26 expenditure reported above.

Ministers: Staff, Capital Works and Acquisitions
(Question No. 245)

Mr Briggs asked the Minister for Health and Ageing, in writing, on 3 March 2011:

(1) How many personal staff are employed by the Minister.

(2) What is the (a) total cost, and (b) breakdown of costs, of all capital works and acquisitions in the Minister's private office since 3 December 2007.

Ms Roxon: The answer to the honourable member's question is as follows:

(1) The employment of staff under the Members of Parliament (Staff) Act 1984 is administered by the Department of Finance and Deregulation. On 22 February 2011, the Department tabled with the Senate Finance and Public Administration Committee a list of Government Personal Staff Positions as at 1 February 2011.

(2) The cost of capital works and acquisitions for Ministers' offices is shared by the Department of Parliamentary Services (DPS), Department of Finance and Deregulation (DoFD) and home departments in line with Appendix 2 of Supporting Ministers, Upholding the Values. The Special Minister of State will accordingly respond on behalf of all ministers in respect of costs incurred by the DPS and DoFD.

The costs incurred by the Department of Health and Ageing are as follows:
Total cost—$15,393.80
(b) The costs include acquisitions for standalone objects and equipment hired and/or purchased for the office. This may include items such as printers, audio visual equipment, polycoms and safes. The department's financial system does not capture data to differentiate between a specific item or office. The data includes the Minister's private office at Australian Parliament House as well as any Commonwealth Parliamentary Office or Commonwealth Parliamentary Office and Electorate Office combined.

Ministers: Staff, Capital Works and Acquisitions
(Question No. 250)

Mr Briggs asked the Minister representing the Minister for Innovation, Industry, Science and Research, in writing, on 3 March 2011:

(1) How many personal staff are employed by the Minister.
(2) What is the (a) total cost, and (b) breakdown of costs, of all capital works and acquisitions in the Minister's private office since 3 December 2007.

**Mr Garrett:** The Minister for Innovation, Industry, Science and Research has provided the following answer to the honourable member's question:

(1) The employment of staff under the Members of Parliament (Staff) Act 1984 is administered by the Department of Finance and Deregulation. On 22 February 2011, the Department tabled with the Senate Finance and Public Administration Committee a list of Government Personal Staff Positions as at 1 February 2011.

(2) (a) The cost of capital works and acquisitions for Ministers' Offices is shared by the Department of Parliamentary Services (DPS), Department of Finance and Deregulation (DoFD) and home departments in line with Appendix 2 of *Supporting Ministers, Upholding the Values*. The Special Minister of State will accordingly respond on behalf of all ministers in respect of costs incurred by the DPS and DoFD. Since 3 December 2007, the capital works and acquisitions costs incurred by the Department of Innovation, Industry, Science and Research are $55,910.25 (GST exclusive).

(b) A breakdown of these costs are as follows:

- $41,806.82 — photocopier lease and hire
- $4,766.16 — office and audio visual equipment
- $6,748.27 — safes and cabinets
- $1,904.00 — shredders
- $685.00 — cabling

**Ministers: Staff, Capital Works and Acquisitions**

(Question No. 252)

**Mr Briggs** asked the Minister representing the Minister for Agriculture, Fisheries and Forestry, in writing, on 3 March 2011:

How many personal staff are employed by the Minister.

What is the (a) total cost, and (b) breakdown of costs, of all capital works and acquisitions in the Minister's private office since 3 December 2007.

**Mr Burke:** The Minister for Agriculture, Fisheries and Forestry has provided the following answer to the honourable member's question:

The employment of staff under the Members of Parliament (Staff) Act 1984 is administered by the Department of Finance and Deregulation. On 22 February 2011, the Department tabled with the Senate Finance and Public Administration Committee a list of Government Personal Staff Positions as at 1 February 2011.

The Minister for Agriculture, Fisheries and Forestry was appointed on 14 September 2010. As such, no data is provided for the period prior to this date.

The cost of capital works and acquisitions for ministers' offices is shared by the Department of Parliamentary Services (DPS), Department of Finance and Deregulation (DoFD) and home departments in line with Appendix 2 of *Supporting Ministers, Upholding the Values*. The Special Minister of State will accordingly respond on behalf of all ministers in respect of costs incurred by the DPS and DoFD.

I am advised that the costs incurred by the Department of Agriculture, Fisheries and Forestry for the period 14 September 2010 to 3 March 2011 is as follows:
<table>
<thead>
<tr>
<th></th>
<th>Cost</th>
</tr>
</thead>
<tbody>
<tr>
<td>Capital Works</td>
<td>Nil</td>
</tr>
<tr>
<td>Acquisitions</td>
<td>$94,212.98 *</td>
</tr>
</tbody>
</table>

*Note: Owing to reporting limitations costs are not able to be further disaggregated and may also include information technology costs for the Parliamentary Secretary to the Minister for Agriculture, Fisheries and Forestry.

**Ministers: Staff, Capital Works and Acquisitions**  
*(Question No. 267)*

**Mr Briggs** asked the Minister representing the Minister for Small Business, in writing, on 3 March 2011:

1. How many personal staff are employed by the Minister.
2. What is the (a) total cost, and (b) breakdown of costs, of all capital works and acquisitions in the Minister's private office since 3 December 2007.

