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**SITTING DAYS—2014**

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FORTY-FOURTH PARLIAMENT
FIRST SESSION—THIRD PERIOD

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

House of Representatives Office holders
Speaker—Hon. Bronwyn Kathleen Bishop MP
Deputy Speaker—Hon. Bruce Craig Scott MP
Second Deputy Speaker—Mr Robert George Mitchell
Members of the Speaker’s Panel—Mrs Karen Lesley Andrews MP,
Mr Russell Evan Broadbent MP, Mr Alexander George Hawke MP,
Mr Ian Reginald Goodenough MP, Mrs Natasha Louise Griggs MP,
Mr Ewen Thomas Jones MP, Mr Craig Kelly MP, Hon. Charles Christian Porter MP,
Mr Donald James Randall MP, Mr Ross Xavier Vasta MP, Mr Brett David Whiteley MP

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

Party Leaders and Whips
Liberal Party of Australia
Leader—Hon. Anthony John Abbott MP
Deputy Leader—Hon. Julie Isabel Bishop MP
Chief Government Whip—Hon. Philip Maxwell Ruddock MP
Government Whips—Mr Scott Buchholz MP and Ms Nola Bethwyn Marino MP

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

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

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<td>Denison, TAS</td>
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<td>Williams, Mr Matthew</td>
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<td>Wilson, Mr Richard James</td>
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<td>Wood, Mr Jason Peter</td>
<td>La Trobe, VIC</td>
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<td>Wyatt, Mr Kenneth George AM</td>
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<tr>
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<td>Makin, SA</td>
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**PARTY ABBREVIATIONS**

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

**Heads of Parliamentary Departments**

Clerk of the Senate—R Laing
Clerk of the House of Representatives—D Elder
Secretary, Department of Parliamentary Services—C Mills
Parliamentary Budget Officer—P Bowen
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Each box represents a portfolio. **Cabinet Ministers are shown in bold type.** As a general rule, there is one department in each portfolio. However, there is a Department of Human Services in the Social Services portfolio and a Department of Veterans’ Affairs in the Defence portfolio. The title of a department does not necessarily reflect the title of a minister in all cases.
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Tuesday, 15 July 2014

The SPEAKER (Hon. Bronwyn Bishop) took the chair at 12:00, made an acknowledgement of country and read prayers.

PERSONAL EXPLANATIONS

Mr ALBANESE (Grayndler) (12:01): Madam Speaker, I wish to make a personal explanation.

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

Mr ALBANESE: Yes.

The SPEAKER: Please proceed.

Mr ALBANESE: Yesterday in an answer to a question without notice the Minister for Communications stated that I had knowingly given wrong information to the Australian people about the state of the NBN rollout before the election. The minister cited a debate on Lateline in which I said that the NBN was on time and on budget. As a draft corporate plan for 2013-15 that has since been published by the Australian Financial Review shows, this statement was completely accurate. Despite short-term issues, including dealing with asbestos, NBN Co was forecasting the same completion date of June 2021 and the same capital expenditure.

MINISTERIAL STATEMENTS

Japan-Australia Economic Partnership Agreement

Mr ROBB (Goldstein—Minister for Trade and Investment) (12:02): by leave—It is with great pleasure that I speak about the Japan-Australia Economic Partnership Agreement and accompanying National Interest Analysis, which was tabled yesterday for parliament's consideration. Australia and Japan concluded negotiations in April during the Prime Minister's historic and very successful visit to North Asia. The Prime Minister signed the Agreement with Japanese Prime Minister Shinzo Abe in Canberra on 8 July.

As with all proposed treaties, the parliament's Joint Standing Committee on Treaties will now review the agreement and, in due course, provide its report. The tabling yesterday of the agreement will also give the public the opportunity to scrutinise the provisions of the treaty.

The signing of the agreement is a significant milestone for the government's economic diplomacy agenda. The Japan-Australia Economic Partnership Agreement is an important step forward in our trade and investment relationship with Japan.

Japan is an economic heavyweight. It is the third-largest economy in the world, worth almost US$5 trillion in 2013, and our second-largest export market, our second-largest trading partner, and a major player in regional and global supply chains. Two-way trade between Japan and Australia stood at $70.8 billion in 2013, more than 10 per cent of Australia's total trade. Japan is a vital, longstanding and highly complementary trading partner for Australia.

Greater integration with the Japanese economy will create jobs and build our economy. The agreement gives Australian exporters significantly improved market access across the spectrum of the Australian business community, reflecting the importance of Japan to the Australian economy. It eliminates high tariffs on a wide range of Australian exports. More
than 97 per cent of Australia's exports to Japan will receive preferential access or enter duty-free when the agreement is fully implemented.

The agreement gives Australian agricultural producers and exporters a significant competitive advantage. It makes Australia the first major agricultural exporting economy to conclude such a liberalising agreement with Japan. Australian beef exports to Japan, worth $1.4 billion in 2013, will benefit from a halving of the tariff, with a deep cut immediately on entry into force.

Industry modelling shows that the agreement will benefit Australian beef export sales by around $5.5 billion over 20 years and deliver an increase in the annual gross value of Australian beef production by up to seven per cent. The beef outcome affords Australia a major advantage over our fiercest competitors, including the United States.

The former US Assistant Secretary of State for East Asia—and a man who is spoken of as a future Secretary of State, Kurt Campbell—described the agreement as a 'massive victory' for Australia. And I quote further from Kurt Campbell:

Europe and the United States … have been trying to get this kind of agreement from Japan for 30 years. Exporters of horticulture, wine and seafood will also benefit from tariff-free access to the Japanese market.

The agreement is of course not just about agriculture. Japan will eliminate tariffs on all of Australia's manufacturing, energy and resources exports. This will particularly benefit our exporters of transformed resource products.

Services outcomes are equal to, or better than, the best commitments Japan has made in any of its other trade agreements and extend beyond Japan's existing commitments to Australia under the World Trade Organization. The agreement guarantees Australian services suppliers access to the significant and well-developed Japanese market in key areas of commercial interest, including financial, education, telecommunications and legal services and a range of other professional services. For example, Australian financial services providers will benefit from new commitments by Japan, beyond those in its existing trade agreements. Japan will allow cross-border access for Australian fund managers providing investment advice and portfolio management services in Japan. Japan has also guaranteed access for Australian financial services firms to conduct cross-border securities transactions with Japanese institutions. These commitments by Japan will help secure and protect Australia's access to one of the largest funds management markets in the world.

Both governments will support work towards enhanced mutual recognition of professional qualifications. Australian professionals will also benefit from guaranteed visa access arrangements, including for their spouse and dependents, to enter and stay in Japan.

In the education sector, Australia and Japan have further agreed to cooperate bilaterally to promote the recognition of each other's education qualifications, improve access to graduate studies in each other's country and strengthen student mobility between both countries.

In all key areas of commercial interest, Japan will extend commitments it makes in future trade agreements with other countries to Australian services exporters and investors, helping ensure that the agreement will remain relevant for Australian services exporters and investors in the years ahead. The agreement improves investment protections for both Australian and Japanese investors. With $130 billion invested in Australia in 2013, Japan is our third-largest
investor and our most important Asian investor. By raising the foreign investment screening threshold for Japanese private investors, the agreement will encourage increased and more diverse investment from Japan and deliver the clear message that Australia is open for business.

I acknowledge that some sections of Australia’s agricultural community had hoped for stronger outcomes on the products that they export. The government pushed on all products. However, the fact is that Japan is traditionally a very highly-protected agriculture market, and on some products it deems as particularly sensitive due to food security concerns, it moved in a tentative way, and on rice it would not move beyond our existing WTO access levels. The choice for Australia was continued stalemate and no agreement—or to secure a deal now that delivers considerable competitive advantage and keep pushing for further reform. So we fought for the best possible deal and made sure that the agreement also included mechanisms for future liberalisation. Scheduled renegotiation of outcomes for our key agriculture exports, and also a commitment to renegotiations should Japan give a better deal in the future to one of our competitors, means that the agreement has positioned Australia well for driving future gains. And, of course, the government will keep pushing for further liberalisation with Japan in other trade negotiations, including through the Trans-Pacific Partnership negotiations.

Let’s be very clear—no other country has managed to negotiate such an ambitious agreement with Japan. No other country! For once Australia is ahead of the curve. We needed the Korea Free Trade Agreement to help level the playing field, given the advantage the United States and the European Community had because of their deals with Korea. We were playing catch-up. Under the agreement with Japan, Australian exporters will have the advantage. And I am confident Australian exporters will be able to make the most of this extraordinary opportunity.

As part of our commitments, Australia will remove its remaining tariffs on Japanese goods on entry into force or over several years. This will benefit Australian consumers and industries which rely on imported Japanese products. Tariffs on some products that compete with Australian-made goods, including some vehicles and automotive parts, steel, plastics, copper and textiles, clothing and footwear, will be phased out in staging periods to allow industry to adjust. The bottom line is with one in five Australian jobs linked to trade, this agreement will provide an important boost to Australia's economy. It is part of the government's broader push on trade. The agreement is the second of a series of bilateral trade agreements we are committed to concluding with major trading partners, following on the heels of the Korea-Australia Free Trade Agreement.

Now that the agreements with Korea and Japan are finished, we are intensifying our negotiations with China. This suite of agreements is significant for deepening these important bilateral relationships, as well as reinforcing our connection to North Asia, which is becoming integrated through increasing trade flows and supply chains. China, Japan and Korea together currently purchase 51 per cent of Australia's exports.

The economic benefits of Japan-Australia Economic Partnership Agreement to our businesses and consumers—and to the Australian economy more broadly—will start to flow once the agreement enters into force. We aim for entry into force in early 2015 to allow Australians to reap the benefits from this agreement as early as possible. Implementation of
the agreement will require a number of legislative amendments, and I urge members and senators to give favourable consideration to these amendments when they are introduced.

This is an agreement that took a long time to negotiate, and I commend the achievement of officials from various agencies led by the Department of Foreign Affairs and Trade. There is bipartisan recognition of the crucial importance of Japan as a trading partner, and governments from both sides of the House worked on this agreement. In that light, I acknowledge the contribution of former trade ministers Craig Emerson and Simon Crean, as well as the Deputy Prime Minister, Warren Truss, who was Trade Minister when negotiations commenced in 2007. We should also recognise the vision of former Prime Minister John Howard. When he launched these negotiations with Prime Minister Abe in 2007, many said that a meaningful agreement with Japan was not possible. But Australia now stands as the first major agricultural producer to have secured such preferential access into the Japanese market. I would also like to acknowledge all of those officials and negotiators from my department who have worked so diligently over a very long period of time to help arrive at this outcome, including and especially Jan Adams, Frances Lisson, Peter Roberts, Simon Farbenbloom and many others.

I commend this agreement to the parliament, and hereby table the Japan-Australia Economic Partnership Agreement with its national interest analysis.

I ask leave of the House to move a motion to enable the Deputy Leader of the Opposition to speak for 11½ minutes.

Leave granted.

Mr ROBB: I move:

That so much of the standing orders be suspended as would prevent Ms Plibersek (Deputy Leader of the Opposition) speaking in reply to the ministerial statement for a period not exceeding 11½ minutes.

Question agreed to.

Ms PLIBERSEK (Sydney—Deputy Leader of the Opposition) (12:14): On behalf of the opposition I welcome the tabling of the signed Japan-Australia Economic Partnership Agreement and the related national interest analysis. The opposition appreciates the acknowledgement by Trade Minister Robb of the efforts of former trade ministers Simon Crean and Craig Emerson in progressing this trade agreement with one of our largest trading partners. Those negotiations were part of Labor’s embrace of our region.

In our Australia in the Asian century white paper we mapped out significant opportunities—and some challenges—for Australia in our region. Increased trade in goods and services is one of the key opportunities. Japan and Australia have a good, strong and stable relationship. We have been reliable trading partners for decades. In 2013, Japan was our second largest trading partner, with two-way trade valued at $70.8 billion. We are also reliable investors. Japan has been a long-term investor in Australia, with investment stock of $131 billion at the end of 2013. This investment has been critical to enable Australia to capitalise on the demand for our resources and to provide jobs and economic growth. Australia is also invested in Japan, with Australia’s stock of investment in Japan at $50 billion at the end of 2013.

For four decades—since the Whitlam government lowered postwar tariff barriers—Australia has progressively opened its economy to the world. Whitlam, then Hawke and
Keating set our nation on a course to greater productivity and competitiveness, delivering the high standard of living that we enjoy today. Japan has been much slower to embrace trade liberalisation. The concessions made during the course of negotiations on this agreement are welcome, as a first step on the path to more open trading arrangements.

Labor supports comprehensive trade agreements that are in our national interest. Preferential agreements should support a multilateral framework. In this agreement, Labor welcomes the proposed increase in the Foreign Investment Review Board threshold to over $1 billion for non-sensitive investment from Japan. This puts Japanese investment at the same standard as non-sensitive sector investment from the US, New Zealand and South Korea.

We note, however, the proposed carve-out of agricultural investments from the higher investment threshold—a shameless concession to the National Party and a shining example of why the government mantra of 'open for business' is little more than a brand on a banner. Many agricultural industries have not welcomed this agreement. Reactions have ranged from 'substandard' and 'not a major winner' to 'falls short of the mark' and 'another kick in the guts'.

Labor welcomes the fact that the Japan-Australia Economic Partnership Agreement does not include an investor-state dispute settlement provision. With investment between two countries with developed legal systems, there is no need for such a provision. However, we want to better understand the practical implication of the various ISDS review mechanisms embodied in the agreement. It is difficult to see why the signing of a future agreement by either country that includes an ISDS provision would trigger a review under the agreement.

We also want to explore some of the content behind the sales pitch. For example, the government has boasted that the agreement will deliver immediate tariff elimination and reduced levies for high-polarity—international standard—raw sugar. However, Australia's principal sugar export to Japan is a different kind. It is a special low-polarity grade sugar, worth over $235 million in 2013, which receives no benefit under this new agreement. Tariffs on this type of sugar remain at 70 per cent.

There is much more capacity to deepen our trading relationship with Japan. A key test of the agreement signed by the government is how much of that capacity will be realised. All Australians have a stake in our trading relationship with the world. In tabling the signed agreement and national interest analysis, the minister has finally given the parliament and the Australian community the opportunity to subject the agreement to scrutiny. Labor will embrace that opportunity, including through the Joint Standing Committee on Treaties. Labor notes with disappointment that the government published the text of the agreement just after signing, an act of defiance of the Senate order to table the text of the agreement 14 days before signing.

The minister made reference to the Korea-Australia Free Trade Agreement. I note that parliamentary consideration of the Korea-Australia Free Trade Agreement is underway, with over 60 submissions received by the Joint Standing Committee on Treaties and a further 56 submissions received to date by the inquiry being undertaken by the Senate Foreign Affairs, Defence and Trade References Committee.

The first public hearings on the Korea-Australia Free Trade Agreement were held by the Joint Standing Committee on Treaties early this week. It is clear that there is a great deal of community concern about the investor-state dispute settlement provisions included in the...
Korea agreement, with much scepticism about so-called ISDS 'carve-outs' negotiated by the minister. There is also concern from business about the commercial workability of the Korea agreement related to red tape and confusing use of nomenclature. Reducing red tape, improving harmonisation and implementing domestic measures to support the growth of our small, medium and large exporters is essential to secure Australia's growth.

Labor wants to hear from individuals, community groups and business in connection with the free trade agreements before the parliament. We urge the government to tone down its triumphalism and start listening to Australians with concerns about some of the decisions made by the government in concluding these deals. The government has a responsibility to convince Australians that trade deals are in the national interest. In this, as in other areas of public policy, three-word slogans are not good enough.

Labor will work with the government constructively, but not uncritically, in ensuring the proposed treaty before the House is in our national interest. Finally, I acknowledge the work of the minister and previous trade ministers and the contribution of the many officials who have played an important role in the negotiations on the Japan-Australia Economic Partnership Agreement.

COMMITTEES
Treaties Committee

Report

WYATT ROY (Longman) (12:22): On indulgence, I congratulate the Minister for Trade and Investment on the work that he did in concluding the Japan-Australia Economic Partnership Agreement. It is the first agreement that Japan has signed with a major economy and it is a significant achievement for our nation.

On behalf of the Joint Standing Committee on Treaties, I present the committee's report entitled Report 141: Treaties tabled on 19 March and 13 May 2014.

Report made a parliamentary paper in accordance with standing order 39(e).

WYATT ROY: by leave—Today I present the Joint Standing Committee on Treaties' Report 141, containing the committee's views on treaties tabled on 19 March and 13 May 2014.

This year we commemorate the 100th anniversary of the start of the First World War and the 70th anniversary of D-Day, both of which are significant events in our military relationship with the United Kingdom. It seems appropriate, therefore, that this year the committee should find itself supporting the proposed treaty between the government of Australia and the government of the Kingdom of Great Britain and Northern Ireland for defence and security cooperation, a treaty that will support our robust military relationship into the future.

The treaty was negotiated with a common understanding between Australia and the United Kingdom that the current economic environment and emerging global security issues requires the close cooperation of like-minded states.

Both States recognise that the benefits of a strong defence relationship over time are best served through a formal treaty. The proposed treaty will complement the existing agreements and annual ministerial consultations that constitute our defence relationship at present.
Cooperation occurs across a wide range of defence related issues, including science and technology, capability development, logistics, personnel exchanges and security of information.

The proposed treaty creates a greater solidity and touchstone for engagement between Australia and the United Kingdom by providing a legally binding framework through which to develop the relationship.

In summary, the proposed treaty will:
- provide a single overarching legally-binding agreement;
- provide strategic direction for our relationship into the future;
- re-energise the bilateral cooperation between Australia and the United Kingdom on military capabilities and military equipment development;
- enable interaction on materiel projects of common interest, particularly where military requirements align;
- provide opportunities for collaborative procurement in the future; and
- cement our bilateral defence relationship.

The committee has no hesitation in recommending that binding treaty action be taken in relation to this proposed treaty.

Report 141 also contains the committee's views on the Agreement Between the Government of Australia and the Government of the United States of America to Improve International Tax Compliance and Implement FATCA.

This agreement ensures Australian financial institutions are able to avoid paying a United States withholding tax of 30 per cent on their United States sourced profits, while meeting the requirements of the United States Foreign Account Tax Compliance Act at a significantly reduced compliance cost.

The committee previously tabled a short report, Report 140, recommending that binding treaty action be taken in relation to the agreement to ensure that the provisions of the agreement were in place by 1 July 2014.

Report 141 also contains statements relating to nine minor treaty actions.

On behalf of the committee, I commend the report to the House and move:

That the House take note of the report.

Reference to Federation Chamber

WYATT ROY (Longman) (12:26): I move:

That the order of the day be referred to the Federation Chamber for debate.

Question agreed to.

Constitutional Recognition of ATSIP Report

Mr WYATT (Hasluck) (12:27): On behalf of the Joint Select Committee on Constitutional Recognition of Aboriginal and Torres Strait Islander Peoples, I present the committee's report entitled Joint Select Committee on Constitutional Recognition of Aboriginal and Torres Strait Islander Peoples interim report.
Mr WYATT: by leave—I rise today on behalf of the Joint Select Committee on Constitutional Recognition of Aboriginal and Torres Strait Islander Peoples to present our interim report. This is the next step in the journey to recognise this nation's first inhabitants in our founding document, the Constitution of the Commonwealth of Australia.

Australia is the venerable elder of the seven world continents and over time was known as Gondwanaland, Terra Australis, the Great South Land and New Holland and was eventually called Australia. For at least 40,000 to 60,000 years Aboriginal people lived isolated in Australia, and over the last thousand years, people from China, India, Arabia, Malaysia and the Pacific Islands came to our lands as early explorers and traders—followed by others later. Through this, Aboriginal and Torres Strait Islander people have an enduring connection to country and this has remained since 1788. It has never diminished. It is time to recognise this bond.

In preparing for this speech, I have been revisiting some of the debates that occurred in this chamber in the lead-up to the 1967 referendum and some of the speeches of Sir Robert Menzies, one of my—and many in this Chamber's—ideological references. I must say that we have come a long way as a nation since those debates but it has been enlightening to revisit the words of Menzies, upon which the Liberal Party of Australia bases its political ideologue and modern-day discourse.

I want to refer to two quotes from Menzies towards the end of his times as Prime Minister. The first is from an address to the Liberal Party Federal Council in 1964. He said:

As the etymology of our name ‘Liberal’ indicates, we have stood for freedom. We have realised that men and women are not just ciphers in a calculation, but are individual human beings whose individual welfare and development must be the main concern of government.

The second quote is from a Young Liberals Rally in Melbourne in 1962. He said:

… our objective must be to build a balanced, strong, progressive and civilised nation in which advances are shared by all sections of the people.

After a few further remarks, Menzies went on to reinforce this:

So I repeat: we want a progressive nation.

To this end, recognition makes sense. Recognition means that Indigenous Australians within the Constitution will be recognised as peers of all Australians. Aboriginal recognition within the Constitution and contemporary Australian society and culture has been a long walk. From the 1967 referendum to the Redfern speech, Mabo, Wik and, of course, the Apology—all these moments have been critical to the continued journey of reconciliation. Recognition is no different.

I do not take my role as chair of this committee lightly. This is an important step in our shared national history, and I am led by the guiding principle that the Constitution is a document owned by all Australians—every single one of us. Equally, the changes must be technically and legally sound. I hope that we get to a stage where there is no 'NO' campaign and that all Australians get behind this balanced, progressive step for our nation.

One factor that is essential for this referendum's success is the simplicity of the question put to the Australian people and the understanding of all Australians about what recognition means. When I look back on the 1967 referendum, our most successful referendum in
decades, what strikes me is the simplicity of the question put to the Australian people, although its breadth and meaning were far greater. I want to take a moment to read it out for the benefit of the House:

DO YOU APPROVE the proposed law for the alteration of the Constitution entitled ‘An Act to alter the Constitution so as to omit certain words relating to the People of the Aboriginal Race in any State and so that Aboriginals are to be counted in reckoning the Population?

It is very simplistic in its wording, yet the most profound moment in the healing of our nation. With that in mind, I encourage and urge all parliamentarians, all leaders in our community and all Australians to come to the table, to have a chat, to work through these issues, to raise concerns or queries you may have on both sides of the debate. There is an immense amount of goodwill on all sides of the political spectrum with respect to this issue, and we should approach discussions with this spirit in mind. There is strong multiparty support and it should remain that way for the entire debate. Constitutional recognition should not be used as a political football. This issue should break down the political barriers that so often divide us. People can go to the committee website to find out more information and to find out how you can get involved and make a submission.

The committee is required to consider the recommendations of the Expert Panel on Constitutional Recognition of Indigenous Australians. Our reporting to parliament will consider their recommendations for change to the Constitution in light of the current parliamentary consensus on recognition. This interim report discusses draft forms of wording relating to constitutional recognition. It has been put to the committee that drafting questions still exist in relation to a number of existing constitutional provisions, as well as a number of possible new provisions. The expert panel's first recommendation was the repeal of section 25 of the Constitution. Section 25 is widely considered a racially discriminatory provision, and it was recommended the Australian people be given the opportunity to remove it. This committee has not been persuaded that the section has ongoing use, and this report considers that it can be removed without consequential effects to the Constitution.

This interim report discusses the view of the expert panel that race, as a concept, is outmoded and outdated. As well as in section 25, race is referred to in section 51(xxvi) of the Constitution, the Commonwealth's power to make laws with respect to the people of any race. The expert panel recommended that the Australian people be given the opportunity to remove both sections, and they reported a large amount of public support for those recommendations. This interim report considers the social and legal history of section 51(xxvi) of the Constitution—the section that in 1967 the Australian people voted to amend at referendum so that the Commonwealth could make laws with respect to Indigenous Australians. After the referendum, section 51(xxvi) allowed the Commonwealth to pass various legislation that enabled native title and the creation of ORIC, to name just two. In this interim report, the committee considers that the Commonwealth should continue to be able to make laws with respect to Indigenous Australians because of—and I quote the expert panel:

… their unique place in the history of the country and their prior and continuing existence.

This means that any referendum that would propose to remove section 51(xxvi) should also propose to replace it with a section that allows the Commonwealth to make laws for the benefit of Indigenous Australians. To that end, this interim report discusses forms of wording
that could be used to continue to allow the Commonwealth to make laws with respect to Indigenous Australians.

There are five forms of wording set out in the text of the interim report, which reflects that at least five different proposals have been put to the committee in its work so far. The committee view put forward in this interim report is that, in making laws under such a power, a successful referendum proposal must prevent the Commonwealth from discriminating against Indigenous Australians. Discrimination is a strong theme in the expert panel's report, and a common thread in the conversation this committee is having about recognition.

In tabling this interim report, the committee reaches the view that a successful referendum proposal must recognise Indigenous Australians as the first peoples of Australia. The report discusses a number of forms of wording that would give effect to this recognition. One such form of wording is the expert panel's proposed new section 51A, which would incorporate a four-line statement of recognition into the legislative power.

This interim report also discusses other ways that preambular language of recognition could be incorporated into the Constitution, including in an introductory statement and a further act of recognition. At the first public hearing of the committee in Brisbane on 30 June, Mr Gschwind, the CEO of the Queensland Tourism Industry Council, articulated the reasoning behind constitutional recognition quite poignantly. He said:

...we have a unique cultural heritage and a population of first people, part of the modern Australian social fabric and with ancient roots in this continent.

He went on to say that constitutional recognition:

... is not ultimately about Australians in Australia. This is about human history, where we have a line of sight, if you like, to a distant part of history that is not available in many other places.

On behalf of the committee, I would like to thank the people and organisations that have already so generously provided their time and views to the committee. I would also like to place on record my thanks to the secretariat staff who have put countless hours into compiling this interim report.

Finally, I want to end with words from our Prime-Minister:

Yet for two centuries—with fragrant exceptions, of course—Australians had collectively failed to show to Aboriginal people the personal generosity and warmth of welcome that we have habitually extended to the stranger in our midst.

... ... ...

The first Aboriginal member of this parliament, Senator Neville Bonner, once warned his colleagues that history would judge us all. We shouldn't have to wait for the judgment of history ...

A fair go for Aboriginal people is far too important to be put off to the judgment of history.

I commend the interim report to the House.

Mr NEUMANN (Blair) (12:37): by leave—The Leader of the Opposition, the Hon. Bill Shorten, in his Closing the Gap speech in February this year said that Aboriginal and Torres Strait Islander peoples deserve a 'place of honour in the Constitution'. Former Prime Minister Julia Gillard called constitutional recognition 'a great piece of unfinished national business'. When Labor was in power we provided $10 million to Reconciliation Australia to fund a national awareness campaign.
For tens of thousands of years Aboriginal and Torres Strait Islander peoples have lived on this continent and the islands surrounding it, with stewardship, ownership and a complex society created of nations. Australia's history did not start in 1770, in 1788 or with Federation at the beginning of the 20th century; Australia's history and the achievements, operation, culture, land and languages of Aboriginal people have existed for tens of thousands of years.

Labor believes that constitutional change should be guided by the recommendations of the Expert Panel on Constitutional Recognition of Indigenous Australians. The first of the panel's recommendations is the removal of section 25 of the Constitution. Section 25 allows states to ban people from voting on the basis of their race. I think Australians, whether in Pitt Street in Sydney or in Oxford Street in Bulimba in Brisbane, would be offended if they knew that that provision was in the Constitution. Not only is it otiose it is racially discriminatory, and it should go. The report of the Joint Select Committee on Constitutional Recognition of Aboriginal and Torres Strait Islander Peoples committee's report recommends, on an interim basis, that there is no need for section 25 to remain in the Constitution.

The expert panel recommended the deletion of section 51(xxvi). The member for Hasluck, the chair of the committee, accurately and appropriately mentioned the fact that that section mentions race. Section 51(xxvi) was amended in 1967 by the referendum that passed overwhelmingly after a concerted campaign by Aboriginal and Torres Strait Islander people as well as other Australians to change the Constitution to give the Commonwealth the power to pass laws in relation to Australia's first peoples. But that provision can also be used to discriminate. Of course, it has formed the constitutional basis for native title and other legislation, so to get rid of section 51(xxvi) would have legislative consequence. We have heard evidence by constitutional experts and by Aboriginal and Torres Strait Islander people that we need a provision in the Constitution giving the Commonwealth power in relation to Australia's Aboriginal and Torres Strait Islander people. During the committee's deliberations and in the development of its report there were lots of discussion and public submissions about how that provision should operate, about whether it should be a subject power. We have seen in the case of Williams in the High Court the problem where there is a subject power. We could inadvertently, by omission, take away from the Commonwealth's power and by carelessness reverse the consequence of the referendum of 1967, unless a peoples power was put in any amendment. The report deals with these issues.

The expert panel recommended the insertion of a new section 51A with preamble recognition of land, language and culture and, of course, the inclusion of a peoples power. After 250 consultations around the country, with many people making submissions and giving evidence, the expert panel recommended the adoption of a new section 116A, to ban racial discrimination in this country. It would have consequence. Subsection (1) of section 116A, recommended by the expert panel and considered in this report, talks about the Commonwealth, a state or a territory not being able to discriminate on the grounds of race or colour or of ethnic or national origin. It recommended a subsection (2) that provides that there can be laws:

… for the purpose of overcoming disadvantage, ameliorating the effects of past discrimination, or protecting the cultures, languages or heritage of any group.

The chair of the committee correctly stated that we received evidence on the importance of real, substantive change. Section 116A is integral to that. The form of the prohibition on racial
discrimination is included in various options in this report, but one thing that is absolutely critical is that Aboriginal and Torres Strait Islander people want there to be in the Constitution a prohibition on racial discrimination. Unequivocal and consistent evidence of that was given to the committee.

The expert panel proposed the insertion of a provision, section 127A, recognising Aboriginal and Torres Strait Islander languages as Australia's first tongues and confirming that English is Australia's national language. There has been no evidence given to the inquiry publicly to support that provision. The committee's report comments on that proposal.

Labor welcomes the interim report of the Joint Select Committee on Constitutional Recognition of Aboriginal and Torres Strait Islander Peoples. We remain committed to meaningful change in the Constitution, change that unites this country and reflects the hopes, dreams and aspirations of Aboriginal and Torres Strait Islander peoples.

The Australian Constitution is the foundation document for our federation, for our laws and for our government, but it is silent on the special place of Aboriginal and Torres Strait Islander peoples in this country, except to give tacit endorsement of discrimination in section 25 and the option that laws can be passed to discriminate against them under section 51(xxvi). Tragically, in this country Aboriginal and Torres Strait Islander people lost the right to vote and it took six decades before they could get the right to vote, in the sixties, across the country.

Time is of the essence in this particular issue. We have an opportunity, a window, to make meaningful and substantive change. Symbolic and preambular change will not be accepted by Aboriginal and Torres Strait Islander people. It will also not be accepted, in my view, by the Australian public—and in a referendum a majority of votes in a majority of states needs to be achieved. Preambular, formulaic and symbolic change will not be accepted by the Labor Party. We want meaningful change in the Constitution that reflects the hopes, dreams and aspirations of Aboriginal and Torres Strait Islander people. If we are to go down the road of a referendum, it must be successful. There is an opportunity for this government, in a bipartisan way and including the other parties in this parliament, to get there.

I thank the committee chair for his genuineness and his goodwill in this endeavour and for the way this committee has operated. There have been frank discussions, open discussions and honest discussions. I believe there are people of goodwill who want this carried through all corners of this parliament—the House of Representatives and the Senate. I believe we must do this for the sake of our country.

The Aboriginal and Torres Strait Islander people of this continent have been forgotten for too long. Constitutional recognition is critical. This report shows a way forward and provides options. Labor remains ready, willing and available to discuss this issue with the government. We remain committed to meaningful and substantive change. I commend the committee. We have been part of this committee and we have contributed constructively to this report. I welcome all those people who will now provide submissions to this inquiry and encourage them to tell us what they want, to tell us what they dream of, to tell us what they aspire to and to tell us what they really believe the Australian nation in the 21st century should look like. Constitutional recognition has for too long been forgotten, as our first peoples have. We need to change. Labor remains committed to it.
The DEPUTY SPEAKER (Mr Mitchell): Does the member for Hasluck wish to move a motion in connection with the report to enable it to be debated on a future occasion?

Mr WYATT (Hasluck) (12:47): I move:
That the House take note of the report.

The DEPUTY SPEAKER: In accordance with the standing orders, the debate is adjourned. The resumption of the debate will be made an order of the day for the next day of sitting.

Reference to Federation Chamber

Mr WYATT (Hasluck) (12:47): I move:
That the order of the day be referred to the Federation Chamber for debate.
Question agreed to.

BUSINESS

Rearrangement

Mr MORRISON (Cook—Minister for Immigration and Border Protection) (12:48): I ask leave of the House to move a motion to enable the notice relating to the disallowance of the Migration Amendment (Repeal of Certain Visa Classes) Regulation 2014, private members' business, to be called on immediately.
Leave granted.

Mr MORRISON: I move:
That so much of the standing orders be suspended as would prevent the notice relating to the disallowance of the Migration Amendment (Repeal of Certain Visa Classes) Regulation 2014, private Members' business, being called on immediately.
Question agreed to.

MOTIONS

Migration Amendment (Repeal of Certain Visa Classes) Regulation 2014 Disallowance

Mr MARLES (Corio) (12:49): I move:
That the Migration Amendment (Repeal of Certain Visa Classes) Regulation 2014, dated 29 May 2014, made under the Migration Act 1958 and presented to the House on 2 June 2014, be disallowed.

Australia's migration program has always reflected the values of a diverse multicultural society. We owe a great deal to our migration program in shaping the country we have become today. Equality, respect and understanding are all values which speak to modern Australia. Sadly, they are not the values that are upheld by this government. This government does not believe in respect. This government does not believe in equality. Through the Migration Amendment (Repeal of Certain Visa Classes) Regulation 2014, this government fails to value the contribution of our multicultural communities.

This decision by the Abbott government to axe the non-contributory and other family visa categories shows a reckless disregard for our multicultural communities and, quite clearly, exposes the twisted priorities of this cruel government. Visas that will go under this regulation if it is allowed to stand include the parent visa subclass 103, the aged parent visa subclass
804, the aged dependent relative visas subclasses 114 and 838, the remaining relative visas subclasses 115 and 835, and the carer visas subclasses 116 and 836.

The government made these changes under the cover of darkness. Although the changes appeared in the budget papers, it seems even the minister's department were in the dark when it came to the regulation's implementation. When asked during the Senate budget estimates on 27 May when these changes would take effect, the minister's department meekly answered that they were 'not sure'. Yet, miraculously, a mere week after these comments were made, the Migration Amendment (Repeal of Certain Visa Classes) Regulation was tabled in the House of Representatives, on 2 June. The minister tried to sneak through the repeal of these visa classes, which will hit low-and middle-income earners in multicultural communities and it will hit them hard.

This is a minister who has form when it comes to operating under a thick fog of secrecy. It clearly suits this minister's political objectives to keep the Australian people in the dark about his actions. When we see the cruel impact of a decision by the Abbott government such as this, we know why. It is time that this minister was up-front with the Australian community about his cuts to the visa program. There was no warning. There was no consultation. No-one knew that this was coming. In fact, it appears that even the minister himself is confused by the changes. When Labor asked the Prime Minister in question time on 24 June about why the government is abolishing the carer visa, the minister answered on his behalf:

… current claims for a number of family visas have been suspended until we can work through the backlog.

If these visa classes have only been suspended, why is this government seeking to repeal them by way of this regulation?

It is clear that this minister has no regard for anything outside the border protection part of his portfolio. He loves his slogans so much that he has now decided to turn his focus to 'stopping the parents'. Why does the minister so badly want to stop the parents? In his response to the same question, the minister repeatedly talked about a backlog of claims. While it is true that the popularity of the program led to increased waiting times, the minister's assertion that the government would 'start to work through the backlog of claims' is simply disingenuous. This is demonstrated by the government's own budget papers and was even confirmed during Senate estimates, when the department was asked about the migration program allocations for the 2014-15 financial year.

Like so many other parts of this minister's portfolio, it would seem that his command of the detail around this policy area is in a shambles as well. In fact, the government have reduced the allocation of non-contributory parent visas by 750 places. Likewise, the government have reduced the allocation for the other family category—which is also being abolished by this regulation—with 85 fewer places in the 2013-14 financial year. While these numbers may seem small to some, there is no doubt the reduction will have a severe impact on those who are affected by it.

Anyone who had been hoping to lodge an application for any of these visa classes will now be faced with the ultimate decision of either abandoning any hopes of being permanently reunited with loved ones or paying up to a reported $120,000. Apparently, the minister does not have a problem with this. In fact, he seems proud of the fact that he is deliberately hurting low- and middle-income earners. Why is this minister punishing families that have given so
much to this country? Why is this minister punishing families that have worked so hard and given so much to build a life in Australia? Why is this government persisting with a mean-spirited attack on a program that allows families to be reunited with overseas relatives, often elderly parents?

Taking the axe to the non-contributory parent visa is a cruel and heartless attack on our ethnic communities. For tens of thousands of ethnic families spread across our country, including in my electorate of Corio, their hope of being reunited with family will be slammed shut unless they can afford to fork out more than $100,000. One of the main concerns those families that would be affected by this abolition of the parent visa have expressed to me is a feeling of genuine shock and despair as to why the Abbott government would close the door on any hope they have of a reunion with family members. For many in our ethnic communities, there is a strong culture and deep tradition in caring for the elderly. Taking in elderly relatives when they can no longer care for themselves is an ingrained cultural tradition that comes from a place of deep respect.

Under this government, there seems to be no room for these values of caring and compassion. This mean-spirited attack on our ethnic communities says volumes about the cruel and twisted priorities of this minister and the Abbott government. Why is this government turning its back on migrants who have given so much to Australia? Today, Labor puts on record its absolute opposition to the Abbott government's assault on our ethnic communities. Today, Labor puts on record its absolute opposition to the Abbott government's mean-spirited attack on all those families that have worked so hard to make Australia the wonderful place it is today by cruelly denying them of the ability to share this country with their families.

When I asked the Prime Minister in question time on 24 June why his government was punishing low- and middle-income Australian families, the minister shamelessly responded: … under our migration program we invite people into the country who are able to come and to pay their way.

The arrogance and the insensitivity from this minister and this government he represents is quite simply breathtaking.

I am sure there are members of the government who represent culturally and linguistically diverse electorates who are, indeed, fearful of the impact the repeal of these visas will have on their future tenure in this place. Labor is extending to you an opportunity to stand up for your electorates and show that you will not allow this minister to summarily dismiss the needs of your communities.

The parent (subclass 103) visa is a permanent visa for people who have children who are Australian citizens, permanent residents or eligible New Zealand citizens who have settled in Australia. This visa requires a sponsor, usually a child or spouse. They must have lived here lawfully for at least two years before the application is made. Applicants have to meet the balance-of-family test, and an assurance of support is also required. Despite the waiting periods, demand in the non-contributory parent category actually increased by more than 50 per cent between 2011-2012 and 2012-2013. People understand they have to wait longer if they pay less. But waiting times ought not to be the indication of the success of a program. It is certainly no answer to simply abolish programs either.
Let history show today as the day this government, on a mean-spirited crusade led by the Prime Minister and this minister, abandoned our ethnic families and communities. Let history show today as the day this government cut ethnic communities loose. Any hope of a family reunion is now out of reach for all but those with the means to pay more than $100,000. This is a breathtaking betrayal from those opposite. Cast aside all the chest beating, bluff and bluster and what you are left with is a cruel and heartless government that has today callously closed the door on family visas and, in doing so, slammed the door shut on many families ever being able to look after their loved ones in this country. Today Labor stands for all ethnic families around Australia. Today those opposite have betrayed them, and that is a disgrace.

The DEPUTY SPEAKER (Mr Mitchell): Is the motion for disallowance seconded?

Ms ROWLAND (Greenway) (13:02): I second the motion. I support this disallowance motion on the Migration Amendment (Repeal of Certain Visa Classes) Regulation 2014 and I congratulate the member for Corio for bringing it to the attention of the House. This disallowance motion has strong community support. I will take just a cursory look at one of the petitions in our community and quote from it. This is from Change.org. It says:

I have been waiting to finish my studies and get a job so that I can bring my parents to look after them. Just as soon as I was completing my studies, they announce that the visa options are abolished! This is a disaster for me as my whole life plan depended on it. I had much faith in Australia and gave up everything I had to follow this dream. This situation has left me helpless.