**Mr Shorten:** The answer to the honourable member's question is as follows:

1. The employment of staff under the Members of Parliament (Staff) Act 1984 is administered by the Department of Finance and Deregulation. On 22 February 2011, the Department tabled with the Senate Finance and Public Administration Committee a list of Government Personal Staff Positions as at 1 February 2011.

2. (a) The cost of capital works and acquisitions for Ministers' Offices is shared by the Department of Parliamentary Services (DPS), Department of Finance and Deregulation (DoFD) and home departments in line with Appendix 2 of Supporting Ministers, Upholding the Values. The Special Minister of State will accordingly respond on behalf of all ministers in respect of costs incurred by the DPS and DoFD.

The Minister for Small Business was appointed on 14 September 2010. As such, no data is provided for the period prior to this date. Since 14 September 2010, the acquisition costs incurred by the Department of Innovation, Industry, Science and Research are $11,852.90 (GST exclusive).

(b) A breakdown of these costs are as follows:

- $9,346.90 — photocopier lease and hire
- $1,065.00 — office and audio visual equipment
- $1,441.00 — shredders

**Ministers: Staff, Capital Works and Acquisitions**  
*(Question Nos 271 and 272)*

**Mr Briggs** asked the Assistant Treasurer and the Minister for Financial Services and Superannuation, in writing, on 3 March 2011:

1. How many personal staff are employed by the Minister.
2. What is the (a) total cost, and (b) breakdown of costs, of all capital works and acquisitions in the Minister's private office since 3 December 2007.

**Mr Swan:** The answer to the honourable member's question is as follows:

1. The employment of staff under the Members of Parliament (Staff) Act 1984 is administered by the Department of Finance and Deregulation. On 22 February 2011, the Department tabled with the Senate Finance and Public Administration Committee a list of Government Personal Staff Positions as at 1 February 2011.
(2) The Assistant Treasurer and Minister for Financial Services and Superannuation was appointed on 14 September 2010. As such, no data is provided for the period prior to this date.

(a) $2,065
(b)

<table>
<thead>
<tr>
<th>Acquisition Description</th>
<th>Total Cost</th>
</tr>
</thead>
<tbody>
<tr>
<td>IT Equipment</td>
<td>$1,045</td>
</tr>
<tr>
<td>Office Equipment</td>
<td>$1,020</td>
</tr>
<tr>
<td>Total</td>
<td>$2,065</td>
</tr>
</tbody>
</table>

Pharmaceutical Benefits Scheme: Listing of Medicines
(Question No. 279)

Mr Dutton asked the Minister for Health and Ageing, in writing, on 3 March 2011:
In respect of the medicines Duodart, Invega Sustenna, Targin, Symbicort, Botox, Fragmin and Synarel that were recommended for listing on the Pharmaceutical Benefits Scheme (PBS) by the Pharmaceutical Benefits Advisory Committee (PBAC), but deferred by the Australian Government:
(a) why was the listing of these medicines deferred;
(b) what advice was the decision to defer the listing of these medicines based upon;
(c) what is the projected cost per annum to the Commonwealth of listing each medicine;
(d) what is the saving to the Government over the forward estimates of deferring the listing of these medicines;
(e) can she indicate
   (i) which medicines were considered by Cabinet: and
   (ii) the estimated length of time of the deferral of the listing of these medicines; and
(f) how many people are projected to be prescribed each medicine in the first year of them being listing.

Ms Roxon: The answer to the honourable member's question is as follows:
(a) The Australian Government is committed to a sustainable Pharmaceutical Benefits Scheme (PBS) as a key to keeping medicines affordable and accessible, and delivering better health services for all Australians.

The cost of the PBS has continued to grow over the past ten years, averaging growth of about nine percent a year, and it is estimated it will cost about $9 billion this financial year. This growth rate is higher than the six percent annual increase for general hospital and medical services, and of course much higher than the Consumer Price Index.

A fiscally responsible Government cannot continue to increase funding for one program at the expense of other pressing health needs, in the hope of a reduction in costs at some point in the future. The Government must deal with the fiscal circumstances and health priorities now, as well as assessing future growth patterns.

Consequently, the Government is concentrating on listing medicines on the PBS that treat serious and life threatening conditions where there are no alternative treatments on the PBS.
(b) The Government relies upon information provided by the PBAC in relation to clinical need for each medicine or vaccine, including whether alternative treatment options exist, and whether there were comparable listings in the past three years. Additional information taken into account is whether the listing provides expenditure savings and other technical information that the PBAC considered. The
Government also relies on the expert advice from the Department of Health and Ageing and the Chief Medical Officer.

(c) and (d) The costs of measures considered by the Cabinet, including potential PBS listings are Cabinet in Confidence.

(e) (i) Any PBS listings with a financial impact are considered by the Cabinet.

(ii) When circumstances permit, the Government will reconsider those applications.

(f) The number of patients who may have been prescribed the deferred PBS listings in the first full year of listing is commercial-in-confidence.

**Defence: Think Tanks and Policy Institutes**

(Order No. 312)

Mr Robert asked the Minister for Defence, in writing, on 23 March 2011:

1. How many think tanks or policy institutes are funded by the Minister's department, and:
   - (a) what are (i) their names; and (ii) key areas of research, (b) in what office/agency within the department do they fall.
2. What sum of funding was provided to each of the think tanks or policy institutes in part (1) in:
   - (a) 2007-08;
   - (b) 2008-09;
   - (c) 2009-10; and
   - (d) 2010-11.
3. For each think tank or policy institute in part (1), on what date:
   - (a) was an announcement made that it would be formed; and
   - (b) did it commence operating.

**Mr Stephen Smith:** The answer to the honourable member's question is as follows:

(1) (a) (i) and (ii) and (b)

<table>
<thead>
<tr>
<th>Think Tank</th>
<th>Key Area of Research</th>
<th>Agency within Department</th>
</tr>
</thead>
<tbody>
<tr>
<td>Australian Strategic Policy Institute (ASPI)</td>
<td>Australian strategic and defence policy. Australia's strategic environment; Australia's alliances and international defence relationships, roles and tasks of the Australian Defence Force including capability options, and Defence budget issues.</td>
<td>Office of the Secretary and Chief of the Defence Force (OSCDF) ASPI is a Commonwealth owned company</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Think Tank</th>
<th>Key Area of Research</th>
<th>Agency within Department</th>
</tr>
</thead>
<tbody>
<tr>
<td>Think Tank</td>
<td>Key Area of Research</td>
<td>Agency within Department</td>
</tr>
<tr>
<td>----------------------------------</td>
<td>----------------------------------------------------------------------------------------</td>
<td>--------------------------</td>
</tr>
<tr>
<td>Kokoda Foundation</td>
<td>Foster innovative thinking on, Australia's future security challenges. To research</td>
<td>Air Force</td>
</tr>
<tr>
<td></td>
<td>Australia's tough future national security challenges. To foster the development of a</td>
<td></td>
</tr>
<tr>
<td></td>
<td>new generation of young strategic thinkers who are well-equipped to deal with diverse</td>
<td></td>
</tr>
<tr>
<td></td>
<td>security.</td>
<td></td>
</tr>
<tr>
<td>Williams Foundation</td>
<td>Promote the development and effective implementation of national security and Defence</td>
<td>Air Force</td>
</tr>
<tr>
<td></td>
<td>policies as they impact on Australia's ability to generate air power appropriate to its</td>
<td></td>
</tr>
<tr>
<td></td>
<td>unique geopolitical environment and values.</td>
<td></td>
</tr>
</tbody>
</table>

(2) (a) to (d)

Funding provided by financial year to each Think Tank institute:

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Australian Strategic Policy Institute (ASPI)</td>
<td>$2,857,020</td>
<td>$2,768,000</td>
<td>$2,768,000</td>
<td>$3,000,000</td>
</tr>
<tr>
<td>Australian Committee of the Council on Security Cooperation in the Asia-Pacific (Aus-CSCAP)</td>
<td>$40,000</td>
<td>$50,000</td>
<td>$40,000</td>
<td>$40,000</td>
</tr>
<tr>
<td>Kokoda Foundation</td>
<td>$75,657</td>
<td>Nil Funding</td>
<td>Nil Funding</td>
<td>Nil Funding</td>
</tr>
<tr>
<td>Williams Foundation</td>
<td>Nil Funding</td>
<td>Nil Funding</td>
<td>$30,000</td>
<td>Nil Funding</td>
</tr>
</tbody>
</table>

(3) (a) and (b)

Announcement and commencement dates of Think Tank institutions:

<table>
<thead>
<tr>
<th>Think Tank</th>
<th>Announcement</th>
<th>Commence Operating</th>
</tr>
</thead>
<tbody>
<tr>
<td>Australian Strategic Policy Institute (ASPI)</td>
<td>22 August 2001</td>
<td>29 August 2001</td>
</tr>
<tr>
<td>Australian Committee of the Council on Security Cooperation in the Asia-Pacific (Aus-CSCAP)</td>
<td>8 June 1993</td>
<td>8 June 1993</td>
</tr>
<tr>
<td>Kokoda Foundation</td>
<td>14 September 2004</td>
<td>14 September 2004</td>
</tr>
<tr>
<td>Williams Foundation</td>
<td>24 February 2009</td>
<td>24 February 2009</td>
</tr>
</tbody>
</table>
Innovation, Industry, Science and Research: Think Tank and Policy Institutes

(Question No. 314)

Mr Robert asked the Minister representing the Minister for Innovation, Industry, Science and Research, in writing, on 23 March 2011:

(1) How many think tanks or policy institutes are funded by the Minister's department, and (a) what are (i) their names, and (ii) key areas of research, and (b) in what office/agency within the department do they fall.

(2) What sum of funding was provided to each of the think tanks or policy institutes in part (1) in (a) 2007-08, (b) 2008-09, (c) 2009-10, and (d) 2010-11.

(3) For each think tank or policy institute in part (1), on what date (a) was an announcement made that it would be formed, and (b) did it commence operating.