This mean and tricky decision by the Abbott government to axe the non-contributory parent visa and other family visa categories—including the aged dependent relative, remaining relative and carer visa categories—is an absolute disgrace. It is now incumbent on those opposite to show where they stand on this. They cannot hide on it now. The minister tried to sneak this through by legislative instrument, but now members opposite have to show their hand. It was a sneaky move.

I quote from Senate estimates on Tuesday, 27 May. The question was asked by Senator Singh of the departmental representative: 'When will these changes take effect?' The answer was, 'I am not sure. That is a matter being sorted out.' These regulations to repeal certain visa classes are dated 29 May, so two days later they had been determined.

Those members of the government who represent culturally and linguistically diverse electorates, including the member for Reid, the member for Banks and the Member for Barton, just to name a few, now have the opportunity to stand up for their communities and support this disallowance motion. Anything less will be a complete and utter betrayal of their communities. These are new members opposite who directly appealed to migrant communities in the lead-up to the 2013 election. I cannot recall them or any other Liberal candidate ever telling their prospective constituents that they would be shutting the door on the non-contributory visa scheme.

The non-contributory parent visa allows a sponsor to apply for their parent to come to Australia. The sponsor is required to have lived in Australia lawfully for two years and must be able to supply a small bond to be refunded after the parent has lived in Australia for two years. This visa category allowed some 2,150 people to be reunited with their immediate family in 2012-13. At very low cost, it gives hardworking migrants the hope and opportunity for their parents to one day join them in Australia.
There can be up to a 13-year wait for this visa to be granted. However, for many low- and middle-income families it is the only way to have their parents join them in Australia. It opens a pathway for these people. Without this visa category the only other option for migrants' parents to come to Australia is through the contributory visa category. The contributory parent visa category can reportedly cost up to $120,000. I can guarantee that the vast majority of people who would be applying for the non-contributory category would not have a spare $120,000 lying around. The government is completely out of touch if they expect these people to pay for this alternative. These sponsors are hardworking people who are already paying their bills and taxes. I know for a fact that many of my constituents whose parents who could have benefited from this visa category will no longer be able to apply for visas for their parents because of this absurd cost. It reflects the unfair nature of this budget.

The benefits of the non-contributory category cannot be discounted by this government. It has already been so beneficial to working and middle-class migrants, including those in my own community. But it is quite clear that this minister and this government do not understand how important these visa categories are for many newly arrived Australians. Indeed, the minister's own performance during question time, as demonstrated by the member for Corio, shows that even he does not appear to understand this decision. In response to a question from the shadow immigration minister on this issue on 24 June, the minister said:

… we have reduced the number of places for the non-contributing scheme. … It has not gone to zero, at all …

This is completely wrong. The minister is either deliberately attempting to hoodwink the public or he is not across his own portfolio.

You even see the minister release an explanatory note that clearly outlines the visa categories that have been savaged:

The effect of these amendments is that persons are no longer able to apply for these visa classes from 2 June 2014.

That certainly sounds like zero to me. This government is betraying ethnic communities through this move, and it is another betrayal to add to their long list since September last year.

It is my strong concern that these measures by the government could be in breach of certain human rights, including the right to protection of the family. This is guaranteed by articles 17 and 23 of the International Covenant on Civil and Political Rights and article 10 of the International Covenant on Economic, Social and Cultural Rights. Under these articles, the family is recognised as the natural and fundamental group unit of society and, as such, is entitled to protection.

And I ask the minister this. How is this compatible with our human rights obligations, specifically regarding the right to protection of the family? The opposition, the community and I are appalled at the process that went into producing this amendment. There was very limited community consultation. In fact, most people did not know at all. Those most affected have met this with shock and anger. This government should have made it a primary concern to understand why this category is so important to communities throughout Australia.

One of my constituents, Mandeep Bhatti contacted me regarding this decision. He is one of many impacted in my community. He said:
This all started when the coalition government announced on 13 May 2014 in its budget that new applications for Other Family and Parent (non-contributory) visa categories will be ceased. This announcement was followed by the Department of Immigration and Border Protection (DIBP) announcing that the cessation date would be announced shortly.

However suddenly and to most people's complete and utter disbelief, without any further announcement, the Minister for Immigration made the migration amendment on 29 May 2014 which repealed the visa subclasses from June 2nd, 2014, The last day to make a valid application was 30th of May, which effectively gave applicants less than 10 hours to lodge a valid application.

He went on to say:

I think this constitutes as clear abuse of power. When the decision was made on 29 May, why was this not made public by the Department of Immigration on the same day or a day in advance, which would have given a fair go to everyone who had their applications ready and could send applications on time. Making decisions and hiding it from public until the day when the regulation was effective dearly shows the government abused their power.

I personally feel cheated and don't understand the logic of this cancellation in the first place; parents who come on the non-contributory categories are people who have families to care for and provide for them, they don't get or even expect to live on benefits, they are harmless people who just want to join their families.

This is an utter disgrace from a government so out of touch. For the backbenchers opposite there is no flying under the radar now. Your minister cannot save you from voting on this issue. There is no sneaky and underhanded way to get around this any more. All those opposite will get a chance to vote on this issue today and they should know that they will be held accountable in their local communities on how they vote on this disallowance. Their communities will not forget.

I close by quoting from Mary Crock and Kate Bones, who wrote, very validly, in The Sydney Morning Herald under the heading 'Coalition's new visa laws make family reunion a preserve of the rich'. Among other things, they note:

The Immigration Department’s policy manual stated that these visas reflected 'immigration principles relating to reunion of relatives in recognition of kinship ties and the bonds of mutual dependency and support within families'.

This disallowance is about this principle. Is parliament now going to vote against this principle, which we have held so dear for so long in Australia?

I will point out again the very valid issue I mentioned: the immense economic and social benefits in family reunion. Again I quote from the preceding article in The Sydney Morning Herald:

Parents and grandparents can provide childcare, allowing sponsors to go from being one-income to two-income households. They give physical and emotional support. Remittances that would otherwise be sent overseas stay and are spent in Australia. Carers bring huge savings, taking pressure off the welfare and healthcare systems.

I know for a fact that just in my own community, in Blacktown, where the most popular surname is Singh, older migrants shop locally, buy services, contribute to child care, and pick up the kids from school. It is a false economy to suggest that these people are not producing savings and are not contributing to Australian society. This is exactly the kind of Australia we want—one where everyone is contributing. That is why this disallowance is so important here today.
Mr MORRISON (Cook—Minister for Immigration and Border Protection) (13:12): I note the opposition's motion and I note that they have sought to bring much politics to this debate, but they have failed to grasp the reality of the very program they left to the government that succeeded them after the last election. As was flagged in the budget, there was a very clear statement about the policy the government introduced, on 13 May, under which new applications under eight family-stream visa subclasses have ceased. That was the announcement in the budget, and the government then took action to implement the announcement that was in the budget. That is the way these matters are handled every single year when a migration program is announced and is given effect to subsequent to the budget.

What has occurred is that applications have ceased as a result of this regulation, but places under these programs continue to be provided, which is something the opposition refuses to acknowledge. All applications made prior to the change continue to be queued and processed in accordance with existing legislation and policy. The government recognises that these changes will be disappointing to many people, but we are committed to a migration program that meets the needs of modern Australia and that can respond to the applications that are provided. These changes will ensure family migration is focused on the entry of close family member—of parents, of partners, of children.

The repealed visa program simply had become unsustainable, just like the budget. Those opposite seem to take no responsibility for the mess they have left behind, with applications significantly outstripping available places, creating extremely long queues. There are currently over 36,000 applications on hand in the non-contributory parent visa category, and that equates to a waiting list period of 13 years. In the other family category there are 7,600 applications on hand, which equates to around a four-year wait for carers and a 16-year wait in the case of aged dependent relatives and remaining relatives.

The ceased visa classes were ultimately unsustainable and, indeed, given the queues that had developed, it would be inappropriate to accept further applications and give people the false expectation that visas could be granted soon. What those opposite are suggesting is that we should continue to take applications for which people on the parent and aged parent non-contributory visas will pay $4,435 and $5,585, and they will get no result. They will pay that money with an expectation that their visa will be able to be processed and granted, and they will be waiting 13 years. I think that is dishonest—to go and tell people that they have a pathway when the pathway has a waiting time that will see their application either lapse or be unable to be fulfilled. If we are going to create programs and if we are going to run programs then the people who apply for them and who pay thousands of dollars to lodge their application should be able to have an expectation that their visa will be assessed and processed and, if they meet the requirements of the scheme, that they will gain a place. That is simply no longer possible under the way that these schemes have blown out over recent years. It is my sincere hope that I will be in a position to reinstate applications in these places, but once we have been able to get the backlog under control.

The 835 places that have been reduced in the parent and other family program have been increased, I stress, in the partner program, where there are an additional 300 places for partners who are also waiting for visas—partners of those who are seeking those visas; 35 extra children visas; and 500 for the contributory parent scheme. Under the previous government the contributory parent scheme was slashed and the non-contributory parent
scheme was increased. This government has restored the arrangement that was in place previously, under the former government. And 1,500 non-contributory parent visas will be provided this year. There will be 500 visas provided for carers and remaining relatives and aged dependent relatives. Those visas will be provided this year. So to suggest that the number of these places is reduced to zero shows a complete lack of understanding by those opposite about how the program works.

We need to work through the backlog of cases to ensure that, for those who have already paid their money, who are already counting on a pathway and have a reasonable expectation that will be considered, we can move through that. But, if you keep adding to the list, then working through the caseload of those cases that are already in the queue becomes more difficult. The implication of what the opposition is putting forward is to make those who have already made those applications, who are already waiting, wait even longer. That would be the consequence.

Once we have been able to work through the backlog in the caseload, I would give priority first to ensuring we can get an increase in the number of carer places that are going into this program and to ensure that that is done. But we currently have a four-year wait on those carer visas. I want to see that cut significantly. I want to be able to ensure that we can recommence the carer program with suitable places to make sure that, when people make an application for a carer visa—and I stress that that visa application costs them $3,515—and pay that money to have a carer come under the program, then they have a reasonable expectation that will be handled expeditiously and that there will be a result to their application.

Parents will still be able to migrate to Australia under the contributory parent visa program, and we support the contributory parent scheme. Those who have worked their entire life in this country and have entitlements to benefits as a result of their living and working and paying taxes their whole life in this country can enjoy those benefits. Under the non-contributory parent scheme, people access those benefits more or less immediately. It is our view that, if we are going to have a balance in these programs, then we have put the balance towards the contributory parent scheme, which enables those who are coming to be reunited with family to be able to make a contribution to the support and entitlements they would receive when coming to Australia.

Those opposite disagree with that position, and they are entitled to do that. When they were in government they reversed this. They cut the numbers of places for contributory parents, which has a much-reduced waiting list time of 12 months to two years, and they decided to decrease those places and increase the places for the non-contributory parents, which places a cost on the taxpayer.

The overall saving to the budget from what has been done in this year's migration program is $31 million, a saving that was necessary to address the budget mess that was left to us by the previous government. What these initiatives do is address the budget mess and also the immigration mess not just on our borders with people smuggling but in the administration of these programs, which has seen these caseloads and queues grew longer and longer and longer.

It is important that we run a program that is fair, that we run a program that is affordable and that we run a program that is efficient, and it is important that people can have a reasonable expectation that they will be able to make an application and actually get an
answer. What those opposite are doing is holding out a false hope, a false promise. They are going out into all of the electorates and saying: 'You can make your application, but don't even think about actually getting an answer to it. Hand over your $5,000. We'll take your money. But don't expect to see a parent visa any time soon within the next 13 years.' That is the inconvenient truth that those opposite will not confront. They are going to ask for people's money and then not give them an answer for 13 years. I just think that is dishonest, and I was not prepared to allow that process to continue. I think we need to get on top of the backlog. We will continue to provide the places year in, year out for all the categories of visas for which applications have now ceased. We will continue to provide those places and we will continue to work through the long queue, which is up to 16 years in some of these visa class cases. We will continue to ensure that we can get the program back on track. But, if the opposition wants to simply whip up fear and play politics and play what is effectively a race card on this issue, then I think that is very disappointing.

We saw it last year when they were in government on the issue of 457 visas. They attacked the 457 program and they refused to acknowledge the incredible contribution made by 457 skilled migrants, particularly by those who go on to become permanent residents. The greatest number, in terms of the growth of that program, are in the Indian population, who the member for Greenway pretends to suggest she has some empathy for. She was not supporting them when it came to 457s last year. She was happy for the previous government to slag and bag the 457 program and skilled migrants then and now she pretends to be in favour of migrants. She is a fraud.

Mr BANDT (Melbourne) (13:22): I rise to support the motion to disallow the Migration Amendment (Repeal of Certain Visa Classes) Regulation 2014. The other family category of visa has now been cut by the Abbott government. This category included carer visas for people who need a family member as a carer and who have demonstrated that they cannot access sufficient care in Australia, sole remaining relative visas for someone with no family anywhere in the world but in Australia and aged dependent relative visas, which are for elderly non-parents overseas who are dependent on sponsors in Australia. Parent visas have also been cut, so now the only parent option is for people who can pay $50,000 per parent or $100,000 for two parents, which are the contributory parent visas.

My office has worked with many Melbourne constituents who under these cuts would remain separated from family members. We have spoken with constituents who now will not be able to sponsor family members who are in very difficult circumstances overseas to come to Australia. We have advocated for other constituents who are facing long, long waits to be reunited with loved ones. This comes on the back of actions by the previous government, where the Labor government cut the number of other family visas in 2013-14 from 1,285 to 585. Because of these cuts, already long waiting times got even longer. Carer visas for people to care for Australians in high need went from two years to three years to around five years and sole remaining relative visas and aged dependent relative visas went up to over 15 years.

One thing that the minister did not say in his contribution is that the government says it is still processing applications, but it has cut the number it is processing per year from 585 to 500. It may be that the already long waiting queues take even longer. Ultimately, it is very clear that for people who are here it is much better for them, it is much better for those close to them and it is much better for the Australian community if they are able to have their carers
and families here. That is why the Greens will continue to advocate for an expansion of the numbers that are being processed in these categories and for them to be processed much more quickly, so that the waiting times that we have seen under previous governments and under this one are shortened.

The DEPUTY SPEAKER (Mr Mitchell): The question is that the motion be agreed to. There being more than one voice calling for a division, in accordance with standing order 133 the division is deferred until the conclusion of the discussion of the matter of public importance.

Debate adjourned.

BILLS

Fair Work (Registered Organisations) Amendment Bill 2014

Second Reading

Debate resumed on the motion:

That this bill be now read a second time.

Ms RYAN (Lalor—Opposition Whip) (13:25): I have deep concerns about the Fair Work (Registered Organisations) Amendment Bill 2014. I saw the negative impact of Work Choices and celebrated the introduction of the Fair Work legislation by Labor. Since September last year, this government has broken many promises, election commitments have been tossed aside, and taxes and cost-cutting measures that were never dreamed of have been introduced. Here we are again. Before the election, the Abbott government made a commitment to regulate registered organisations in the same way as corporations. This bill does not implement the coalition's election promise. This bill makes provision for higher penalties on corporations and registered organisations will have a more onerous regime to deal with.

There are new criminal provisions which, if enacted, mean that registered organisations, employer bodies and unions will have difficulty in persuading people—often in a voluntary capacity—to take on official responsibilities. It is not just Labor saying that. The AIG states:

If the proposed criminal penalties and proposed massive financial penalties for breaches of duties are included in the RO Act, this would operate as a major disincentive to existing voluntary officers of registered organisations continuing in their roles, and would deter other people from holding office.

These are genuine concerns that have not been addressed by the government. Unions have also raised quite legitimate concerns about the impacts of the proposed laws. Usually, when you have industry bodies and unions lining up on a unity ticket against a proposition, there is something very wrong. This is apparent here.

I have seen workplaces disrupted by employees making a point on legitimate concerns. As a former teacher, there have been disputes over conditions and funding. Very rarely have I seen frivolous claims. With three young adult sons, I hear about workplace conditions in the building, transport and warehouse industries. I know there are some workers and indeed some bosses that could behave better, take workplace safety more seriously and ensure that correct rates of pay, especially overtime, are adhered to. As I move around my community, people discuss unfair dismissal and other workplace matters. Safety and dignity at work are paramount in the electorate of Lalor. Union membership is valued.
Many make the point that they would prefer to be in a unionised workplace, as their rights and their safety are protected. As a mother and someone who has worked with young adults, I can speak firsthand to the peace of mind it brings. I do, however, read the paper and watch the news. I know that not everybody acts with integrity in the workplace. That is why the Labor Party has no tolerance for corruption by union officials or officers in employer bodies. We support tough penalties for those who break the law and we support appropriate regulation for registered organisations, including a properly empowered regulator and consequences for those who do not follow the rules.

Labor is committed to ensuring financial accountability by unions and employer organisations. That is why in 2012 the now Leader of the Opposition, Bill Shorten, as Minister for Workplace Relations, toughened the laws to improve financial transparency and disclosure by registered organisations to their members. As a result, the regulation of trade unions in Australia has never been stronger, accountability has never been higher and the powers of the Fair Work Commission to investigate and prosecute for breaches have never been broader and, with a tripling of penalties, they have never been tougher.

What we are not hearing from those opposite about this legislation is that the Fair Work (Registered Organisations) Act already prohibits members' money from being used to favour particular candidates in internal elections or campaigns. It already allows for criminal proceedings to be initiated where funds are stolen or obtained by fraud. It already ensures that the Fair Work Commission can share information with the police as appropriate, and it already provides for statutory civil penalties—

The DEPUTY SPEAKER (Hon. BC Scott) (13:30): Order! The debate is interrupted in accordance with standing order 43. The member will have leave to continue her remarks when the debate is resumed. The debate may be resumed at a later hour.

Statements by Members

Budget

Ms KING (Ballarat) (13:30): Over the last six months we have seen this Prime Minister and this government start to dismantle our universal healthcare system as we know it. The Abbott government wants to slug families, pensioners and patients with a $7 GP tax every time they visit the doctor, get a blood test or get an X-ray. They have ripped $50 billion out of our public hospital system, and they want to increase the costs of medicines, and they are telling state governments that they should charge you a tax every time you go to visit the emergency department. The government is intent on creating a two-tiered healthcare system in this country, an American-style healthcare system where your credit card is more important than your healthcare card. These lazy policies hurt middle- and low-income earners, and they hurt the most vulnerable in our society.

Members on this side of the House have been speaking to our electorates right across the country about the importance of Medicare. In my own electorate, people are rightly worried about what these changes will mean to them if they get sick. Nearly 67,000 Australians have signed our Save Medicare petition, voicing their concerns at this attack on the universal health care system. They want to tell the Prime Minister that he cannot get away with imposing an unfair $7 GP tax every time people visit a doctor. Australians want the Prime Minister to know that gutting our public hospitals of $50 billion means an increase in elective surgery and
emergency department waiting times. I seek leave to table a document that represents the 67,000 people who have signed our Medicare petition—(Time expired)

Leave granted.

Dobell Electorate: Share the Love

Mrs McNAMARA (Dobell) (13:32): Recently I had the pleasure of meeting Kristy Chidgey, Sarah Wilson and Christine Davis, founders of an outstanding charity organisation in Dobell called Share the Love, which they established three years ago. These three women shared a vision to assist young mothers in meeting essential needs for their young children. Share the Love operates by accepting referrals from other local agencies who offer support to young mothers in need. Having started in Kristy’s garage, Share the Love quickly grew and before long had to relocate to larger premises in Gorokan. It is the hope that one day Share the Love will occupy a factory bay and office in order to provide greater services to local families.

When I visited the Share the Love office I was impressed by the achievements and dedication of Kristy, Sarah and Christine. Through their hard work and commitment, Share the Love has collected a large supply of clothes, cots, nappies, bottles and other essential items required by new mothers to care for their babies. Of course, there is always more that can be done, and Share the Love acknowledge that their services are in high demand. They are growing bigger and better every day. Remarkably, Share the Love has grown without any government assistance, highlighting what can be done when good people put their minds to helping their community. This parliament should give credit to Kristy, Sarah and Christine for their leadership in identifying a need in our local community and developing a service to address it. I wish Share the Love all the very best—(Time expired)

Budget

Mr STEPHEN JONES (Throsby) (13:33): Australia is facing a healthcare emergency—not the false emergency that those opposite are trying to convince the Australian people of, but one of their own making. This morning I stood with the member for Ballarat and dozens of Labor members with a rally of nurses and midwives from across Australia to protest against the lies and broken promises of this government. Over $50 billion has been gutted from our public hospital system, and it is going to send the health system in this country back 50 years—an ill-considered and unfair GP tax that will do exactly what it is designed to do, and that is stop patients going to see their doctor.

Before the election the Prime Minister said there would be no cuts to the healthcare system. Not even a year later, every Australian is starting to see the impact of these cuts—a $7 GP tax every time they go to the doctor, get a blood test or seek an X-ray. This is going to affect all Australians, but it is going to have a devastating effect on regional and rural Australia. In my region alone, where over 91.7 per cent of GP consultations are being bulk-billed, this is going to be hit on the head. Over $5.5 million is going to be ripped from the pockets of consumers through this horrible—(Time expired)

Corangamite Electorate: Telecommunications

Ms HENDERSON (Corangamite) (13:34): When I was elected I committed to the people of Corangamite that I would be their strong local voice. Today I rise to speak out on the communications issues facing residents in West Bellbrae. Last week I hosted a community
meeting in Bellbrae. I was shocked to learn that one couple, Maxine and Noel Flakemore, have suffered dropouts with Telstra's fixed-line phone service for almost 28 years. Three or four times a year the line drops out for between one and three weeks at a time. Other residents said that the situation had become so bad that they had cancelled their fixed-line service. Under the Telecommunications Act, Telstra has an obligation to ensure that standard telephone services are reasonably accessible to all people in Australia on an equitable basis. Things are no better with mobile phone coverage, which is patchy at best, or the internet. There is no ADSL broadband, and the connection by mobile wireless is costly and slow. Everyone from businesses to students to local schools are paying the price.

I am advocating extremely hard for Bellbrae to be included in our government's $100 million mobile phone coverage program as well as our NBN rollout schedule to be announced later this year, along with the southern suburbs of Geelong and other parts of Corangamite, such as Torquay and Ocean Grove. I am proud that, unlike Labor, our NBN will prioritise rural and regional Australia.

Budget

Ms RYAN (Lalor—Opposition Whip) (13:36): I too rise to condemn the GP tax and to speak for the people of Lalor, who will be hard-hit if this tax becomes a reality. Lalor has a bulk-billing rate of 93.5 per cent. Families across my electorate access bulk-billing services more than 1.5 million times each year—greater than anywhere else across Australia. This GP tax will cost Lalor families over $11½ million annually. If you turn to the letters page in the Age yesterday, Deputy Speaker, you will see a letter from a local Werribee doctor, Dr Joe Garra. He writes:

As a western suburbs GP with many elderly patients the introduction of the co-payment worries me. I cannot afford to waive it; the loss of $7 equates to a 30 per cent drop in income. My worry is that elderly patients with chronic illness, often on necessary medication, will pick and choose what to miss out on to save $7. It may be seeing me or having an important blood test or X-ray. If this leads to a hospital admission, then the projected savings convert to a huge expense for taxpayers. The GP tax is the most insidious part of this budget, and the thing that goes to the core of this government's callous disregard for the welfare of everyday Australians. If this government cannot listen to those MPs on this side of the House, perhaps they will listen to respected doctors like Joe Garra.

Darwin BMX Park

Mrs GRIGGS (Solomon) (13:37): Last weekend, I had the privilege to open the Jingili BMX club's brand new track. This $1.89 million all-weather international standard track called Ahren's Arena allows Territory riders to train throughout the wet season. This facility is the first of its kind in Australia. During the 2010 campaign there was bi-partisan support for this facility. As the member in opposition I continued to lobby and ensure the $1.5 million commitment from the federal government remained and was delivered to NTBMX.

The new track includes a cyclone coded roof over the new purpose built track, an Olympic standard Progate starting gate and television standard lighting. This new facility will ensure that Top Enders can train and prepare all year round for national and international competitions.
We have four riders—Ryan York-Morris, Jayde Freeman, Mickayla Perkins and Ian Orr—attending the 2014BMX Worlds in Rotterdam. I wish them all the very best and I look forward to opportunities for the Top End to host national and maybe even international BMX competitions, because we now have the best facility in the country with the best weather. I am grateful and thankful that we received this money.

### Budget

**Ms BRODTMANN** (Canberra) (13:39): The Abbott government's plan to undermine universal health care with Medicare and PBS co-payments will affect every Australian. But there is no doubt that this attack on universal healthcare will have the biggest impact on those who can least afford it; and in my electorate of Canberra that means the clients of the Winnunga Nimmityjah Aboriginal Health Service. I have been presented with a petition signed by over 600 clients, staff and friends of Winnunga, who 'say no to the government's proposed changes to Medicare and the PBS', because these changes are 'unaffordable and unfair'.

Clients of Winnunga simply do not have $7 to pay each time they visit a doctor or $5 for each script. They often have complex health problems that require multiple scripts and visits to the doctor every month. Winnunga will have no choice but to absorb these costs on behalf of its clients, leaving them around $300,000 worse off each year. Winnunga is one of the only Aboriginal Community Controlled Health Services in South East New South Wales, and it services clients from Wollongong to Wodonga, from Wagga Wagga to Batemans Bay.

I hope the members for Eden-Monaro—and I am very happy that he is here today—Hume, Riverina, and Gilmore are listening, because it is your constituents who rely on the services of Winnunga and it is your constituents who have signed this petition. Winnunga is just down the road from us in Narrabundah, so I urge these MPs to visit this excellent community health service and hear firsthand what a terrible impact your co-payments will have on Aboriginal health in our region.

### Murray Electorate: Food Processing

**Dr STONE** (Murray) (13:41): For all of those who are listening to this great Australian parliament today—those in the gallery, those who might be listening on radio—let me remind you of the plight of SPCA, the last remaining, great Australian fruit and vegetable manufacturer, located in the Goulburn Valley and surrounded therefore by some of the best orchards you will find anywhere across the country. You might have imagined that their troubles were over, and that, with the massive response of more than the doubling of purchases of SPC Ardmona product, all would be well. But I have to say that we still need the support of the great Australian public. When they go into the big two supermarkets, Woolworths and Coles—who have such market power and who can squeeze the price on all their manufacturers—we need Australians to demand, to insist, that the Australian product is there on the shelves. It is not just the generic or home brands or some alternative, which will always be cheaper, because we still have this massive dumping of imported product coming into the country—Italian tomatoes, peaches and other fruit from South Africa and a lot of product from China. We, as Australians, deserve the best when it comes to our food: it must be clean and it must be properly grown in circumstances where the labour is treated ethically. I remind the Australian public that, please, when you reach for your foods in the supermarkets, buy Australian; and if you buy fruit, buy SPCA.
Budget

Mr WATTS (Gellibrand) (13:42): Since the May budget, my office has been inundated with calls from constituents outraged by the Abbott government's GP tax and prescription fee hike. People are in total disbelief that this government could so cruelly betray those people who voted for it so soon after the last election. The Prime Minister has broken his promise of no new taxes with his $7 GP tax, which will see families charged with $3.5 billion in out-of-pocket costs—a hit to the most vulnerable of Australians. On top of this, the government's fee on prescriptions will make medicines more expensive and add $1.26 billion to families' budgets.

The longer-term costs of these changes will drastically outweigh any short-term savings they bring. Instead of encouraging Australians to seek treatment early, the GP tax will motivate them to wait until greater complications or sickness arise, increasing hospitalisation and costing the system, taxpayers and patients more in the long term. The only people who want these changes are the Abbott government and their Commission of Audit. Countless health academics have advised against this tax, yet the government is pushing ahead with it anyway. This appears to be but the first step in the Liberal Party's plan to dismantle Medicare.

Let it be known that we on this side of the House will continue to fight the government against their attacks on universal health care in this country. Tony Abbott was elected promising no cuts to health and no new taxes, but these promises have both been smashed. He has broken his promise of no new taxes with this $7 GP tax and is forcing Australians to pay $5 more for each and every prescription. Australian families should not have to pay for the fibs, fictions, falsehoods, fabrications and furphies told by the Prime Minister before the last election.

Domestic Violence

Mr PASIN (Barker) (13:44): As a White Ribbon ambassador, I was pleased to join Minister Kevin Andrews at the launch of the second action plan of the National Plan to Reduce Violence against Women and Children this morning. Violence and sexual assault against women and children is utterly unacceptable and the second action plan to reduce violence against women and children sends a strong, united message that such violence is reprehensible.

The coalition government has allocated more than $100 million over the next four years to support the second action plan. This is part of the $200 million that has been committed under the National Plan to Reduce Violence against Women and Children for the period July 2009 to June 2017. The Commonwealth government will continue to work with states and territories, with the business community and community sectors, and across all of our society to build on the success of the first action plan and achieve better outcomes for women. As policymakers, we have a responsibility to ensure that perpetrators should have nowhere to hide—nor victims reason to hide. I am proud to stand alongside Minister Andrews and other parliamentary colleagues as we take crucial steps together to reduce violence against women and children. We still have much work to do, however the second action plan is a vital step in the right direction.
Landcare

Ms McGOWAN (Indi) (13:45): I rise to congratulate the Burgoigee Creek Landcare Group for the fantastic work they do caring for the environment in the Murmungee district. On Tuesday, 8 July, I joined 50 people at the recently renovated Old Murmungee Hall for the Burgoigee Creek Landcare Group AGM. As with any rural get-together, there was plenty of wide-ranging discussion on Landcare and the organisation's future. The environment is an issue close to the heart of everyone in that tight-knit community and I was delighted to be there to listen to their comments.

Landcare groups are excellent models of community engagement. They are among the best at doing it and the social benefits gained for rural communities are significant. I want to champion and represent Landcare in this parliament. I want to support the movement and see it grow in Indi. There are now 75 Landcare groups, including special issue groups, right across the north-east of Victoria.

At the AGM, I encouraged Landcare groups to be proactive in seeking government funding from the Green Army and Carbon Farming initiatives. Our communities will grow and thrive where Landcare grows and thrives. In conclusion, mention must be made of the superb catering on the night. To Ruth and Eddie Costenaro: thank you. The food was delicious and, on a really cold evening, the soup was particularly nice—representing your warm hospitality.

Hall, Mr Ronald Maxwell

Mr NIKOLIC (Bass) (13:47): Ron Hall is a legendary figure in Tasmanian football, having given a lifetime of service to the game. In 2008 he was inducted into the Tasmanian Football Hall of Fame. Ron was also a champion farmer, twice selected as the Tasmanian Dairy Farmer of the Year. Sadly, Ron passed away unexpectedly on 26 June, at a time when he was still making a contribution to his beloved Scottsdale Football Club—or the Magpies, as they are known. He had been organising the 50th anniversary celebrations for the Magpies' 1964 premiership team, which he played in as a 17-year-old.

Ron showed extraordinary skill at an early age. Between 1964 and 1974, he played in six premiership-winning teams for Scottsdale, plus two losing premierships, and gained selection in the Tasmanian state team. He was lured briefly to then VFL club St Kilda, but injury limited his opportunities. On return to Tasmania, he played nearly 300 games for Scottsdale and was honoured with life membership. After retiring, Ron coached and played for country teams like Pioneer, Winnaleah and Branxholm. At 43 he played his last game of football with Branxholm—another premiership. It is undoubtable that Ron Hall is amongst the greatest ever footballers to pull on the black and white for the Magpies. I express my sincere condolences to Ron's partner Deborah, his family, his friends and the Scottsdale Football Club.

Budget

Ms CHESTERS (Bendigo) (13:48): I too rise to condemn the government's proposal to introduce a GP co-payment—a GP tax. The people in my electorate of Bendigo, whether they be locals, local GPs or local health organisations, are all speaking out in opposition to this new toxic tax. The latest, Loddon Mallee Murray Medicare Local's new medical adviser, has come out saying that the proposed GP tax, the $7, will hinder patients from seeking the help and accessing the care they need. She said that they would not be presenting, making it difficult for doctors to ensure that those most in need are engaging in preventative health. She
said that doctors would not be able to ensure that their vaccinations are right or that their diabetes is checked and under control. Doctors would be unable to provide all the preventative measures required in rural areas to ensure that our communities remain healthy.

It is not just our Medicare Local speaking out but also Castlemaine doctors. They have come together—21 practitioners—to say that they are very concerned about this budget and the GP co-payment. Over 1,000 people in Castlemaine alone have signed a petition condemning this toxic tax. This tax is bad policy and creating a healthcare emergency, one this country does not need.

Thailand

Mrs PRENTICE (Ryan) (13:50): I recently met with Ms Berge and a local delegation from the Thai people of Queensland, who presented me with letters for the Prime Minister and the Minister for Foreign Affairs. Included with these letters was a petition, as well as some photographs of their activities in Brisbane and around the world showing their support for the Thai military. They believe the military coup will keep Thailand safe and help to prevent further violence. They also support an election after reforms—sharing the desire to see a free and fair election for true democracy.

Upon receiving this petition from my constituents, I sought to submit it to the Standing Committee on Petitions. Unfortunately, however, the petition does not conform to standing orders and cannot be accepted in its current form. I commend my constituents and the Thai people of Queensland for standing up for the future they would like to see for Thailand. I share their desire to see peace, fair elections and democracy return to Thailand.

I seek leave to table these documents so they can be placed on the parliamentary record.

The DEPUTY SPEAKER (Hon. BC Scott): Leave is granted to table them as a document.

Mrs PRENTICE: I thank the House.

Budget

Mr FEENEY (Batman) (13:51): Just this past weekend, hundreds of electors in my electorate of Batman expressed their anguish at the Abbott government's attack on Medicare and the unfair GP tax. I have received a host of letters expressing deep concern about how the ideological $7 GP tax will affect their health and the health of their families. Tony Abbott and the coalition do not understand, or they simply do not care, that this tax will hit the most vulnerable in our communities—and it will hit them hard. The sick, the poor and the elderly will be the ones to pay for Abbott's broken promises.

In my electorate, 87 per cent of all GP services are bulk-billed. This new tax will cost the residents of Batman $6,289,472. On top of that, Australian families will now be expected to pay more for medicine. Changes to the PBS will see the cost of medications rise to over $40 for most people, and concession card holders will now be forced to pay over $6.

This new tax not only attacks Australians' fundamental belief that the right to health services belongs to everyone; it will also have a negative impact on the health of the nation. Make no mistake: this tax will prevent people from visiting their GP and will merely pass the cost of health services along to our hospitals and the broader health system tomorrow. The
communities I represent do not deserve to have to decide between going to the doctor to look after their health and meeting their weekly cost of living.

**Petrie Electorate: Bayside to Bald Hills Fun Run**

Mr HOWARTH (Petrie) (13:52): I rise to congratulate an organisation in my electorate, the Green Apple Wellness Centre at Bald Hills, for the fantastic charity fun run, cycle and markets they put on over the weekend. I participated in the six-kilometre cycle with two of my children and many other locals, who were walking, running, or cycling as well. Together we raised around $15,000 for the children's cancer charity, Camp Quality. The event is in its 29th year and has raised more than $240,000 for Camp Quality over that time. Camp Quality is a charity that believes in building resilience in the lives of every child living with cancer in Australia, and their family. It was great to see the community pull together in support of such a worthwhile cause.

Congratulations must go to all the organisers, including Nessa Williams; to the owners of the Green Apple Wellness Centre, Victoria and Brian Gill; to all the volunteers; and to everyone who took part in the fun run and markets. Next year's event will mark 30 years since the event started. It is a great way for people in the community to keep fit and help raise money for children suffering cancer.

**Budget**

*Government members interjecting—*

Mr CHAMPION (Wakefield) (13:54): The other side do not want to hear about the GP tax; they are hiding from it. They are afraid to come into this room and talk about the budget; they would rather talk about fun runs and other worthy causes in their electorate. They do not want to talk about the GP tax. They do not want to talk about the fact that every time their constituents walk into a waiting room or get a blood test or some other service from a doctor they will be paying $7. On top of that, there are $80 billion in cuts from schools and hospitals.

This is a program to destroy Medicare. It is opposed by the Australian Medical Association, the College for Emergency Medicine, the Doctors Reform Society, the Public Health Association, the Royal Australian College of General Practitioners, the Consumers Health Forum and the Australian Healthcare and Hospitals Association. The other group who does not support it is the backbench of the government. Not one of them will rise in this chamber to defend this rotten tax on people every time they go to the doctor. I can tell you that the opposition will be talking about this all day, every day until election day.

**Herbert Electorate: Reid Park**

Mr EWEN JONES (Herbert) (13:55): Reid Park, in my city of Townsville, is home to the fantastic Townsville 500 V8 Supercars, but its pits are pretty much empty for the rest of the year. That is why I took great pride last week when I fronted the cameras there with Graeme Connors, the great country and western singer based in Mackay, and Dan Rosen, the CEO of ARIA, to announce my plan to make the pits in Reid Park an organic live music scene in Townsville.

Graeme Connors said words that will stay with me for an awfully long time, that music should never lose its 'regionality' and that we must be able to tell our stories with our words and with our music. I was pleased to be joined by Stevie Mitchell from the band King, who
will be touring this September. If you get a chance to see them, they are a fantastic blend of all sorts of music, including Aboriginal, hip-hop and didgeridoo. This is the music that comes out of the regions.

I was lucky enough to be a young man when bands like Regurgitator, Custard and George were coming through in Brisbane. There is no reason why we cannot see that in Townsville. This is a $40 million facility which is underutilised throughout the year. We want to make sure that we use this facility properly, that we do get this music scene here and that we are as creative and collaborative as humanly possible for the young people of Townsville, those people with the skills in music and the ability to join others in generating a very creative space which is good for absolutely everyone in my city of Townsville.

Budget

Ms O'NEIL (Hotham) (13:57): I rise to commit to my constituents that, as the member for Hotham, I will fight to save Medicare. When this Prime Minister went to the election, he promised there would be no new taxes and no cuts to health. Yet what do we see just nine months after these guys are elected? At the first opportunity, they impose a $7 GP tax and they cut $80 billion out of health and education. This co-payment comes as constituents in my electorate of Hotham are already having to deal with savage cuts. Our Medicare branch in Southland has just shut down. We have no Saturday services. This is a massive imposition on working families in my electorate.

Following this general outcry about the deterioration of health services in this country, I sent around a petition to people in my electorate. I have been inundated by responses in the couple of days since the petition hit letterboxes. I also received responses from about 40 people who have come by foot into my electorate office so they can express to my electorate staff how angry they are that promises made during the election have been broken. It is unfair and unacceptable to tax Australia's sick in this way. It is unfair to tax those who are suffering from chronic health conditions. It is unfair to do this to the older people in Australia who are likely to access GP services more often than others. We know that fees like this mean people in the community do not get important preventative healthcare services. I will be continuing to fight for Medicare in my role as member for Hotham.

Stroke

Dr SOUTHCOTT (Boothby) (13:58): Yesterday the National Stroke Foundation launched a new website and a report titled Stroke in Australia: No postcode untouched. I commend the foundation and their chief executive officer, Dr Erin Lalor, on this report. The report shows the widespread impact of stroke in Australian cities and towns. For the first time, it details the numbers of strokes, the numbers of stroke survivors and the numbers of people who are dying from stroke. It also shows how many people are living with risk factors such as high blood pressure, high cholesterol, atrial fibrillation and lack of physical activity. In my own electorate of Boothby we rank fourth for number of strokes, second for number of deaths from strokes and sixth for number of stroke survivors, 3,707.

I encourage all members to have a look at this report. Many constituents would be unaware of their risk. There is more that can be done in terms of dedicated stroke units as well as integrated health checks in primary care. I commend the foundation on this report.
The SPEAKER: In accordance with standing order 43, the time for members’ statements has concluded.

MINISTERIAL ARRANGEMENTS

Mr TRUSS (Wide Bay—Deputy Prime Minister and Minister for Infrastructure and Regional Development) (14:00): Madam Speaker, on indulgence, I inform the House that the Prime Minister will be absent from question time today while he attends the military funeral of Lance Corporal Chidgey. I will answer questions on his behalf.

QUESTIONS WITHOUT NOTICE

Asylum Seekers

Mr MARLES (Corio) (14:00): My question is to the Minister for Immigration and Border Protection. I refer the minister to the Australian customs vessel currently carrying 153 asylum seekers and Australian personnel. Can the minister please update the House on the vessel’s location, the status of all persons on board, including Australian personnel, and the government's immediate plans in dealing with this situation.