Mr Garrett: The Minister for Innovation, Science and Research has provided the following answer to the honourable member's question:

(1)

<table>
<thead>
<tr>
<th>Name of Organisation</th>
<th>Key Area of Research</th>
<th>Division / Agency</th>
</tr>
</thead>
<tbody>
<tr>
<td>The Australian National Institute for Public Policy (including the HC Coombs Policy Forum, the National Security College and the Australian Centre on China in the World)</td>
<td>Public policy, national security and China studies.</td>
<td>Independent</td>
</tr>
<tr>
<td>Intellectual Property Research Institute of Australia</td>
<td>Intellectual property</td>
<td>Independent</td>
</tr>
</tbody>
</table>

(2)

<table>
<thead>
<tr>
<th>Name of Organisation</th>
<th>2007-08 funding</th>
<th>2008-09 funding</th>
<th>2009-10 Funding</th>
<th>2010-11 funding</th>
</tr>
</thead>
<tbody>
<tr>
<td>The Australian National Institute for Public Policy (including the HC Coombs Policy Forum, the National Security College and the Australian Centre on China in the World)</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>$67.9 million</td>
</tr>
<tr>
<td>Intellectual Property Research Institute of Australia</td>
<td>$394,086</td>
<td>$598,950</td>
<td>$544,500</td>
<td>$292,000</td>
</tr>
</tbody>
</table>

(3)

<table>
<thead>
<tr>
<th>Name of Organisation</th>
<th>Announcement of Formation</th>
<th>Commencement</th>
</tr>
</thead>
<tbody>
<tr>
<td>(1) The Australian National Institute for Public Policy (including the HC Coombs Policy Forum)</td>
<td>8 May 2010</td>
<td>1 June 2010</td>
</tr>
<tr>
<td>(2) The National Security College</td>
<td>10 December 2009</td>
<td>1 June 2010</td>
</tr>
<tr>
<td>(3) The Australian Centre on China in the World</td>
<td>23 April 2010</td>
<td>1 June 2010</td>
</tr>
<tr>
<td>Intellectual Property Research Institute of Australia</td>
<td>29 January 2001</td>
<td>1 March 2002</td>
</tr>
</tbody>
</table>
Attorney-General's: Indigenous Justice Clearinghouse  
(Question No. 315)

Mr Robert asked the Attorney-General, in writing, on 23 March 2011:

(1) How many think tanks or policy institutes are funded by the Minister's department, and (a) what are (i) their names, and (ii) key areas of research, and (b) in what office/agency within the department do they fall.

(2) What sum of funding was provided to each of the think tanks or policy institutes in part (1) in (a) 2007-08, (b) 2008-09, (c) 2009-10, and (d) 2010-11.

(3) For each think tank or policy institute in part (1), on what date (a) was an announcement made that it would be formed, and (b) did it commence operating.

Mr McClelland The answer to the honourable member's question is as follows:
The Attorney General's Department has provided funding to the Indigenous Justice Clearinghouse website during the relevant financial years. The Clearinghouse aims to promote the discussion and dissemination of relevant Indigenous justice information to government policy makers and those working in the Indigenous justice field. The Clearinghouse is a collaborative partnership between the Australian Institute of Criminology, a portfolio agency of the Department, and the Standing Committee of Attorneys-General.
The Department provided $9,782.52 in funding to the Indigenous Justice Clearinghouse during the financial year 2010-11, and $10,179.04 in 2009-10. The Department did not provide any funding during the two financial years 2007-08 and 2008-09.
The Indigenous Justice Clearinghouse was launched by Commonwealth, State and Territory justice Ministers at the Standing Committee of Attorneys-General meeting in Fremantle on 9-10 November 2006. It commenced operating at the same time.

Australian Defence Force: Suicide  
(Question No. 318)

Mr Robert asked the Minister for Defence Science and Personnel, in writing, on 23 March 2011:

(1) By calendar year, in the last 15 years, what number of Australian Defence Force (ADF) personnel have committed suicide:
   (a) while in the ADF, and
   (b) during post separation.

(2) Of those identified in part (1), how many were in the:
   (a) Royal Australian Navy,
   (b) Australian Army, and
   (c) Royal Australian Air Force.

(3) By calendar year, in the last 15 years, what number of Australian Defence Force (ADF) personnel have been diagnosed with Post Traumatic Stress Disorder while in: (a) the ADF, and
   (b) post separation.

(4) Of those identified in part (3), how many were in:
   (a) Royal Australian Navy,
   (b) Australian Army, and
   (c) Royal Australian Air Force.
Mr Snowdon: The answer to the honourable member’s question is as follows:

(1) (a) and (2) (a) and (c) The following table summarises the numbers of suicides of Australian Defence Force (ADF) members by Service, from 1996 to 2011.

<table>
<thead>
<tr>
<th>Year</th>
<th>Navy</th>
<th>Army</th>
<th>RAAF</th>
<th>ADF</th>
</tr>
</thead>
<tbody>
<tr>
<td>96</td>
<td>2</td>
<td>3</td>
<td>5</td>
<td>10</td>
</tr>
<tr>
<td>97</td>
<td>1</td>
<td>8</td>
<td>0</td>
<td>9</td>
</tr>
<tr>
<td>98</td>
<td>2</td>
<td>6</td>
<td>1</td>
<td>8</td>
</tr>
<tr>
<td>99</td>
<td>2</td>
<td>5</td>
<td>1</td>
<td>7</td>
</tr>
<tr>
<td>00</td>
<td>6</td>
<td>4</td>
<td>2</td>
<td>11</td>
</tr>
<tr>
<td>01</td>
<td>3</td>
<td>4</td>
<td>1</td>
<td>8</td>
</tr>
<tr>
<td>02</td>
<td>1</td>
<td>1</td>
<td>0</td>
<td>2</td>
</tr>
<tr>
<td>03</td>
<td>2</td>
<td>4</td>
<td>2</td>
<td>6</td>
</tr>
<tr>
<td>04</td>
<td>1</td>
<td>2</td>
<td>1</td>
<td>3</td>
</tr>
<tr>
<td>05</td>
<td>1</td>
<td>0</td>
<td>1</td>
<td>2</td>
</tr>
<tr>
<td>06</td>
<td>1</td>
<td>1</td>
<td>0</td>
<td>2</td>
</tr>
<tr>
<td>07</td>
<td>1</td>
<td>2</td>
<td>1</td>
<td>3</td>
</tr>
<tr>
<td>08</td>
<td>1</td>
<td>3</td>
<td>2</td>
<td>4</td>
</tr>
<tr>
<td>09</td>
<td>1</td>
<td>4</td>
<td>3</td>
<td>5</td>
</tr>
<tr>
<td>10</td>
<td>2</td>
<td>4</td>
<td>4</td>
<td>6</td>
</tr>
<tr>
<td>11</td>
<td>0</td>
<td>3</td>
<td>1</td>
<td>4</td>
</tr>
<tr>
<td>Total</td>
<td>29</td>
<td>65</td>
<td>18</td>
<td>112</td>
</tr>
</tbody>
</table>

(i) It should be noted that a number of cases from recent years are suspected suicides that require coronial confirmation of cause of death, and as such, these figures are subject to change.

(ii) This information does not include Reserve personnel, unless on full-time service at time of death.

(b) Management and reporting on ex-service personnel falls under the jurisdiction of the Department of Veterans' Affairs (DVA).

DVA only records a reason for death where the cause of death is relevant to a claim for compensation. DVA's data is based on accepted claims under the Veterans' Entitlements Act 1986, the Military Rehabilitation and Compensation Act 2004 and the Safety, Rehabilitation and Compensation Act 1988.

There are circumstances in which the cause of death is not relevant for provision of compensation (eg an automatic grant of war widows pension), and other circumstances where no claim is received relating to a death (eg where a deceased veteran has no dependants). In such circumstances DVA does not record the cause of death.

Within the caveats listed above, to date DVA has recorded a total of 88 deaths by suicide occurred during the period 1 January 1996 and to 30 April 2011. As these statistics are based on death claims determined, should further claims for compensation for death by suicide be lodged in respect of any death that occurred during the period in question, the numbers may change in the future. In respect of each calendar year, the number of recorded deaths by suicide are as follows:

<table>
<thead>
<tr>
<th></th>
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<th></th>
<th></th>
<th></th>
<th></th>
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<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Total</td>
<td>2</td>
<td>3</td>
<td>1</td>
<td>4</td>
<td>7</td>
<td>11</td>
<td>9</td>
<td>11</td>
<td>7</td>
<td>4</td>
<td>10</td>
<td>7</td>
<td>4</td>
<td>5</td>
<td>3</td>
<td>0</td>
<td>88</td>
</tr>
</tbody>
</table>

Some of these deaths would have occurred whilst the deceased was still serving in the ADF, which means that they would also be included in Table 1. However, to determine which of these deaths occurred whilst the deceased was serving in the ADF would require interrogation of individual files.

(3) (a) and (b) As the ADF does not currently have a centralised electronic health record, it is not possible to identify how many individuals have been diagnosed with Post Traumatic Stress Disorder (PTSD) over the past 15 years. The following data is however provided:

(i) Data are collected centrally regarding the medical conditions for which individuals are referred to the Medical Employment Classification Review Board (MECRB) of their Service. When ADF members are considered to be no longer medically fit for deployment, they are referred to the MECRB for consideration of their continued service.

(ii) Data collection within Joint Health Command commenced in 2002 with the primary aim of workflow monitoring. The data collected under that system have limited utility in analysing trends in particular medical conditions, so are indicative only.
(iii) The following table summarises the numbers of Medical Employment Classification Review Board (MECRB) Determinations for individuals with a diagnosis of PTSD by year (2002 to 2007) and Service.

Table 2: Number of MECRB Determinations for individuals with a diagnosis of PTSD by year and Service.

<table>
<thead>
<tr>
<th>Year</th>
<th>NAVY</th>
<th>ARMY</th>
<th>RAAF</th>
<th>TOTAL</th>
</tr>
</thead>
<tbody>
<tr>
<td>2002</td>
<td>3</td>
<td>35</td>
<td>5</td>
<td>43</td>
</tr>
<tr>
<td>2003</td>
<td>7</td>
<td>59</td>
<td>4</td>
<td>70</td>
</tr>
<tr>
<td>2004</td>
<td>21</td>
<td>55</td>
<td>3</td>
<td>79</td>
</tr>
<tr>
<td>2005</td>
<td>2</td>
<td>54</td>
<td>6</td>
<td>62</td>
</tr>
<tr>
<td>2006</td>
<td>18</td>
<td>49</td>
<td>14</td>
<td>81</td>
</tr>
<tr>
<td>2007</td>
<td>5</td>
<td>5</td>
<td>2</td>
<td>12</td>
</tr>
</tbody>
</table>

(iv) Throughout 2007, data collection was transitioned to a more robust system which was better designed to monitor medical conditions being presented to MECRB as well as workflow.