Mr MORRISON (Cook—Minister for Immigration and Border Protection) (14:01): I thank the member for Corio for his question. As the member will know, these matters are currently before the High Court and the government has made some statements to the High Court about these matters.

Opposition members interjecting—

Mr MORRISON: I will wait for silence, Madam Speaker.

Opposition members interjecting—

Mr MORRISON: Madam Speaker, this is a very serious matter—

Mr Fitzgibbon interjecting—

The SPEAKER: We will have silence, including from the member for Hunter. The minister has the call.

Mr MORRISON: This venture which we have identified to the High Court is one that demonstrates, I think, the nature in which this government seeks to deal with these issues in terms of people smuggling to Australia. I have said very clearly to this House that this government has had significant success in dealing with these matters. The reason we have had that success is that we have been adamant that, on every occasion that may present, we will apply all of the policies we have to ensure that no venture successfully reaches Australia. Those are the policies that we are applying, whether it is in this instance or in any other instance. I know that those opposite like to denigrate the fact that there has been no successful people-smuggling venture to Australia in seven months, but it means that there has been no loss of life for people at sea as a result of those ventures since last September.

Mr Burke: Madam Speaker, I rise on a point of order: it is a very straight question, with no preamble and an important one to be relevant to.

The SPEAKER: I call the honourable the minister, who will return to the question.

Mr MORRISON: As I said, the matter is before the court and the government is not going to expand on the issues or the responses we have already made to the court as it considers these matters. But I can assure this House that those men and women who serve as
part of our Customs and Border Protection Service, who serve as part of the Australian Navy under Border Protection Command, conduct themselves with the utmost professionalism, with the utmost compassion, and that is what they are doing today, that is what they will do tomorrow and that is what they were doing yesterday. They are ensuring that any persons who are in their care are well looked after, because that is the nature of the people that we have put our trust in on our borders. I know they, like those on this side of the House, want to see an end to the despicable trade that flourished under the previous government.

**Opposition members interjecting—**

**Mr MORRISON:** In July of last year, 48 vessels—

**Mr Burke:** Madam Speaker, I rise on a point of order: if the minister is now referring to July of last year, he is clearly defying your ruling.

**The SPEAKER:** This is not a point of order.

**Mr MORRISON:** I can understand why the Manager of Opposition Business would not want me to refer to July of last year, because when he was minister in July of last year 48 boats turned up, as you know. Over 4½ thousand people turned up on your watch in July of last year, and over 16 people died last July that we know of. This government will never return to the chaos and the madness and the tragedy that that former minister presided over, that that former minister there presided over and that that former minister over there presided over—never, ever.

**Mr Burke:** Madam Speaker, I rise on a point of order: the defying of your ruling has reached a point of just being ridiculous.

**The SPEAKER:** I think the minister has concluded his answer.

**Mr Burke:** He did not begin his answer, Madam Speaker.

**The SPEAKER:** Thank you. It is for me to decide on your point of order, and I asked him to return to the question at the time.

### Carbon Pricing

**Ms HENDERSON** (Corangamite) (14:05): My question is to the Deputy Prime Minister. Will the Deputy Prime Minister outline how scrapping the world's biggest carbon tax will help manufacturing businesses in my electorate of Corangamite and across Australia?

**Mr TRUSS** (Wide Bay—Deputy Prime Minister and Minister for Infrastructure and Regional Development) (14:05): I thank the member for Corangamite for her question, because this is a significant week. Australia has had the world's biggest carbon tax and now there is a chance, now there is an opportunity, to get rid of it. Labor opposite apparently still want to keep this tax. Once more, in spite of the Townsville termination statement, they are determined to bring it back, if ever given another chance.

What Australian people want is an end to this tax, which is costing jobs. At least 120,000 jobs have been lost in Australia since Labor introduced the carbon tax. The tax is adding to the cost of living. It is adding to the cost of everything we do in this country. Getting rid of it will save the average household $550 a year. It will make Australian industry more competitive. It will give us the opportunity to build on our nation's strength, without having to carry this extra burden that our competitors around the world simply do not have to live with. Electricity prices will go down by about nine per cent and everybody will therefore be better
off in that regard. It will be cheaper to run your refrigerator, cheaper to run your heaters or your air-conditioners. It will help those who are building roads or manufacturing goods in this country. These are all benefits that will flow through to the Australian economy. As a result, we will once again have the chance to become competitive.

It should come as no surprise to Labor that the carbon tax has increased the cost of living and has cost jobs in this country. The very design of the tax was intended to raise the cost of doing business, of using electricity. It was a deliberate strategy to hurt people, to hurt them so much, the theory was, that they would turn off their lights at night rather than use electricity, that they would not undertake manufacturing in this country. That is a foolish policy that has damaged Australia’s economy. Of course, if Labor ever gets the opportunity again to introduce a carbon tax it will not be at the current price of $25.40. Their projected figure is $38 rising to $350 over the life of their scheme. That is an unsatisfactory impost on Australian business, and the sooner we get rid of it the better. Labor has its chance for the third time this week in the Senate to vote to get rid of this tax and let Australians get on with their lives.

Budget

Ms PLIBERSEK (Sydney—Deputy Leader of the Opposition) (14:08): My question is to the Minister for Health. When there is already a shortage of 20,000 nurses, state governments are sacking nurses and hospitals are struggling to meet elective surgery and emergency department waiting times, why is the government cutting $80 billion from hospitals and schools? Can the minister guarantee to the nurses in the gallery today that no hospital will need to make do with fewer nurses because of the savage budget cuts to health?

Mr DUTTON (Dickson—Minister for Health and Minister for Sport) (14:09): There is a lot of irony in that question from the member for Sydney. She presided over the ripping of millions and millions of dollars away from frontline services and putting them into great big new Labor health bureaucracies. When we came into government the department had over 5,000 people and 21 outside agencies, many of which had grown under Labor’s six failed years of government. The shadow minister, the minister at the time, who now aspires to occupy permanently the chair of the Leader of the Opposition, wants to talk about her record on health. Her record on health is absolutely appalling. Let me explain why.

Mr Bowen: Madam Speaker, I rise on a point of order on relevance. The question was about his $80 billion worth of cuts, which he is refusing to deal with.

The SPEAKER: I have reminded the member before that the point of order is not an invitation to restate the question. A quick look at the practice will help the member phrase it properly.

Mr DUTTON: This dream team will go nowhere—that is my prediction. You failed under the Rudd-Gillard years. You have all the loyalty of Julia Gillard. That would be my projection. In relation to hospital funding—she does not want to hear it!

The SPEAKER: The minister will resume her seat; the Deputy Leader of the Opposition on a point of order.

Ms Plibersek: I would like you to say the word ‘nurse’ just once.

The SPEAKER: The Deputy Leader of the Opposition knows that is an abuse of the standing orders, and it will not be tolerated.
Mr DUTTON: I will come to hospital funding in a second, but in relation to nurses—I am very happy to talk about nurses—we went to the election promising 500 new scholarships over the next three years for nurses and allied health care workers.

Opposition members interjecting—

Mr DUTTON: Why do you scoff at that? You would prefer to spend money on GP superclinics, half of which have never opened six years later?

The SPEAKER: The member for Moreton, the member for Kingsford Smith and the member for Jagajaga will desist.

Mr DUTTON: We took that money away from superclinics and we took other money Labor was wasting and we put it into nurses. We have increased the number of places for training GPs over the coming years. We took money away from Labor's bureaucracies and we put it into frontline services.

What have we done in relation to hospitals? Let me tell the Leader of the Opposition, as she wants to be, that we are increasing hospital funding across the Commonwealth by nine per cent over the course of the next 12 months. What will we do in the year beyond? We are going to increase it by nine per cent. What will we do the year beyond that? We are going to increase it by nine per cent. And in the fourth year we will increase hospital funding by 6½ per cent. We increase health spending in this budget and every budget as we go forward, but we are not going to do it in the way in which Labor did.

Ms Plibersek interjecting—

The SPEAKER: The Deputy Leader of the Opposition will desist.

Mr DUTTON: The people of New South Wales, Queensland and Victoria, in particular, know the way in which Labor governments ran their hospital systems at a state level and they got a taste of it over the last six years. They take money away from frontline services—

Ms Plibersek interjecting—

The SPEAKER: There are no props permitted. The Deputy Leader of the Opposition will put the prop down.

Mr DUTTON: and they give it to the unions in these great big health bureaucracies. We will not fall for that. We will not fall for those stupid mistakes. We will not make the mistakes that the member for Sydney made when she was the health minister. We will take money and we will put it into nurses and we will put it into doctors. We will make Medicare sustainable. We will not go down the failed path of Labor. People know that at the next election they will have a choice to make between getting more money into health, which is what we on this side of the House provide, or signing themselves up again to the failed health system that Labor presided over for six years.

Carbon Pricing

Mr PITI (Hinkler) (14:13): My question is to the Treasurer. Will the Treasurer outline the economic impact of repealing the world's biggest carbon tax?

Mr HOCKEY (North Sydney—The Treasurer) (14:13): The world's biggest carbon tax, you say. We are keeping to our election commitment to get rid of the world's biggest carbon tax. The Labor Party, unfortunately, is not keeping to its election commitment to terminate the world's biggest carbon tax.
Mr Conroy interjecting—

Mr HOCKEY: There are teeth moving over there but I cannot see the face. There is something moving—lots of chompers. Tomorrow is the first anniversary of the Townsville termination, when the member for McMahon and the former Prime Minister went up to Townsville and proudly proclaimed that the Labor Party was going to terminate the carbon tax. If Labor was re-elected they were going to terminate the carbon tax. The only problem is that, coming into opposition, Labor is now determined to oppose the termination of the carbon tax. Why? I found out why today. Outside Parliament House, in words that would ring true to everything Labor does—

Ms Butler interjecting—

The SPEAKER: The member for Griffith will desist. Hopefully, she will learn from yesterday.

Mr HOCKEY: the member for McMahon said, in relation to the carbon tax: 'The Labor Party's position will remain consistent and clear.' We are not sure if that was the original position in relation to an ETS, or whether it was the revised position in relation to a carbon tax, or whether it was the revised position on terminating the carbon tax—or who knows what their position is today?

Mr Champion interjecting—

The SPEAKER: The member for Wakefield is warned!

Mr HOCKEY: But we are getting rid of the carbon tax because it is a cost to Australian jobs. We are getting rid of the carbon tax because it is a handbrake on Australia's economic growth. We are getting rid of the carbon tax because it increases inflation in Australia. We are getting rid of the carbon tax because it reduces our competitive position in relation to a whole range of other countries that we compete with every day in trade and commerce. We are getting rid of the carbon tax so that we can deal directly with the cost-of-living challenges for everyday Australian families. We are getting rid of the carbon tax because the carbon tax is a failed policy. It is flawed policy.

How ironic it is that, after yesterday addressing every question to the carbon tax and after opposing the repeal of the carbon tax on three occasions, today the Labor Party are not even asking a question. They are going to have to defend the carbon tax not just yesterday but for every day up to the next election and beyond, because the carbon tax and the Labor Party are one and the same.

Budget

Ms KING (Ballarat) (14:16): My question is to the Minister for Health. When there is already a shortage of 20,000 nurses and hospitals are struggling to meet emergency department waiting times, why is the government now introducing a new GP tax that will increase pressure on our public hospital system?

Mr DUTTON (Dickson—Minister for Health and Minister for Sport) (14:16): This is an important topic and, as Kevin Rudd worked out when he was Prime Minister, he needed to fix the health system. Prime Minister Rudd at the time and, to her credit, Prime Minister Gillard commissioned two independent reports—first, the Bennett review and, second, the McKeon review—both of which independently came back to the then Labor government saying that
our current health system in this country, with an ageing population, is unsustainable, in their own words. That was not our claim and not Labor's claim; it was the independent advice commissioned by Labor when they were in government.

Mr Champion interjecting—

The SPEAKER: The member for Wakefield has been warned!

Mr DUTTON: That went back to Prime Minister Rudd. I believe that Prime Minister Rudd would have done something about the health system if he had not been chopped off at the knees. If you had not bashed him up and sent him to hospital, he would have had the opportunity to do something about health, but he never did that.

We know that, back in the Hawke years, when we had a responsible Labor government and a responsible Labor opposition, they supported sensible changes and, indeed, at that stage, they implemented a co-payment because, at the time, as Bob Hawke said, if you want to make Medicare sustainable, people have to make a small contribution.

The SPEAKER: The member for Ballarat on a point of order? It had better not be repeating the question.

Ms King: The question was specifically about the GP tax. How much of the GP—

The SPEAKER: The member will resume her seat.

Ms King interjecting—

The SPEAKER: I said, 'Resume her seat'!

Mr DUTTON: The way in which we have approached this task is to make Medicare sustainable.

Ms King: How much is going to go to employing nurses?

The SPEAKER: The member for Ballarat will desist!

Mr DUTTON: As our population ages, we already know that by 2050 in this country 7½ thousand Australians each and every week will be diagnosed with dementia and Alzheimer’s. There is the cost of medical technology—and a country like ours wants to embrace robotic surgery and all of that, which needs to be embraced quickly in an advanced economy but which is very expensive. I want to make sure that we can pay for all of that. At the moment, we provide, for a population of 23 million, 263 million free services each year on Medicare.

I am saying that we want to have a sustainable system. As Labor supported in the nineties and, indeed, have supported since the 1960s a co-payment in relation to the Pharmaceutical Benefits Scheme, I want to make sure that those who have a capacity to pay can pay, but under this scheme we retain bulk-billing so that those who cannot afford $7 can be bulk-billed.

Labor can pretend to the Australian public and, indeed, pretend to themselves that everything can be given away for free—

Mr Perrett interjecting—

The SPEAKER: The member for Moreton is warned!

Mr DUTTON: but it cannot. When we came into government, we inherited this $667 billion of debt. We are paying $1 billion a month in interest alone and, if we do not make changes, within 10 years that interest bill grows to $3 billion. So we are saying, fairly,
squarely and honestly in this debate, that, if we can ask for a modest contribution, we can make Medicare sustainable.

We also put money into medical research—and we make no apology for that whatsoever. We are some of the best medical researchers in the world and we want to make sure that we can continue that work so that we can find the cures for tomorrow as well.

The SPEAKER: I call the honourable member for Kennedy, who is not going to be using any props.

**Defence Procurement**

Mr KATTER (Kennedy) (14:20): Might I remark, Madam Speaker, you might boot me out!

The SPEAKER: I have no desire to see whether or not he is wearing shoes at this particular moment.

Mr KATTER: My question is to the Assistant Minister for Defence. Australian combat troops refuse to use the Austrian Steyr rifle; they use the American ArmaLite, which can be produced in Australia for half the price. At Anzac Day, soldiers marched in their socks since the soles had fallen off their Chinese boots. Australian ordnance and ammunition is manufactured mainly by a French owned company. The slouch hat is partly foreign. Will the government support Rossi and the Senate demand for a fall inquiry into procurement or remain free market, with the policy destroying Australia's manufacturing and gutting Australia's sinews of war?

Mr ROBERT (Fadden—Assistant Minister for Defence) (14:21): Let me thank the honourable member for his question. Can I firstly go through the facts of the Rossi tender so we all understand within the parliament exactly what we are talking about. The Department of Defence released a tender in June last year for the supply of three types of footwear: a fireman's industrial boot, a fawn coloured industrial protective boot and a black coloured protective footwear. There was no mandated requirement for Australian content as it does not relate to the combat uniform. The tender was conducted as a routine procurement within the department and, therefore, there is no requirement to notify government of it.

The previous industrial protective footwear requirement was established in July 2011 for two years with Lymington Pacific, who manufactured the boots in China. This tender replaces those boots that have been made in China for the last two to three years. Ten tenderers replied and there were 14 individual offers for the fawn coloured and the black coloured boot. Rossi Boots—the boots the member for Kennedy is displaying here—tendered for the fawn and black industrial footwear. They were not successful in tendering for the fawn industrial footwear, due to overall value for money considerations—in other words, they were considered too expensive. The successful bidder is a company called Amare Safety—a privately owned company located in Mulgrave, Victoria. The boots will be supplied by Steel Blue, who will manufacture the boots in Indonesia. For the last three years, those industrial boots have been manufactured in China on behalf of an Australian company; now, they will be manufactured in Indonesia by an Australian company. This tender was released by the previous government. It had no mandated Australian requirements, and the decision has been made by the department.
Carbon Pricing

Mr COLEMAN (Banks) (14:23): My question is to the Minister for the Environment. Will the minister inform the House how repealing the world's biggest carbon tax will lower taxes and ease the cost of living pressures placed on Australian households?

Mr HUNT (Flinders—Minister for the Environment) (14:23): I want to thank the member for Banks for his question. He is not only a member with a distinguished career in business but also a member who fought for a Georges River recovery plan. It is great, after having had 32 questions on the environment from this side, to reflect on the fact that we have not had one question on the environment from that side. There was nothing about the Georges River recovery plan, nothing about the Yarra recovery plan, nothing about the Swan River recovery plan, nothing about the Torrens River and there is still nothing about our dugong and turtle protection plan.

I want to apologise to the House. Yesterday, I quoted from the member for Port Adelaide's community newsletter, and I omitted something. It is true that, almost a year ago, he said that the carbon tax had been terminated and it is true that he said it twice, but I neglected to mention that he also said that 'The decision to terminate the carbon tax will save an average family around $380 in 2014-15.'

Mr Hockey: This was at Townsville.

Mr HUNT: He was at Townsville. He was the third man at Townsville. There he was. He did not mention that not only were they keeping another version but also it went up every year between now and 2020 to $38. They recognised that if you abolished the carbon tax, prices would come down. Guess what? The same people doing the same modelling and coming to the same conclusions are the ones advising us. If you ask where our savings come from, the same people doing the same modelling are coming to the same conclusions.

The difference, however, is that when we get rid of the carbon tax, it is gone forever. When they say they terminate the carbon tax, firstly it is still here, secondly they are trying to keep it and thirdly they want to bring it back. Their own modelling shows the price they want to bring back will be $38 in 2020 but—wait for this!—their own modelling also shows that it goes up each year every year forever. By 2050, it will be a $350 per tonne tax. This is from their own modelling produced by the same people advising us. If you want to understand the impact on the economy, it is not just the savings this year but the savings each year. When we come to the next election, the carbon tax will be gone but they will be wanting to bring it back. The tax will go up and up and up, and that will not stop unless this government removes it and this government stays in office.

Higher Education

Ms RISHWORTH (Kingston) (14:27): My question is to the Deputy Prime Minister. Universities Australia says the government's changes to higher education could quadruple the cost of a nursing degree to $98,000. Why is the government unfairly targeting nurses with this cruel budget?

Mr TRUSS (Wide Bay—Deputy Prime Minister and Minister for Infrastructure and Regional Development) (14:27): Clearly this government, in this budget, is providing substantial funding to increase expenditure on hospitals, and that will provide additional
employment opportunities for nurses. Therefore, this is a budget that is very fair to nurses. It is very fair to the medical system and the provision of medical services.

Mr Conroy interjecting—

The SPEAKER: The member for Charlton is warned.

Mr TRUSS: There is a nine per cent increase in expenditure for health in this budget. There is nine per cent in the following year. There is nine per cent the year after. That will provide substantial new employment opportunities for nurses.

Mr Conroy interjecting—

The SPEAKER: The member for Charlton has been warned.

Mr TRUSS: Let me make it absolutely clear—

Mr Burke: Madam Speaker, I rise on a point of order on relevance. The question about budget cuts was asked about five questions ago; this one is about tertiary education fees.

The SPEAKER: There is no point of order.

Mr TRUSS: The question was about the cost of the degree and therefore the employment opportunities of nurses. So I am responding absolutely correctly. Under the new system, there will be better paid opportunities in the future that will allow people to repay their HECS debt.

Ms Macklin interjecting—

The SPEAKER: The member for Jagajaga will desist.

Mr TRUSS: This will result in continuing the training and building of the workforce in the health sector. The reality is that this is a government that cares deeply about ensuring that the health system of our nation is sustainable. We know that we will need more nurses in the future to ensure that that health care can be provided, especially in an ageing society. That is why we are reforming the higher education system to enable more nurses to be trained, therefore enabling us to better meet our responsibilities for health care as a nation in the years ahead.

**Carbon Pricing**

Dr SOUTHCOTT (Boothby) (14:29): My question is to the Minister for Small Business. Will the minister inform the House how families and businesses will benefit from the repeal of the world's biggest carbon tax? What measures will the government put in place to ensure that savings are passed onto consumers?

Opposition members interjecting—

The SPEAKER: There is too much noise on my immediate left. The member for Grayndler will desist.

Mr BILLSON (Dunkley—Minister for Small Business) (14:30): It is a great question, and I think those opposite for their encouragement! The member for Boothby asked a very important question about this government's conviction to axe the carbon tax and to make sure that consumers and businesses receive the benefits of that action. That is a strategy that has been endorsed by the electorate. It is a central part of our economic action strategy. Despite this very clear and overwhelmingly endorsed strategy, we still see Labor standing in the way of the government implementing this mandate.
I listened with interest to the member for McMahon—he was one of the Townsville trio—who was questioning whether there was some lack of commitment to seeing the cost savings passed through by the abolition of the carbon tax. That could not be further from the truth. We are adamant that those benefits will be passed through. The member for McMahon recognised at some point when he was Treasurer that the abolition of the carbon tax would reduce cost-of-living pressures. He seemed to recognise it in government but now in opposition, for pure opportunistic reasons, seems to reject that simple assertion. Just to remind him, there is this flyer sprinkled around letterboxes in the country—

The SPEAKER: You may not have props.

Mr BILLSON: claiming that the abolition of the carbon tax will reduce cost-of-living pressure and deliver benefits for households. That is exactly why this government is adamant we have to get on with it.

Instead of doing what they claimed they would and 'terminating the tax', which was Labor's line, they have actually voted three times in this place to escalate the tax and then extend it to heavy freight. That is their ambition. We are aiming to get rid of this carbon tax. We want to deliver those savings that Labor seemed to recognise in government but seem to have forgotten about now they are in opposition. It is $550 that the average household will benefit, lifting a multibillion-dollar impost on business that is good fit jobs, great for small business, terrific for viability of our enterprises, good for our competitiveness and great for our growth prospects.

We have also seen some questioning about our belief that the savings must and will be passed on. You have heard the ACCC commissioner Rod Simms say that 'what went up will clearly come down when you take away the carbon tax'. For gas consumers in New South Wales, that is 9.2 per cent lower gas prices from the abolition of the carbon tax. We will see electricity savings in Tasmania, in Queensland and here in the ACT of 11.6 per cent. There is an obligation on the package of bills that have passed this place to see electricity, natural gas and synthetic greenhouse gas suppliers pass on those savings from the abolition of the carbon tax. The ACCC will enforce those reasonably expected price reductions. Customers will get an estimate of those savings from network electricity and gas retailers. We also have transparency in seeing a validation of those methodologies to calculate those savings. So not only have we argued the case; we have made and actioned our commitment to abolish the carbon tax and armed the ACCC. We are adamant those benefits will flow through to families, business and the Australian economy.

Budget

Ms PLIBERSEK (Sydney—Deputy Leader of the Opposition) (14:33): My question is to the Deputy Prime Minister. A single parent with two children earning $55,000 a year working as a nurse will be $6,000 a year worse off as a result of the Prime Minister's unfair budget of broken promises. This $6,000 is on top of increased student debt, an increased GP tax, an increased petrol tax and the cutting of the schoolkids bonus. Why should the nurses of Australia pay the price for the government's budget of broken promises?

Mr Simpkins interjecting—

The SPEAKER: The member for Cowan will desist!
Mr TRUSS (Wide Bay—Deputy Prime Minister and Minister for Infrastructure and Regional Development) (14:34): This is a budget that is about fairness to all Australian people. It is about delivering better services. It is about reducing the cost of living by getting rid of a $550 penalty on Australian families under the carbon tax. We are getting rid of a cost that is an impost on the lives of every Australian. That is a cost that has to be borne day in and day out. What is more, under Labor, that cost would continue to go up every year. Their commitment to a carbon tax is that it will be bigger next year than it is this year.

The coalition is committed to getting rid of the carbon tax. Labor wants to reintroduce it. What I can say to nurses and other Australians whose costs are going up under the carbon tax is that we will be taking away the impact of that cost and, into the future, every cost under us will be lower than it would be under Labor. Labor is committed to imposing the carbon tax again. The carbon tax adds to the cost of living. It is designed to do that.

Mr Albanese interjecting—
Ms Collins interjecting—

The SPEAKER: There will be silence on my left, including from the member for Grayndler and the member for Franklin!

Mr TRUSS: Labor wants to increase the cost of living. It wants to increase the burden on living costs for nurses and, indeed, all workers in the Australian workforce.

Whatever the price of goods is now, it would be higher under Labor because Labor is committed to keeping a carbon tax which is affecting the cost of living of all Australians, including our nurses. If we want to have a government and a health system that is capable of delivering the services we need, we need to have the arrangements put in place to plan for the future, to ensure that we have a strong economy that is able to meet its commitments. Whatever the cost, it would be higher under Labor because Labor wants to have a carbon tax that goes up every year.

Carbon Pricing

Mr WHITELEY (Braddon) (14:36): My question is to the Minister for Agriculture. Will the minister update the House on what the government is doing to boost the competitiveness of the Australian dairy industry? How will removal of the world's biggest carbon tax benefit dairy farmers in Australia, particularly in my electorate of Braddon?

Opposition members interjecting—
Mr Whiteley interjecting—

The SPEAKER: There will be silence on my left! The member for Braddon has asked his question and will desist. I will call the Minister for Agriculture when I have silence on my left.

Mr JOYCE (New England—Minister for Agriculture and Deputy Leader of The Nationals) (14:36): I thank the member for Braddon for his question. I was in Tasmania just the other day, and it is great to see Tasmania getting ahead under our government. It is great to see a government, our government, that is now getting 54 cents a litre for milk. It is great to see a government that is now putting money towards the Midlands, and they are making the choice there of whether they go out of sheep and into dairy.

Opposition members interjecting—
The SPEAKER: The member for Franklin!

Opposition members interjecting—

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

Mr JOYCE: It is a hard choice to make, because under our government they are getting $100,000 for a B-double of sheep. That is because of the actions of our government. Under their government, if a sheep died I know you would throw it in the gully. With prices like those under our government you would have to give it a state funeral, I suppose!

Under our government we have moved 16,000 litres a week from the North Coast of New South Wales and it is getting between $9 and $12 a litre. Our government is supporting the $80 million development of what Devondale is doing to expand their plant in Tasmania. Under our government we are actually getting turnaround. We have three months to go and our figures for dairy production basically equal your figures for the whole year. Under our government we are actually getting things moving ahead. That is why under our government agriculture is up 19.3 per cent in value for the quarter compared with what it was. The problem is that if you get their government back—

The SPEAKER: The member for Charlton on a point of order.

Mr Conroy: My point of order concerns relevance. Has the minister found a $100 leg of lamb yet!

The SPEAKER: The member will remove himself from the chamber under standing order 94(a).

The member for Charlton then left the chamber.

Mr JOYCE: Then there is the sobering news after the terrible trio—Batman, who is no longer with us, Robin, who still resides with us, and the butler, Alfred Pennyworth—went to Townsville. They said they would get rid of the carbon tax, but, of course, they did not. That is why under their government there was a 400 per cent increase in the price of refrigerant gases, which the dairy industry uses. That is why under their government there was an increase in the power prices. We have the big dairy farmers paying between $10,000 and $15,000 in power prices, and, of course, those prices went up.

Under their government they still believed in a 6.85 cents a litre increase in diesel prices, because they believe they can make the world cooler. Under their government they believe in making you poorer. Their policy is to make you poorer. They are to be remembered by making you poorer. Their No. 1 policy if you want them back is to make you poorer, because they believe that they can single-handedly cool the planet from a room in Canberra. They believe in this peculiar place where if you put Australian coal into Australian coal-fired power plants, it is a bad rock, but if it moves over water to another country and makes people in that country warmer or cooler—

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

Mr Burke: I refer to page 505—

The SPEAKER: The minister advises he has concluded his answer. The Manager of Opposition Business will resume his seat.

Opposition members interjecting—
Budget

Ms VAMVAKINOU (Calwell) (14:40): My question is to the Treasurer. This week the government is attempting to scrap Labor's low-income superannuation contribution. This cut will cost a nurse or midwife working two days a week $451 in extra tax each year on their superannuation. Why is the government making it harder for nurses to save for their retirement?

Mr HOCKEY (North Sydney—The Treasurer) (14:41): From our perspective, our priority for nurses is that they have the opportunity to get a job and keep a job.

Opposition members interjecting—

The SPEAKER: There will be silence on my left.

Mr HOCKEY: And also that they have the opportunity to earn a good income. Nurses work unbelievably hard. They make enormous sacrifices. They are the ultimate givers in so many ways.

Opposition members interjecting—

The SPEAKER: The Treasurer will resume his seat. There is a general warning in place. There is far too much noise. I cannot hear the answer and nor can anyone else. The people sitting in the gallery are interested, as are those listening, so a general warning is in place. I call the Treasurer.

Mr HOCKEY: Nurses work incredibly hard in very difficult environments. It is a great saying that the most sacred thing a human being can give, after their love, is their labour. It is the case that nurses give both on so many occasions in their tending to the sick and dealing with the ill.

From our perspective, a nurse is often a mother or a father, as well. As a parent they do not want to bequeath to their children a lesser quality of life than that which they have had. That is why we are setting about fixing the budget. We will not leave the next generation of Australians with a bigger debt and higher taxes and a lesser quality of life than that which we have.

Mr Perrett: What about climate change, then?

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

The member for Moreton then left the chamber.

Mr HOCKEY: It is not Joe Hockey saying it, or Tony Abbott, or Warren Truss, or any member of the coalition. It is the Secretary of the Treasurer. It is the Governor of the Reserve Bank. It is economists like John Edwards, who were advisers to Labor prime ministers. It is Angel Gurria, the head of the OECD.

Opposition members interjecting—

The SPEAKER: The member for Gorton!

Mr HOCKEY: Everyone who has an ounce of credibility on economics recognises that if we do not address the budget crisis now the pain associated with fixing it in five, 10, 15 or 20 years is going to be far greater for Australians. That is why we are moving now. That is why we are undertaking reform now—because we must.

Opposition members interjecting—
The SPEAKER: The member for Gellibrand will desist!

Mr HOCKEY: The days of Labor using a credit card and paying off today's bills at the expense of the future simply leaves our children in a lesser position than that which we had. The coalition and everyday Australians will not cop leaving the next generation of Australians with a lesser quality of life.

Do you know what the irony of it is? The Labor Party believed this before the last election. The Labor Party went out there and said they were going to deliver a surplus. They know in their hearts that you have to fix the budget. They know in their hearts that you have to run surpluses. The problem is that the Labor Party is full of hypocrites. When it comes to honesty, don't look at the Labor Party.

Carbon Pricing

Mrs ANDREWS (McPherson) (14:44): My question is to the Minister for Education. Will the minister update the House on the savings to school budgets because of the abolition of the world's biggest carbon tax?

Opposition members interjecting—

Mr PYNE (Sturt—Leader of the House and Minister for Education) (14:44): I hear the interjections from the Labor Party about the nurses, but I do not remember them standing up for the health services workers when they were defending Craig Thomson in this House. I do not remember them caring very much about the nurses or the cleaners in the Health Services Union when they were being ripped off by Craig Thomson, the former member for Dobell.

Dr Chalmers interjecting—

Mr PYNE: I take the interjection from the member for Rankin. It was a very foolish interjection on your part. I do thank the member for McPherson for her question about the carbon tax and the impact on schools.

Mr Husic interjecting—

The SPEAKER: The member for Chifley will desist or leave, one or the other.

Mr PYNE: I would make the point that, with the abolition of the carbon tax, schools will save $85 million a year on expenses from the carbon tax. That is $340 million over four years. It is $340 million that they will not have to pay in taxes to Canberra. They will then get a choice. Many schools and, in many cases, education departments will decide that they can put that $340 million instead into sporting equipment, into IT upgrades, into new classrooms and, dare I say it, into school halls—things that students will be able to use every day in their school to improve the outcomes for their education. Labor would prefer that that $340 million sat in the coffers of the tax office in Canberra rather than circulate in the economy, being used by schools to improve educational outcomes.

On this side of the House we know that, if we abolish the carbon tax, $340 million more will be used by schools for better student outcomes. Worse than that, if Labor is re-elected in 2016 they plan to bring the carbon tax back. They plan to reintroduce the carbon tax. So the choice is very clear. If you vote for the coalition there will be no carbon tax after 2016.

Ms MacTiernan interjecting—

The SPEAKER: The member for Perth!
Mr Dreyfus: What a lot of nonsense!

The SPEAKER: The member for Isaacs will remove himself under 94(a).

The member for Isaacs then left the chamber.

Mr PYNE: If you vote for the Labor Party, the toxic, job-destroying, price-increasing carbon tax will be back. The choice is very clear. If you want lower electricity prices, lower electricity bills, you will need to vote coalition at the next election. If you want more expensive costs at the supermarket counter, you will need to vote Labor at the next election. Finally, if you want schools to pay the carbon tax after 2016, you will vote Labor. If you want schools not to pay the carbon tax, you will continue to keep the coalition in office.

I would like to thank the Labor Party for making the next election about the carbon tax again. We won one election on it. We arguably have won two elections on it. I can tell you that if the Australian public find out that if they vote Labor the carbon tax is coming back, woe betide those members in marginal seats who think they are coasting to victory at the next election. They will get a very nasty surprise.

Opposition members interjecting—

The SPEAKER: I would remind those on my left that there is a general warning in place, and I particularly remind the member for Perth.

Future of Financial Advice

Mr BOWEN (McMahon) (14:48): My question is to the Deputy Prime Minister. I refer the Deputy Prime Minister to the government's watering down of important consumer protections in financial advice. Why is the government making it harder for older Australians to have security in the financial advice they are receiving on their retirement savings?

Opposition members interjecting—

Mr HOCKEY (North Sydney—The Treasurer) (14:48): Well, I take the question because when you compare last year's budget to this year's budget, I have only been asked 25 per cent of the questions that I asked of Wayne Swan last year, so I have to scratch for every question I can get from the member for McMahon.

Mr Bowen interjecting—

The SPEAKER: I would remind the member for McMahon that he has asked his question. There is a general warning.

Mr HOCKEY: I say to the member for McMahon: we are not about watering down protections for consumers.

Ms Plibersek interjecting—

The SPEAKER: The member for Sydney will desist.

Mr HOCKEY: I will tell you why—because the protections that the Labor Party put in place did not particularly work, as is self-evident at the moment. A whole lot of initiatives that Labor put in place, often at the request of the industry funds, actually did not deliver what they were hoping for. Why? Well, I was reflecting carefully on this. The minister that was responsible for the Future of Financial Advice measures was the Hon. Bill Shorten. When he came into the House and introduced the old FoFA legislation, which he said was going to
offer protection for consumers, he was in such a muddle that he tabled 10 amendments to his own bill and then moved 16 further amendments.

The outcome was that the laws that Labor set up to protect consumers were so muddled that the original explanatory memorandum to the bill had to be added to with a revised explanatory memorandum. Then they screwed that up and had to introduce a replacement explanatory memorandum. Then they screwed that up and had to introduce a supplementary revised explanatory memorandum. Then they screwed that up—hard to believe, but they did it. It was the Labor Party in government—bear with us. They screwed that up and had to introduce a further supplementary explanatory memorandum. That is the complete unmitigated mess of the previous government in relation to financial advice laws. No wonder financial advisers were confused. No wonder consumers were confused. The great architects of these reforms, the member for McMahon and the Leader of the Opposition, now want to properly run the country again. They did such a great job screwing up the country last time that they want to have a chance to do it again.

Our reforms are sensible. Our reforms put in place rules to ensure that there is consistency and predictability in relation to financial advice. Our reforms were on the table for the Australian people before the last election. Our reforms deliver the sensible nature that we expect of financial laws.

**Carbon Pricing**

Mr CRAIG KELLY (Hughes) (14:51): My question is to the Minister for Health. Will the minister update the House on the impact of the carbon tax on hospitals and the healthcare sector, and how will repealing the world's biggest carbon tax help reduce costs in this vital sector?

Mr DUTTON (Dickson—Minister for Health and Minister for Sport) (14:51): I thank the honourable member for his question. I visited his electorate not too long ago. He has a great interest in health matters and trying to enhance health services locally. He has been, like most people from New South Wales, completely gobsmacked by the years of Labor as they mismanaged health in New South Wales and now in the last six months many of the same union hacks transferred from New South Wales into the federal parliament to mismanage the health system here. Not much changes under Labor; not much changes at all.

I was reflecting the other night and I thought, 'What is my favourite documentary?' I think my favourite documentary was probably *The Hollowmen*. It was a documentary of the Rudd-Gillard years. It documented all of the great successes, such as the advisers coming in to then ministers, Kevin Rudd and Julia Gillard, and advising them on particular matters like how they could come up with a big distraction. I thought, 'What would they have done in relation to the carbon tax? How would they have advised the member for Sydney, who was the world's worst ever health minister, on the impact of a carbon tax?'

The carbon tax, of course, applies to hospitals just like it does to every process in the economy that involves energy. When you turn the lights on at home, the carbon tax hit you. When you drive down the road to pick up the kids after school, you are paying the carbon tax. When you go the supermarket, the carbon tax applies. Labor had never thought about this. They had never thought about what happens in hospitals, pharmacies or surgeries around the country and the inconvenience of having to run 24-hour ICU units. What happens there? The
carbon tax applies. You can imagine the scene in *The Hollowmen* where they come in and say, 'Well, we could just turn the lights off in the hospital.' But somebody must realise that there are patients within hospitals and there are costs in running hospitals.

If you are spending money on electricity and carbon taxes within hospitals and public hospital settings, you are not spending that money on health. This is a very important point. We have heard a lot today from the Labor Party about nurses. Do you know why that is? It is not because they have an interest in nurses; it is because the nurses union is in town. I will tell you one thing that happens when the union bosses are in town: these people dance to their tune. They dance to their tune at every opportunity. They dance to the tune of the nurses union at every opportunity because it is the nurses union, it is the HSU and it is the AMWU—it is all of the unions—that decide whether or not these people sit in parliament. That is why they are second-rate when they are in government and that is why we will continue to draw the distinction between the bad years of Labor—as it operates at a state level and as it has operated at a federal level—and the competence of this side of the House. We always are elected to clean up Labor messes. We are in the process of doing it now and we will do it for as long as it takes. *(Time expired)*

**DISTINGUISHED VISITORS**

The SPEAKER (14:55): I wish to advise the House that we have with us a delegation of the National Assembly of Vietnam, comprising parliamentary members of the Committee on Financial and Budgetary Affairs, led by associate professor Dr Dinh Van Nha. We make you most welcome.

Honourable members: Hear, hear!

**QUESTIONS WITHOUT NOTICE**

*Future of Financial Advice*

**Mr RIPOLL** (Oxley) (14:55): My question is to the Deputy Prime Minister. In light of the Commonwealth Bank financial planning scandal, why is the government opening the door for commissions to be paid on general and personal advice when this will make it impossible to guarantee that financial advice is being given in the best interests of Australian investors?

**Mr TRUSS** (Wide Bay—Deputy Prime Minister and Minister for Infrastructure and Regional Development) (14:55): This government wants the Australian people to have access to the highest quality financial advice available. We are determined to ensure that the regime that governs the industry is effective and will deliver the best possible service to the Australian people. The government is not watering down any consumer protection and it is not scrapping the best interest duty or reintroducing commissions. We have no plans to reintroduce commissions. This is a Labor Party scare campaign. Indeed, the government supported a ban on commissions and conflicted remuneration for financial advisers all along. At no point has the government sought to introduce commissions. The pretext behind the honourable member’s question is completely false.

If you want to have an 'independent' commentary on this matter, ABC’s *Fact Check*—which is hardly noted for being friendly to this side of politics—described suggestions that we are bringing back commissions as 'scaremongering'. They also stated that the changes:

… do not bring back the type of commissions that financial advisers could receive before FOFA was introduced.
The reality is that the basis of the honourable member's question is wrong and he should stop trying to scaremonger.

Mr Bowen: Madam Speaker, I rise on a point of order. Could I ask the Deputy Prime Minister to table the copious notes he was reading from?

The SPEAKER: Was the honourable minister reading from notes and are they confidential?

Mr TRUSS: No, I referred to some notes.

The SPEAKER: Are they confidential?

Mr TRUSS: Yes.

The SPEAKER: There is no point of order.

Carbon Pricing

Mr HUTCHINSON (Lyons) (14:57): My question is to the Minister for Trade and Investment. Tourism is a vital industry in my electorate of Lyons. Will the minister update the House on how scrapping the carbon tax would benefit the tourism industry, the 300,000 businesses involved in the sector and the 900,000 Australians that are employed in that sector?

Mr ROBB (Goldstein—Minister for Trade and Investment) (14:58): I thank the member for Lyons. He is known as Mr Tourism in Tasmania for his very passionate promotion of Freycinet Peninsula and Cradle Mountain. He is also doing a great job as deputy chair of our tourism committee. The carbon tax has become a $115 million a year leg-rop of our great tourism industry, an industry that is one of our great strengths. The fact is that many of the 512,000 jobs that were lost in small business over the six years of Labor administration were in the tourism industry. They stand culpable because this was a time of great growth in the tourism industry in the region. Many jobs were trashed unnecessarily in the tourism industry.

Look at what else happened in the region. Under Labor, between 2007 and 2013, international visitors increased by 16 per cent. Now, you will take credit for that, but the fact of the matter is that for Singapore, geographically one of our great competitors, they went up 51 per cent. This was at a time when the middle class had been growing exponentially in the region and tourism had been growing—and we lost out. In fact, we lost jobs in the tourism sector. Labor's carbon tax and tourism taxes such as the 45 per cent increase in passenger movement charges, increased tourism visa charges of over 50 per cent and reduced funding for Tourism Australia all combined to give us that pathetic result and to see the job losses in our region.

The carbon tax caused all this damage because it is a tax that our international competitors do not have to pay. This is what they do not understand on the other side. It pushed up the price of local holidays relative to all of our competitors. It is a simple proposition. Think about it. It is why you should be supporting the removal of the carbon tax. As the middle class in the region grows from 600 million to three billion over the next 20 to 30 years, we need to get our tourism businesses in the best possible competitive position. Scrapping the carbon tax is a very big contribution: $115 million a year taken off the competitive disadvantage imposed by those opposite. If the Labor Party were serious they would get rid of this tax.
Future of Financial Advice

Mr BOWEN (McMahon) (15:01): My question is to the Deputy Prime Minister. I refer the Deputy Prime Minister to his previous answer and I also refer him to comments by the CEO of the Council on the Ageing Australia, Ian Yates, about the government's watering down of important consumer protections: Independent legal and professional advice confirms that these regulations are against the best interests of Australian consumers.

...  ...  ... This issue has been second only to pension cuts in recent representations to us by COTA members … Why is the government making it harder for older Australians to save for their retirement?

Mr TRUSS (Wide Bay—Deputy Prime Minister and Minister for Infrastructure and Regional Development) (15:02): If the honourable member wants to quote people, let me quote a few people. John Brogden, CEO of the Financial Services Council, said:

These changes do not change the substance or the intent of FoFA. The fundamental reforms and increased professionalism of financial advisers remain. However, these small changes ensure FoFA works as it was intended—to improve the quality and quantity of financial advice.

This is the industry organisation, the Financial Services Council, being supportive of these sorts of initiatives. Stephen Munchenberg of the Australian Bankers' Association said these amendments are 'sensible' and claimed opponents had been circulating disinformation about their impact.

I think the shadow Treasurer should be honest with the Australian people. We have no plans to water down the quality of financial advice. We intend to get rid of some of the red tape so that the industry operates more efficiently and more smoothly, but the reality is that under this government there will be reputable financial advice available to those who need it and hopefully in a more accessible form.

New Colombo Plan

Mrs PRENTICE (Ryan) (15:03): My question is to the Minister for Foreign Affairs. Minister, will you please update the House on the progress of the New Colombo Plan and the benefits for students in my electorate of Ryan?

Ms JULIE BISHOP (Curtin—Minister for Foreign Affairs) (15:03): It is good to see the Leader of the Opposition back. Bill, there's been quite an audition going on while you've been away!

Opposition members interjecting—

The SPEAKER: There will be silence on my left.

Ms JULIE BISHOP: I thank the member for Ryan for her question. As she knows, at the last election we took a promise to the young people of Australian universities, the undergraduates, that we would implement a scholarship program to give them an opportunity to live and study and work in countries in our region. This was a practical way of finding expression for the Abbott government's foreign policy of deeper engagement in our region. I can confirm to the member that we have successfully implemented a pilot program and that 1,340 undergraduates—young Australians between the ages of 18 and 28—have now been
awarded grants and scholarships to study at four locations in the region: Singapore, Indonesia, Hong Kong and Japan.

Recently, in the presence of the Governor-General, who is patron of the new Colombo Plan, we awarded 40 scholarships that are longer term—six-month or 12-month scholarships—for young Australians to live, study and work at universities in the region. The member for Ryan will be pleased to know that four students from the University of Queensland were awarded scholarships. The member for Kingsford Smith was there on behalf of the opposition. Five students from the University of New South Wales were awarded scholarships. The member for Fraser would be pleased that the Yudhoyono Fellow, young student Emma Roberts, from ANU, has been awarded a scholarship. She speaks perfect Bahasa; she spoke to the audience that evening. She will make a fine ambassador for Australia in Indonesia.

Thirty-eight universities have now taken part in the New Colombo Plan and it has been warmly received not only by businesses and the university sector but by leaders in our region. I was personally delighted when Japanese Prime Minister Abe mentioned the New Colombo Plan as an evidence of our growing people-to-people links when he made his address to the joint sitting here last week.

In 2015 this program will be rolled out across the region. China, Malaysia, Mongolia, the Philippines and other countries are coming on board. It has been embraced by the university sector. Universities Australia, the peak body, said:

Our universities have been delighted to get behind this unique program because of the exciting opportunity it represents, not just for their brightest students but for those who embody the spirit of the Plan in celebrating Australia's commitment to the region …

The program has the potential to transform, not just the educational experience and global outlook of our students, but for Australian-Indonesia-Pacific relations …

And in a mark of what I think is the coalition government's soft-power diplomacy, Indonesian Foreign Minister Marty Natalegawa has offered to take Australian New Colombo Plan scholars in the Indonesian Ministry of Foreign Affairs.

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

DOCUMENTS

Presentation

Mr PYNE (Sturt—Leader of the House and Minister for Education) (15:07): 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

Nurses

The SPEAKER (15:07): I have received a letter from the honourable member for Ballarat proposing that a definite matter of public importance be submitted to the House for discussion, namely:

The impact of the Government’s wrong priorities on nurses.

I call upon those honourable members who approve of the proposed discussion to rise in their places.
More than the number of members required by the standing orders having risen in their places—

Ms KING (Ballarat) (15:07): I rise today to talk about the healthcare emergency that has been created by this government's $50 billion worth of cuts to our public hospital system, and the effect that these cuts will have on the hundreds and thousands of nurses and midwives across Australia, some of whom are in the gallery today, and the millions of patients that they care for every day in GP practices, in community health centres, in home based nursing care and in our public hospital system.

When it comes to health care, Australians are being let down by the most uncompassionate government since Federation, and they are being let down by the most ineffective health minister this country has ever seen. These $50 billion cuts are the equivalent of cutting one in five nursing positions across the country—one in five nursing positions across the country! These are front-line services, people who are caring for some of the most sick and vulnerable in our communities, who are keeping older people within their own homes. And it comes at a time when Health Workforce Australia has estimated there is already a shortage of some 20,000 nurses in this country, and more shortages to come. Indeed Health Workforce Australia has said:

… without nationally coordinated reform Australia is likely to experience limitations in the delivery of high quality health services—
as a consequence of a highly significant shortage of more than 109,000 nurses.

So what is the government's response to this nursing workforce crisis? The government's response is to: abolish Health Workforce Australia, and the Senate is considering those bills this week; cut $142 million in funding for health workforce planning; and to get rid of more than 140 jobs in South Australia. This is at a time when public hospitals across the country are struggling to meet their emergency department waiting times and their elective surgery waiting times.

And it is not just the Labor Party that is saying it. Australia's most ineffective health minister has managed to unite the entire health sector against the government with his cruel cuts and lack of any compassion. It takes a pretty special health minister to unite the entire healthcare sector against you and against the government's unfair budget. He likes to be critical of this side of the place, but what he does not seem to understand is that there is every health expert in the country saying your budget is a dud. It is an absolute dud and will damage the healthcare system in this country. It fundamentally undermines the universal principles of Medicare and it actually changes the entire way in which our healthcare system operates. Fifty billion dollars being cut and ripping up the national partnership agreements that saw the relationship between the Commonwealth and the states starting, for the first time, to actually begin to focus on health policy reform—reform that is needed to make the system more efficient. Ripping up those agreements and ripping $50 billion out of public hospitals—it is an absolute disgrace.

The Australian Medical Association President, Associate Professor Brian Owler, last month summed up the health sector's response to this government's backward, inequitable and unfair vision for health care in this country. He said:
The message is clear: the measures add up to bad health policy.
Professor Owler went on to say:

The health measures in the federal budget are almost universally opposed by the people who provide health services in Australia. The [Australian Medical Association] is at the forefront of this opposition.

And we know what the impact will be on nurses and midwives across the country and on the patients that they care for. The Australian Nursing and Midwifery Federation has said these are cuts that will damage the healthcare system. They are cuts that the acting secretary of the ANMF said:

… ripped the heart out of the Australian health system and as a former Health Minister, [the Prime Minister] should be ashamed of that.

And it is not just nurses working in hospitals who will be affected by these changes. Nurses working in general practice across Australia and in private practice will be hit by these cuts. In particular, I want to refer to some correspondence from a GP practice in Ingham and the effect that these new taxes will have on that practice. It said:

We as a practice currently make a loss per dressing we perform. We offer this service as a benefit to the community and to the patients of our practice. We charge no dressing fee to patients due to our belief that this would cause unreasonable hardship for these 'at risk' patients … We perform 20-30 dressings per day.

These are often older patients suffering from things like leg ulcers, wound care that sometimes requires up to three visits a week. Dr Elliott goes on to detail the cuts in this budget to MBS items and then said:

This is clearly not affordable for the practice to absorb these costs. This would result in our practice ceasing to offer this service which would result in patients having to attend Ingham Hospital for these dressings where the costs would be borne completely by the taxpayer at a higher rate. We then would reduce our nurse numbers.

This is not the Labor Party saying it.

Mr Whiteley: That is you saying it!

Ms KING: These are GPs delivering frontline services not in my electorate, not in Labor Party electorates, but in Ingham. This is one of the smaller, more remote communities in Queensland.

Mr Nikolic interjecting—

Ms KING: And I note that we continue to have significant interjections from the members who represent seats in Tasmania.

Mr Whiteley: That's right!

Ms KING: You represent some of the poorest seats in this country.

Mr Whiteley: Yeah, and do you know why?

Ms KING: I have visited those seats many, many times and every single time you have failed to stand up for those people in your community—

Mr Whiteley interjecting—

Mr Nikolic: What a shameful thing to say!

Government members interjecting—

The SPEAKER: We will have some decorum, thank you, from both sides!
Ms Butler interjecting—

The SPEAKER: The member for Griffith is not in her seat and will not speak!

Ms KING: who need to access general practice, who need to access health care, and you have failed the members of your communities.

And what will that affect? From the GP in Ingham we know what the effect on nurses will be if the government gets its way and also introduces a tax on hospital visits.

Stephen Duckett from the Grattan Institute—someone who knows something about the health system and how to increase efficiency—has stated:

If just one in four patients chose to go to a hospital emergency department, the Commonwealth will save no money because of the much higher costs of emergency department care; costs that the Commonwealth government now shares.

And this is precisely what this government's GP tax will do.

Mr Nikolic: You ruined Tasmania and then you stand there all pious. Good on you!

Government members interjecting—

Ms KING: I see those experts over there, those grand experts of health policy, representing some of the poorest electorates in our communities—blah, blah, blah they go; off they go again—failing to represent the people of their communities. I am looking forward to campaigning every single day until the next election on your failure to stand up—

A government member: Bring it on!

Ms KING: to provide healthcare services to your community. I am looking forward to doing that every day.

We know that the support that this government is providing for nurses working in general practice has been poor. Consistent with the lack of transparency, lack of compassion and incompetence that has characterised this government, a fortnight ago this government tried to sneak through changes to the way health assessments are conducted by nurse practitioners in GP practices. Without any warning, the government reinterpreted the role of nurses and determined that practice nurse time does not count in Medicare Benefits Schedule health assessment items. Consistent with the way this government does business, the change was announced without any consultation whatsoever and the president at that time of the Australian Primary Health Care Nurses Association described this as having 'a devastating impact on the ability of general practice to provide high-quality preventive care.' Not long after this announcement was made, the government was shamed into backing down on yet another ill-conceived health policy idea.

The government should now back down on some of its other ill-conceived policies that will result in less places for nurses, less places for doctors, less hospital beds, blowouts in emergency department waiting times and elective surgery, and bed closures. The government should back down from ripping up national partnership agreements that saw increased funding going into public hospitals in every community across this country. It should back down on its $7 GP tax. It should back down on its $1.3 billion hike to the cost of medicines and its unfair changes to the Medicare Benefits Schedule and the PBS safety nets. It should back down on its $367 million cut to the National Partnership Agreements on Preventive Health. If the government
wants to try and change the healthcare system, it has to make sure that the healthcare system is focussing on prevention. But what it has actually done is cut all of the money from preventative services. I have been involved in healthcare policy development all of my working life, whether it was working within the Department of Health, whether it was working as a consultant in health consulting or whether it was working in direct care in allied health.

Mr Nikolic interjecting.

The SPEAKER: We will have some silence on my right.

Ms KING: I have worked in health policy all of my career and I have never seen a sector so united against a government as it is with this particular budget. The inequitable changes in the budget are the biggest attack on Medicare in 30 years. Indeed, when the changes were first announced the AMA Vice President, Professor Geoffrey Dobb, described them as setting back health care 50 years in Australia. The government's arguments that these cuts are making Medicare sustainable is an absolute mockery because the money is not going back into the system. The government knows it, and it should be honest with the Australian people and keep its hands off Medicare.

Mr DUTTON (Dickson—Minister for Health and Minister for Sport) (15:18): I acknowledge the nurses' union officials within the gallery today. I hope they have been impressed by the performance of their subjects over there. I hope the effect of the puppets' strings work as well from the gallery as they do for the preselection processes that take place around the country. Of course, some of them have not been preselected from the nurses' union. We have Manser up there who is presumably a product of the CFMEU. Given all the talent and class of the CFMEU that he brings into this place, it needs to be put on the record that he needs to be recognised for the marvellous contribution he makes on a daily basis.

All that you have heard from the Labor Party over the course of the last 10 minutes reflects what we have heard from the Labor Party over the course of the last six years—that is, an attack on those people who are on the front-line services in a desperate cause taken up by Labor at a state and federal level to set up health bureaucracies all around the country to siphon money away from front-line services and to put it into bureaucracies. Why? Not because it is of benefit to patients and to people who are on waiting lists but because it pleases the union bosses. 

If you want to know why the Labor Party over the course of the last six years was completely incompetent in government, have a look at the people who fill the benches now compared to those who filled the benches in the Hawke-Keating years. People who had real-life experience served in the Keating and Hawke cabinets, not people like the member for Ballarat, who reported before that she had a lifetime as a bureaucrat within the department and served as a consultant—with all due respect to bureaucrats and consultants. But, just like those behind her, it does not bring professional experience to this place and, frankly, it is reflected when they are in government. They are completely incompetent in the modern age of managing government. That is why they say 'yes' to everybody, they write cheques to everybody who comes through the door, they take money away from front-line services and they rack up record amounts of debt. That is the modern Labor Party. That is what we have seen over the course of the last six years. And that is why, when the election is held in two years' time, the Australian public will make the only decision that they can: that is that the
Labor Party has not learnt the lessons of the last six years. People who come from normal nursing backgrounds or normal teaching backgrounds or normal policing backgrounds or backgrounds otherwise cannot get into the modern Labor parliament. They cannot do it because they cannot get past the union secretaries. They cannot get past the union bosses who reward their fellow spirits. It shows in the policy that they put forward and it shows in the way in which they manage. And it has been on display again today. It is not good for democracy in this country.

I ask those on the other side: who has had small business experience? On the other side, put your hand up if you have had small business experience. Just one hand? No, not one hand.

Mr DUTTON: Oh, you have worked on the fringes as a union hack marching your way into small business. That does not count. That does not give you the opportunity to say that you put your house on the line. It does not give you the opportunity to say that you employed people and that you understand the hard lessons of business. It does not say that you have life experience—that is demonstrated in these constant interjections and ridiculous contributions.

Mr Mitchell interjecting.

Ms King: It is normally, but he should refer to people by their seats.

Mr DUTTON: Why is it that Labor presided over ripping money out of frontline health services and putting it into bureaucracies? Because of the union bosses. What have we done in relation to this most recent budget? I can tell you what we have done in the national context in terms of state-by-state budget funding for public hospitals. New South Wales it increases by 7.2 per cent from 2013-14 to 2014-15. It is 7.3 per cent in Victoria, 12.8 per cent in Queensland, 13.6 per cent in WA and seven per cent in Tasmania. In Tasmania the budget shows, in black and white, that it will go up by 15 per cent. If you listen to the Labor Party you would think that we had cut hospital funding. Next year and the year after in New South Wales it is an increase of 9.8 per cent and 8.7 per cent. If you look at Queensland over the years of this budget, there is an increase of 36.6 per cent over those four years. In New South Wales it is 36.7 per cent; in Tasmania, 30.8 per cent; and in WA, it is a 44 per cent increase in hospital funding over the course of the next four years. So do not listen to this nonsense from the Labor Party. These people are playing up to the union bosses who are visiting the parliament today—nothing more, nothing less.

All I want to do is put the facts on the table. We increase hospital funding in each and every year under this budget. We put it on a sustainable path, because Labor racked up debt. They pretended they could give everything to everybody for free. Well, do you know what? The hangover of the party now needs to be dealt with. People in their household budgets know that you can only spend for so long more than what you earn. People in small or large business now that you can only spend more than what you earn for so long before the banks move in to take over.

My colleagues from Tasmania—who are particularly passionate about health and have seen Labor preside over the worst health mismanagement at a state level over the course of the last six years; exactly the reason Labor was swept from power in Tasmania—passed on a very
interesting statistic to me before. And that is that this interest bill that we have been left with from the Labor Party is $1 billion a month. Without any changes it grows to $2.8 billion within 10 years. This is per month. That is money that we are borrowing to pay the interest bill. Imagine if you were running your household like that. If you had to borrow money each month to pay off the mortgage, people would go broke pretty quickly. The country is in exactly the same position if we do not put in place remedial action. What do you get for $1 billion a month? As we heard before from my colleagues from Tasmania, you could employ 10,000 nurses a year. That is 10,000 nurses a year for a single Labor interest bill in a month.

So I say to the nurses in the gallery, 'If you wonder why we are having to take action to repair Labor's damage over the course of the last six years, it is because of the debt that they have racked up.' We have provided extra support for scholarships in relation to nurses and allied health care professionals in this budget. We provide $96 million for bowel cancer screening—early detection is very important in bowel cancer. We provide that support. We provide extra funding in addition to the fact that we can build a $20-billion medical research fund. Why? Because we know that for every dollar that we spend in medical research, $2.17 is returned. Why do we know that? Because of the independent report that Prime Minister Gillard commissioned that came back to the Labor government to say that the health system in its current form is unsustainable and we should be spending more in the areas of prevention, which we do in this budget. We spend more in relation to bowel cancer screening, as I say, but in many other areas as well. We spend more in medical research because, as a country, we punch above our weight. We have world-class medical researchers that other countries are desperate to poach. But we keep them here and we will find better techniques to care for patients as well as the cures for diseases of the brain, for cancers and other issues which will overtake us in decades and centuries to come if we do not do the research today—in a similar vein to the way in which we had to do research around penicillin and other discoveries that came from this country and others over the previous decades.

We are putting money into that space because it will save money long term in the health system. That is the advice that was given to the Labor government. The problem is that Labor mismanaged so poorly. The internal fighting that really engulfed Labor over the course of the last six years is still there. We saw the member for Sydney in the opposition leader's chair today absolutely determined to knock off Bill Shorten in the same way that Julia Gillard was determined to knock off Kevin Rudd. Mark my words, these people, when you scratch beneath the surface, are as bad today as they were six years ago. That is the reason they were never able to manage health properly—because they did not have an eye on patients and nurses and doctors. This government will make sure that we take care of our nurses, that we take care of our doctors, that we take care of our patients and we do that because we increased funding. We take it away from those bureaucratic structures and we put it back into front-line services.

Mr STEPHEN JONES (Throsby) (15:28): If the longest queue in the building is the queue outside of the coffee shop at eight o'clock in the morning, the shortest queue in the building has got to be the queue of government MPs that are willing to line up here in this parliament and defend their own government's policy when it comes to their atrocious attacks on the health care system.

Mr Ewen Jones interjecting—
Mr Nikolic interjecting—

Mr STEPHEN JONES: I see Townsville's answer to Benny Hill has got a lot to say, I see 'Sergeant Strop' from Bass over there has got a lot to say, but none of them are willing to put themselves on the speaking list. They had an opportunity today to put themselves on the speaking list and defend their horrid attacks on the PBS system. But all we see is four people who are willing to stand up and defend their government's atrocious attacks on the health system.

Even the minister today had the opportunity—he was given 10 minutes—to say something nice about the nurses who labour day in and day out, caring for the sick in our hospitals. He was given 10 minutes to say something nice about them and he could not find it within himself to praise the men and women who labour day in and day out looking after the sick in our hospitals. Is it any wonder that he had nothing nice to say about them? From the cradle to the grave the nurses are copping it under this government. There is their deregulation of university fees. We heard during question time today that a nurse could expect to pay close to $98,000 to receive a university degree that would qualify them to practise. What did the Deputy Prime Minister have to say about this? He said, 'Don't worry about the $98,000 because we are giving you $500 back in the carbon tax.' With maths like that, is it any wonder he had to give up farming?

Nurses cop it from the beginning to the end under this government. Their penalty rates are in the fire because the minister for industrial relations has promised a comprehensive review—everything is going to be on the table. Under this government those people who work 12-hour shifts across the weekend and over 24 hours a day can look forward to an attack on their penalty rates, because it is in the government's DNA. If it is not enough that the government is coming after their university fees, coming after their penalty rates and making it harder for them to do their job, it is going to ask them to work longer. Only a government made up of people who have never had to work hard shift work in all their lives—nobody has done a hard job where they have had to stand on their feet for 12 or 14 hours a day—would suggest you could do that until the age of 70. That is what the nurses have got to look forward to under this government. It is an absolute and complete breach of faith.

We heard the minister say that there are no cuts to hospitals. We know they do not like to listen to union officials but here is one union official they might like to listen to. During question time today, the AMA said that Australia has 'one of the most efficient and high-performing health systems in the world'. The AMA has said that the health budget is not out of control. That is a complete contradiction of what the government has said. The government is trying to pull the wool over the eyes of the Australian people.

The government say that Medicare spending is out of control. I had a look at Medicare spending. They like to look at the figures over the last 10 years. The government outlay was 4.8 per cent in 2003-04 and 4.6 per cent in 2013-14. The government outlay has actually gone down. The AMA knows it and the nurses of Australia know it. The nurses, the AMA and everybody who has anything to do with the health system know that your rotten GP tax and your rotten plan for the health system just will not wash. (Time expired)

Mr LAMING (Bowman) (15:33): It really is a privilege for everyone in this chamber to speak on behalf of Australian nurses. That is what this MPI debate is really about. Without being a little self-indulgent and falling back on lists of talking points, shouldn't this be a
moment for us to recognise this incredible profession? Often nurses are bound by paperwork, which I think is partly our fault in this chamber, and are sometimes short on energy and hands, but they are never short on caring. These people do an amazing job. I note also that in regional Australia they probably have the best workforce distribution of any profession. Nurses will go to the ends of the earth and every corner of Australia to deliver their great trade and their wonderful caring. I thank them.

This does raise the question: what provoked the debate today? The Minister for Health exposed the fact that we have some very important people in Canberra today. None of my nursing friends are in Canberra today, no. There are some senior ranking union officials in Canberra. That is why all of a sudden the spotlight is shining on nursing for the first time in years. This is the first time in years they have brought up nursing. There is no doubt about it: the Minister for Health exposed the puppet strings and the fact that they will jump for whoever will get them preselected.

In reality we have a complete disparity between what the union says and what the nurses say. I spent time last week with nurses working in remote Australia and I did not hear them singing from any of the song sheets they have over there. The more I listen to the politics over there the more I realise they do not know much about how a hospital works and when the visiting hours are around the corner. When you dig down and know what life is like working hard at delivering care on the wards, the one thing I think you would ask for—and I do not want to put words in anyone's mouth—is focusing the resources and the attention of the government on front-line health care, making sure that money is spent on patients.

Over the last six years that mob over there had every chance in the world to prove that they could do that but they set up another authority. They slipped it through the parliament. There was a deal with the Greens. What did we get? More high-rise buildings full of bureaucrats and a few more water bubblers, tea trolleys and lumbar supports. None of that was going to help patients, was it? That is the point. That is the raw test of the government's commitment to looking after the ill, the sick and the needy.

This government will never shirk making sure that those on the front line are looked after. That works right through the whole system. We do not employ large numbers of well-meaning people in authorities to tell us the answers we already know to questions. We certainly do not start getting spooked and worried that they are not going to become union members. That is not of any great concern to patients, is it? Patients do not want to know they are being cared for by a union member; they want to know they are being cared for by qualified nurses who are there in appropriate ratios and properly supported by our health system.

Ms Butler interjecting—

Mr LAMING: I will take that interjection from the member for Griffith. Queensland has shown a stunning turnaround in A&E waits and in waits for surgery that no-one ever thought was possible. What did they do? They did not do it by taking money off the front line, no. They sorted out corporate health and now we are seeing the money directed to where it is really needed.

The second thing is duplication. We want to know that between federal and state services we do not have ridiculous overlaps. We need a health department federally but we do not
need one of 5,000 people where none of them treat patients. If you talk to ordinary, everyday
Australians, they will say to you, 'I just want to know that when my child is ill I can be seen
by a well-supported, qualified workforce in A&E; and, if I need to get an operation, I know
that that will also be available.' Practice nurses are there thanks to coalition initiatives. We
have got practice incentive payments there to look after the doctors that do the supervision.
We have got the GP numbers increasing from 1,200 to 1,500. They are the real changes that
make a difference.

How would we invest in health infrastructure to help those nurses to work? Let's compare
and contrast again. How would Labor do it? They would build a superclinic. That is right, a
great big Taj Mahal, like the one in Ipswich or the one in Redcliffe, with no doctors—empty,
treating no-one. The lights are on but no-one is home. They have even illuminated the cross,
but there is nothing going on inside. It reflects a little bit of what is happening on the other
side of this House. What are we doing? It is a dollar-for-dollar investment. Practices around
the country put up a dollar and we match the dollar with government funds. Then we know
the clinicians have put their heart in it and they will use that infrastructure appropriately.
You will see more changes and more improvements. Yes, we wave goodbye to authorities. No, we
owe nothing to the unions. Yes, on this side, we will do everything we can to serve those on
the front line, including nurses around Australia.

Mr CHAMPION (Wakefield) (15:38): It is great to be here and it is wonderful that the
government backbenchers have stuck around to discuss Medicare. I know their great hero
John Howard said in 1987 he wanted to 'stab Medicare in the stomach', and that is what this
back bench wants to do. They want to gut Medicare. They want to get rid of Medicare. That is
what you are doing. There is absolutely no doubt that the essential parts of the Medicare
workforce are its nurses, who are an essential front-line part of this system, along with doctors
and allied health professionals. They are the sorts of people we should be listening to. But
what do you get from the government back bench? You do not get them listening. You get
this defence of the government's budget—at least sometimes you do—by interjection. It is not
by speeches, not by standing up in the parliament and putting themselves on the record; it is
just by interjections and by showing up for these debates.

The AMA, the Australasian College for Emergency Medicine, the Doctors Reform Society,
the Public Health Association, the Royal Australian College of General Practitioners, the
Consumers Health Forum, the Australian Healthcare and Hospitals Association and countless
others are against the government's changes. What are they again? They are against the GP
tax, which will cost $7 every time you walk into a waiting room and every time you get a
blood test. Think about it: $7 every time is a cascading and compounding tax on Australian
families. Those opposite are out there giving their constituents the wrong impression by
alleging there is some sort of safety net. We all know that safety net is not defined. We have
seen neither hide nor hair of it. All we know is $7 every time you go to a waiting room, every
time you get a blood test, every time you go anywhere near a doctor. That is the nature of this
policy. That is why it smashes Medicare and it smashes preventative health care.

Dr Bruce Groves from Salisbury North, which is just outside my electorate, wrote to me. I
used to go to his surgery. You might want to listen to this. This is not the Labor Party. He
says:

To the honourable Nick Champion
Dear Sir

I wish to draw your attention to the massive reduction at my practice of patient numbers since the budget announcement re co-payments in general practice. Our practice of eight doctors, a noncorporate teaching practice, has noted a 30 per cent drop in attendance since this announcement. We are now trying to reassure patients that this measure will only come in if passed by both houses of parliament in July 2015. Patients are confused and upset. We, the doctors, working in a working class suburb with many pensioners and concession card holders are angry and appalled by the proposed co-payment measure, which may well destroy our practice and others in the region, given the response already. The measure is heartless, bereft of social conscience and punishes those who can least afford it.

None of you are listening to your electorates, none of you are listening to the AMA and none of you are listening to general practitioners in your electorates. It is a serious problem because every time someone does not go to the doctor it creates bigger problems down the track. We all know they end up in the emergency departments and they end up in our hospitals, and that will put more pressure on those nurses, more pressure on the front-line services and more pressure on our hospital system. There will be no savings. All of the mythical savings that will go into this wonderful research fund that the minister talks about will not appear because this is simply a cost-shifting situation. If you charge at the GP end, then you will make our hospitals less efficient in the long term.

Government members interjecting—

Mr CHAMPION: We hear a lot of interjections from those opposite. But make no mistake, this GP tax, a cascading $7 every time, combined with the $50 billion worth of cuts, is going to cut some 4,300 hospital beds and one in five nurses. The government back bench might show up and they might interject, but we will not find any of them out in their electorates actually defending this policy come election time. They hope it is defeated in the Senate. They hope that the Labor Party successfully defends Medicare. They hope that this budget is not implemented.

Dr GILLESPIE (Lyne) (15:43): When I saw this matter of public importance I thought: 'What is happening here? What are our wrong priorities towards nurses?' I had to scurry back to my office and look through all our documents that we had put through in the campaign and in the budget. To be truthful, I was hard pressed to find anything specifically that was not beneficial for nurses. Then today in question time we hear of visitors here from the Health Services Union and other unions. Then the penny dropped and, like most of you, I realised that this is a bit of a beat up for the people in the unions that are controlling far too many members on the other side of the House.

If you look at things rationally, maybe they are upset about the fact that, when we were in government previously, the coalition introduced practice payments for nurses. But surely they could not be upset about that. Maybe they do not like the idea of 500 scholarships for nurses for up to $30,000 to train, particularly, those in rural and remote areas. They keep going on about this mythical $50 billion worth of cuts, but when you look at it the payments to the states actually go up. What they are complaining about is that the increases are not as prodigious or unrealistic or unsustainable as the previous ALP government made out.

So, there are no cuts. To me, a cut means that what you get next year is less than what you got this year. But things are going up and up—as many speakers here today have pointed up, by nine per cent, nine per cent, six per cent, and then the usual precedent is by CPI and
population growth. So, this idea of cuts is absolute rubbish, and these members on the other side should be held to account for scaring the bejesus out of half the people who depend on the health system for their wellbeing. I have worked for 33 years in the health system, and I do not know anyone in the health system who has ever complained about a cut in bureaucracy—and that is what we are doing. The last time I was in A and E and there was blood going everywhere and someone exsanguinating, I did not say, 'Quick, get me a clipboard!' or 'I need a few more paperclips!' or 'I need a new position statement!'

That is what we are doing. We are directing what precious money is in the health portfolio into front-line services. We also have a $331 million Practice Nurse Incentive Payment. Maybe they are complaining about $331 million being dedicated to getting more nurses in private practice, just like they are complaining about nine per cent more, nine per cent more, six per cent more. It is just ridiculous. It strikes me as quite confectioned anger. They do not have anything else to complain about, so they brew up this major storm about these mythical cuts, when in fact things are going up. There is also $80 million for clinical training programs for nurses. Who could complain about that? So, there is one policy after the other—funding that is going up—but they are complaining.

In my area, what have we seen from the previous government? We have seen $7 million tied up in my home town for a superclinic that has been in construction for 3½ years and has not seen one patient yet. And you hear the stories all around the country of all these superclinics that are white elephants or are underutilised or not utilised. It is just ridiculous. Practice incentive payments for infrastructure are going to expand the capacity of existing practices rather than superclinics. They also make a big deal about the $7 co-payment. Sure, it is going to change the behaviour in general practices. Hello! That is why it is being introduced—because it was unsustainable. It is sending a price to both the doctor and the patient. And the system, if it is going to be sustained, needs it. (Time expired)

Ms CLAYDON (Newcastle) (15:48): The Prime Minister, before the election, made it very clear—he promised—that there would be no cuts to health. Yet in the very first budget this government brought to this parliament we saw $50 billion cut from the health budget—out of our public hospitals, away from all the front-line services. These guys—those opposite—pretend there is no impact on front-line services. You will hear them again today talk about that. It is a complete falsehood, of course. This is just another example of the Prime Minister's wrong priorities that leave shortfalls for the states to pick up that we know they are never going to meet. Those states are never going to pick up that additional cost, and that is just the start.

Across the board the Abbott Liberal government's budget takes the scalpel to health funding and healthcare programs. The introduction of the $7 GP tax hits everyone; we know that. It is going to hit pensioners, parents, the unemployed, low-income earners, people with a disability and even veterans. The tax will cost the people in my electorate of Newcastle more than $5 million a year in extra health costs.

They are hitting the Australian public again with a $1.3 billion increase into the cost of pharmaceuticals. And they are slashing all the preventive healthcare programs, like the Deadly Choices program run by the Awabakal Aboriginal medical service in my electorate of Newcastle.

Mr Stephen Jones: Shameful.
Ms CLAYDON: It is shameful, the attack on the sickest, the poorest, and the most marginalised group in my community of Newcastle. And there has been nothing but silence from those opposite. A preventive healthcare service for Aboriginal people, gone. And this is not something that is coming in the future; these cuts are hitting hard, and they are hitting now. Those opposite are living in some kind of parallel universe if they think there is no impact of these cuts already.

Remember the promise 'We'll shut no Medicare Locals' before the budget? Yeah, we all remember that one. Well, my Medicare Local in the Hunter happens to run this country's most progressive and innovative GP Access After Hours Service. We just celebrated the 10th year of the GP Access After Hours Service, which should be a model for this entire country. It is driven by the dedicated nurses who run the triage work, 24 hours a day, seven days a week—a service that is used by just about every one of the families in my electorate of Newcastle. And it is not just my electorate but the electorates of the member for Shortland, the member for Hunter and the member for Charlton—and the member for Paterson should be in here defending it, actually, because his constituents are also beneficiaries of the nurses who run the GP Access After Hours telephone service, which is gone because of cuts by this government.

Let's not talk about what this will mean in the future, but let's spend the remaining time by focusing on nurses, who are watching this government's attacks on their health industry, their workforce and their sector being cut to the core. It is nurses who are delivering the quality care into hospitals and services in the regions. I might remind the House that for the 20th year in a row nurses have been voted Australia's most ethical and trusted professionals. Do you know that 91 per cent of Australians aged 14 years and over placed nurses at No. 1 in terms of ethics and honesty?

This government is attacking our most trusted. They have no shame. We are facing a shortage of nurses in the near future, and you would think that might be an issue this government might be concerned about, but without a nationally-coordinated reform project that shortage is going to grow to more than 109,000 nurses by 2025. We have got nothing from the government.

You would think they would want to assist women and men to go into nursing higher education, but no: universities like the University of Newcastle are going to be suffering drastically from the cuts in higher education. We know for women it costs more and more to do the degree and repay the costs later. (Time expired)

Mrs SUDMALIS (Gilmore) (15:53): Despite the fact that the federal government does not employ any nurses, I welcome this motion before the House and note that the shadow minister has already left the chamber. I also note the member for Throsby's inaccurate assertion that no coalition members are present to debate the issue.

Honourable members interjecting—

The DEPUTY SPEAKER: Order!

Mrs SUDMALIS: There are eight on the other side and 21 over here. Excuse me while I choke! For seven months now I have been advocating for a practice nurse in a regional area, trying to find out why the previous government changed the rules, disallowing the possibility for a practice nurse to fulfil her obligations for 'recent hours in the practice' while working in order to renew her registration. Please do not snip at our fairy-tale budgetary interpretations.
measures when it was the previous government that made this change; and regional practice nurses are one of the unintended consequences. Where was Labor and the nurses' union when young nurses were desperate to retrain and get back to work after having a child? How do they assist them to get back to work? The answer is: they do not—no scholarships and no regional application of policies. Shame!

Those opposite speak of health and nurses, but when a previous Labor member announced extra beds in Tasmania, two wards were closed. To those opposite I say: 'don't make me laugh. Labor does not care about nurses or regional health care.' I welcome the chance to speak on this MPI because of the importance of health services in my regional electorate of Gilmore. Only yesterday I met with health minister, Peter Dutton, to talk about health care in my electorate; we spoke about issues like Headspace, bulk-billing, domestic violence services, counselling, MRI issues and more. Gilmore is one of the most healthcare-critical regions in the nation, and that truth is not something to be proud of, but something to advocate for. I am proud to say that on this side of the House we care about nursing and we care about health care.

In fact, the budget papers clearly show that there is no cut. Hospital funding from the government receives an increase of three years—in this budget annual hospital funding increases by over $5 billion. Our commitment to total hospital funding to the states is almost $70 billion over the four years to come. In my own state this goes to $5.9 billion in just three years' time. Those opposite go on about how one of their Kevin Rudd thought bubbles was to increase hospital funding by 10 per cent each year every year. Such an increase would take our current $15 billion health budget to a $40 billion debacle within a decade. Because we are not following this stupid, unaffordable Labor funding thought bubble, those opposite refer to it as cuts. Is it any wonder that we were left with a budget disaster when first-principle economics simply are not understood? It was another Labor thought bubble with no actual thought, no plan, no maturity and no accountability for this proposed expenditure. We are not cutting expenditure; we are just not spending imaginary Rudd dollars.

I find it farcical that those opposite bring this motion before the house today. And yet the Leader of the Opposition is short on how Labor would pay for its pie-in-the-sky health plan. The shadow minister the health never attempts to outline how Labor would find the nearly $15 billion a year extra they claim they can deliver for our hospitals. I guess they prefer the nurses to work in the dark because of the electricity costs.

Gilmore has many district nurses and those opposite even tried to destroy part of their income package by getting rid of the FBT, which is essential for regional nurses. It is not enough that regional areas were starved of funding with no accountability required, but those opposite introduced additional levels of bureaucracy. How on earth does that equate to assistance for frontline nurses? We will be happily investing in healthcare professionals, showing them the respect they deserve, increasing the Practice Nurse Incentives Program, putting in an extra $40 million for medical internships and extra funding for the General Practice Rural Incentives Program, which actually gives nurses an increased chance to work.

We in Gilmore, especially through the Shoalhaven campus of the University of Wollongong, have an outstanding School of Medicine and also one of nursing. This university welcomes the changes to higher education and has confirmed in a competitive environment that it is in the students' interest and that it is unlikely to see fee increases. Unlike those
opposite, we know how precious our nurses really are and we will continue to support them by growing the economy so they can actually get a job.

Ms BUTLER (Griffith) (15:58): It has been instructive in this debate to hear references to the phrase 'frontline services' on a number of occasions from the speakers from the Liberal and the National Parties. It is not new to me—

Mr Nikolic: What would you know?