(v) The following table summarises the numbers of members presented to MECRB with PTSD between 2007 and 2010.

Table 3: Number of members presented to MECRB with PTSD between 2007 and 2010.

<table>
<thead>
<tr>
<th>Year</th>
<th>NAVY</th>
<th>ARMY</th>
<th>RAAF</th>
<th>Approximate Number of Individuals considered by MECRB (for all medical conditions)</th>
<th>Total Number of PTSD diagnoses</th>
</tr>
</thead>
<tbody>
<tr>
<td>2007</td>
<td>21 (24.7%)</td>
<td>55 (64.7%)</td>
<td>9 (10.6%)</td>
<td>1359</td>
<td>85 (6.3%)</td>
</tr>
<tr>
<td>2008</td>
<td>25 (20.3%)</td>
<td>76 (61.8%)</td>
<td>22 (17.9%)</td>
<td>1540</td>
<td>123 (8.0%)</td>
</tr>
<tr>
<td>2009</td>
<td>32 (26.0%)</td>
<td>80 (65.0%)</td>
<td>11 (8.9%)</td>
<td>1685</td>
<td>123 (7.3%)</td>
</tr>
<tr>
<td>2010</td>
<td>14 (10.9%)</td>
<td>104 (81.3%)</td>
<td>10 (7.8%)</td>
<td>1527</td>
<td>128 (8.4%)</td>
</tr>
<tr>
<td>Total:</td>
<td>92 (20.0%)</td>
<td>315 (68.6%)</td>
<td>52 (11.3%)</td>
<td>6111</td>
<td>459 (7.5%)</td>
</tr>
</tbody>
</table>

(vi) Fluctuations or variations in figures over specific time periods need to be interpreted with caution. A spike in any one period does not necessarily mean that there has been an increase in cases of illness in any given period of time. It means that there has been an increase in the number of individuals receiving determinations from their MECRB in that time period and nothing more. From time to time, MECRB clear back logs of cases, resulting in increased determinations over the following time period.

(vii) It must be noted that these data represent the cases determined by MECRB in each year, and may contain some duplicates i.e. an individual may have been presented to MECRB more than once. Approximately 85 per cent of these cases involved multiple medical conditions, of which PTSD was one.

**Carbon Price Scheme Compensation**

(Question No. 324)

Mr Van Manen asked the Prime Minister, in writing, on 3 May 2011:

Do the Government's plans for the introduction of a carbon price scheme contain provisions for compensating (a) local councils, to prevent rises in rates, and (b) public and private schools, to prevent rises in fees; if not, would she consider such provisions.

Ms Gillard: The answer to the honourable member's question is as follows:
As previously stated by the Government on several occasions, further details of the carbon pricing scheme, including any assistance arrangements, are still being developed and will be announced by the Government in due course once final decisions have been made.

The Government invited the Opposition to join the Multi-Party Climate Change Committee; however, the Leader of the Opposition did not accept this invitation.

**Medicare Locals**

(Question No. 325)

Dr Southcott asked the Minister for Health and Ageing, in writing, on 24 March 2011:

In respect of the establishment of Medicare Locals, in (a) 2010-11, (b) 2011-12, (c) 2012-13, and (d) 2013-14, what sum of funding is (i) allocated for the establishment and operation of Medicare Locals, and (ii) being redirected from the Divisions of General Practice.

Ms Roxon: The answer to the honourable member's question is as follows:

(i) The sum of funding allocated for the establishment and operation of Medicare Locals is:

(a) $8.96 million in 2010-11;
(b) $78.52 million in 2011-12;
(c) $169.76 million in 2012-13; and
(d) $172.97 million in 2013-14.

(ii) The sum of funding being redirected from the Divisions of General Practice Program to Medicare Locals is:

(a) $22.5 million in 2011-12;
(b) $85.08 million in 2012-13; and
(c) $86.44 million in 2013-14.

**General Practitioners**

(Question No. 327)

Dr Southcott asked the Minister for Health and Ageing, in writing, on 24 March 2011:

How many

(a) fulltime GPs are practising in a GP Super Clinic,
(b) part-time GPs are practising in a GP Super Clinic,
(c) locums are practising in a GP Super Clinic,
(d) GP Services have been delivered at the location of a GP Super Clinic,
(e) GP registrars are undergoing training in a GP Super Clinic, and
(f) how many GP registrar training places are available.

Ms Roxon: The answer to the honourable member's question is as follows:

As at the end of March 2011, across the 10 GP Super Clinics which were operational:

(a) There were 40 full-time GPs practising in the Clinics;
(b) There were 29 part-time GPs practising in the Clinics;
(c) There were 4 locum GPs practising in the Clinics;
(d) Over 256,000 GP services had been delivered;
(e) 7 GP registrars are/have been on placements in a GP Super Clinic; and
(f) A total of 9 GP registrar placements were available in the GP Super Clinics.
Superclinics
(Question No. 328)

**Dr Southcott** asked the Minister for Health and Ageing, in writing, on 24 March 2011: How many GP Super Clinics are offering early services, and in what locations, and were these health services being delivered at these locations before the execution of the funding agreement.

**Ms Roxon:** The answer to the honourable member's question is as follows: Ten GP Super Clinics are currently delivering early services prior to construction or while construction is underway. These are: Blue Mountains, North Central Coast (Warnervale), Riverina (NSW), Bendigo, Wodonga (VIC), Gladstone, Townsville and Cairns (QLD), Modbury – Stage 1, Noarlunga – Stage 1 (SA). These health services were not being delivered at these locations before the execution of the funding agreement.