Ms BUTLER: and I will take the interjection from the member from Bass who suggests that the language is new to me. You might like to know that the phrase 'frontline services' was used by the Liberal-National Party prior to the 2012 state election in my home state of Queensland. 'Frontline services,' they said. 'There will be no cuts to frontline services.' How did that go? What happened? Let us see this: 4,000 full-time equivalent hospital and health services jobs were lost across Queensland, including more than 1600 nurse and midwife positions. So when the Liberals and Nationals use the language of 'front-line services', you know they certainly do not mean front-line jobs. It is code for 'cuts'. It is always code for cuts.

Government members interjecting—

Ms BUTLER: I thank members opposite for so kindly providing me with an eye line and a group of people to address. As the member for Bass and others know, when you hear Liberals talk about front-line services, when you hear Nationals talk about front-line services, you need only think back to the example of Queensland, my home state—1,600 full-time equivalent nursing and midwifery jobs lost across that state, notwithstanding that reference to 'front-line services'.

Who else has spoken about front-line services? Perhaps COAG has spoken about front-line services. What did they say? On 18 May this year, shortly after the federal budget, they said:

The meeting of premiers and chief ministers expresses grave concern that, contrary to the Prime Minister's remarks today, there are immediate impacts on front-line services and the cost of living for Australians. For example, from 1 July 2014, there will be a reduction in funding for 1,200 hospital beds across Australia …

That is what COAG said about front-line services. So when members opposite use the words 'front-line services', we know that is code for cuts.

It is gravely disappointing that, despite the protestations from those opposite that they care about nursing and that they care about health care, they have offered nothing but union bashing in this debate today. It is the old LNP playbook: 'We have nothing to say; let's bash some unions and let's talk about the Labor Party and union connections.' I have some news for you, members opposite. In Queensland, the nurses union is not affiliated with the Labor Party—not to mention that they are a fine representative organisation. Who do you think runs the Queensland Nurses' Union, members opposite? Nurses run the Queensland Nurses' Union. In fact it is enshrined in legislation—democratic control of organisations.

Government members interjecting—

Ms BUTLER: They are not affiliated with the Labor Party. If you were listening instead of interrupting, you might have heard me saying that. Perhaps, members opposite, instead of continuously interrupting, you might want to listen.

Let's talk about nursing. We know that the report Health Workforce 2025—
Ms BUTLER: Oh! The member for Bass is married to a nurse. In the Labor Party, we run nurses for parliament.

A government member interjecting—

Ms BUTLER: The Queensland Nurses' Union is not affiliated. I have said it several times. But, yes, do you know what? Being a nurse qualifies you to stand for parliament. In fact we have a nurse running for parliament in one of my local state seats, Greenslopes. Our candidate, and hopefully our future member, is Joe Kelly, who is a nurse. He is standing for parliament—and guess what? You can stand for parliament in Queensland if you are a nurse. He will stand up for nurses as we on this side of the House do. I look forward to his getting elected and I certainly hope that he does.

But let's talk about nursing in Australia. Health Workforce 2025 reported that there is already a shortage of more than 20,000 nurses in Australia. That is what Health Workforce Australia's report said. It projected that, without nationally coordinated reform, there will be a shortage of more than 109,000 nurses by 2025. Yet the Senate this week is moving to abolish that agency and to cut more than $142 million from workforce planning. It is a terrible shame. This side of the House cares about nursing. I invite that side of the House to join us in doing so.

Dr SOUTHCOTT (Boothby) (16:03): I am very pleased to speak about nurses and to respond to this MPI, which is a very flimsy MPI. I think the Minister for Health really got to the motivation behind this MPI. The nurses union is in town and they say, 'Jump' to the Labor Party—and the Labor Party asks, 'How high?'

As a new candidate I remember being advised by the branch secretary of the Australian Nursing Federation to come and discuss the conditions at Flinders Medical Centre. It was a stunt. As well as me, she invited the local state Liberal members of parliament. What we heard was that this place was the most terrible place you could possibly imagine. I remember at the end saying, 'Look, I actually work there and this does not reflect in any way the conditions at that hospital.' You can imagine my surprise when that branch secretary of the nurses federation emerged some months later as the Labor candidate for Adelaide. Sadly, she did not win Adelaide. At the next federal election, she emerged as the Labor candidate for Makin. Sadly, the voters of Makin did not support her then either. It was realised that Gail Gago—the South Australian branch secretary of the nurses federation—and voters did not really get along, so they tucked her away in the Legislative Council. It is an example, I think, of how poorly health workers have been represented by some of these unions. We saw a really good example of this with the Health Services Union—the actions of those officials.

But, seeing as how we are talking about nurses, I would like to focus on the development of practice nurses. This very proud initiative was pushed forward by Michael Wooldridge, then the Minister for Health and Family Services. You now find that almost every general practice has a practice nurse, someone who is trained as a registered nurse. This provides more capacity in primary care. It means that, in areas like diabetes, chronic disease management, asthma and all sorts of things, the practice nurse can focus on certain things and allow the general practitioner to focus on diagnostics. It has been a great development. We have seen it happen around the world and it happened in Australia under a Liberal
government. When Tony Abbott was Minister for Health, we saw this expanded through Medicare, using the practice incentive payment introduced by Minister Wooldridge, as well as using the team care arrangements and an expansion of Medicare in that area.

The Labor Party have talked a lot about nurses, but what they have not mentioned is that they wanted to pull $437 million out of Medicare which was going towards practice nurses. That was something that we, as the then opposition, opposed. In our policy, we made it very clear that we would protect and maintain the $437 million of support for practice nurses that the Rudd-Gillard government planned to strip out of Medicare for these services.

We have heard a lot of rhetoric about nurses but, when it comes to substance, we have the runs on the board. Practice nurses are a great example, but it does not stop there. We have initiatives to provide scholarships for nurses, including $13.4 million for 500 additional scholarships for nursing and allied health. This will be for a maximum value of $30,000 per scholarship. The majority of nurses employed in Australia are employed in acute care settings in hospitals, and we are increasing hospital funding to state and territory governments every year. The increases are six per cent, nine per cent and nine per cent over the forward estimates, and we are providing more than $5 billion in additional hospital funding for the states over the next four years.

When you look at the scholarships that are available for nurses, when you look at the practice nurse incentives and when you look at the funding that is going to hospitals, this MPI just does not stack up. The underlying motivation of the MPI comes down to the industrial arm of the Labor Party muscling the political arm of the labour movement—that is, the Labor Party opposition in this place. We have had a number of nurses represent us, such as Trish Worth and Trish Draper—great members. (Time expired)

The DEPUTY SPEAKER (Hon. BC Scott): The discussion is concluded.

Mr Nikolic: Mr Deputy Speaker, I raise a point of order. As a new member, Mr Deputy Speaker, I seek your counsel. If Labor brings on an MPI, are they required to have a minimum number of members in the chamber? I would think that four members for their own matter of public importance—

The DEPUTY SPEAKER: No, they need a certain number at the start of the discussion, when members are called to stand in their place. I might say, too, that it is the responsibility of the government to maintain a quorum. I thank the member for Bass.

PERSONAL EXPLANATIONS

Mr LAMING (Bowman) (16:09): Mr Deputy Speaker, I wish to make a personal explanation.

The DEPUTY SPEAKER (Hon. BC Scott): Does the honourable member claim to have been misrepresented?

Mr LAMING: Yes.

The DEPUTY SPEAKER: Please proceed.

Mr LAMING: This morning I articulated the long-understood Treasury modelling around the $550 a year average saving for Australian families following the removal of the carbon tax. I have been misrepresented by our hallowed national broadcaster, who claimed that I contradicted colleagues. I made the obvious point that non-carbon expenses will continue to
increase, but overall it is clear and unequivocal that savings of $550 on average per family will be achieved with the removal of the tax—any suggestion otherwise is mischievous.

MOTIONS

Migration Amendment (Repeal of Certain Visa Classes) Regulation 2014 Disallowance

Debate resumed on the motion:

That the Migration Amendment (Repeal of Certain Visa Classes) Regulation 2014, dated 29 May 2014, made under the Migration Act 1958 and presented to the House on 2 June 2014, be disallowed.

The DEPUTY SPEAKER (Hon. BC Scott) (16:10): In accordance with standing order 133(c), I shall now proceed to put the question on the motion moved earlier today by the honourable member for Corio for a disallowance of the Migration Amendment (Repeal of Certain Visa Classes) Regulation 2014, on which a division was called for and deferred in accordance with the standing order, and no further debate is allowed. The question is that the motion be agreed to.

The House divided. [16:15]

(The Deputy Speaker—Hon. BC Scott)

Ayes ......................57
Noes ......................80
Majority ...................23

AYES

Albanese, AN
Bird, SL
Brodtmann, G
Burke, AS
Butler, TM
Chalmers, JE
Chesters, LM
Claydon, SC
Conroy, PM
Dreyfus, MA
Ellis, KM
Ferguson, LDT
Giles, AJ
Griffin, AP
Hayes, CP
Jones, SP
King, CF
Macklin, JL
Marles, RD
Mitchell, RG
O'Connor, BPJ
Owens, J
Perrett, GD
Ripoll, BF
Rowland, MA
Snowdon, WE
Thomson, KJ
Watts, TG

Bandt, AP
Bowen, CE
Burke, AE
Butler, MC
Byrne, AM
Champion, ND
Clare, JD
Collins, JM
Danby, M
Elliot, MJ
Feeney, D
Fitzgibbon, JA
Gray, G
Hall, JG (teller)
Husie, EN
Katter, RC
Leigh, AK
MacTiernan, AJGC
McGowan, C
Neumann, SK
O'Neil, CE
Parke, M
Plibersek, TJ
Rishworth, AL
Ryan, JC (teller)
Thistlethwaite, MJ
Vamvakou, M
Wilkie, AD
AYES

Zappia, A

NOES

Alexander, JG  Andrews, KL
Baldwin, RC  Billson, BF
Briggs, JE  Broad, AJ
Broadbent, RE  Brough, MT
Buchholz, S (teller)  Chester, D
Christensen, GR  Ciobo, SM
Cobb, JK  Coleman, DB
Coulton, M (teller)  Dutton, PC
Entsch, WG  Fletcher, PW
Frydenberg, JA  Gillespie, DA
Goodenough, IR  Griggs, NL
Hartsuyker, L  Henderson, SM
Hendy, PW  Hogan, KJ
Howarth, LR  Hunt, GA
Hutchinson, ER  Irons, SJ
Jensen, DG  Jones, ET
Joyce, BT  Keenan, M
Kelly, C  Laming, A
Landry, ML  Laundy, C
Ley, SP  Macfarlane, IE
Marino, NB  Matheson, RG
McCormack, MF  McNamara, KJ
Morrison, SJ  Nikolic, AA
O'Dowd, KD  O'Dwyer, KM
Pasin, A  Pitt, KJ
Prentice, J  Price, ML
Pyne, CM  Ramsey, RE
Randall, DJ  Robb, AJ
Robert, SR  Roy, WB
Ruddock, PM  Scott, FM
Simpkins, LXL  Smith, ADH
Southcott, AJ  Stone, SN
Sudmalis, AE  Sukkar, MS
Taylor, AJ  Tehan, DT
Truss, WE  Tudge, AE
Turnbull, MB  Van Manen, AJ
Varvaris, N  Vasta, RX
Whiteley, BD  Wicks, LE
Williams, MP  Wilson, RJ
Wood, JP  Wyatt, KG

Question negatived.

BILLS

Fair Work (Registered Organisations) Amendment Bill 2014
Second Reading

Debate resumed on the motion:
Ms RYAN (Lalor—Opposition Whip) (16:22): I rise for the third time in an attempt to complete this speech on the Fair Work (Registered Organisations) Amendment Bill 2014, which only goes to show my commitment. I begin where I finished by saying that the Fair Work (Registered Organisations) Act already provides for statutory civil penalties where a party knowingly or recklessly contravenes an order or direction made by the federal court or the Fair Work Commission under the registered organisations act or the Fair Work Act.

Under the Fair Work Act, officers of registered organisations already have fiduciary duties akin to those of directors under the Corporations Law. The registered organisations act already requires officers to disclose their personal interests. It already requires officers to disclose when payments are made to related parties. It already requires officers to exercise care and diligence, act with good faith and not improperly use their position for political advantage. It is, therefore, not surprising that we should question the motives of this government and the reasons for the introduction of these proposed reforms.

The government promised to regulate registered organisations in the same way as corporations. However, they have broken that promise. This bill places higher penalties and a more onerous regime on officers of registered organisations than those that are imposed on company directors. There are still recommendations to come from the various inquiries this government has established. Wouldn't it make more sense to wait for those outcomes and recommendations? This bill is pre-emptive and ill-conceived and it is also a broken promise.

Why is this government rushing to impose this onerous regime and penalties that exceed those in the Corporations Act? As always, we need to question the motivation of the government. Is this just a political attack on unions. I will remind members of the impact on workers when Work Choices was introduced in 2006, to help them think about and determine whether this legislation is just an attack on unions. Three workers at a cabinet installation company in the west of Melbourne were sacked on the day Work Choices came into effect and then offered casual positions at a lower rate of pay. Seventy Optus workers received letters from the company directing them to a seminar to teach them how to set themselves up as contractors. As contractors they would be up to $300 a week worse off and would have to pay $12,000 for their own van, as well as workers compensation, superannuation and other overheads. A woman employee of 15 years was sacked while she was on sick leave, just days after the Work Choices laws came into effect. A clerical employee was dismissed via email for requesting her pay, which was six weeks in arrears. A university student was working in a medium sized business which dismissed all permanent employees on the day the new legislation came into effect. They were offered AWAs with lower levels of pay and worse conditions. A young worker lost her job in a cafe after refusing to sign an AWA which included a hefty pay cut. A hairdressing apprentice was offered a contract which included an unpaid trial as a condition of employment and no overtime or penalty rates.

Workplace laws are about balance between the workers and the employers. They are about balance between unions and big business. They are about balance between law breaking and good governance. Is this legislation about balance or is it just an ideological attack? We have reason not to trust the coalition when it comes to workplace relations. They have form. In 2004, they did not tell the Australian people about their plans to introduce Work Choices and
AWAs. In 2005, they told the Australian people their pay and conditions were protected by law, when they were not. In 2008, Tony Abbott said Work Choices was:

... good for wages, it was good for jobs and it was good for workers. And let's never forget that.

In his book *Battlelines*, Tony Abbott said, 'Work Choices wasn't all bad.' Labor will not support a politically motivated witch-hunt designed to kill off unions just because the government seeks to reward its friends in big business.

Mr TEHAN (Wannon) (16:27): I rise to speak on the Fair Work (Registered Organisations) Amendment Bill 2014, which amends the Fair Work (Registered Organisations) Act 2009 to achieve greater accountability and transparency for registered organisations. It is a bill that I would have thought would have bipartisan support. What could be wrong with increased transparency in the way registered organisations operate? Sadly, the changes that we are proposing be made do not have bipartisan support.

I began to wonder why would it be that those opposite would not support a bill like this. It did not take long for me to begin to understand why there might be some sensitivities. We have seen that at first hand in Victoria through the evidence that has come up in the royal commission into the construction industry that is going on at the moment. We have seen some very concerning developments, especially when it comes to the CFMEU, which in Victoria has been accused of nepotism, blackmail, threats and cartel behaviour. I would have thought that, when there are accusations of that type, both sides of the political fence would seek to act. I would have thought that one would particularly seek to act if that behaviour was having a flow-on effect on how that industry operated in the state. Sadly, that has not been occurring.

It is problematic, to say the least, that we are not seeing action taken. In the previous parliament—this came up again, today—we saw issues regarding the Health Services Union. We had those opposite taking up the cause, or the supposed cause, of nurses today, yet in the previous parliament, when the Health Services Union was seen to have acted—or those in senior administrative positions were seen to have acted—in a way which was not befitting of how those in senior roles in organisations should operate, we heard nothing from the other side. These senior members of the HSU were operating in a way where it would seem that they were misusing union funds and that those union funds had been collected from some of the lowest paid workers in the union movement, yet nothing was done. It was as a result of that that, before the election, we on this side decided that some action needed to be taken, and the Fair Work (Registered Organisations) Amendment Bill will achieve greater accountability and transparency for registered organisations.

You might ask in particular, when it comes to some of these unions, why we might not have bipartisan support for this bill here today. Most disturbing of all is the connection in Victoria between the CFMEU and the Victorian Leader of the Opposition, Daniel Andrews. There have been calls for the Labor Party in Victoria to distance themselves from the CFMEU, to not accept the donations that they receive from the CFMEU and to ensure that, instead of the CFMEU being party to the Labor Party in Victoria, Labor should do the right thing and say, 'No, sorry. If you're going to behave like that, we won't have you as part of our organisation.' But that, sadly, has not happened.

I thought we might see federally, here in Canberra, some action along those lines as well. It seemed to me that the federal Leader of the Opposition, with his detailed knowledge of how the union movement should work in this situation, might step in and say to Daniel Andrews,
the Leader of the Opposition in the Victorian state parliament, 'Sorry, the Labor Party cannot
condone this type of behaviour. We need to distance ourselves from it. We have to come out
strongly against this type of behaviour.' I thought we might see some real leadership from the
Leader of the Opposition on this issue. I thought we might have seen him decide, 'Yes, we do
need to see more transparency when it comes to registered organisations. We do need to see
greater accountability and, therefore, we will support what the government is trying to do
here. After all, everyone stands to benefit.' Yet we have not seen that.

What we instead have seen is the Labor Party remaining silent. This is despite the evidence
being detailed at the commission. To get it on the record, counsel assisting the commission
detailed the claims in his opening statement. At a meeting between Boral representatives and
the CFMEU, Mr Setka, the state secretary, said words to the effect: 'We are at war with
Grocon, and in a war you cut the supply lines. All wars end and, once peace is established, the
CFMEU will be at the table to divide up the spoils. The CFMEU will decide who gets what
and what market share Boral will get.' That is the way that the CFMEU seeks to operate.

I find it passing strange that the Labor Party are prepared to sit silently by and let a union
which is affiliated to the Labor Party behave in this manner. I think it is time that they
understood that real leadership requires, at some stage, for you to stand up for what you truly
believe in—you stand up for what you think is right; you stand up and say, 'Enough is
enough.' This is the situation that we have reached and this is why the government is acting.
This type of behaviour must be stopped so that we can have a construction industry, in
Victoria for instance, which can operate without fear, without intimidation and without
blackmail. The only way you can do that is to ensure that there is transparency and
accountability in the way that these organisations operate.

We have seen some other things come up. The Fair Work Building and Construction
agency is taking the CFMEU's president, Ralph Edwards, to the Federal Court over claims he
intimidated Red & Blue Scaffolding. The statement of claim said that Mr Edwards allegedly
told the firm:
The rules of the union are, we choose who is shop steward—if you want to have a business and a
working relationship with me.
According to media reports:
When the contractor refused, the union official allegedly said: 'Well done, you've sacked your own
workforce. You will be out of business.'
That is the type of intimidation that we are, sadly, seeing in workplaces as a result of this
particular organisation operating without the government being able to take the right type of
action to deal with it.

How does this bill interact with the previous government's amendments? The previous
government's amendments, contained in the Fair Work (Registered Organisations)
Amendment Act, demonstrated that there is a need for increased financial accountability of
registered organisations, strengthened investigation powers and increased penalties. However,
these changes were not adequate. That is why this bill strengthens reporting and disclosure
obligations to align more closely with the Corporations Act, moves obligations from the rules
of registered organisations to the face of the legislation and gives the new commissioner
greater scope to ensure that officers are complying with their obligations and greater powers
to investigate when a member makes a complaint about a registered organisation. It is fairly
straightforward, yet those opposite say that this is a bridge too far. Once again I ask why would they not want to take these extra necessary steps when we had evidence in the last parliament about the Health Services Union and the behaviour that went on there. Sadly, it was evidence which played out almost on a daily basis in this place. Now that the royal commission has moved to Victoria, we have further evidence of that occurring within the construction industry. The allegations detailed against the CFMEU involve behaviour taking place not just in the last 12 months—it dates back to the Westgate Bridge and the desal plant, and now it relates to Grocon and to Boral. This is why we need to introduce these amendments to the bill.

I would say to those opposite that you need to step back and think about what message your opposition is sending to the broader community. Daniel Andrews, the Leader of the Opposition in Victoria, looks extremely weak. I know that people would be looking at his actions and saying, 'Is this the type of leader we want—one who will not stand up to threats of blackmail and intimidation?' When it comes to the Leader of the Opposition federally, they will be looking and saying the same thing, 'Is it proper leadership when you have people or associations affiliated to your party who are acting in this way, and you stand by and say and do nothing?' That sends a very powerful message. All we have heard from the Leader of the Opposition here in Canberra is that he wants the royal commission to run its course. He said that he does not want to provide a running commentary on it. He does not need to provide a running commentary on it; instead, he can take some action to ensure that this type of behaviour cannot continue. The best type of action he could take is come in here when we vote on this bill and support the government. The history and the examples that we have seen over the last five to six years and beyond clearly show that, in these rotten little burrows, we need to stamp out these types of activities. We have seen these activities in the HSU, and we see them in the examples relating to the CFMEU that are coming before the royal commission.

This amending legislation before us today deserves to be supported. I know that the Minister for Education, who will address us next, is very keen on ensuring that this legislation and the amendments in it see the light of day. As he illustrated very clearly in question time today, we have had enough of those opposite saying, 'We don't like this type of behaviour. We need to see some action.' This legislation provides action, because it means that we can hold these registered organisations accountable. We can make sure that there is proper transparency and ensure that those unions which are doing their jobs can continue to do that, and that rogues that are using practices like nepotism, blackmail, threats and cartel behaviour cannot continue to operate in this manner.

In summation, this is a mature government acting in a mature way and putting forward some sensible amendments to a piece of legislation which will ensure that all Australians benefit when it comes to how unions and others operate within our community.

Mr PYNE (Sturt—Leader of the House and Minister for Education) (16:42): It is a pleasure to rise to close the debate on the Fair Work (Registered Organisations) Amendment Bill 2014. Given that the bill is being debated by this House for a second time, I will not seek to take the House's time in covering, again, the same issues I spoke on before. That said, I would like to thank all of the members for their contribution to this debate and take the
opportunity to clarify the operation of this bill, following the contributions made by some of the members of the opposition.

The Registered Organisations Commission, when established, will have an important education function in assisting registered organisations and their officials to understand and work with these laws. To be clear, officials and registered organisations will be able to get advice and assistance to help them in their duties and to understand the framework. Should this bill pass the parliament, the Registered Organisations Commission will be there to help and assist but, if there is illegality or continued and deliberate noncompliance with the laws, they will have the powers available to prosecute and allow the court to decide on penalties. In almost all cases, these are set at maximum penalties and can be issued at the court's discretion. Consistent with longstanding practice, the courts will have the ability to determine the penalty within the framework provided within this legislation. The seriousness test is drawn from the Corporations Act and, again, will be at the discretion of the courts to use. The courts will be able to exercise discretion in the same way as under that act.

Some members have expressed concern about the new provisions, which are also modelled on the Corporations Act, that make it a criminal offence to breach the duties of a registered organisation's office holder. Let me be very clear: these provisions are in the Corporations Act today, and many voluntary officeholders and community groups are held to a similar standard. The only people who have anything to fear from these provisions are those who do the wrong thing and, importantly, are found by a court of law to have done so. The government would ask the Registered Organisations Commissioner to create fact sheets to assist officials within registered organisations to understand these provisions. It is also expected that the training required under this bill will adequately equip any office holder to understand their responsibilities under these provisions.

This House has now dealt with amendments that seek to fix the law as it currently stands. Unless these amendments pass this parliament as a whole, officials of registered organisations will run the very real risk of being in breach of the laws as they stand today in relation to the issues identified by the opposition that I mentioned earlier.

In closing, I would encourage all members of this place to seriously look at this bill and today support the honest and hardworking members of registered organisations who want peace of mind that their fees and dues are going to an open and transparent organisation. I commend the bill to the House.

Question agreed to.

Bill read a second time.

Consideration in Detail

Bill—by leave—taken as a whole.

Mr PYNE (Sturt—Leader of the House and Minister for Education) (16:46): by leave—I present the supplementary explanatory memorandum and move government amendments (1) to (9):

(1) Schedule 2, item 166, page 48 (line 7), omit "of officers", substitute "of disclosing officers (see subsection 293C(1))".

(2) Schedule 2, item 166, page 48 (line 8), before "officers", insert "disclosing".

(3) Schedule 2, item 166, page 51 (line 24) to page 52 (line 32), omit section 293C, substitute:

293C Disclosure of material personal interests of officers
Disclosure by officers

(1) This section applies to each officer (a *disclosing officer*) of an organisation or a branch of an organisation whose duties include duties that relate to the financial management of the organisation or branch.

(2) A disclosing officer of an organisation must, in accordance with subsection (5), disclose to the committee of management of the organisation details of any material personal interest that the officer has or acquires in a matter that relates to the affairs of the organisation.

Civil penalty: 100 penalty units, or 1,200 penalty units for a serious contravention.

(3) A disclosing officer of a branch must, in accordance with subsection (5), disclose to the committee of management of the branch details of any material personal interest that the officer has or acquires in a matter that relates to the affairs of the branch.

Civil penalty: 100 penalty units, or 1,200 penalty units for a serious contravention.

(4) A disclosing officer does not need to disclose an interest under subsection (2) or (3) if:

(a) the interest:
   (i) arises because the disclosing officer is a member, or a representative of a member, of an organisation or a branch and the interest is held in common with the other members of the organisation or branch; or
   (ii) arises in relation to the officer’s remuneration as an officer of the organisation or branch; or
   (iii) relates to a contract the organisation or branch is proposing to enter into that is subject to approval by the members of the organisation or branch and will not impose any obligation on the organisation or branch if it is not approved by the members; or
   (iv) is in a contract, or proposed contract, with, or for the benefit of, or on behalf of, a related party of the organisation or branch that is a body corporate and arises merely because the officer is on the Board of the related party; or

(b) the officer has given a standing notice of the nature and extent of the interest under section 293D and the notice is still effective in relation to the interest.

(5) A disclosure made under subsection (2) or (3) must:

(a) be made as soon as practicable after the interest is acquired; and

(b) provide details of:
   (i) the nature and extent of the interest; and
   (ii) the relation of the interest to the affairs of the organisation or branch; and

(c) be made:
   (i) at a meeting of the committee of management (either orally or in writing); or
   (ii) to the members of the committee of management individually in writing.

The disclosure is made under subparagraph (c)(ii) when it has been given to every member of the committee of management.

Committee of management must record details of disclosure in minutes of meeting

(6) An organisation or a branch contravenes this subsection if a committee of management of the organisation or branch (as the case may be) fails to record details of a disclosure made under subsection (2) or (3):

(a) if the disclosure is made at a meeting of the committee of management of the organisation or branch—in the minutes of the meeting of the committee of management at which the disclosure is made; or
(b) in any other case—in the minutes of the first meeting of the committee of management after the disclosure is made.

Civil penalty: 100 penalty units.

(7) An organisation or a branch contravenes this subsection if a committee of management of the organisation or branch (as the case may be) fails, within 28 days of being requested in writing to do so by a member of the organisation or branch, to provide to the member details of disclosures made to the committee of management under subsection (2) or (3).

Civil penalty: 100 penalty units.

(4) Schedule 2, item 166, page 55 (lines 13 to 15), omit subsection 293F(3), substitute:

(3) Subsections (1) and (2) do not apply if:

(a) subsection (4) allows the officer to be present and take part in a discussion with respect to the matter; or

(b) the interest does not need to be disclosed under section 293C.

(5) Schedule 2, item 166, page 56 (after line 32), after subsection 293G(5), insert:

Arm's length terms

(5A) Subsections (1) and (2) do not apply to a payment made to a related party if the payment is made on terms that:

(a) would be reasonable in the circumstances if the organisation, or the branch, and the related party were dealing at arm's length; or

(b) are less favourable to the related party than the terms referred to in paragraph (a).

Small amounts given to related party

(5B) Subsections (1) and (2) do not apply to a payment made to a related party if the total of the following amounts is less than or equal to the amount prescribed by the regulations for the purposes of this subsection:

(a) the amount of the payment;

(b) the total of all other payments given to the related party, in the financial year, in relation to which subsections (1) and (2) do not apply to the payment because of this subsection.

(5C) In working out the total of the payments referred to in paragraphs (5B)(a) and (b) disregard:

(a) amounts that have been repaid; and

(b) amounts that fall under any other exception in this section.

Payments to members that do not discriminate unfairly

(5D) Subsections (1) and (2) do not apply to a payment made to a related party if:

(a) the payment is given to the related party in their capacity as a member of the organisation or the branch; and

(b) making the payment does not discriminate unfairly against the other members of the organisation or the branch.

(6) Schedule 2, item 166, page 57 (line 2), omit "293C(1) or (2)" substitute "293C(2) or (3)".

(7) Schedule 2, item 166, page 59 (line 34) to page 60 (line 1), omit "officers of the organisation or the branch, and by the organisation or branch, under Division 2", substitute "the organisation or the branch under sections 293BC, 293G and 293H".

(8) Schedule 2, item 166, page 60 (line 5), omit "Each", substitute "Unless exempted under section 293M, each".

(9) Schedule 2, item 166, page 60 (after line 27), at the end of Division 4, add:
293M Commissioner may grant exemption from financial training

(1) An organisation or branch of an organisation may, in writing, apply to the Commissioner for an officer of the organisation or the branch to be exempted from the requirement to undertake training under section 293K.

(2) The Commissioner may grant the exemption if the Commissioner is satisfied that the officer has a proper understanding of the officer's financial duties within the organisation or the branch because of the officer's:
   (a) experience as a company director; or
   (b) experience as an officer of a registered organisation; or
   (c) other professional qualifications and experience.

(3) The Commissioner may grant the exemption subject to any conditions that the Commissioner considers appropriate in the circumstances.

I am pleased to move the government amendments that have been circulated. They will improve this bill and, importantly, fix a number of implementation issues that have arisen under the current framework. In 2012 the now Leader of the Opposition introduced amendments to this act which were rushed through the parliament with minimal consideration. Since that time, a number of issues have arisen that need rectification.

Interestingly, a number of the issues that have arisen as a result of the now Leader of the Opposition's own amendments have been bizarrely identified by those opposite as reasons not to support this bill. For example, Labor members have said in this debate that disclosure goes above and beyond the Corporations Act. For the benefit of members opposite, I can advise that the level of disclosure was introduced by the now Leader of the Opposition himself in his second reading speech, saying:

This bill will require the rules of registered organisations to provide for the disclosure of remuneration, including board fees, of the five highest paid officials of the organisation as well as the two highest paid in each branch, to the members of the organisation. Determining the five highest paid officials will be based upon monetary remuneration rather than non-cash benefits. However, where an official's remuneration is required to be disclosed, that disclosure will require non-cash benefits paid to the official to be identified.

These requirements came into effect on 1 January this year under the current act as implemented by the Leader of the Opposition.

Labor members have said in this debate that disclosure is too invasive and covers family members. The government agrees and again notes that this level of disclosure was introduced by the now Leader of the Opposition himself. I will quote him again. He said:

Under the amendments proposed by the government, registered organisations will be required to amend their rules to provide for the disclosure of transactions between the organisation and related parties, which may include the family members of officials.

These requirements came into effect on 1 January this year.

Labor members have said in the debate that even those with lots of experience require the training, but this was another requirement introduced by the now Leader of the Opposition. His new training requirement required that all existing officers received training before 1 July.

Today the opposition will have the opportunity to put its money where its mouth is and support fixing these problems that have come up as a result as the Leader of the Opposition's
rushed amendments. These amendments are common sense. They amend the disclosure requirements for officers of registered organisations to more closely align them with the Corporations Act so that the requirement to disclose material personal interest applies only to those officers whose duties relate to the financial management of the organisation. They remove the more invasive disclosure requirements for officers of registered organisations to report family members' material personal interests and thereby more closely align with the Corporations Act.

The amendments align the material personal interest disclosure requirement for officers of registered organisations with the Corporations Act so that disclosures need to be made only to the governing body and not to the entire membership. They limit disclosures of related payments to payments made above a certain prescribed threshold with certain other exceptions based on the exceptions of the Corporations Act and member approval of related party transactions.

Finally, the amendments provide the Registered Organisations Commissioner with the discretion to waive the training requirements of officers of registered organisations if the commissioner is satisfied they fully understand their financial duties because of their level of qualification—for example, if a member is a certified and practising accountant.

Let me be very clear: unless these amendments pass the parliament, officials of registered organisations will continue to run the very real risk of being in breach of the laws as they stand today in relation to the issues identified by the opposition that I mentioned earlier. If this bill and these amendments are not passed, officials of registered organisations must declare all material personal interests of their family members under the current law or face financial penalties. So the opposition has a decision to make. It can either support the coalition's efforts to clean up this mess created by the Leader of the Opposition or it can allow its laws to prevail and see the consequences of that. I commend the amendments to the House.

Question agreed to.
Bill, as amended, agreed to.

Third Reading

Mr PYNE (Sturt—Leader of the House and Minister for Education) (16:51): by leave—I move:
That this bill be now read a third time.
Question agreed to.
Bill read a third time.

Trade Support Loans (Consequential Amendments) Bill 2014

Returned from Senate

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

Trade Support Loans Bill 2014

Consideration of Senate Message

Bill returned from the Senate with amendments.
Ordered that the amendments be considered immediately.

Senate’s amendments—
(1) Clause 13, page 13 (after line 7), at the end of the clause, add:

(3) A form approved for the purposes of paragraph (2)(a) must provide for a parent or guardian (if any) of an applicant who is aged under 18 at the time the applicant makes the application to acknowledge that the applicant is fully aware of the commitment into which the applicant is entering.

(2) Clause 100, page 61 (line 21), after "this Act", insert "(other than subsection 13(3))".

Mr BALDWIN (Paterson—Parliamentary Secretary to the Minister for Industry) (16:54):
I move:

That the amendments be agreed to.

Question agreed to.

National Health Amendment (Pharmaceutical Benefits) Bill 2014
Second Reading

Debate resumed on the motion:

That this bill be now read a second time.

Ms KING (Ballarat) (16:55): I rise to speak against the government's plan to increase the cost of medicines to all Australians that is represented by the National Health Amendment (Pharmaceutical Benefits) Bill 2014. Before the election the Prime Minister promised that he would be a Prime Minister of no surprises, a Prime Minister who would not cut health, a Prime Minister who promised that there would be no new taxes. The Prime Minister did not tell the truth when he said these things. This is a $1.3 billion hit on Australians because of it.

The bill cannot be seen in isolation. It reflects a package of bad health policy contained within the budget and it is a bill that will do a great deal of harm to the health care system in Australia as well as to the health of millions of Australians. Sadly, that is the case with all of the cuts this government is attempting to make as part of its concerted campaign to get rid of Medicare, replacing it with a privatised two-tier American style health care system.

When it comes to health care Australians are being let down by the most uncompassionate government since federation. They have been let down by the most ineffective health minister Australia has ever had. This $1.3 billion increase in the cost of medicine is but one of the changes in the recent budget that the former vice president of the Australian Medical Association, Professor Geoffrey Dobb, described as setting health care in Australia back more than 50 years. There can be no mistaking that the cuts and new taxes in this budget are the biggest assault on Medicare in more than 30 years.

I will now go into some of the bill's details. From 1 January next year the cost of a general prescription was expected to be $37.70, when factoring in the CPI increases that always occur. At the moment it is $36.90. From 1 January 2015 this government wants to increase the cost of general scripts by $5, in addition to taking the rise in the consumer price index. This will bring the cost of a general script to $42.70, which is more than a 15 per cent increase being introduced with no warning from the government and no sound reason as to why this burden should be placed on sick Australians when the money is not even going back into the PBS.

In addition to this the government wants to increase the cost of prescriptions for concessional patients—that is, patients with a Health Care Card, patients who are on a disability pension, carers, and those in the community who have the least capacity to bear this
new cost and who often have the highest need to access multiple medicines. At present, concessional patients pay $6, which was expected to rise to $6.10 from 1 January 2015. Instead, the government wants to increase this cost to $6.90. Again, we are talking about people in the system who have the least capacity to pay.

Along with the changes to the PBS safety net these new taxes are expected to raise the government $1.3 billion over the next four years. That is a $1.3 billion revenue-raising measure coming out of the pockets of people managing chronic conditions, dealing with an episodic illness, and trying to prevent poor health by doing things like quitting smoking, for example. These are costs that are particularly callous, when taken with the government's plans to change the PBS safety nets, which will mean medicines are not only more expensive, but the safety nets that are in place to protect vulnerable patients are further and further away, and move further and further away with each year that these measures are in place.

Australians have relied on the PBS in some form since 1948. It is part of the post-war social compact. The scheme began providing a limited number of life-saving and disease-preventing drugs free to the community. The PBS has evolved into a much broader subsidised scheme that reflects the healthcare challenges of the 21st century—challenges such as the rise in chronic disease and the demand for medicines to treat diabetes, reduce the risk of stroke and manage hypertension. The scheme today still provides access to life-saving drugs and to disease-preventing drugs.

I want to address some of the nonsense that I know we are going to hear from the minister in his summing up and that we hear from the Prime Minister in question time—nonsense that they are using to deflect the anger in the community about this measure—and that is to attack Labor and to attack Labor's previous co-payments in PBS. They will have put it into the speaking notes, so you will hear it again and again from the parrots over there, who seem to be struggling a bit to think for themselves or their constituents when it comes to these issues.

In 1990 a $2.50 co-payment was introduced together—and this is an important point—with the pharmaceutical allowance. It was introduced in the context of substantial breakthroughs in new medicines, pressure being placed on the PBS to list these medicines and a desire by the government to allow better access to preventative medicines that, in the longer term, would keep people out of hospital. The revenue raised by the co-payment was designed to go back into the Pharmaceutical Benefits Scheme. What is very important about this is that, when it was originally introduced by a Labor government, the pharmaceutical allowance provided additional assistance to vulnerable Australians to ensure they were not adversely affected by the co-payment. We were mindful of that.

When the pharmaceutical allowance was introduced in 1990 it was $2.50 per week, the equivalent of 52 co-payments per year, which meant that a script per week was covered by the pharmaceutical allowance. Today the pharmaceutical allowance is at $6.20 and applies to eligible income support recipients, including people receiving the sickness allowance, parenting payment for singles under the age pension age, disability support pensioners under 21 with no dependent children; recipients of Abstudy, Newstart allowance, parenting payment partnered, special benefits or widow allowance; or Australians receiving the youth allowance with a temporary illness or medical condition.

It is important to understand that at the time Labor always increased the pharmaceutical allowance in line with increases to the concessional PBS co-payment. This nexus between co-
payment increases and the pharmaceutical allowance increases was broken by the Howard government in 1997, when the current Prime Minister was health minister, when the PBS concessional co-payment increased to $3.20 but the pharmaceutical allowance remained at $2.70. That nexus between the co-payment and the pharmaceutical allowance was broken. In 2002 the Howard government again made changes that impacted on disadvantaged, vulnerable patients, tightening the PBS criteria so that a current Medicare card or veterans repatriation card was required to be presented to a dispensing pharmacist in order to obtain the pharmaceutical benefit.

The last time the PBS co-payment was increased in the way we are seeing today was by the Howard government in 2005. In 2005 the Howard government increased the price pensioners pay for medicines from $3.70 to $4.60—a 24 per cent increase. In addition to this, the cost of general scripts rose from $23.10 to $28.60. The pharmaceutical allowance was not increased for concessional patients or people receiving the pharmaceutical allowance at that time.

There is evidence that when these increases were introduced in 2005 pensioners' use of some essential medicines fell by as much as 11 per cent. Reports at the time suggest the biggest drops were in medicines to prevent ulcers, osteoporosis, asthma and dangerous blood clots. Research conducted by the University of Western Australia and presented in 2009 clearly demonstrates that, because of this cost increase by the Howard government, the use of proton pump inhibitors, antipsychotics, statins and antiepileptics all decreased. There is no reason to assume the same will not happen again this time. Pharmacists are already reporting that patients are asking them which of their medicines it will be safe to drop. GPs are expressing concerns that patients, as a result of these changes and the GP tax, will not fill their scripts. Not only are these new costs unprincipled and callous; they will hurt people in a disproportionate way and hurt people who are already struggling to meet their healthcare costs.

The COAG Reform Council report released in June this year found that 8.5 per cent of people given a prescription by their GP delayed or did not fill it due to cost. I note again with some concern that the COAG Reform Council is another victim of this government's cuts, ill-conceived policies and broken promises, and again there is a lack of transparency from this government in being held to account for the impact of the decisions that it is taking. The same COAG Reform Council report also found that up to 13 per cent of people in some parts of the community put off seeing a GP or do not seek medical care due to costs.

As Associate Professor Brian Owler, President of the Australian Medical Association, points out, the government wants to impose new costs at multiple points in the healthcare system, and these are excluded from the Medicare safety net. A patient who is sick and needs tests, repeated GP visits and medication during an episode of illness would face an accumulated financial burden. Overseas experience has shown that this is a significant barrier to care for people in disadvantaged groups. Doctors know that medication noncompliance, including not filling prescriptions, has serious consequences for health care. Research shows that an increase in patient share of medication costs is significantly associated with a decrease in adherence. So it is not merely the Labor Party that is warning of the impact of this callous budget. It is also a warning being sounded by Australia's most senior doctors.

Unlike the government, who has taken these decisions without any consultation with health professionals, Labor does and will listen to the experts. We accept the science. We listen to
doctors, nurses, allied health workers, pharmacists, academics and health professionals, and we do take their advice. We take their advice and that is why we will not be supporting these bills.

In his second reading speech, the Minister for Health said that this $1.3 billion hit on sick Australians was necessary to ensure that the PBS grows in a sustainable way. That is simply not true, and the minister knows it. The complete nonsense of the minister's statement is that if the government's actual intention was for the PBS to be growing in a sustainable way and for this measure to be used to assist the PBS then the government would be investing this money directly back into the Pharmaceutical Benefits Scheme. It is not. Instead, the government is putting the money into the Medical Research Future Fund—but the minister refuses to guarantee the government will not shrink from or shirk its responsibilities to continue funding medical research at the same level in future through the NHMRC should it be re-elected.

The fact is that the PBS is growing in a sustainable way. In fact, recent budget updates have shown that the PBS is growing at a slower rate than it was expected to do and that it is sustainable. The government's budget papers show that. It is no accident that this has happened. It has occurred because of measures Labor took in government to make the PBS sustainable, which were measures opposed and campaigned against by those opposite. We did that without punishing patients. The PBS price disclosure reforms, overseen by Labor during two terms in government, have ensured that the PBS is sustainable and have delivered billions of dollars in savings. At the moment, the government spends around $9 billion per year on the Pharmaceutical Benefits Scheme. Accelerated price disclosure, something I know that those opposite campaigned against, has slowed the real rate of PBS growth and put the PBS on a sustainable footing.

In Labor's last budget, these were changes that were expected to deliver more than $1.8 billion in savings. Taking the package announced in 2007 to 2017-18, the savings are closer to $20 billion. These are savings that this government should be using to ensure that the new drugs of the future and life-saving drugs—for example, Kalydeco—are listed as quickly as possible once they have been recommended by the Pharmaceutical Benefits Advisory Committee. But that is not what we are seeing from this government. Consistent with its approach to governing so far, especially when it comes to health, this government is saying to patients, 'You pay more. That's what we want you to do.' This is regardless of their capacity to pay and whether they are a pensioner, a student or someone on a very low income with a number of dependent children. This government simply does not care—it has no compassion. Because it has no compassion, it is saying, 'You pay for these things. You pay for your own health care.' That is what it is doing in these budget measures.

In government, Labor did use the savings delivered through the PBS reforms to ensure that new drugs were listed on the PBS as soon as they were recommended by PBAC. We did so without gutting Medicare and without forcing Australians who could not afford it to pay for more for their medicines. Labor cannot support this inequitable bill, particularly when it is taken with the government's plans to change the PBS safety nets. What this government is trying to do with this bill is consistent with what it is trying to do across the health system. It picks Medicare apart at the seams and seeks to privatise health care in Australia, creating a
two-tiered American-style health system and transferring more and more costs directly onto patients.

If this government had any compassion, it would at least consider exempting the most vulnerable Australians from some of its harshest measures, but it will not even consider that. At present, the PBS safety net threshold for general patients is at $1,421. Once the PBS safety net is reached, general patients only pay $6 for each prescription. For concessional patients, the PBS safety net is $360. Concessional patients pay no additional out-of-pocket costs for medicines once the safety net is reached. PBS safety net family arrangements also apply, whereby a family can combine PBS amounts, which can mean that at present families meet the safety net much sooner. For the PBS safety net's purposes, a family comprises a couple legally married and not separated, a couple in a de facto relationship, with or without dependent children, or a single person with dependent children. This bill proposes to increase the PBS safety net by 10 per cent plus annual CPI indexation on 1 January each year from 2015 to 2018. From 1 January 2019, the government states that only CPI indexation will apply. But it is fair to be sceptical of the government's promise here when it has broken every single promise it made when it comes to health care.

In addition to increasing the PBS safety net for general patients, this bill proposes to increase the PBS safety net for concessional patients. The bill proposes to increase the concessional PBS safety net by two prescriptions each year from 1 January 2015 to 2018, making it harder and harder for patients to reach that safety net. That means not only that medicine becomes more expensive for the most vulnerable who are at their most vulnerable—because that is what the safety net is in fact there for, to protect Australians who are in very vulnerable situations, who have expensive medications and who are often on multiple medications—but also that the safety net is going to get further and further away and more difficult for them to ever reach.

This is particularly troubling when taken with the evidence from the COAG Reform Council last month that, as I have said, 8.5 per cent of people given a prescription by their GP delayed or did not fill that script due to cost. It is worth considering the circumstances that a pensioner faces because of this bill, particularly in the context of other cuts within the budget and other taxes and impositions that this government proposes. In addition to paying $6.90 for every script, which is a 15 per cent increase over the current cost, pensioners and other Australians with a health-care card will need to find the money for 62 prescriptions before they reach the safety net. That is $427.80 in any one year and it will continue to go up and up, well beyond the rate of inflation every year. By 2018, pensioners and other Australians with a health-care card will need to fill 68 prescriptions before they reach the safety net. In addition to these changes, the government wants some of the most vulnerable Australians to pay a $7 tax every time they go to the doctor to get the script in the first place.

This measure is not means tested. It applies to every Australian and is only capped at 10 visits for some patients. For a single parent with three children, this new tax would be applied 40 times before the cap is reached. For a pensioner couple, it would be applied 20 times before the cap is reached. That is 20 times per year—not 20 times and then you are done; it is 20 times per year that you have to reach that cap. That will mean that pensioners, who are almost all bulk-billed for every visit at present, will be paying at least $7 for every doctor visit
up to 10 visits, plus, by 2018, more than 15 per cent more, increasing each year up to 68 scripts before the safety net is reached.

And what of a pensioner or young family who ends up in hospital? We know, of course, from a study from the University of Sydney that the people who will be most adversely affected by these changes are young families and those who are over 65. If people do find themselves in hospital they will find fewer beds and fewer services available, because the Prime Minister is cutting—it is in their own budget papers—more than $50 billion out of the public hospital system. That is the equivalent of cutting one in two hospital beds, one in five doctors and one in three nurses. It is the lowest share of Commonwealth funding for hospitals since the Commonwealth started funding hospitals after World War II.

Such is the absolute arrogance of this government and the Prime Minister and the Minister for Health that they are already advertising that this measure is in place. The Department of Human Services website states:

From 1 January 2015 the Pharmaceutical Benefits Scheme (PBS) co-payment and Safety Net threshold amounts will increase …

There is no caveat, no disclosure that there is in fact this thing called a parliament and this other part of the parliament—not a chamber that I am in—called the Senate and that the measure is required to pass through both of these chambers. The government arrogantly has allowed its own departmental website to state that this measure is already done and dusted, when it knows that it has to negotiate this with the crossbenchers, has to negotiate this with other political parties, some of whom have already indicated that they will not support this proposal. What absolute arrogance from this government, blithely out there saying, with no caveat at all, that this measure will be put in place.

It is the same arrogance the government demonstrated—adding unnecessary angst to those already worried about paying for doctor visits—by announcing on the Medicare hotline that the GP tax would be in place from 1 July 2015. Offices across the country were inundated with people who got that message on the Medicare hotline, and it was left to many of us to reassure people that we would be blocking that measure and that the government had no right to put that on the Medicare website without the caveat that in fact the measure was required to be debated by the parliament.

It is worth also taking some time to look at where this money is going. It is not going back into health care. It is an absolute and utter nonsense if the government is trying to argue that it is. The $1.3 billion the government wants to take from some of the sickest and poorest patients in this country is to go towards the Medical Research Future Fund. We support medical research. We did so in government, and many of the new facilities that are right across the country—millions of dollars to actually allow medical research facilities to have the state-of-the-art labs, state-of-the-art conferencing facilities, capacity to work across sectors with universities, with public hospitals and private hospitals, to do research has come about because of substantial investments that Labor made in medical research facilities. I have visited many of them, and they are fantastic facilities. We are seeing for the first time a substantial increase in the collaborative work that is being done across those sectors in research. So, we support medical research. We supported it in government through record levels of investment in medical research infrastructure and medical research funding, and we especially funded the infrastructure that supports medical research.
To be successful, medical research needs the support not just of those within the healthcare research community and within the health research community or the medical research community or clinicians. It also needs the support of mathematicians, administrators and physicists. The government does not support that role and has cut some $420 million from science programs as well as $80 million from Cooperative Research Centres, six of which are in the health area—from autism to hearing to a range of other really important research initiatives in health. That work is really designed around translational research and getting that research directly into clinical care, how patients experience and actually have better health outcomes.

If a standalone medical research fund to support medical research is to be established it needs to be done properly, and it should never be done on the back of sick people. How uncompassionate can you be that you think it is appropriate to pit sectors of the health system against each other, to pit doctors and people who are caring for sick patients against the medical research community in terms of financing medical research? And how on earth can you think it is a compassionate measure to make, that you would actually think you could do it off the back of sick people?

The government keeps saying over and over again that this is really important to finding a cure for Alzheimer's. I have a particular personal interest in that space. The reason people get diagnosed is that they go to a GP. You are putting a barrier in the way of people accessing a GP to get the diagnosis they need to access the care they need. You do not do that in order to fund medical research. It is bad policy, and it is wrong policy. It is completely wrong policy, and the government should step away from it. If it wants to fund medical research properly it should have a conversation with us about how we do that. The significant report that was undertaken had some hints about that. It did not say you do it off the back of sick people. It did not tell you to do it off the back of sick people and people who are trying to access medicines. It is just plain wrong.

I want to talk a little bit more about the safety net and some of the current concerns from consumer groups. In March this year, for example, the Consumer Health Forum released its report into out-of-pocket expenses, *Empty pockets*. The Consumer Health Forum represents the interests of Australian health consumers. Its report found:

Increased up-front payments would also present an additional access barrier for people who may have adequate incomes but are experiencing cash-flow problems. Given that periods of illness often coincide with reduced earning capacity and other additional expenses, high upfront costs for unexpected illnesses can impact adversely on people, even when rebates are provided at a later stage. This can lead to people delaying or failing to access the care they need, resulting in the development of more serious health problems (which are often more costly overall to the community).

The Consumer Health Forum report survey found: 16 per cent of Australians surveyed reported delaying access to treatment due to cost issues; 29 per cent of Australians reported not accessing dental care in the past year due to cost; 20 per cent of Australians with a chronic condition reported not filling a prescription in the past year due to cost issues; 21 per cent of Australians with a chronic condition reported delaying or avoiding seeking medical treatment due to cost issues; 25 per cent of Australians with a chronic condition reported not having a recommended test or follow-up treatment due to cost issues; and overall 36 per cent of Australians with a chronic condition reported experiencing a cost barrier to care in the past year.
Any changes to the PBS have to be done with the interests of protecting vulnerable Australians in mind and this bill simply does not do that, particularly in the context of all the other cuts and new taxes proposed by this government. If the government was serious about making the PBS sustainable, the $1.3 billion the government hopes to take from sick patients through this bill would, of course, be going back into health care, but it is not. And if the government were serious about making the PBS and the health system more sustainable, it would not be making callous and inequitable changes that are going to cost the health system more in the long run. The government has not considered what the implications of people not complying with their medicinal regime will be or what the cost will be when patients end up in hospital because they could not afford to see their GP and could not afford to fill the prescriptions provided by their doctor.

As I have already outlined, Labor did make changes to the PBS in government to ensure its sustainability. These changes were necessary because there is a pipeline of new drugs that will be coming before PBAC, many of which are likely to be recommended by PBAC, and, after that point should they cost the government more than $20 million per year, the government will make a decision about how they are funded. Very important drugs are coming down the pipeline and that is why Labor moved to ensure that the PBS was sustainable.

This bill does increase the cost of medicines for all Australians. It impacts on the most vulnerable in our system and it is part of the government's efforts to dismantle universal health care as we know it. It represents the government's decision to transfer costs onto every Australian for their health care. It represents higher costs of living for every single Australian, whether they are low-income, middle-income or the most vulnerable in our community. Australians are being let down by those opposite when it comes to our healthcare system. Increasing the cost of medicines, while at the same time charging people a $7 dollar tax every time they visit the doctor and slashing funding to our hospital system, is not the way you reform our healthcare system.

Not only are those opposite making medicines more expensive, they are putting the safety net further out of reach. It is lazy policy. It is just another broken promise from a government who wants to rip Medicare apart at the seams. Labor will not support changes that price Australians out of health care. We will not support this government's unfair slug on sick Australians. We will not support this bill, but we will stand up to the Prime Minister's attack on the most fundamental system we have in this country, and that is the universal system that is Medicare.

Mr BALDWIN (Paterson—Parliamentary Secretary to the Minister for Industry) (17:25): I rise to speak to the National Health Amendment (Pharmaceutical Benefits) Bill 2014. This government is going to increase modestly the co-payment contributions by people in the Australian public. It is amazing to hear Labor when they want to increase a co-contribution, they call it a co-contribution and say it is for the benefit of the community, but, when anyone else does it, it is a medical tax. Such is their hypocrisy. Be that as it may, and focusing on the key aspects, the government has worked out that these contributions will generate savings of around $1.3 billion over four years. But we still expect the amount of money that the government spends on PBS to grow from $9.2 billion in 2013-14 to $10.2 billion in 2017-18.
Let me be very clear: we are not cutting funding to the PBS. The other thing I need to make clear is the amount of contribution the government makes to individual drugs that are listed for the benefit of Australians. The co-payment for general patients is currently $36.90 and will increase by $5 in addition to the CPI, but on average general patients use two PBS subsidised prescriptions a year—which will result in the average user contributing an additional $10 a year. For those who are on a concessional rate, including veterans and their dependants under the RPBS, the co-payment, which is currently $6, will increase by 80 cents in addition to the CPI. Of the Australian population 8.3 million out of 23 million have a concession card and people with concessional benefits use on average 17 prescriptions a year and under the new arrangements will pay an additional $13.60 per year for their subsidised medicines.

Some of the medicines that we have are massively subsidised by the taxpayer under the PBS, and so they should be. I will come to individual examples shortly. This week is National Diabetes Week, running from 13 to 19 July. It is of particular interest to me and it is something that is very close to me. In my electorate of Paterson there are roughly 3,000 people living with diabetes. In fact, there was a report showed that around 6.2 per cent of the population of Paterson has diabetes. This is well above the average in Australia for diabetes. I need to look at some of the medicines that are provided and supported. Let me give you an example, Deputy Speaker, of some of the insulins: their average cost is around $260 per prescription. They are provided to those on a concession for $6 currently, but it will go to $6.80 and to general patients for $38, which will go to $42.70.

Why diabetes is of particular interest to me is that this year, in January, I lost my brother Bill to diabetes. I watched what type 2 diabetes can do to people. It progressively ate away at his body. First his kidneys went, so then there was dialysis. Next gangrene crept up each leg and they progressively amputated each part of his leg. Finally his eyesight went, then problems with his skin and other conditions kicked in. It was a sad relief when he passed away in January this year—because I do not think he could have taken any more. The only thing he seemed to keep intact, aside from his ginger hair, was his rapier sharp wit. He will be sadly missed. So diabetes is something that resonates very strongly with me and that is why I think it is very important that we do everything we can to work with it.

But one of the biggest problems reported in medical studies is that those with type 2 diabetes refuse to recognise in themselves the signs and symptoms of type 2 diabetes—and ignore it. They ignore it until it is too late. What is even more concerning is that, once diagnosed, people do not follow the diet and exercise regimes that are laid out for them, which sees their quality of life deteriorate further.

A recent report about stroke highlighted that my electorate of Paterson features in the top 10 in Australia in two of the four major stroke risk factor categories. The report says that some 3,569 people are living with the effects of stroke and that around 427 people are added to that each and every year. (Quorum formed) Strokes are a major concern and Paterson is a hot spot. That is only going to be exacerbated by the fact that, as another recent report showed, Paterson has one of the highest rates of increase in its age demographic. These three diseases, or afflictions, are the most critical for us to address—diabetes, stroke and dementia. As I said earlier, these afflictions impose a high cost. In the Port Stephens area of my electorate, the over-65 population is set to almost double in the next 20 years. That will have
an impact not only on aged-care services but also on the requirement for pharmaceuticals in the region. So making sure that we have the finances available—the capacity to list more and new drugs—to help people is critical.

I recently saw a list of the top 50 generic drugs on the PBS ranked by cost to government. The most money is spent on cholesterol drugs. We spend $1.2 billion of Commonwealth money in subsidising medicines for cholesterol. We spend nearly $700 million a year as a government on drugs for the treatment of bipolar disorder or schizophrenia. We spend $191 million on antidepressants, $242 million on blood pressure medications, $121 million on bowel cancer drugs and $218 million on diabetes medications. For stroke, it is around $320 million. These are only those drugs that are listed in the top 50 drugs being dispensed. We spend $172 million on drugs for herpes. All of this emphasises how many in the community are reliant on such medications and the extremely high cost to the government of our contribution, through the PBS, to supporting individuals. Two other types of drugs on which we spend a lot are reflux drugs and medications for rheumatoid arthritis, both of which come in at well over $400 million.

People need to understand that the cost of some of these drugs can be up to, say, $2,000. You can pay $3,900 for a leukaemia drug, for which there were 24,572 prescriptions last year. But the cost to the government was $97 million. That is a lot of money, but spending money on treating people is money well spent—nobody begrudges a cent of it. In fact there are many more drugs that could be listed and supplied to people to help give a better quality of life or, in particular, to extend life. Having lost a number of friends and family members to various diseases in the past year or two, I understand the importance of providing these drugs, getting drugs through the TGA in a respectable time and making sure that the drug companies are providing them at an affordable cost to the government, so that they can be supplied to the community.

This week is National Diabetes Week and my take home message is this: observe the signs and symptoms of diabetes. If you are diagnosed with it, take note of the action plans that are laid out for you in relation to personal health care, exercise and diet to mitigate the effect on your body. In relation to stroke, there are so many things that can be done to avoid stroke such as increasing our circulation, and avoiding smoking and excess eating. Both of those things can have an effect on an individual and increase their susceptibility to those two diseases. The other affliction, of course, is dementia—one of the increasingly-diagnosed illnesses in our community—for which, as yet, there is no cure. I am hoping that some of this money that is raised, saved and put away into the medical research fund actually does find the cure for dementia. (Quorum formed)

Mr STEPHEN JONES (Throsby) (17:42): The National Health Amendment (Pharmaceutical Benefits) Bill 2014 is a part of the government's plan to increase the cost of health services for all Australians. It includes the $7 GP tax; the $55 billion in cuts to hospital funding, which have been roundly condemned by every single premier and chief minister, the AMA and every health association in the country; and a 13 per cent increase in PBS out-of-pocket costs. Labor will not be supporting the bill. Let me explain why. It increases the PBS charges from 1 January 2015—for general patients by $5 to $42.70, and for concessional patients by $0.80 to $6.90. These changes are above and beyond the usual CPI increases and indexation. On top of this, the concessional PBS safety net threshold is increased by two
prescriptions per year and the general safety net threshold is increased by 10 per cent each year for four years. The bill raises $1.3 billion over four years and diverts money straight from people's pockets—the pockets of sick people—into the Medical Research Future Fund. We simply cannot support the bill.

In question time today, we heard the Deputy Prime Minister say that costs would always be lower under the coalition. Clearly he was not talking about the cost of health services. This bill introduces a 13 per cent increase to the cost of prescriptions on top of the $7 GP tax. This means that a patient is lucky to pay just less than $100 in out-of-pocket expenses for a trip to the doctor that results in two prescriptions and a blood test. Nobody can claim that that is lower than under Labor. The Treasurer famously said the GP tax payment would be about the equivalent of a couple of beers or one-third of a packet of cigarettes. I know the Treasurer has expensive taste but you would struggle even in this town to find a beer that cost you 100 bucks. Clearly, the Treasurer is out of touch and these propositions are out of touch.

For Australians living in the country, in regional areas such as the one I represent, where bulk-billing rates are lower and it already costs more to travel the greater distances to see your doctor, the costs will be even greater. For Australians with private health insurance cover, this measure comes on top of the largest increase to private health insurance premiums that have been approved by a government in living memory. One of the health minister's first acts on coming to government was the approval of over a six per cent increase in private health insurance premiums. It is simply not fair and Labor cannot support it.

The government has a package of measures which is deliberately designed to drive up the cost of health care for every day Australians. We saw during the MPI debate today the member for Lyne concede that exact point. The measures are designed to drive up the cost of health services, of visiting a GP, because if you do that you are going to dissuade people from going to the doctor.

The government could do well to remember the lessons of history, because there are very few social programs in this country that enjoy the kind of support that the Pharmaceutical Benefits Scheme enjoys. You might remember, Mr Deputy Speaker, that the Curtin government first attempted to introduce the Pharmaceutical Benefits Scheme in 1944, and the conservatives at that point in time opposed it. In fact, the then Country Party premier of Victoria assisted in taking the bill to the High Court, and the High Court knocked it off. That led the Curtin government to introduce a referendum which would permit the federal passage of the Pharmaceutical Benefits Scheme legislation. The conservatives fought the scheme then and they are fighting it again today, because, frankly, deep down they do not support it. They would do well to remember the fact that there are very few schemes such as the PBS which have been effectively endorsed in a referendum.

When the Prime Minister promised on ABC radio on 5 September, just days from the federal election, that he could assure the listeners to that program that there would be no cuts to health, those listeners could not have imagined what would follow. Not only has the health budget been slashed to the tune of $50 billion; this bill raises an extra $1.3 billion from the pockets of ordinary Australians—on top of other measures such as the GP tax, which raises billions more. It hurts every Australian. It is unfair. It is a breach of trust. We simply cannot support it.
I have said in previous debates on related issues that, on this particular issue, The Nationals are missing in action. When I look at the speakers listed for this debate, an honourable exception is the member for Lyne. He is stepping up to the plate. He will be speaking on this bill. And I am going to be listening very carefully to his contribution.

Mr McCormack: It will be a good one.

Mr STEPHEN JONES: It will be. I hope that, when the member for Lyne makes his contribution, he will move an amendment to this legislation—because he ought to. If he is going to keep faith with the commitments that he and every other National Party member made when they went to the polls in 2013, he should either move an amendment to this legislation or vote against it. The Nationals should either stand here and move an amendment to the legislation to introduce the policy in the national policy platform that they took to the last election or vote against it. When they went to the polls, they led electors to believe that they were actually going to lower the PBS safety net—and that is exactly the opposite of what this legislation does today.

Mr Deputy Speaker Broadbent, I encourage you and other members to refresh yourselves on what they took to the polls in 2013. Go to page 51 of your policy platform, have a look at it and remind yourselves of what you promised to do when you went to the polls in 2013. I ask you to do that before you make any contributions to this debate. I am looking at the member for Lyne, who is courageous enough to contribute to the debate. There are many other National Party members who have not had the courage to come in and contribute to this debate. But I ask the member for Lyne to look at the policy that they took to the last election and either stand here and speak and vote against this legislation or move an amendment to give effect to your policy platform. That would be the honest thing to do, that would be the right thing to do. I am looking forward to listening to the member for Lyne's contribution and his amendment to this legislation so that he can keep faith with the people who voted for him and so that he can keep faith with all of those other National Party members.

I think there are some very good people within the National Party. When I read their policy platform, I thought, 'There's some pretty good stuff in here.'

Mr McCormack: You were looking at it for ideas, were you?

Mr STEPHEN JONES: There is some very good stuff in there which I would be proud to put my name to. In fact, I have put my name to it. The problem with it is that on each and every occasion that the National Party have had to put their policy into action, they have been done over by their coalition partners. The only other explanation for it is that it was a fraud: they actually did not believe in, and had no intention of implementing, the policy prescriptions, the policy promises, in their platform when they went to the election. They have either broken their promise and always intended to, or they have been done over by the Liberals and have been ineffective in their joint party room. So it is no surprise that all of these National Party members have decided not to step up to the plate and speak on behalf of the coalition for this legislation. The reason is that they simply cannot support it. They cannot support it because they campaigned against it in the last election.

In her contribution to this debate, the shadow health minister, the member for Ballarat, spoke with great passion and at great length about the impact of this legislation. She referred to the COAG Reform Council; that is the council the coalition have abolished because they
did not like the message that it was delivering. What will be the last report of the COAG Reform Council, which was released in early June this year, found that 8.5 per cent of people in 2012-13 were already delaying or failing to fill a prescription due to its cost. In disadvantaged areas that figure was higher: 12.4 per cent of people in disadvantaged areas are already not filling their prescriptions because they cannot afford to. In Indigenous areas the figure is higher again, at 36.4 per cent. So 36 per cent of Indigenous Australians who have gone to their doctor and had a prescription given to them to deal with their health concerns or problems by a medical practitioner have not taken the next step of filling that prescription, because they cannot afford to. What on earth is going to happen to that group of people if we are ever unfortunate enough to have this legislation pass through this House and the other house? I am confident that it will not pass through this House because I am confident that the National Party MPs are going to stand here and vote in accordance with not only their conscience but their policy. Should that not happen, and we have to rely on members in the other place, I hope they will do the right thing, because it is those groups of people who will suffer.

The health system will suffer as well. When you go to your doctor and then fill a prescription for a health problem, it is the medications you take that stop a chronic condition becoming an acute condition and an acute condition requiring you to present yourself to a hospital. We all know that hospital is the most expensive place for a health condition to be dealt with.

The health minister has claimed that the PBS costs are spiralling out of control. We know that that is not true. We have seen, and I spoke on this earlier, significant savings that the government is now enjoying due to reforms that were put in place by the previous Labor government. I have in mind the accelerated price disclosure as just one example. It is a measure that Medicines Australia and others within the medicines alliance have pointed to and said, 'This is the single measure that is generating the largest amount of savings in the coalition's budget.' I would expect members on the other side of the House to pay tribute to the Labor government for assisting them on this issue, but in not one contribution from government members has it been mentioned.

If this measure is designed to make a co-contribution to the cost of the PBS, why is the government siphoning off the money and sending it to the Medical Research Future Fund? If the money was not going to the medical research fund and was going to help fulfil the cost of the PBS you might say, 'We disagree with it. We think the cost burden is going to be felt hardest by the people who can least afford it, but we can understand the logic.' But that is not what is happening. If the purpose of this is to send a price signal, you have to ask yourself whether those on the other side truly believe that GPs around the country are writing off scripts on a whim without any concern for the clinical needs of their patients. I for one do not believe that the vast majority of our GPs are that negligent.

Labor cannot support this bill. We see this as yet another attack by the coalition parties against the excellent universal health system in this country. I look forward to listening to the contributions of National Party members. I hope they do the right thing by the people of Australia.

Dr GILLESPIE (Lyne) (17:57): I rise to speak on the National Health Amendment (Pharmaceutical Benefits) Bill 2014. I listened with some withheld mirth to the baits put out
by the previous speaker. I look back and wonder why the other side objects to this increase in the PBS co-payment. I do not quite understand it, because my understanding is that they introduced the co-payment system. They even introduced the co-payment for pensioners, in 1991. Earlier than that, in 1985, they had doubled it from $5 to $10. Those opposite say it is a problem for us to put $5 onto the co-payment, but they increased it by 100 per cent. We are taking it from $36.10 to $41.10.

What has happened since the coalition came to power is that 181 medicines have been listed on the PBS. The PBAC recommended in March this year another $550 million worth of co-payments. New listings that have not yet been considered amount to $3.6 billion. Everyone wants their medication and the latest cutting-edge drugs and they expect to government—hey presto!—to provide them. But when you are in government and making responsible decisions you have to juggle things. That is exactly what this bill is doing. Every time a prescription is written there is a 60 per cent chance that the government on behalf of taxpayers will be paying for a large component of it. The average cost of a script is $43.50. That does not sound much, but in 2013-14 it will amount to $9.2 billion. People have become very blasé about billions of dollars being mentioned in a budget, but $9.2 billion is a huge amount of money when you consider, 10 years earlier, it was 80 per cent less than that. With $3.6 billion in new drugs waiting to go through the PBAC, with $550 million worth approved just in March this year and with the 181 new listings on the PBS, you can understand why the system is under pressure. You are a responsible government, you have to put initiatives in place to juggle those responsibilities. For consumers, once the cost gets above $41.50 some of these subsidies can be low for a $50 or $60 drug, but some of them are $8,000 per script. It is because of amazing new drugs that our quality of life and our longevity have increased. It is not just procedures and operations and better diagnoses; there are better drugs, amazing drugs and drugs that extend life and improve the quality of life. You only have to look at drugs that everyone wants and takes for granted, that in Australia, are reasonably accessible to everyone through the PBS. These changes are designed to defend it so that you can get your heart drugs, blood pressure drugs, drugs for diabetes and cancer, particularly breast cancer and prostate cancer, and even drugs for hepatitis C that were not even available when I qualified as a specialist and are now mainstream. They cost thousands of dollars. Hepatitis C treatment 18 months ago cost $17½ thousand, yet the payment by concession card holders was only $6 a script. That is an amazing system, and these changes are aimed at defending that system and making it sustainable.

To put things in perspective, a concession card holder at the moment pays $6 for a PBS script. We are raising that by 80c. That is a very moderate increase and we will apply CPI. The average concession card holder receives 17 scripts a year. That is a sum total increase of $13.70. That is reasonable. For general patients—those who are not on concession—the $5 increase is, again, quite reasonable, as opposed to what the ALP did in 1985. They increased it 100 per cent, from $5 to $10. For a general patient, some of the common drugs do not even cost that much, so the PBS does not even require a co-payment; you are just paying the cost of the drugs.

For those who do have a lot of medications, it can be a challenge, but we have this thing called the safety net, which, again, we are keeping to a sustainable level. If you are a concession card holder, over four years you will be paying for two more scripts per year. That
is a very gradual increase. It means that the safety net benefit will rise from the mid-$300s to $421.60. If you are a general card holder, that means you may pay $1,421. After that your costs, which co-contribute to the PBS system, will revert to $6 a script. That is quite reasonable. There are plenty of people who can afford that marginal increase when you consider what is coming down the pipeline. Drugs are being listed all the time which, when they first come out, are ridiculously expensive. We, as a responsible government, as I said, are putting in place measures that will make the whole system sustainable.

We could complain every time costs go up. As I have spoken about before, the government is not a magic pudding. We could cut everything. In fact, when we came into government and became responsible for how the Treasury is managed, there was almost $50 billion in deficit that the ALP, the Greens and the Independents created. If you keep having perpetual deficits like the countries of Europe and some countries in Asia, fine, we can go along and keep borrowing money and paying for everything, but then we will end up in the same situation as them, with huge debt that is perpetually being serviced by interest payments. At various times in recent world history, this has almost led to the collapse of the financial system. I do not want to go there. No Australian wants to go there. Australians want a safe, sound, secure financial system, and part of that is having a government that is not burdened with excessive debt.

These changes are moderate. They represent an increase, but we have a wonderful PBS system and this bill will help keep it sustainable. I do not think these changes are excessive. They are not cruel. An 80c increase per script for those who are challenged by their financial situation is a reasonable balance. We are not asking for anything outrageous. I commend good, common-sense measures to the House and support this bill.

Ms HALL (Shortland—Opposition Whip) (18:06): I always love following a member from the other side in debate. The member for Lyne is a former gastroenterologist to whom I am sure 80c is not much or to whom $5 is nothing—but it just shows me how out of touch members on the other side of this House are. Sure, it is nothing to a gastroenterologist. Sure, it is nothing to a member of parliament. We can afford those increases, but, if you are a pensioner who takes 17 different types of medication—and, believe me, that is not unusual—80c is a significant amount. It is all very well to say, 'It's only 80c. It's only $5. The GP tax is only $7. Changing the way pensions are indexed shouldn't matter too much.' This shows just how out of touch the members on the other side of this House are and how they do not understand how pensioners and how families fight each and every day to balance their budget and make their income stretch to cover medications, visits to the doctor, putting food on the table and sending their children to school. Members on the other side of this parliament make a hoo-ha about the schoolkids bonus, saying it is absolutely useless. They say that people squander the money. People in my electorate use it to buy shoes for their children and to buy books and all of the things that students need. To the people of my electorate, these are not small amounts of money; these are amounts of money that make it possible for families to survive.

The pharmaceutical benefits scheme co-payment will increase the price of prescription medication by $5 for general patients—up to $42.70 for a script—and from 80c to $6.90 for concessional patients. There are only five electorates in Australia that have more people over the age of 65 than the Shortland electorate. Coming from an electorate that has one of the
oldest populations in this country, I understand how hard it is for pensioners. Each and every
day, they come and tell me how difficult it is. This is, purely and simply, a cost-cutting
measure. It is expected to raise $1.3 billion over the next four years. This is a minuscule
amount in comparison to the damage that it is going to cause to the people that have to buy
medicine.

In early June, the COAG Reform Council found that 8.5 per cent of people in 2012-13
delayed or did not fill their prescriptions due to costs. In disadvantaged areas, this was 12.4
per cent. I know from the people who visit me in my office that this is the case. I have had
families come to me who have two or three children. When two of their children get an
infection, they have to share the medication because they cannot afford to buy two lots of
antibiotics or whatever the medication is. That is very bad health practice. It is not in the
interests of the person that is sharing that medication, and it is not in the interests of the long-
term health and wellbeing of our society.

The last time a Liberal government increased a tax on medicines was in 2005. I was a
member of this House at that time, and I know how hard it was for pensioners in particular
and for families when that increase came into being. The rate of prescriptions being filled fell
by 11 per cent. You can look at that as being a cost-saving measure, but I look at it as being a
measure that can lead to an increase in health costs. If a person does not take their blood
pressure medicine, they can end up having a stroke or a heart attack. If a person does not take
an antibiotic for an infection, they can end up in hospital. That is an even greater cost to the
health system. Sometimes, measures that are put in to cut costs are counterproductive. This
legislation is driven by an ideological campaign to get rid of universal health care, to create a
two-tiered health system and to create a system of user pays. This government and those on
the other side of the House have never been comfortable with Medicare and bulk-billing—
because we have our GP tax that they are pushing as well—or with any form of what they
would call socialised medicine, with socialised medicine being a system where the people
who are on lower incomes and have less disposable income are assisted. The Pharmaceutical
Benefits Scheme has been one of the most widely applauded schemes throughout the world.
This is undermining the operation of that scheme.

This government, under Tony Abbott’s leadership, will unfairly slug sick Australians.
Before the election he said there would be no cuts to health or education, and yet there is an
$8 billion cut to health and education in this budget. These price increases come off the back
of that $8 billion cut. This says to me and to people throughout Australia that the Abbott
government doesn’t care, the Abbott government breaks its promises and the Abbott
government is not committed to Medicare and ensuring universal health care; it is not
committed to ensuring that Medicare survives. The PBS system works very differently to the
Medicare system. It does not operate on a levy. When a drug company is seeking to have a
drug listed, it must go to the PBAC, which determines whether that drug is going to be cost
effective and whether it is going to offer something new. Once it goes through that process, it
then jumps a couple of other hurdles and goes to the minister and then cabinet. Once the
cabinet meets and decides it is a medication that is going to deliver benefits to our community
it is listed.

The PBS has been operating in Australia since 1948. It has delivered timely access to
medicines to Australians. It makes sure that medicines meet the appropriate standards and
ensures the quality of that medication. The PBAC may and does reject applications that come before it. It considers all the issues that are going to ensure that the PBS is viable and can operate long term.

The previous government introduced a number of changes to ensure the long-term viability of the PBS. This government now is keeping those in place but at the same time is attacking the affordability of the scheme. This has been criticised on a number of levels. Even the government's own Commission of Audit recommended that the price of medication be increased only for general patients by $5. It did not recommend that pensioners and those people with concession cards pay extra for their medication.

There has been a wide range of interest groups that have been highly critical of this increase. The Pharmaceutical Guild of Australia has criticised the increase in the cost of medicines for consumers and has argued that it will particularly affect the elderly and those on social security. A lot of the people who I represent in this parliament struggle each and every day to survive. A lot of these people's lives have been made a lot harder by this government's cruel budget of cuts and hurts. This is another aspect of it.

Medicines Australia acknowledged that the co-payment increase may lead to adverse health outcomes due to patients not filling their scripts. That goes without saying. It has been shown that this is what happens when prices go up. Back in 2005, 11 per cent of prescriptions were not filled. The Consumer Health Forum has expressed great concern over growing out-of-pocket expenses that Australians pay for health care and strongly opposes the increase to the co-payment safety net.

It once again goes without saying that this government is about changing our health system. This government is about creating a user pays system. This government is about making medicine less affordable. It will deliver poor health outcomes on all levels. People will not go to the doctor. People will not have their prescriptions filled. People will get sicker and they will die younger. I do not think that that is something that we in this parliament want to see happen. Michael Moore, the CEO of the Public Health Association of Australia, has stated that the measures are inequitable and will affect society's most vulnerable.

The underlying issue is that co-payments are already fairly high—$6 is a significant amount of money to pay. Yes, there is a safety net. But, before that safety net kicks in, people have to spend a significant amount of money. These increases are indexed to CPI. These increases will continue to rise. The fact that we already have statistics showing that a fairly high number of people defer filling their scripts because of the cost really should warn the government that this is not the way to go.

The government is always attacking and blaming the opposition for the fact that the sun may not come out and it may rain one day. But its manufactured budget crisis that is not supported anywhere other than on the government benches of this parliament is not a reason to hit pensioners and families in the way that it has. After all, we must remember that Australia has a AAA rating from all rating agencies. It has the 13th lowest debt level in the world. I just see this as the government trying to abrogate its responsibilities and work towards directing its budget cuts at those people who can least afford it. That is what this budget does. The biggest impact of its cuts and cost increases fall on those who can least afford them—pensioners, people who are sick and families.
This government has shown through this cruel budget that it does not believe in giving Australians a fair go. It does not believe in equity. It does not believe in a society where all people have equal opportunities. I think it should really stand condemned for this— (Time expired)

Mr LAMING (Bowman) (18:21): I rise in support of this National Health Amendment (Pharmaceutical Benefits) Bill. We have just heard from the 'member for denial', unable to admit that we have a financial challenge in this country. It is as if members on the government side wake up in the morning and dream of ways to make it tougher for people to access health care. Nothing could be further from the truth. We have inherited a budget bottom line that is in dire need of answers. Even in opposition that side of politics is showing that it cannot contribute to the national conversation about how we restore the budget bottom line and get ourselves back to balanced budgets.

With this National Health Amendment (Pharmaceutical Benefits) Bill there is a one-time increase on 1 January 2015 to the pharmaceutical co-payment for concession and non-concession holders. It is not the first time it has been done. The actual notion of a co-payment was introduced by, yes, the party that you hear railing against us today. The notion that pensioners should pay a co-payment was introduced by the party over there that is railing against these changes today. As recently as 2004, the member for Shortland was in this chamber supporting an increase to the co-payment. She was here, supporting that increase, when it suited her. The member for Shortland—short on detail, short on a clear understanding of how the PBAC even works, and short even on an understanding of how cabinet processes work in approving drugs—is no person to convince the Australian public that these changes are not absolutely vital.

We only have to go back to 2011—there are very short memories in the chamber sometimes—when the Labor Party had their shot at making the PBAC sustainable. The PBS system, approaching $9 billion a year at the time, needed some answers for sustainability. So it is worth turning to the language of the then Labor health minister, when they were coming up with their own solutions. They said, 'In the next 12 months we will work on a long-term plan to keep costs down.'