Foreign Investment Rules
(Question No. 329)

**Ms Julie Bishop** asked the Minister for Foreign Affairs, in writing, on 24 March 2011:

(1) Was his department consulted prior to the change in Australia's foreign investment rules; if so, when.
(2) Was Chinese investment in Australia mentioned during any discussion concerning the proposed change to Australia's foreign investment rules prior to the announcement in August 2009; if so, when.
(3) Was his department advised by Treasury officials that the change in Australia's foreign investment rules were intended to pose new disincentives for Chinese investment in Australia, or any words to that effect; if so, when.
(4) Has the Chinese Government made representations to either his department or office concerning these changes; if so, when and can he indicate what was said.

**Mr Rudd:** The answer to the honourable member's question is as follows:

(1) No.
(2) No.
(3) No.
(4) No.

Foreign Affairs and Trade: Overseas Business Flights
(Question No. 333)

**Ms Julie Bishop** asked the Minister for Foreign Affairs, in writing, on 24 March 2011:

(1) How many overseas business class flights were taken by his Canberra-based departmental staff in each calendar year from 2005 to 2010.
(2) What was the total cost to the Government of overseas business class flights taken by his Canberra-based departmental staff in each calendar year from 2005 to 2010.
(3) What were the top 10 countries visited by his Canberra-based departmental staff in each calendar year from 2005 to 2010.

**Mr Rudd:** The answer to the honourable member's question is as follows:

The information requested is unavailable. The department's overseas business class flight data does not distinguish between flights taken by Canberra-based departmental staff and those taken by non-staff members, such as staff dependants and contractors.
Special Purpose Flights
(Question No. 335)

Ms Julie Bishop asked the Minister for Defence, in writing, on 24 March 2011:
(1) How many delegations used the Government's Special Purpose Aircraft in each calendar year from 2005 to 2010, and what were the delegations.
(2) In each calendar year from 2005 to 2010, what was the:
   (a) cost to the Government of each flight; and
   (b) total cost to the Government for the flights.

Mr Stephen Smith: The answer to the honourable member's question is as follows:
(1) and (2) The information sought over the period from 2005 to 2010 can be found in Defence's biannual publication 'Schedule of Special Purpose Flights'. While the schedule does not detail the number of or which delegations use Special Purpose Aircraft, it does provide the full manifest of passengers and also details the total costs of flying each flight without specifying individual passenger costs. Defence seeks cost recovery for passenger costs from the Department of the Prime Minister and Cabinet. The schedule is publicly available from the National Library of Australia.

East Timor Regional Processing Centre
(Question No. 338)

Ms Julie Bishop asked the Minister for Foreign Affairs, in writing, on 24 March 2011:
(1) Have any departmental officials been appointed to work on the Government's proposed East Timor Regional Processing Centre; if so, how many.
(2) How many hours have been spent by departmental officials working on this proposal.
(3) What is the total cost to date (including staffing, travel and accommodation expenses, etc) for his department in contributing to the development and promotion of this proposal.
(4) How many representations have departmental officials made to regional governments on this proposal, and what were the dates of each representation.
(5) How many written briefings on the processing centre has he received from his department, and did any of these briefings raise a concern that the proposal was having a negative effect on Australia's relations with other governments in the region.

Mr Rudd: The answer to the honourable member's question is as follows:
(1) The issue is one of a number of issues handled by the Ambassador for People Smuggling and the People Smuggling, Refugees and Immigration section in DFAT.
(2) Departmental officials do not record the time spent working on individual projects.
(3) The department does not separately record the cost of contributing to the development and promotion of the East Timor regional assessment centre proposal.
(4) Departmental officials in Canberra and overseas have made a large number of representations to regional governments on this proposal, including in the course of discussions on other issues. No log is kept of the number and dates of representations.
(5) Three, and no.
AusAID: Alleged Corruption
(Question No. 342)

Ms Julie Bishop asked the Minister for Foreign Affairs, in writing, on 24 March 2011:

(1) How many cases of alleged corruption in the Government's aid program (a) are currently being investigated, and (b) were investigated in each calendar year from 2005 to 2010.

(2) In each calendar year from 2005 to 2010, how many of the cases in part (1)(b) resulted in (a) dismissal, (b) fine, (c) demotion, or (d) other penalty being handed down.

(3) What sum of money was lost to corruption in each calendar year from 2005 to 2010.

Mr Rudd: The answer to the honourable member's question is as follows:

(1) (a) As of 24 March 2011 there were a total of 191 cases of alleged corruption in the Government's aid program currently being investigated.

(b) In the calendar year 2005 a total of 25 cases of alleged, suspected or detected fraud were reported to AusAID and subsequently investigated.

Of these, 4 cases are still currently under investigation with 21 cases requiring no further action.

In the calendar year 2006 a total of 56 cases of alleged, suspected or detected fraud were reported to AusAID and subsequently investigated.

Of these, 8 cases are still currently under investigation, 43 cases require no further action and 5 cases were found not to have involved fraud against AusAID.

In the calendar year 2007 a total of 43 cases of alleged, suspected or detected fraud were reported to AusAID and subsequently investigated.

Of these, 7 cases are still currently under investigation, 29 cases require no further action and 7 cases were found not to have involved fraud against AusAID.

In the calendar year 2008 a total of 66 cases of alleged, suspected or detected fraud were reported to AusAID and subsequently investigated.

Of these, 24 cases are still currently under investigation, 23 cases require no further action and 19 cases were found not to have involved fraud against AusAID.

In the calendar year 2009 a total of 74 cases of alleged, suspected or detected fraud were reported to AusAID and subsequently investigated.

Of these, 31 cases are still currently under investigation, 22 cases require no further action and 21 cases were found to be not fraud against AusAID.

In the calendar year 2010 a total of 125 cases of alleged, suspected or detected fraud were reported to AusAID and subsequently investigated.

Of these, 90 cases are still currently under investigation, 11 cases require no further action and 24 cases were found not to have involved fraud against AusAID.

Please note that the year in which a case was reported to AusAID may not in all cases be the year that alleged, suspected or detected fraud occurred.

(2) The following table represents the number of cases reported to AusAID in the calendar years 2005 – 2010 which include penalties being handed down.

<table>
<thead>
<tr>
<th></th>
<th>Dismissal</th>
<th>Fine</th>
<th>Demotion</th>
<th>Other Penalties</th>
</tr>
</thead>
<tbody>
<tr>
<td>2005</td>
<td>4</td>
<td></td>
<td></td>
<td>6</td>
</tr>
<tr>
<td>2006</td>
<td>8</td>
<td>1</td>
<td></td>
<td>15</td>
</tr>
<tr>
<td>2007</td>
<td>8</td>
<td>1</td>
<td></td>
<td>5</td>
</tr>
<tr>
<td>2008</td>
<td>12</td>
<td></td>
<td></td>
<td>20</td>
</tr>
</tbody>
</table>
Dismissal  Fine  Demotion  Other Penalties
2009  12    1      11
2010  19    1      7

(3) For cases reported to AusAID in the calendar year 2005 AUD $216,975 has been lost to suspected or detected fraud/corruption.
For cases reported to AusAID in the calendar year 2006 AUD $105,100 has been lost to suspected or detected fraud/corruption.
For cases reported to AusAID in the calendar year 2007 AUD $63,154 has been lost to suspected or detected fraud/corruption.
For cases reported to AusAID in the calendar year 2008 AUD $31,156 has been lost to suspected or detected fraud/corruption.
For cases reported to AusAID in the calendar year 2009 AUD $151,528 has been lost to suspected or detected fraud/corruption.
For cases reported to AusAID in the calendar year 2010 AUD $2,115 has been lost to suspected or detected fraud/corruption.

A number of cases remain under investigation as indicated in the response to question 1(a) and are therefore not included in the losses reported above.

United Nations: Reception for African Union Countries
(Question No. 345)

Ms Julie Bishop asked the Minister for Foreign Affairs, in writing, on 24 March 2011:
In respect of the reception for United Nations' representatives from African Union countries that the Prime Minister held during her March 2010 visit to the United States, (a) which countries (i) were represented, (ii) declined to attend, (b) what was the total cost, (c) what was the average cost per attendee, (d) where was this event held, (e) what was the cost of hiring the venue, (f) was entertainment provided; if so, at what cost, (g) what food and beverages were served, and what are the names of any alcoholic beverages served, (h) were any gifts provided to guests; if so, what were they, to whom were they provided, and at what cost, (i) how many people from the Prime Minister's entourage attended, (j) how many consular staff were responsible for organising the event, and how many hours did they spend on this, and (k) what was the cost of advertising and printing.

Mr Rudd: The answer to the honourable member's question is as follows:

(ii) The meeting was organised by the Office of the Permanent Observer of the African Union to the United Nations. We are not aware of any countries declining to attend. However, Malawi and Sao Tome and Principe were not present.
(b) USD825.96 for interpretation services, paper and postage of letters.
(c) The average cost to Australia per Africa Group participant was USD16.20 (825.96 divided by 51 African representatives).
(d) The Office of the Permanent Observer of the African Union to the United Nations, 305 East 47th Street, 5th Floor, 3 Dag Hammarskjöld Plaza, New York, N.Y. 10017.
(e) None.
(f) No.
(g) None.
(h) No.
(i) Seven.
(j) The meeting was organised by the Office of the Permanent Observer of the African Union to the United Nations. Three staff from the Australian Permanent Mission to the United Nations were involved at different times in liaising with the Office of the PermanentObserver of the African Union on various aspects.
Approximately 10 hours of staff time was spent on liaison with the African Union ahead of this meeting.
(k) USD25.96 for postage stamps and paper for letters.

United Nations: Security Council Bid
(Question No. 346)

Ms Julie Bishop asked the Minister for Foreign Affairs, in writing, on 24 March 2011:
(1) Did any representative from an African Union country express support for Australia's bid for a seat on the United Nations Security Council; if so, which ones.
(2) Did any representative from an African Union country indicate that their country was unlikely to support Australia's bid for a seat on the United Nations Security Council; if so, which ones, and what reason(s) were given.

Mr Rudd: The answer to the honourable member's question is as follows:
United Nations Security Council elections are decided by secret ballot. Accordingly, as is usual practice, we do not reveal the voting intentions of individual countries.