So let's do a little bit of comparing and contrasting. What we are talking about today is just slightly increasing the co-payment—less than $1 for those with concession cards, which is about 40 to 50 per cent of Australians. Let's see how Labor responded to a similar challenge. Labor's idea was not to listen to the experts of the PBAC by taking their recommendations and blindly and non-politically introducing newly listed drugs, once they were approved as being safe, of high quality and cost effective. No, Labor decided to reinvent that process. The first thing the Labor government did was to grind back the approval of new listings. I concede there were already some falls in listings in 2006 and 2007, but what the Labor Party was really good at in government, and I am sure they are so very proud of it, was reducing the number of drugs listed. They ground them down and made the approval processes longer and longer and more convoluted to do everything they could to stop the drug being listed and having a financial impact on their bottom line. There will be thousands of Australians, no, millions, who will have been affected by that short-sighted conduct. They will never have a voice in this chamber.
When that did not work, they came up with a new idea—it was called deferral. That is when the expert body, the PBAC, fully evaluated products—considering safety, quality, efficacy and cost effectiveness and struck a price with the pricing authority—and then the Labor government said, 'No, we refuse the recommendation of the expert body.' They politicised the process for the first time, and bad luck to you if you had a child who is failing to thrive, or if you are suffering from HIV, TB, lung disease, renal failure, diabetes, schizophrenia or depression. 'Bad luck. We are not delivering this drug to you for no other reason than that we have decided in cabinet that we are just not going to sign it off.' That is what the PBAC process descended to under Keven Rudd, and then Julia Gillard—to tell those patients that there is no other reason except that these humble seven drugs were not life-saving. Rub that in the face of a person suffering from a life-long condition, where this global breakthrough is now deemed by the experts to be cost effective. Never in history has that been done before.

I will concede that there had been delays to listings, particularly under ATAGI. We had a large run of fascinating absolutely transformative vaccines in the early 2000s and there were delays to listing these vaccines, but they sat on the cabinet table until they were passed, and passed they were. But that is not how the Labor Party operated. They told the drug companies to go jump and they told the patients they could wait. To top it all off, like topping on dessert, the insult to them was that they said, 'That is not a refusal. We have not refused your drug. We have just deferred it and we are not going to tell you when we are going to approve it.' A deferral without a date is a downright rejection—I do not care what the Labor Party wants to call it.

We have moved on from that. Under the coalition government we already have approved 131 listings in the short time we have been in power. Why? Because money does not get in the way of an expert's recommendation, unlike with the Labor Party. They never had the courage or the heart to come in here and talk to patients suffering from those conditions. No, they just said, 'It was a deferral. You can wait and we will not tell you how long.' That is the epitome of heartlessness and lack of consideration.

Isn't it ironic that we are debating the amendment to the co-payment for the PBS on the day when Labor walked in to a brick wall by moving this afternoon their MPI on health. There we had the doctors versus the autocrats. We had the coalition speakers, who know how the health system works, up against a mob who have done nothing more than lead union rallies at the instruction of the nurses union. And didn't they walk into a brick wall when they faced the health minister, who told them in no uncertain terms that this was a put-up MPI to serve their union mates?

Today what we are debating, obviously, is sustainability. I can remember that five years ago we were all fearful of a massive increase in the PBS—life-saving drugs were coming through and at the turn of the century we had what we call the blockbuster drugs. No sooner had they arrived, nor come off patent, but we were being hit by the companion diagnostics and the designer drugs. The PBS trajectory was diabolical. It was a single intervention by then health minister Tony Abbott—simple price disclosure—that resulted in the change in trajectory that has brought some semblance of normality back to the increase in the PBS budget. Without going into great detail, price disclosure is simply the requirement that pharmacies disclose the prices at which they are receiving the drugs from the wholesaler, so
that the government knows that they are genuinely reimbursing the pharmacist for the cost of that drug and not for a fake cost that is listed by somebody else. Instead of significant transfers over and above the cost a pharmacist was paying, we are now asymptotically moving back to the real cost of that drug to the pharmacist, and reimbursing it accordingly.

But tonight I need to concede, including to pharmacists in my electorate, that that has to have an effect on the bottom line. We may well have tamed the PBS budget, but we know that with these changes many community pharmacists are doing it really hard. Because of the way price disclosure is cyclical, these prices are closely and more closely approximating the real price on every 18-month cycle. So there still are significant challenges ahead for pharmacists in our communities, who understandably were relying on those terms-of-trade transfers. That was built into their bottom line. That is how they were running their budget and employing their staff. So I have great concern for our pharmacists. I accept that there will be a period of great transition, but ultimately I guess our responsibility to the taxpayer is to pay the price that is listed when it is handed to the pharmacist. In return, the reimbursement needs to match that amount.

We also need to remember—it is often forgotten—that the $5 increase to the co-payment, which is currently sitting at $36.90, only applies if you are buying a drug that costs more than that amount. I am lucky and my family is lucky—we have not needed to purchase truly expensive drugs. If they are very expensive you do not pay more than the co-payment. But the important point to mention is that a huge number of drugs cost less than the co-payment, in which case increasing the co-payment has no impact at all. Up to 55 per cent of all the drugs listed are actually cheaper than the non-concessional co-payment level. That means there is no effect if you increase the co-payment. It is only in those rare circumstances, where people are filling scripts for drugs worth more than $41.90, and increasingly that is a rare event. For those who are non-concession card holders, it is about two prescriptions a year. It is worth remembering that we are not dealing with people who are carrying in dozens of prescriptions and filling them every month. For those patients we do have the PBS safety net, and I concede that each year we are increasing the threshold by two prescriptions. But, for the many people that access the safety net, it is a lifesaver. Once again, it was a coalition initiative to bring that co-payment to the health system.

If I had to choose a health system I would not want to be anywhere else but in Australia. The four pillars—the PBS, the MBS, public hospitals and private health—do an incredible job. The PBS system has presented us with significant challenges. Even now, manufacturers say to us, 'In Australia, we know that if we can get listed on the PBS that represents almost instantaneous penetration of a 23 million population.' Australia remains very much a jewel in the crown of approvals. All around the world they accept that, while there may be delays, it is worth striking a price in Australia because of how efficiently our PBS serves our population. Take it from those that are supplying our PBS as much as from those who are purchasing from it.

The other great message we are hearing is: please, rapidly approve the life-saving, breakthrough drugs that are making a difference, even if we have to look again at the generic market. If Australia does have a weakness in our system, it is that we strike a very strong price with original approvals, but once we pass what we call the off-patent period, at that point we continue—because of price referencing—to probably pay more than those generic
drugs either cost to produce or are worth. If you compare the generic prices in this country to those overseas, we still have a long way to go. Price referencing is playing a role, but we still have further to go. We now have international generic manufacturers moving in and putting local domestic generic manufacturers under pressure. That is hard too. In the end Australia has to say that we need to inspect the facilities that are manufacturing pharmaceuticals around the world. They need to get their TGA approval. After that it is a free market. So Australian manufacturers are responding accordingly. Increasingly we are making a smaller range of pharmaceuticals and exporting them overseas, particularly to places where people value the 'Made in Australia' stamp on a pharmaceutical, which is not insignificant given that we have had challenges even here in Australia with imported drugs that, in the end, we discovered were manufactured in less than safe and appropriate conditions.

I made very brief mention—and it does need more ventilation in this place—to the notion of companion diagnostics. This is increasingly the tailoring of pharmaceuticals to specifically treat a condition that you may have that is identified on your genome. This will mean smaller and smaller numbers of patients that benefit from a discovery, and obviously to recoup costs you will see manufacturers increasingly wanting a higher and higher price for their treatments and cures, because they know it has effectively a 100 per cent success rate. One of the great challenges and, if not, may I say a failing of current drug-funding arrangements is that historically we pay for the drug whether it works or not. We are heading to paying for an outcome. Increasingly government will be identifying the subpopulations that respond to treatment and rewarding pharmaceutical companies for that. But we are not going to be writing blank cheques or bigger cheques for treating people where a clinical outcome is not achieved.

None of us went into politics to increase a co-payment. None of us went into politics to increase any form of charge if we could possibly avoid it. But I am sensing that the Australian people are beginning to appreciate that these were decisions we were forced to make. When we woke up after the election we knew we had a momentous job. I concede that convincing people that $667 billion is a large figure is not an easy task, not at all. Nor is it easy to take even the smallest payment or entitlement away from any individual that I know or that I meet in the street. But these are modest, small, well-calculated, well-thought-through changes. And they are changes that have been made before. They are changes that have been supported by the Labor Party. For heaven's sake, the co-payment is a creature of the Labor Party. Making pensioners pay a co-payment is a creature of the Labor Party. To hear the member for Shortland with the same tired old talking points just shows a party yet to realise where they are, yet to realise that they have to be part of a national dialogue around solutions. As much as they can come up with the cheap stunts now about cuts, in the end they will have to add up their own recommendations and what they have voted for, and this will come off their own bottom line as an opposition party.

For now, we will do the hard yards. For now, we will lean against the wall of reform and make sure that we have a sustainable PBS, because we are up for it. Thank goodness the opposition are not and they are on the side of this chamber where they belong for the moment. We will make the tough decisions with the PBS and with Medicare, but we are going to make it sustainable as a result. As people look through the detail they will realise that the
A combination of a safety net and these small changes will keep our beloved PBS in Australia for a long, long time to come. It is a global showpiece, and I defend its sustainability tonight.

Ms CHESTERS (Bendigo) (18:36): I am glad the previous speaker raised the issue of price disclosure within the PBS system, because that is a reform that did deliver savings, savings that should have gone into the PBS system to ensure that it was sustainable. They are the kinds of budget savings measures that Labor introduced in government to ensure that the PBS and our health system was sustainable. It looked at the system and said: where are taxpayers not getting value for money? That is why price disclosure was introduced. Where has that billions of dollars that has been saved gone? We are calling for that funding to go into the PBS to pay for the drugs that the previous speaker, the member for Bowman, spoke about. This is how you can keep the PBS fair and sustainable.

Instead, what we have seen is that not only have the government agreed with and put forward Labor's amendments on PBS price disclosure in this term of government but also they have sought to introduce cruel measures like increasing the co-payment and the tax on medicines. This increase will hurt all Australians and in particular those on the lowest incomes and those on fixed incomes who can least afford it. In my own electorate, that is about 30 per cent of households—30 per cent of households are surviving on less than $600 a week. This increase will hit them the hardest. Who are these people? These are our self-funded retirees, who may have a health-care or concession card. These people also include our pensioners, people who are on Newstart benefits, people who are on single parent benefits, people who are on the disability pension and people who are on very, very low incomes. These reforms and this increase will hit them hard.

It is not just this increase—there are a number of increases in this very cruel budget that attack the most vulnerable in our community. We have heard that the COAG Reform Council released a report in early June that found that 8.5 per cent of people in 2012-13 were delaying or did not fill prescriptions due to cost. In disadvantaged areas, it was up to as much as 12.4 per cent. When I meet with pharmacists—depending on where they are from in my electorate—they talk about this. The pharmacists in Long Gully and Eaglehawk, which are areas of high social disadvantage, talk about people coming in with four or five prescriptions and saying to the pharmacist, 'Tell me which ones I cannot go without. Tell me which ones I must take.' Those pharmacists are in an impossible position. They are in that position because people's incomes just do not stretch far enough today.

This problem will only be compounded by the increase in this tax that this government is proposing. It is a tax that we say is unnecessary because the savings in the PBS have already been made through price disclosure. That is money that should not have gone directly back into government coffers to be spent on whatever pork-barrelling the government wish to pursue. That should have gone back into the PBS and back into the healthcare system—we should have ensured that that money was reinvested in health. If we are really serious about the sustainability of the health system, then revenue being raised from the GP co-payment and this tax, as well as others, would be going back into the PBS and back into Medicare. We have not seen that proposal yet from this government. What we have seen instead is an ideological campaign that is about breaking the universal healthcare system that this country's health system has been built on.
Labor has already, as I have said, moved the reforms in the last government to ensure that our system is sustainable. When I am at my listening post, many people argue—and rightly so—that we have already paid for our Medicare systems through our Medicare levy. That is why the suggestion of a co-payment hits people really hard in an ‘Are you kidding?’ kind of way. Some of the most senior doctors around Australia have already come out to condemn the co-payment and raise their concerns. In my own electorate, doctors—regardless of where I am—say that they are opposed to the co-payment because they believe it will discourage those most in need of medical help from presenting at their GP.

At Woodend’s Brooke Street Medical Centre, Dr Richard Bills has raised concerns about how this will affect not only his practice but also his after-hours surgery work. They are some distance from a local hospital so therefore they provide an after-hours clinic or service, where the ambos will pop in with the patient for that first triage and assessment. They are concerned that because of the government’s extra co-payment people will not go to their clinic first but will travel the hour to Melbourne for something that may not be life threatening but needs medical attention. Brooke Street Medical Centre is not alone. In Castlemaine, 21 local GPs came together to speak out publicly about their concerns with this new tax. The Medicare Local in the Loddon Mallee Murray region is also speaking out. A number of their practitioners say that they agree with the concerns of the doctors in Woodend and Castlemaine that this co-payment will stop people from seeking the help that they need.

On Friday, I got to be at the sod turning and the launch of Heathcote Health’s new primary care facility. It is a project that was funded by the former Labor government through the Health and Hospitals Fund. Of course it was acknowledged that the funding came from the Commonwealth but it was not acknowledged that it was from the former Labor government—a government that invested in health care. At this particular sod turning, one of the GPs who partners with Heathcote Health said in the launch that he hopes they have patients to treat. Heathcote is one of those other low socio-economic areas where households are surviving on less than $600 a week. He was worried that, because of the government’s changes to the healthcare system, people would not present to ensure that their health needs were met at the early stages of their illness. He was worried that, by not going to the primary health care part of Heathcote Health, they would then become too ill and too sick and then present at the urgent care side of their healthcare facility.

The attacks on our healthcare system do not stop at this increase in the medicines tax or the GP co-payment. The cuts in basic funding to our hospitals are also compounding the problems. Bendigo Health will suffer a $25 million cut from this government because this government has torn up the national partnership on hospital funding. That is a $25 million cut from Bendigo Health. In question time today the health minister had the audacity to stand up and talk about the cost of the carbon tax on hospitals. What about the $25 million he has cut directly from their budget? What about justifying that cut to the people of Bendigo and to the people at the Bendigo health facilities that require health support—$30 million cut directly from hospitals from across the Bendigo electorate?

This is just one regional area hit hard by this budget, yet we have the health minister, who does not talk about his cuts—whether they be direct to the hospitals, whether they be from primary healthcare services, whether they be investment in funding for building new healthcare services, whether they be GP co-payments or increases to the medicines—instead
talking about the carbon tax. Well, get onboard with what is going on in your facilities, your health portfolio, and I dare you to come back to Bendigo and stand in front of Bendigo Health again and talk about the carbon tax and not talk about the funding cuts that you have made to Bendigo Health in your first budget. Labor does not support this increase in tax, particularly in conjunction with the other increases in taxes and the cuts to families in all areas, including regional areas like my own. The previous speaker also had a go at the former government about going slow on approving medicines when it comes to the PBS. Well, you are now in government.

I would like to finish with a few words from some local people who have raised concerns about the drug Kalydeco. A Goornong family was delighted and excited on 20 December last year. They thought that Christmas had come early because of the news that Kalydeco had been approved by the Pharmaceutical Benefits Advisory Committee for listing on the PBS. After an extensive review process, the PBAC confirmed that the profound benefits of Kalydeco offered to individuals and the healthcare system were significant. Tim McCrohan, the father of Amelia—the young girl who would benefit from receiving this drug—said that this was a ‘great achievement’. He said, ‘We have had our Christmas present come early’ and ‘Now we are looking forward Amelia getting better’.

Tim has said to me. ‘All we want is our little girl, Amelia, to live a normal life’. And Kalydeco will provide her with that opportunity. Yes, it is a very expensive therapy, but the benefits it delivers for those who suffer from this rare form of cystic fibrosis is beyond measure. Tim said, ‘Our Christmas wishes have been granted’ and that he is looking forward. He said:

We are confident that once pricing negotiations conclude, the Minister for Health, the Hon Peter Dutton, will take the PBAC’s recommendation to Cabinet and deliver a listing date for the 200 Australians waiting on Kalydeco.

That was December last year. We are now in July, and Amelia and her family are still waiting. To date, this drug has still not been listed. To date, there are still discussions saying that this drug is too expensive. Price disclosure, as I mentioned at the beginning, ensured that there was money in the system to fund drugs like Kalydeco on the PBS. Yet this young family is still waiting.

Billions have been saved already. Price disclosure, one of the reforms Labor delivered in government, is a sensible way, a fair way, of ensuring that there is money in the system to ensure a sustainable PBS. The proposal being put forward by the government is not fair. It hits the most vulnerable the hardest—those who have the least amount of disposable income to pay this increase in costs. It will result in more and more people filling fewer scripts, meaning that people will get sicker and will end up presenting at our already stretched emergency departments.

It is great to see nurses and doctors, those working in the health professions, standing up and speaking out for the health of Australians. They should not be condemned, they should not be called 'union bosses', they should not be called 'union hacks' for speaking up, wanting to ensure that the health system is there to support the health of Australians. Nurses work hard, doctors work hard. All those working in the health professions deserve our respect, not condemnation for calling the government out for creating a health emergency in this country. That is exactly what is happening because of the government's proposal. Whether it be their
GP co-payment or tax of $7, the increase to the medicines that people on the lowest incomes are paying or the cuts to our hospital system, this government's agenda for health care is wrong and is creating problems, and it will create a health emergency within our country.

Here are some more words from people in my electorate about this government's approach to health. In Ian's words: 'About the only thing I can see that these changes will do is stop people from going to the doctor and filling their prescriptions. How cruel is this government? In Paul's words: 'My son has type 1 diabetes. My wife has a chronic illness and is facing major surgery. At the moment she is a member of the workforce as a tutor, but this is limited and may not be continued in the long term. I implore all sides of parliament who represent regional Australians to vote against these changes to the PBS and to Medicare to ensure that there is fairness and equity so that my family continues to receive the medical support that they need to ensure that they live healthy lives.'

Dr SOUTHCOTT (Boothby) (18:51): I am pleased to be speaking on this bill on the co-payment for the PBS. I thought I might start my speech by drawing the attention of the House to a report by the Commonwealth Fund, which was released in the middle of last year. The Commonwealth Fund puts out regular surveys of countries, looking at their health systems and how they compare. They have recently expanded the number of countries they look at to 11 countries—the UK, New Zealand, Canada, the US, the Scandinavian countries, France, Germany as well as Australia. The data is consistent with all the previous reports from the Commonwealth Fund, and Australia's health system does stack up very well. We stack up well on people enjoying healthy lives, long life expectancy and the quality of care. We are seen as having an efficient and fair system. This is despite the fact that we still have one of the lowest spends in health per capita. The 2011 figure for Australia was $3800 per capita, compared with the United States figure of $8508. In fact, of the 11 countries only the UK and New Zealand spent less.

So let's put some reality into this debate and remember that we are a healthy country with a good and efficient health system. It is in that context that we need to consider this measure. The Pharmaceutical Benefits Scheme has been one of the fastest rising areas of Commonwealth government expenditure. We have seen it increase dramatically over the last 15 years, and it is in this context that the government decided to increase patient co-payments in this budget and increase the safety-net thresholds for the Pharmaceutical Benefits Scheme. It is a savings measure; it involves savings of approximately $1.3 billion over the next four years. Those savings go towards the Medical Research Future Fund. We will still see more spent by the government on the PBS: it will go up from $9.2 billion in the last financial year to $10.2 billion by the last year of the forward estimates. This involves a one-off increase in patient co-payments.

When we talk about co-payments, there has been a co-payment for the Pharmaceutical Benefits Scheme since 1960. When it was introduced in 1960, there were very few of the advanced drugs that we see now. It was a much simpler Pharmaceutical Benefits Scheme, but all the same we had a co-payment—probably introduced when Harold Holt was Treasurer in 1960 federal budget. It was the Labor Party that introduced the co-payment for concession-card holders: Bob Hawke, Brian Howe, Jenny Macklin and the member for Canberra in another incarnation all understood the need for a patient co-payment. With this proposal, the general patient's the co-payment, which sits at $36.90, will increase by $5 in addition to
movements on the CPI. On average general patients use two PBS subsidised prescriptions per year; this means that the average user, who is not a concession-card holder, will contribute an additional $10 per year. For people with concession cards, the co-payment, which is currently $6, will increase by 80 cents in addition to the CPI. People with a concession card on average use 17 scripts each year, and under the new arrangements they will pay $13.60 per year for subsidised medicines.

There are a number of medicines that are already less than the current general co-payment and they account for more than 40 per cent of PBS listings and more than 70 per cent of general patient prescriptions. What that means is that for these patients and for these scripts, the increase in the co-payment will have no effect. Take, for example, Amoxicillin, a common antibiotic currently costs $13.85 and is well below the PBS co-payment. After increases in the general co-payment, there will be no impact on the price of Amoxicillin. By the time the co-payment changes come into effect on 1 January next year, more than 55 per cent of listings will be below the general co-payment amount.

We also need to mention that the government continues to contribute the majority of the costs of many pharmaceuticals—insulin, a common treatment of diabetes, has a cost through the PBS of around $220, for which only $6.90 is paid by concession holders and $42.70 for general patients. Over the last decade we have seen the cost of the PBS increase from $5 billion to around $9 billion. It is expected to continue at around 4 to 5 per cent per year, but a decade ago it was growing at between 11 and 13 per cent each year. This is a simple measure to make the PBS sustainable.

As members of parliament we are constantly made aware of new pharmaceuticals are coming onto the market that are going through the hoops of assessment by the TGA and by the Pharmaceutical Benefits Advisory Committee and then by Pharmaceutical Benefits Pricing Authority. It is important that Australia does need to be able to bring these medicines to consumers in a sustainable way. Let us never forget the debacle of drug listing that occurred under the previous government. I will never forget going to a Medicines Australia dinner, where the industry minister said that the government would cease to list drugs on the PBS until the budget was in surplus. It is something that no federal government had ever tried before; it was not sustainable and it lasted about six months. What it did was to create massive uncertainty about the listing process.

Some of the newer drugs—some of the tyrosine kinase inhibitors used in the treatment of melanoma—can cost up to $110,000. Similarly drugs used in advanced breast cancer can cost about $38,000; drugs for prostate cancer can cost around $27,000. There is an expectation for people who have melanoma or breast cancer or prostate cancer that the government will be able to fund these and fund them in a sustainable way.

The PBS co-payment has been increased in the past. As I said, the concessional co-payment was first introduced by the Labor Party in the 1991 budget. The savings we make will go towards the Medical Research Future Fund. This is a very forward-looking fund. Within six years, Australia will have the largest capital fund in the world dedicated to medical research. When fully mature in 2022-23, it will mean a doubling of our annual investment in medical research. It will benefit all of our excellent medical research institutes and will provide an extra $1 billion in support to our world-class Australian researchers each year.
Since the Abbott government came to power, we have listed or expanded the listing of 181 new medicines on the PBS. We have not had a repeat of that unfortunate episode under the previous government where they simply stopped listing new drugs because they could not afford them. The Howard government introduced price disclosure for pharmaceuticals, which has been a very important step in putting the PBS on a path to sustainability.

When Labor were last in power, they promised stability for the PBS, but instead it was complete chaos. They deferred the listing of medicines already recommended by the Pharmaceutical Benefits Advisory Committee. Patients suffering from schizophrenia, chronic pain, lung diseases and other afflictions had their medications delayed for months under that government. Labor politicised the PBS listing process and undermined the independence of the PBAC. We have restored the independence of the listing process and the PBAC's recommendations will no longer be ignored.

As I said before, Labor in government have supported increases in the PBS co-payment. In 1986, they doubled the PBS co-payment for general patients from $5 to $10. They introduced a PBS co-payment for pensioners. In 2004, they supported a one-off increase to the PBS co-payment. That was the famous backflip by their then leader, Mark Latham. So the Labor Party have shown that they do support a PBS co-payment and do support increases in PBS co-payments where it is appropriate. What we are seeing now is the Labor Party being opportunistic. I think this is a good example of what Paul Kelly described in *The Australian* as politics not rising to the challenge we face. Parliament is not rising to the challenge we face in restoring the budget to surplus and in implementing sensible measures to make Commonwealth programs sustainable.

Mr CHAMPION (Wakefield) (19:03): This bill, the National Health Amendment (Pharmaceutical Benefits) Bill 2014, is just one part of the government's strategy to effectively abolish Medicare. They want to destroy this very important system of universal health care introduced by the Hawke government. But it is part of the Labor Party's DNA to protect it and to advance it. It is something that is beloved by all Australians, but we know this government is absolutely determined to destroy it. In this regard, the Abbott government is channelling earlier incarnations of John Howard.

The last speaker, the member for Boothby, talked a bit about the history of these things. We know that John Howard in 1987 said that Medicare was 'a total disaster'. He promised, 'We will pull it right apart.' He said that they would get rid of bulk-billing. I know that the member for Mayo, who is sitting right here, was a learned member of Mr Howard's staff and helped to design Work Choices. I will not go into details here; it would be unfair to the member for Mayo to do so. I am indebted to Julia Gillard because she wrote an excellent article for the Evatt Foundation in which she recorded Mr Howard's other words about Medicare. He called it 'a miserable cruel fraud', 'a scandal', 'a total and complete failure', 'a quagmire', 'a total disaster', 'a financial monster' and 'a human nightmare'.

Mr Briggs interjecting—

Mr CHAMPION: For the member for Mayo's benefit, I think he also threatened to take a scalpel to Medicare. That was the early incarnation of John Howard. We know that Mr Howard's views were important, because so many on the government's side of the House regard him as an ideological leader, if not a mentor. I know the member for Mayo does. It is a great pity that none of them have the courage Mr Howard had at that time. At least Mr
Howard was honest with the Australian people about his intentions towards Medicare. Later, when he recanted all those views in 1995 and 1996 in order to win an election, he basically stuck to those reformed views.

But we know that this government want to tear apart Medicare, absolutely rip it to shreds. At the same time they use this Orwellian language—that they are 'the best friend Medicare ever had'. Then you have the Minister for Health getting up here and talking about 'free' services, even though people pay a Medicare levy. They pay it every year through the tax system to pay for those services, to make the system of universal health care sustainable, to make it financially viable. Then we hear the government rolling out this language that it is 'unsustainable' and that it is 'free'—all of these sorts of things. They never pause to wonder at the irony that they are then taking the proceeds of the co-payments and putting them into a separate fund. So it is not as if this is a deficit reduction measure, and there is nothing about it going back into Medicare. It is all going off into a research fund. Research is worthwhile, but you have to question the government's intentions when they tell us the co-payments are about sustainability on one hand and then put the proceeds in a locked box on the other.

I heard the member for Bowman earlier talking about how they had been 'forced' to do it—how they had been forced into this situation. They have been forced, in this bill, to impose a tax on medicines, a $1.3 billion tax that will hurt consumers. But it is not about the sustainability of the system; it is about taking savings and putting them somewhere else. It is not about sustainability, which must be a term out of the focus groups; it is about ideology—the ideology of destroying Medicare, which is what this government intends to do. We see that in their GP tax, which I have spoken on in this House a couple of times today. It is a cascading, compounding tax: $7 every time you head into the waiting room, $7 every time you get a blood test, $7 if you have to go back to the doctor to check up on a medical condition. If you have pneumonia, it may be that you have to visit the doctor six times and it will cost $7 every time you get into that waiting room. That must be terrifying for so many families—particularly families in my electorate and across working- and middle-class Australia, who really do feel those out-of-pocket expenses.

This is coming on top of $80 billion worth of cuts to schools and hospitals—$50 billion in cuts to hospitals alone. We know the effects of $50 billion worth of cuts. It is equivalent to 4,300 hospital beds, more than 25,000 nurses or some 12,000 doctors, over seven years. These cuts are extraordinary. The New South Wales Premier called the budget a 'kick in the guts'. I know that the Premier and the Treasurer of my state, when they prepared the state budget, felt the burden of the cuts by this government. This budget is all about establishing a two-tiered healthcare system—an American system. This is the way the government have always wanted to head. They want to establish the kind of system the Americans are trying to get away from. We had Professor Stiglitz in the country wisely questioning why you would want to copy a system which does not have universality at its core, which places huge financial burdens on working- and middle-class Australians and which undermines the equity of the nation. The idea of a fair go is absolutely critical to the Australian character, particularly the modern Australian character. This is an idea that has been around since Federation. In these days when we do get such extremes in wealth, we know that we do want to tie income to ability to access health care. However, we know that is the system that the government want to institute, with their $7 GP tax and their $1.3 billion tax on pharmaceuticals.
Of course, this policy is opposed by the AMA. The AMA said in a press release on 15 May 2014:

The Federal Government’s move to impose a co-payment for GP visits will deter people from seeking necessary medical care and could leave doctors $13 out-of-pocket if they waive the charge for their patients, the AMA has warned.

We know that doctors are desperately telling the government that this is going to hurt primary health care, which begins with the GPs in those general practices. I have already read out this letter from Dr Bruce Groves from Salisbury North, during the debate on the matter of public importance. He writes about the GP tax:

The measure is heartless, bereft of social conscience and punishes those who can least afford it.

Dr Bruce Groves is a good doctor who runs an important practice in Salisbury North. Salisbury North is a working-class suburb with a lot of people on fixed incomes, pensioners and the like, who are very confused and upset. They are fearful of what the government wants to do, not just on the PBS but on the GP tax as well. We know the devastating effect that the announcement of the GP tax had on Dr Groves's practice. He recorded a 30 per cent drop in attendance. As a patient of the GP clinic on Philip Highway in Elizabeth, though I have not been there for a while, I got a text message from the clinic saying that the $7 GP tax did not apply and it was business as usual for bulk-billing. They are sending out these texts to their customer base because they are already feeling the chilling effect of the government's determination to destroy Medicare.

As the member for Bendigo quite rightly pointed out, Labor's way has been to use price disclosure to fund the PBS—in effect, to channel the savings that a government might make back into the Pharmaceutical Benefits Scheme. That is the appropriate way to run the health system. The Liberal way is to tax, pile on the costs and pile on the burdens on working- and middle-class families, and then to shift the money sideways. It is a vicious attack on working- and middle-class families—a cruel sort of pea and thimble trick or game of three-card monte, where someone always gets ripped off. It is an attempt to place Australian families in a detrimental situation without being honest about it. As I said before, the government's language in this regard is aimed completely at giving reassurance where there should be none. The government are not being straight with the Australian people about their intentions to destroy Medicare.

We know that the Prime Minister has a great deal of form in this regard. I cast my mind back to the days when he was health minister. On Saturday, 16 April 2005 the AM program recorded a story titled 'Abbott apologises for Safety Net backflip'. It begins with Elizabeth Jackson:

The embattled Federal Health Minister Tony Abbott says he understands why there are loud calls today for his resignation, in the wake of the Government's decision to raise the Medicare Safety Net.

There is another example of the government's and the Prime Minister's commitment. Back then, he promised one thing before the election and then in 2005 had to creep out of cabinet with his tail between his legs, contemplating resignation but lacking the courage to resign. Mr Nick Grimm, in the same interview, put to him:

But you must have been either lying at the time when you referred to the cast iron guarantee, or you were hoping that the Government would go along with the blow-out.
That is what Mr Grimm put to Mr Abbott. And Mr Abbott said:
The statement—
then there is a pause, and we are used to the Prime Minister's pauses—
the statement that I made back then was the absolute truth to the best of my knowledge and belief at the
time, but since the election the Government has obviously been reconsidering this matter, since the
election the Government has been looking at the blow-out, not just in the short term, in the very long
term, and responsible governments do not make commitments which turn out to be unsustainable.
Well, there you go. The Prime Minister has got form.
On Friday, 22 July 2011, it was put to him that his 2004 broken promise woul
d give the Australian people some misgivings because he had given an absolutely 'rock solid, iron-clad'
commitment—that is what he had said—about the Medicare safety net. In 2005 he said:
... when I made that statement, in the election campaign, I had not the slightest inkling that there would
ever be any intention to change this. But obviously when circumstances change, governments do change
their opinions ...
He went on with a bit of verbiage about how that was then and this is now and that people
should be completely trusting of him as opposition leader.
What do we get when he is Prime Minister? We get $80 billion worth of cuts which he did
not talk about before the election. We get commitments to pensioners which were not fulfilled
at all, and we now know how betrayed those pensioners feel. There was not one mention
during the election campaign of the $7 cascading co-payment, the $7 GP tax that applies
every time you waltz through a waiting room or get a blood test and the like. And we know he
made commitments about Medicare Locals which he has now broken. So there are broken
promises on savings, about schools and hospitals, on pensions, on the GP tax and things like
the Medicare Locals. When you look at the form of the Prime Minister, both as health
minister and now as Prime Minister, you have to say he has all the sincerity of a riverboat
gambler. That is the terrible character of this government.
I will finish on this note. Mr Dutton in the MPI debate said the Australian people know in
their hearts and minds that only a coalition government will strengthen Medicare for
generations to come. There has been no greater chicanery uttered in this parliament than that
by the health minister. They intend to tear Medicare limb from limb, to take a scalpel to it. It
is just in their DNA. That is what they intend to do. We will be carrying the fight up to them
every day until the election, along with the 67,000 Australians who have signed the petition to
save Medicare—and there will be many, many more. The next election will be a referendum
on Medicare. (Time expired)

Mr CRAIG KELLY (Hughes) (19:18): I rise tonight to speak on the National Health
Amendment (Pharmaceutical Benefits) Bill 2014. It is always a great pleasure to follow the
member for Wakefield and the absolute nonsense, rubbish and scaremongering he continues
to go on with every time he comes to the dispatch box. The first thing we must correct is the
repeated untruth that we hear from members of the opposition about cuts to health and
education. The facts are that this financial year, 2014-15, there will be a nine per cent increase
in health spending, next financial year there will be another nine per cent increase on top of
the previous nine and the following year there will be yet another nine per cent increase. So
for three years, back to back, we will have nine per cent, nine per cent, nine per cent: increase,
increase, increase. Yet we have members of the opposition somehow concocting in their minds that this is actually cut.

The same applies for education. We hear members of the opposition running around, and especially students who have the great opportunity to go to university in this country, scaremongering that there are so-called cuts to education. Again, nothing could be further from the truth. The facts are that this financial year there is an eight per cent increase in spending on education from this federal government, next year yet another eight per cent increase and the following year yet another eight per cent increase. If members of the opposition, who are running this ridiculous scaremongering campaign about cuts that do not exist, think the nine per cent and eight per cent increases are not enough then it is up to them to articulate very clearly how much higher they think our spending should be above that nine per cent and, most importantly, where the money will come from. They think that money grows on a money tree or there is some money tree out in the parliamentary courtyard. They have to explain to the Australian public where the money will come from. Is there a plan just to continue to borrow and borrow, to steal from our children's future and run up debt? That not only has to be repaid at some time but the interest costs have to be serviced along the way.

To get back to the bill, it addresses a few issues we have with our Pharmaceutical Benefits Scheme. Our Pharmaceutical Benefits Scheme is one of the wonderful things we have in Australia. It is one of the great advantages of being an Australian. People from all around the world seek to come to our shores because of the advantages of our Pharmaceutical Benefits Scheme. The scheme was started back in 1948 to provide free medicines to pensioners, to prevent life-threatening diseases, to reduce illnesses and to reduce pain. We have known for decades it has provided timely, reliable and affordable access to the medicines that all Australians need. Our challenge as a government is how to maintain it going forward so that our children and our grandchildren have the same advantages from the Pharmaceutical Benefits Scheme that we and our parents have enjoyed.

There are three specific problems that we have to deal with. Firstly, there is the cost. Over the past decade government spending on the Pharmaceutical Benefits Scheme has increased 80 per cent. This year, 2014, this federal government will spend $9.2 billion on the Pharmaceutical Benefits Scheme. By 2017-18 that will be $10.3 billion. And the projections are that this will go to $15 billion by 2023-24 and then double in the next 20 years to something like $30 billion. So we have to come with up with how we are going to fund those increases in costs. What is driving that cost increase? Firstly, it is the new drugs that are available. Through the creativity and innovation and the experimentation—the genius—of mankind we have been able to tackle many of the illnesses and diseases that our forefathers have had to put up with for thousands of years. Many of those diseases have been eradicated totally. Today we have the ability to cure those because of the geniuses who work in our medical research field. This government has already committed $436 million to new drugs to be listed on the Pharmaceutical Benefits Scheme. In March 2014 another $550 million worth of new drugs were released on the Pharmaceutical Benefits Scheme. At their July meeting we know the Pharmaceutical Benefits Advisory Committee are considering no less than $3.6 billion worth of new drugs to go on the scheme.

I have had constituents in my office—I am sure many members of parliament have had constituents in their offices as well—pleading with me to get new drugs listed on the
Pharmaceutical Benefits Scheme, new drugs that they feel and believe will help save their kids' lives or extend their kids' lives or make their lives better. We owe it to all Australians to try to get those new drugs on that Pharmaceutical Benefits Scheme as quickly and as efficiently as we possibly can. But we know what happened under the previous government, how they held up simply for financial reasons—they had greater spending priorities—many of those new drugs being listed on the scheme. We know that these new drugs are coming onto the scheme down the track. We know there will be new drugs to tackle prostate cancer, to tackle bowel cancer, to deal with blindness and diabetes. We as a government want to make sure that those drugs can be listed on the Pharmaceutical Benefits Scheme.

The next problem we have is the ageing of our population. One of the great spin-offs that we have had of all these new drugs, and medical research creativity, has been the increase in life expectancy in this country. For those who value life and think life is the most precious thing, our forefathers have granted kids today longevity of an extra one-quarter of a century. But we know that as you get older the spending that is required with your age becomes greater. The Productivity Commission's report into revenue and expenses found that, for the Pharmaceutical Benefits Scheme, by the time people aged 45 to 50 years get up to 60 to 74 years, then the amount the government will have to subsidise them through the Pharmaceutical Benefits Scheme will double. Health costs will double from 45 to 65 years of age. For someone aged 85, government spending on their health is three times greater than for someone aged 60. These are the challenges that we have; how are we going to finance this?

If we go back six years, when we had a $20 billion surplus and we had $50 billion in the national bank account, we could have drawn on those funds to help finance this. But that was six years ago, before this nation handed Julia Gillard and Kevin Rudd the national credit card and made them signatories to that national credit card. We saw deficit after deficit after deficit, borrowed money after borrowed money, waste after waste. And do you know what? If you are wasting money and you are spending it recklessly, it is one thing if you are doing it with money you have in your pocket, but it is another thing if you do it with borrowed money. And that is what we saw over six years with the previous Labor government. We saw them waste and recklessly spend money that they borrowed. So now we not only have the obligation to someday pay that back, but we also have the ongoing obligation to pay the interest. For this financial year that interest bill means we have to find $12 billion, and we have to send 70 per cent of that overseas just to pay the interest on the debt. That is $1 billion every single month. That is more than we spend on the entire Pharmaceutical Benefits Scheme. The interest payment on the debt is more than the Pharmaceutical Benefits Scheme spending. The cost we will spend on the Pharmaceutical Benefits Scheme this year is $9.3 billion; our cost to service the debt that these guys ran up is $12 billion this year. These are the problems that we have to deal with.

How are we going to do this? We know what Labor and the Greens would do: they would continue to run up the bill on the national credit card, creating more debt, effectively stealing from our children and passing the bill onto the next generation. And why that is so unfair is that today many of the drugs that we enjoy have a low cost because they are generic, because the patents have expired. Previous generations of Australians and governments paid the high costs for those drugs, which offset the development; now the patents have expired they go back to being generic and they have a very low relative cost, so we have enjoyed the benefits.
Going forward we simply cannot continue to borrow money against our children and run that debt up to pay for the Pharmaceutical Benefits Scheme.

What is this government actually doing with this scheme? We are making some minor changes and some minor cost increases. The concessional co-payments—these are co-payments that we hear Labor complaining about, saying how terrible they are, when they forget that they were the ones who introduced the co-payments back in 1991—will rise by 80c from $6.10 to $6.90. The general co-payment on the PBS will rise by $5 from $36 to $41.90. No-one likes to pay a little bit more, but we owe it to future generations of Australians to make these small payments to ensure that the Pharmaceutical Benefits Scheme stays sustainable. We owe it to our children to make sure they have access to new drugs that are created by the medical profession. We cannot delay access to these new drugs. We want to see new drugs listed on the Pharmaceutical Benefits Scheme as soon as we possibly can. If we do not come up with a few more dollars in the Pharmaceutical Benefits Scheme, the alternative is to hold back on the release of new drugs. Life-saving drugs that could otherwise benefit Australians and drugs that could assist with pain and remarkably improve health and quality of life would be held up. We would not be able to give those drugs to people and, if we did that, we would be damned. I hope members of the opposition support this bill because they know deep down in their hearts that we cannot keep borrowing money to pay for this. They know that the Pharmaceutical Benefits Scheme has to be sustainable for the benefit of our children and our grandchildren. Therefore, I am very pleased to commend this bill to the House, and I hope that when a division is called we have support from the members of the opposition.

Mr NEUMANN (Blair) (19:32): I speak in relation to the National Health Amendment (Pharmaceutical Benefits) Bill 2014. I do not often read the second reading speeches of government ministers, but I thought I would have a bit of a look at this one from the Minister for Health and Minister for Sport. He went on and on about how the Pharmaceutical Benefits Scheme needs to be sustainable, the cost, how much it is going to be and what are we going to do. Then I went right back to the end of his speech. I thought the savings, the $1.3 billion in savings, would of course be going into making the PBS sustainable by going into consolidated revenue and into the health budget. But no. It does not. In fact the money, the savings, ‘...will contribute to the $20 billion capital-protected Medical Research Future Fund.’ So we are making savings here—$1.3 billion, allegedly, because the Pharmaceutical Benefits Scheme in this country is not sustainable and the government will not even put the savings back into the PBS. They will stick it in some future medical research fund so that those who are sick today will pay for the sickness of the future. It is extraordinary for members of the government and in particular the backbenchers from regional, rural and marginal seats to get up and talk about the unsustainability of the PBS and not to acknowledge that the money is not actually going into the PBS. It is going into this Medical Research Future Fund. Don't come in here and give us lectures about debt and deficit when by their decisions and assumptions they added $68 billion to the debt and deficit in this country at the end of last year. In the 2013-14 financial year, under this mob opposite who are in government, the deficit is $18.8 billion worse than it was under Labor. That is the reality; look at the PEFO and look at the budget. And this year it is worse under the coalition than it would have been under a Labor government. Look at the PEFO and look at the budget. Have a look at that, and then you will see the truth. If the money was so needed to reduce debt and
deficit, why is it going into a research fund? They argue that black is white and white is black in relation to this.

Before the federal election, the then opposition leader, now Prime Minister, must have been a bit worried about people's concerns for him and about him; about what he would do if he became the Prime Minister. We saw on 2 September 2013 at the National Press Club, on 5 September in a discussion he had on ABC radio and on election eve at the Penrith football stadium his comments that there were to be no cuts to education, no changes to pensions, no cuts to the ABC or to SBS, no change to the GST and no cuts to health. He ruled them out. No changes to health—it would not cost more. No changes to hospitals and no changes to health. That is what he said before the election. You would have to speculate that the coalition's polling showed that the Australian public were concerned about him. He said that their taxes would be lower under a coalition government than it would be under Labor. He said there would be no taxation increases without an election. He said that as an absolute principle of democracy that the government should not say one thing before the election and do another thing afterwards. It all seemed too good to be true, and it was. The May budget showed clearly that it was, because there is broken promise after broken promise and betrayal after betrayal. The legislation before the chamber is yet another broken promise and betrayal. It must be seen in the context of what they are doing elsewhere; that is what they are doing in terms of health generally. We have the $7 GP tax that they want to charge people. In my electorate of Blair in south-east Queensland, there were 838,244 bulk-billed GP services last year. If the co-payment came in, it would see people in my electorate pay another $6.5 million extra in tax every year. The West Moreton Hospital and Health Service, which provides the majority of health services in my electorate—and does a great job by the way—would suffer as well. Despite a growing population, the service would soon have to make do with less.

By 2017-18 with this mob opposite—the government purports to want more funding in health and claim nine per cent, nine per cent, nine per cent; we are sick and tired of hearing it—the West Moreton Hospital and Health Service would be, on the figures that we have seen, $6.749 million worse off than if Labor had won and the national agreements in relation to health service in funding from the Commonwealth had the been gone through and committed. Even the Queensland LNP Treasurer, Tim Nicholls, said, 'Emergency patients in Queensland will be hardest hit'. This is what he said on Sky News on 15 May 2014:

You would have to wait longer to get treatment at a hospital because we wouldn't be able to have as many doctors or nurses on hand to be able to treat people, so it might mean longer waiting times for treatment when you turn up and present at a public hospital.

The bill before this chamber is part of a whole package that make it harder for people to get good health services. It seeks to raise the cost to Australians of health services. From 1 January 2015 Australians will pay more for pharmaceutical benefit medicines than they did before. The PBS co-payment for both general and concessional payments will be increased by 13 per cent. It is a massive tax hike in reality. It is a $1.3 billion slug on people who need PBS medicines.

From January 2015 general patients will pay an extra $5 for a PBS prescription, moving the cost up to $42.70. Concessional patients will pay an extra 80c up to $6.90. Not content with that, of course, we have seen that the Prime Minister and the Treasurer want to increase
the PBS safety net thresholds. Australian families will pay more for their scripts, they will pay more out of their pockets, and they will get less relief from the safety net of the PBS. For concessional patients the PBS safety net threshold will increase by two prescriptions per year. For general patients the threshold will increase by 10 per cent each year above the CPI for the four years from 2015 to 2018.

The government's modelling underscores the impact this will have on people with high medicine needs. In 2015 under a Labor government a general patient would have spent $1,451 before they reached the PBS safety net. Under the coalition, general patients will need to spend $1,597.80—about $145 more—to reach the threshold before they get concessional relief. In 2016 they will pay $312.10 more. In 2017 they will pay $504.70 more. In 2018 under Labor the general PBS safety net threshold would have been $1,562. Under the coalition it will be $2,287.90. So general patients will be paying a whopping $725.30 extra each year to reach the threshold. Those opposite in government think this is all very small change. But for a family, it is not. For those people with high medicine needs, it is not. It is a great impost on them.

Concessional payment patients will be slugged, too. In 2015 under Labor concessional patients would have paid $366 or 60 scripts to reach the concessional PBS safety net. In 2015 under the coalition government it will be 62 prescriptions and an extra $61.90. In 2016, it will be 64 scripts, an extra $82.40. In 2017 it will be 66 prescriptions, an extra $97.80. In 2018 under the coalition governments concessional patients will pay for 68 scripts before they get any assistance. It will be about $114 more just to reach the PBS safety net than it would have been under Labor. This is for the weakest, the most sick and the most vulnerable people in our community. This is a broken promise which puts severe financial pressure on those who are chronically unwell, who are already often struggling to make ends meet.

The Prime Minister is no stranger to broken promises, particularly in relation to safety nets. Remember that in the 2004 federal election campaign he claimed there would be an 'absolutely rock solid, ironclad commitment' not to change the Medicare safety net and, after the election, as part of the re-elected Howard government, he did just the opposite. So they have a bit of form when it comes to this issue. On this side of the chamber we say that this $1.3 billion slug will hurt every Australian.

The COAG Reform Council does a lot of good work. It has been holding governments to account on both sides. But, once again, it is a casualty of the cuts. It did a lot of good work in relation to Closing the Gap and holding governments to account. The COAG Reform Council is a victim of deep cuts in the budget and it ceased operations on 30 June 2014. Their report, Healthcare in Australia 2012-13: five years of performance, found that in 2012-13 8.5 per cent of people delayed or did not fill a prescription given to them by their GP due to cost. If those opposite do not believe that price matters, they do not believe in markets. We know that they do not believe in markets when it comes to pricing carbon, because they want a command-economy style, Stalinist solution on climate change whereas we on this side want a market based solution. We know in their heart of hearts—and the budget papers reveal—that they do believe there is a price impact and there is elasticity in the markets in relation to this issue. Publicly they will not say that and they will not admit it, but we know that the budget papers reveal it. That report revealed in the most socioeconomically disadvantaged areas the impact on people delaying or not filling out a prescription rose to 12.4 per cent. As shadow
minister for Indigenous affairs it does worry me that that report actually showed that with respect to Indigenous people it was a staggering 36.6 per cent.

I have gone around the country and spoken to many health services and I know that the government's policies will have an adverse impact on the community-controlled health sector, particularly the Indigenous community-controlled health sector. The government have been running around the countryside saying that what they have been doing is just reducing red tape and inefficiency—a bureaucratic reduction—in health. But that is not true. Have a conversation with Don MacAskill, the CEO of Awabakal Newcastle Aboriginal Co-operative Ltd, which does a great health service in the Newcastle-Hunter region; Stella Taylor-Johnson, the CEO of Kambu Health Services in the Ipswich and west Moreton region; Adrian Carson, the CEO of the Institute for Urban Indigenous Health in Brisbane; or Jill Gallagher from VACCHO. They all say the same thing: that changes like the ones in this bill before the chamber will have an adverse impact on Indigenous people and cuts in the budget to Indigenous preventative health programs, like the Tackling Smoking and Promoting Healthy Lifestyles Program—about $130 million in cuts—will mean that Aboriginal medical health services will be forced to absorb the $7 GP tax. You can see in the services these organisations render to Aboriginal and Torres Strait Islander people that the PBS implications are vast as well.

So because of this budget—and this bill is in the framework of the whole budget—we are going to see Aboriginal health services having to use block funding that would otherwise be used for effective preventative health and health education programs to absorb the huge impact of the GP tax and we are going to see Aboriginal and Torres Strait Islander people around the country delaying taking their prescription or not doing it at all. That will be because of the legislation that is before the chamber right now. It is a shame, a tragedy and a disgrace. The coalition say they want to close the gap and the Prime Minister wants to be the Prime Minister for Indigenous affairs, but the legislation before the chamber will not bring that about. It will widen the gap in terms of health outcomes between Aboriginal and non-Aboriginal Australians.

Ms MacTIERNAN (Perth) (19:47): Many of my colleagues have set out very well and very powerfully just what the impact of the National Health Amendment (Pharmaceutical Benefits) Bill 2014 will be on so many people. This $1.3 billion tax increase on medicines will impact differentially on the sickest and those on the lowest income levels in our society. It is a tax hike that by its very nature is regressive. We just cannot support it. My colleagues have also pointed out over and over again the fundamental hypocrisy we see here. This $1.3 billion extra impost on sick people is said to be necessary in order to keep this sustainable, yet we find that allegedly this $1.3 billion is going into a health fund and not into the sustainability of the PBS.

I agree with the government—and I think Labor can demonstrate that it absolutely grasped this while it was in government—that there is immense pressure on governments and on parliamentarians to support more and more expensive drugs being added to the PBS. I will talk later in my address about some of the lobbying efforts that go on by the pharmaceutical companies to achieve that. There is no doubt that there is significant pressure on the PBS. I note and understand—and I think I have this right—that Labor got this figure down by
introducing an accelerated pricing disclosure mechanism. It was able in its last budget for the first time to claw back some of the cost of the Pharmaceutical Benefits Scheme.

I understand that this is not a total answer. There is so much more that can be done to make this scheme far more efficient. This should be the line of attack. It is completely unacceptable that the percentage of generic medicines in Australia is so much lower than that in comparable countries, such as the United Kingdom, the United States and Europe. We have within our system some, I think quite profound, structural flaws that are preventing us moving towards a greater reliance on generic medicines. We are actually paying a premium for no additional benefit to the consumer.

Let me go through how this works. Many members will be aware that when a patent expires the first new bioequivalent drug that is added to the PBS has to be at least 16 per cent cheaper than the originator drug and then the generic manufacturers compete for market share by offering the competitor brands to pharmacies for lower prices than the list price paid to the originator. From 2007 we had a move in the right direction when the weighted average disclosed price was introduced. Pharmacists were required to submit sales information, net of discounts, to governments that then calculated the weighted average price. Based on that information the government reduced the price paid for these medicines. I think it is very arguable that there are a number of things we can do to bring those prices down far more dramatically.

An analysis done by Professor Philip Clarke from the University of Melbourne found that Australia pays $1.8 billion a year for the 20 most expensive generic drugs, whereas if we were paying English prices that would be reduced by some $735 million. He used the example of atorvastatin, which costs the Australian government $514 million. If we could pay the same price as the English for that drug, it would cost $119 million. Just that one drug would be saving the taxpayer $429 million. If we were paying the New Zealand price, we would be saving $448 million. These are very substantial savings that can be made.

We have got a couple of structural problems. One of our structural problems is that we are not bringing this new pricing mechanism into the pricing disclosure cycle quickly enough. In England, for example, the pricing disclosure mechanism is undertaken every three months rather than every year. I do note that it was the Labor government that brought in an acceleration of this price disclosure to attempt to bring down the costs of these medicines. But there is also another real structural flaw that I think we have to address. In the United Kingdom, where the pharmaceutical costs are borne by the National Health Service, there is a very great incentive for the provider, the National Health Service, to prescribe the generic drugs.

There is no such incentive for private doctors in Australia to prescribe the generic drugs, because it does not impact on their budgeting in any way as it does impact on the budgeting of the National Health Service. Let me remind you, we are talking about drugs that are considered to be bioequivalents. Whilst there is an incentive for the pharmacist to try to move the generic, because the pharmacist can buy the generic at a lower price than the originator drug, the pharmacist has to persuade the consumer to accept the generic, lower-cost drug. But there is absolutely no incentive for the consumer to buy the lower priced drug. Rather than increasing the co-payment, a much smarter way of going about this would be to consider offering a discount to consumers if they were to elect to accept one of those generic...
medicines. Whilst that would not change the subsidy that was payable by the government immediately, you would suddenly start finding that the weighted average was very different and you would start getting a much greater percentage of generics.

Let’s look at how far we are from some other jurisdictions. In 2010, a survey in the US market found that 84 per cent of the volume of the US market was filled by generic medicines, whereas in Australia only 35.4 per cent by volume were generic medicines and only 12.4 per cent by value were generic medicines. We are not exploiting the financial benefit that we can get from generic medicines in the way that has been done in the United States and the United Kingdom. We are paying far too much for our drugs and we need to add a price signal. If we were really smart about this we would reduce the co-payment for the acquisition of generic drugs, rather than charging an increase on a co-payment. This would start to see us bring that percentage down so that we could get to something that more closely resembles the situation in these other developed jurisdictions. That would then start freeing up money for us to look at funding drugs like Kalydeco for cystic fibrosis sufferers. There is a real need for us to get this in hand, but we are attacking this at the wrong end. We are providing far too much of our PBS money to people on originator drugs.

One of the things that has most profoundly stunned me since I arrived in parliament is the lobbying that is undertaken by the pharmaceutical companies and the sheer number of events that are put on by pharmaceutical companies. The PBS is designed to have a very rational assessment of new drugs that are to be brought onto the system where we look at the drug, compare the effectiveness of the drug to that of any existing drug and then make a sound, scientific cost-benefit analysis. You can look at the pharmaceutical companies and the events that they have just sponsored in the short time that I have been here. There have been sponsored events by Medicines Australia, the Generic Medicines Industry Association, Arias, Diabetes Australia, Rare Voices Australia, Lung Foundation Australia, the Pulmonary Hypertension Association, the Cure Brain Cancer Foundation and the Australian Self Medication Industry, and National Seniors are trying to get people to lobby for the introduction of vaccinations. The list goes on, and you can understand it. People who have conditions are approached by the pharmaceutical companies to lobby for a drug and presumably to pressure government to accept drugs, put drugs on or promote drugs notwithstanding the fact that we have a very clear, very scientific system in place for the fair and rational assessment to get these drugs onto the PBS.

I totally support the position that the opposition is taking here. This co-payment is unfair. We do need to contain the cost of the PBS so that we can embrace new drugs that are coming onto the market, but let us do this intelligently, let us do this by getting proper benefit out of generic drugs and not overpaying the pharmaceutical companies, which is what we are doing today.

Mr SNOWDON (Lingiari) (20:00): It gives me not exactly pleasure to speak to the National Health Amendment (Pharmaceutical Benefits) Bill 2014, because I think it is an affront to us all; however, I think it is good to be reminded of what this bill is actually about. Its purpose is to amend the National Health Act 1953 in order to increase the co-payment and safety net amounts for items listed under the Pharmaceutical Benefits Scheme and the Repatriation Pharmaceutical Benefits Scheme. The bill will increase the co-payment for general patients by $5 to $42.70, the co-payment for concessional cardholders by 80c to
$6.90, the safety net for general patients by 10 per cent each year for four years and the safety net for concessional patients by prescriptions each year for four years.

As other opposition speakers have said following the member for Ballarat's contribution, Labor will be opposing this $1.3 billion tax increase on medicines because, like the GP tax, it will hurt every Australian, particularly the sick, the most vulnerable and the disadvantaged. As I have pointed out on a number of occasions in this place, there are far too many of those people in my own electorate. The government wants us to pay a GP tax for doctor visits as well as for pathology and medical imaging, and now in this legislation it seeks to increase our contributions for essential medicines. What I do not think is commonly understood is the massive disincentive these measures will have on people accessing medicine or, indeed, the suite of measures which the government has introduced as a disincentive so that people will not attend their doctor, their GP, not get the pathology tests, not do the preventative health things that are very important for people in order to manage their own health and also not get the medicines that they require to look after their own health or that of their families.

The Prime Minister has said in this place that this is a demand reduction exercise; this is about getting people not to go to the doctor. Indeed, ultimately this will mean less call on the Pharmaceutical Benefits Scheme. It appears that this is how the government want to get its savings while, at the same time, increase the revenue they receive from the Pharmaceutical Benefits Scheme as a result of increasing the co-contribution levels. They are doing this while, at the same time, telling us that the budget is in crisis—but then they are having this money diverted to a health research fund. They are not actually addressing the issues to do with the bottom line. I want to commend the member for Blair for his contribution earlier, where he pinpointed this very clearly. It is totally unacceptable for the government to continue this farrago of untruths about the state of the budget and the reasons why it is seeking to have every Australian pay these co-payments when the moneys are not going to be used to alleviate the budget crisis. That in itself is evidence enough of the hypocrisy involved in these proposals.

I want to concentrate for a moment on the range of measures which the government has engaged with here in the health portfolio. We know that $50 billion worth of cuts have been proposed. These will have an enormous impact on every Australian family. But if you recall the COAG Reform Council report released in early June, it found that we already have a situation where 8.5 per cent of people in 2012-13 delayed or did not fill their prescription due to cost—that is, almost 10 per cent delayed or did not fill their prescription due to cost. In disadvantaged areas, this figure is 12.4 per cent, and amongst Aboriginal and Torres Strait Islander Australians this figure is 36.4 per cent. Let us just see what this means.

We are asked to believe by this government that the Prime Minister is concerned about the state of Aboriginal and Torres Strait Islander health, that he believes in closing the gap in life expectancy and infant mortality and in generally improving the life outcomes for Aboriginal and Torres Strait Islander Australians. This very measure on its own operates to undermine that objective most directly. We know that 36.4 per cent delayed or did not fill their prescription. What does this mean? It means that people are taking decisions about things that directly affect their health, their families' health or their children's health that potentially jeopardise their health outcomes as a result of already not being able to afford the medicine
that they should be taking. Yet now we have this government seeking to penalise these people further by ensuring that this percentage of 36.4 per cent will increase—nothing could be surer.

It is worth contemplating again a quote I have used previously in this place from an AIHW report released in the last couple of months. It refers to the social determinants of health and how they restrict an individual's ability to access health services. On page 332 of that report, it states:

Cost is a commonly reported barrier to accessing health services by Indigenous Australians … and low levels of income can discourage people from seeking medical care and paying for ongoing medical costs …

It is very clear. People of low income will make choices. Inevitably, that will mean that the most vulnerable in our community, those who have low-socioeconomic outcomes or little access to resources, will have their health disadvantaged as a very direct result of these measures. The government sees nothing wrong with that. It still parades its farrago of untruths about the state of the budget and it will use the resources that will accrue out of this measure not to address the health outcomes of people or to address issues to do with the bottom line—not for either of those—but for health research.

This measure is on top of other measures that directly affect Aboriginal and Torres Strait Islander Australians. At least $160 million has been cut from health programs by this government in this budget, according to its own budget papers. The government disavows that. It keeps saying that there are no cuts to health and no cuts to education. It is very clear in its own budget papers that there are. In the context of Aboriginal and Torres Strait Islander health there have been $160 million worth of cuts. At the same time that it is cutting these health programs the government is saying to Aboriginal and Torres Strait Islander Australians, who can least afford it: 'You will pay more either in co-payments at the medical practice, if you have access to one, or alternatively, once you have been to the doctor, for pathology or other services. If you need medicines there will be an increased co-payment for that.' The result is inevitable. This is not the only area in which the government is penalising the most vulnerable people in our community.

I will turn to another area which relates directly to this—mental health services. In Central Australia, Aboriginal people with mental health issues living in 10 remote Aboriginal communities and more than 50 little outstations west of Alice Springs in the western desert region of my electorate, from Docker River and Mutitjulu in the south to Kintore and Papunya in the north, have for more than six years had access to a primary mental health service which meets most of their mental health needs. This has been achieved under the Mental Health Services in Rural and Remote Areas program, known as MHSRRA. The Northern Territory Medicare Local took over provision of this program from the General Practice Network during 2012-13. The network had been operating the service since 2008. The service was subsequently contracted out to the Royal Flying Doctor Service in 2013-14, and the experienced mental health team transferred from the NT Medicare Local to the RFDS with no loss of continuity in services for these remote communities. This clinical mental health service not only has met the stated objectives of the MHSRRA funding guidelines, to provide access to mental health services for people living in remote areas, amongst other goals, it has also found a way to provide an excellent, innovative, culturally safe clinical service which each of the 10 communities reports they are happy with and want to see continue. The service
to these communities in my electorate has attracted and retained a stable group of highly skilled, dedicated and experienced practitioners.

Mental healing takes time. These patients usually need to have access to the bonded therapist for at least two years. Continuity of the relationship is essential. The consequences of not doing this are dire and can lead to suicide attempts and other setbacks. Yet now the rollover funding for this program has been denied. Minister Dutton said he would roll over funding for the program. That has been denied. The Prime Minister promised before the election that he would not cut frontline health services. This is a frontline health service. Its funding has been cut. As a result of the funding cut, the RFDS has had to withdraw from providing this service. The Medicare Local is looking for another service provider to provide the service at around half the funding that was previously available. In the meantime these communities are not being serviced.

Whose fault is that? It is not my fault. It is Minister Dutton's fault. It is Prime Minister Abbott's fault. And despite their protestations that they have not cut funding to health, here is yet another example where funding to an essential frontline service has been reduced, jeopardising the service for people who live in some of the most remote and underprivileged communities in this country. We are talking about mental health services. Those opposite talk about their concern for and understanding of the needs of these people. In fact they show that they do not care. We need to get the government to understand that this service is an essential service. We need to get it to provide sufficient funding to allow the RFDS to continue to provide the very high quality service that has been provided previously to these communities, firstly through the Medicare Local, then as a result of funding to the RFDS.

We cannot accept the proposition that, somehow or other, having fewer resources available to these mental health services will give a better mental health outcome for these people. It clearly will not. It is an absolute disgrace that the people who most need access to these services, who live in remote parts of Australia, have effectively been denied access to these services because of this reduction in funding.

There can be no excuse. I do not care what state the budget is in; this is an essential service. You would not tolerate this if it were on the North Shore of Sydney. But it is not on the North Shore. It is in small, remote, isolated Aboriginal communities where people are underprivileged and disadvantaged and have high levels of chronic disease which as a result of the GP co-payment issue are likely to go unaddressed for long periods of time and which as a result of the co-payment issue from medicines will mean that they do not buy medicines to address their chronic disease. At the same time, they will not be seeking access to doctors and other medical professionals to undertake preventive health checks, because they will not be able to pay or will not be prepared to pay the co-payment.

Whose fault is this? Again, it is not my fault; it is not the Leader of the Opposition's fault; it is the Prime Minister's fault and the fault of Minister Dutton. They will not own up to that responsibility, they will not accept that responsibility, they will obfuscate and they will tell us all sorts of porkies about what in fact is happening, but we know, on the ground, what the impact of these measures will be.

The people of Australia are not fools. They can see right through the rhetoric coming out of this government and they understand the impact these changes will have on them and their
families. I say to the government: it is not too late to change your ideas. You need to fix this issue and remove this ridiculous prospect of a co-payment on medicines.

Mr KELVIN THOMSON (Wills) (20:15): The Liberal Party said that it would give Australia 'calm and methodical government'. Instead we have had a stampede—a veritable running of the bulls—replete with cries of, 'Emergency, emergency!' Here, the element of emergency is the cry that the system is unsustainable. This is clearly nonsense, given that there is no plan to put the money raised by this measure back into the sustainability of the system. Instead, it is to be directed towards medical research. So this is completely disingenuous.

Rather than seeking to discourage people from going to the pharmacist and getting appropriate medicines, the government would do better, if it were genuinely concerned with sustainable health going forward into the future, to look at the issue of preventative health and improving the support that we provide for people before they reach the situation where they need to go to the doctor or the pharmacist. As an alternative to the government's approach, I particularly want to draw to the attention of the House proposals that have been put forward by the Public Health Association of Australia, where they focus on obesity, which they describe as 'one of Australia's most important public health issues'. They talk about the various medical consequences of it and they say:

In only 15 years, from 1990 to 2005, the number of overweight and obese Australian adults increased by 2.8 million … If the trends continue, it is predicted that almost two thirds of the population will be overweight or obese in the next decade.

The National Preventative Health Taskforce identified that one-quarter of our children are overweight or obese, up from just five per cent of our children in the 1960s, that almost one-third of children do not meet national guidelines for physical activity and that only about one-fifth meet dietary guidelines for vegetable intake. What they call for is a national nutrition policy:

… developed through an open, engaging and transparent process and in a manner that is linked with other policies such as the National Food Plan and other key policy areas such as physical activity, women's health, indigenous health and the national curriculum.

Having a program of prevention is far superior to the proposals here, which are that ordinary consumers should carry the cost of the government's desire to increase the cost of pharmaceuticals and, frankly, discourage people from purchasing them.

I oppose the National Health Amendment (Pharmaceutical Benefits) Bill 2014. Among numerous case studies on broken promises, misleading claims and the poor priorities of this government, this bill stands out. This bill has the potential to actually make Australians less healthy. It has the potential to compound the health issues and health cost barriers that many Australians are already experiencing. It can be summed up in the words, 'Show me the money.' If you are from a low socioeconomic background, it is your own bad luck. If you are a single mother needing health care, this government says, 'Show me the money.' If you are a pensioner, the government says, 'Show me the money.' If you are a veteran or elderly citizen, it says, 'Show me the money.' If you are unemployed, a student, a concession card holder or a disability support recipient, this government's response is, 'Show me the money'—an ideological drive to introduce a two-tiered, user pays system.
If you cannot afford health care, this is a recipe for leaving you on your own, bereft. If you lose your job and you are denied Newstart allowance for six months, this government says, 'That's just too bad.' If you are a pensioner facing cuts to your pension payments, it says, 'That's just too bad.' If you are being taken off the disability support pension and at risk of going hungry or becoming homeless, the government still thinks it is just too bad. If you are a medical student having to pay record amounts towards your HECS or HELP fees, then, again, that is too bad. If you cannot afford to visit your doctor because you now have to pay more for your medicine, and you have this bill increasing the cost of prescriptions, too bad—the government says, 'Show me the money.'

This bill increases the Pharmaceutical Benefits Scheme co-payment for general payments by $5 to $42.70 and by 80c to $6.90 for concessional payments from 1 January next year. It also increases the concessional PBS safety net threshold by two prescriptions per year and the general safety net threshold by 10 per cent each year for four years from 2015 to 2018. I need to point out to the House that these increases are in addition to the usual increases of CPI and indexation. The bill is intended to raise $1.3 billion over four years from the pockets of ordinary Australians—I repeat: $1.3 billion over four years, from a government that claims to be concerned about cost-of-living issues.

I oppose this bill for a number of reasons: first, that the government must be held to account for its election promises and for misleading the Australian people, saying one thing before the election and doing another thing afterwards; second, for the negative impact that this will have on the household budgets of Australian people, particularly low-income and disadvantaged people; third, for the negative health impact that this will have on Australians—again, particularly disadvantaged and low-income Australians; and, finally, because of the opposition that has been expressed by stakeholders in the wider community to these increased health costs.

The members opposite told their constituents before the election that the cost of visiting a doctor and of buying medicine and the cost of living would not rise under them. So much for their 'no surprises, no excuses' pre-election claim. So much for their elevating of the pre-election promise into a sacred trust.

This bill is an attack on Australia's universal healthcare system and its PBS system. Many key stakeholders have raised concerns over this bill, and the House needs to be mindful of them. The Pharmacy Guild of Australia has criticised the increased cost of medicines proposed under this bill for consumers and has argued that it will particularly affect elderly people, especially having regard to other social security changes that have been put in place. The guild stated that it will be tendering a submission to the community affairs committee which will focus on the practical implications of the proposed changes to the PBS co-payments and safety nets. Medicines Australia acknowledge the co-payment increases may lead to adverse health outcomes due to patients not filling in their scripts.

The Consumers Health Forum has expressed great concern over the growing out-of-pocket costs that Australians pay for healthcare and strongly opposes the increase to co-payments and the safety net. The Consumers Health Forum has argued that an increase in co-payments will lead to a fall in people filling in their prescriptions and has quoted American research that states that when co-payments are raised to $40-$50, people are four to five times more likely to not have prescriptions filled compared to when there is not a co-payment. The CEO of the Public Health Association of Australia, Michael Moore, has stated that the measures are
inequitable and will affect society's most vulnerable members. He has argued that 'the people to whom this is most important are the vulnerable, such as Aboriginal and Torres Strait Islanders, people from low socioeconomic backgrounds or from non-English-speaking backgrounds and the elderly'.

The *Australian Doctor* reported earlier this month that while debate has raged over the government plans to get children and concession card holders to pay $7 to see their GP, there has been less discussion on the effects of increasing co-payments for PBS medicines. I have had constituents say to me that the impact of the PBS co-payments is more serious than the impact of co-payments to visit the GP. The Parliamentary Joint Committee on Human Rights, in its evaluation of this bill, noted 'the effect of the bill will be to increase the cost of medications for all consumers, including those reliant on social security payments' and that the proposed measures represent a 'limitation on the right to health and/or regressive measures which is not explicitly addressed in the statement of compatibility for the bill'.

On 23 June, I tabled a petition in this House from the Australian Pensioners Voice, who were calling on the government to increase support for pensioners, particularly in relation to health care. This bill ignores the calls of Australian Pensioners Voice, its members and the 25,000 pensioners and elderly residents who live in my electorate of Wills for more affordable and accessible health care. The people who are in my electorate—whether it is Brunswick, Coburg, Pascoe Vale, Fawkner, Glenroy or Strathmore, whether they are elderly or of working age—should not have to pay more if they are sick and need healthcare services or medicine. We should be debating positive health policy in this chamber rather than getting the policies that are coming forward in this bill and others that are making those who are doing it toughest in this community pick up the tab.

I want to turn to some of the comments made by the Prime Minister and this government in their days of opposition to see how these comments equate to what is happening in the legislation before the House. We had the now Prime Minister saying in September 2007:

*What are the four big challenges facing the Australian health system … First of all, there is the challenge of affordability … Affordability is a serious issue.*

And then:

*Of course the government does not want people to worry about whether they can afford to visit the doctor … No-one likes to see people paying high costs, particularly for their health care. No-one likes that.*

In February this year, the Prime Minister was asked at a doorstep whether he would consider a means tested co-payment to help relieve the pressure on the health budget. He said:

*Obviously the Budget, generally, is under pressure and it’s very important that we do what we can to fix the Budget, as quickly as we can, but we’ve got to do it in ways which are consistent with our pre-election commitments. Don’t forget, I said we were going to be a no surprises, no excuses Government. You might also remember … that I was the Health Minister in a former government and as the Health Minister in a former government, I used to say that that government was the best friend that Medicare had ever had.*

This leopard doesn’t change its spots—I want this Government to be, likewise, the best friend that Medicare has ever had.

At no stage was there the slightest suggestion that, when in government, this government would increase the PBS co-payment for general patients to $42.70 and for concessional
patients to $6.90. This bill gives the lie to all the promises and mistruths that were peddled before the 2014 'show me the money' budget.

There are some Liberals who are willing to admit that this approach to health funding is wrong and that it will hurt patients and frontline services. I want to draw the attention of the House to some of the comments of the government's state colleagues. We had Campbell Newman on 14 May saying:

A big red cross is cutting health and education spending. It's not acceptable.

We had Tim Nicholls, the Queensland Treasurer, saying:

We think that they are an attack on the state’s delivery of health and education services and you can rest assured that we will be taking up the challenge in Canberra to revisit some of those decisions.

You had the health minister from Queensland, Lawrence Springborg, saying:

The real impact for us comes in 2017/18 … The real issue for us is the long-term aspects that come from and impacts that come from uncertainty with health funding.

Finally, he said on the GP tax:

… we fundamentally believe in a taxpayer-funded free public hospital system. And this actually in some ways goes counter to that.

It certainly does.

I appeal to members opposite to listen to their Liberal state colleagues: stop attacking the universal healthcare system and protect it. How much you earn should not determine whether you have the ability to access health care and medicines. I oppose this bill on the basis of its cost to Australian families. Just today I visited the Australian Nursing and Midwifery Federation representatives on the lawns at the front of Parliament House to support their campaign against the Liberal budget cuts. Whether you are a health sector worker, a health student or a patient, you are entitled to better treatment than you have received from this government in the form of the budget and this legislation. I urge the House to reject this bill.

**Mr ZAPPIA (Makin) (20:30):** I begin by commending the member for Wills for his contribution to this debate because I believe he summed up many of the issues very, very well. This is a bill that effectively raises $1.3 billion for the government by increasing the costs of pharmaceuticals for the people of Australia. In fact, the cost of pharmaceutical co-payments for mainstream Australia will go up by $5 to $42.70 and by 80c to $6.90 for concession holders from 1 January 2015.

If these measures were brought into the House and imposed by the government in isolation of all the other measures that the government is bringing in in respect of the costs of health care in this country then one might well be able to justify them in one way or another. But the reality is that these measures increasing the cost of pharmaceuticals to the people of Australia are in addition to a list of other cuts made by this government to health service provision in this country.

There are a couple of other matters that I want to speak about before I get to the substance of this bill. The justification being used by the government with respect to the increases in the costs of health care for Australians is that our healthcare costs are unsustainable. We heard today in question time the Minister for Health on more than one occasion go to the dispatch box and talk about how the health costs of the nation are simply unsustainable. He quoted a couple of reports that were commissioned by the previous government to support his
argument. But then, on the other hand, we have the other narrative—the one referred to by the member for Wills when he was referring to the Prime Minister's comments about how we have a budget emergency and therefore need to increase the cost of health care for the Australian people to balance the budget.

There are a couple of matters which I will go to with respect to both of those arguments. The first one is that if it is a matter of balancing the budget then why are these costs not in fact going to the budget but instead going to the Medical Research Future Fund? The argument that it is about balancing the budget and that therefore we need to impose the additional costs simply does not add up. Simultaneously, if it is about health costs, the argument still does not stack up. One of the very disappointing aspects to the argument that this is all about trying to maintain and contain the health costs of the nation is that the government inevitably points the finger at older generations of Australians—people who are retired. We hear constantly the theme about how we are faced with an ageing population and how our health costs are rising. They are almost saying to the people of Australia, 'It is all because of the older people of this country.' It is a claim that is simply not true. Quite frankly, it is a claim that is insulting to the older people of this country, who have not only paid their taxes but are not necessarily the cause of all the increases in costs in health care across the country. It is also demoralising to them. Indeed, I have spoken to several of the older people in my electorate who feel the insult and have raised it with me.

On top of that, the government says, 'Because of the ageing population of this country and how people are living longer and the additional burden on society in the way of pensions and health costs, we are going to push up the age of retirement from 67 to 70.' That in itself will mean that people will be paying taxes for a much longer period of their lives. You would have thought that that alone would have been enough to justify and offset any additional cost that older people might impose on the health system—the mere fact that they are likely to be working longer and therefore paying more taxes.

I reject both those arguments. I simply highlight that in order to justify these measures the government is trying to cling to the arguments that (a) we need to balance the budget and (b) the health system is unsustainable, and it is using examples and arguments that simply do not add up.

I started off by talking about how perhaps these measures would be bearable if they were in isolation and this was the only health impact that was occurring across the country. The reality is that it is not. You can go through the budget of the Abbott government that was handed down in May and see that it is not only a budget of broken promises. If they are not broken promises, they are decisions made without telling the Australian people last September that they would be made. In other words, it is deception by simply saying nothing to the Australian people about what you really intend to do if you get elected.

I will start with the cuts to the dementia program. The behaviours supplement paid to residential care providers is going to be cut by $16 a day. The $16 a day from that supplement adds up to $5,840 a year. This is not a few dollars. This is not even a few hundred dollars. We are talking about almost $6,000 a year of cuts in respect of this one single area alone. I can tell you that it does matter. A constituent in my electorate came to my office to talk to me about how this cut is going to impact on the health care of his family. He does not believe that he can find the additional $6,000 he will have to find in order to cover the cuts that have been
made. He cares for his wife, who has dementia. I am sure he is not alone. As I said, we are talking of cuts that to him are worth almost $6,000.

Then we go to private health insurance premiums. Under this government we saw a 6.2 per cent increase only recently. Again, it is higher than we had seen for the past four or five years. That is a cost that families will also have to bear and wear as a result of this government's policies. On top of that there are things like the $7 GP co-payment. The $7 GP co-payment goes hand in hand with the increase in the cost of pharmaceuticals, because inevitably if someone goes to a doctor there is a very high likelihood they will come out with a prescription. So it is not just the $7. There is then the additional cost of $5 for the prescription, so it becomes $12. In a family of four in which mum and dad and the two kids all come down with flu in the winter, as is often the case, chances are you will be looking at the cost four times over, because each one will have to go to the doctor or to the hospital.

The statistics are quite clear. People will not go to a doctor as often if they have to pay more money, or they will indeed not purchase the pharmaceuticals, the very medicines they need, if it is going to cost them more money. They will make choices about whether they think they can afford it. The problem with that is that it does not save them costs and it does not save the nation costs, because inevitably they become more sick. When their health deteriorates even further the ultimate cost adds up to a lot more. Indeed, if they end up in hospital we are then talking about thousands of dollars being imposed on the community, as opposed to perhaps the $10 or $20 they tried to save by not going to the doctor. This is why it is indeed a false saving to increase the cost of a doctor's service, or the cost of a medicine or an X-ray, because that will save the taxpayers so many dollars. It might on day one, but in the long term it will add to the cost of health care for the nation.

We are getting evidence about this, not just from this side of politics, but indeed we are hearing that theme time and time again from right across the medical profession. The people who understand best are telling us that by increasing the cost of health care we are actually driving up the health costs of the nation. Interestingly, I cannot recall once the Minister for Health quoting the medical sector in order to justify the increased costs we are seeing right across the board.

We then go to the cost to the dental health programs of this country—a cost that I understand is $634 million—which includes cuts to both direct dental care, to the training of dentists and also to the delivery of public adult dental services. My understanding is that there are $390 million of cuts to public adult dental services, $229 million dedicated to dental infrastructure will be cut, and there will also be some $15 million of cuts to training dentists.

Again, any health expert will tell you that, if because of these cuts people will not care to look after their teeth, ultimately it will lead to other medical problems. So, again, it is a false saving, where you cut a few dollars here and ultimately end up paying a lot more because people, as a result of perhaps having poor teeth, end up with other medical problems, which in turn means that the health costs escalate, and in many cases they may well end up in hospital again. It is a false saving.

I now go to the $3 million of cuts to the National Tobacco Strategy. I do not think any member of the House would disagree with the general medical view that smoking causes health problems. I would have thought that prevention is better than cure, an argument put very strongly by the member for Wills, and that if you spend $3 million on a prevention
strategy it will ultimately save you a lot more than that in health costs. But, again, this
government does not seem to see that, the reason being that the cuts and the savings will be
short term and will enable the government to perhaps go to the next election, before the
additional health costs set in, and say, 'Look what we have done. We have brought down the
budget.' But in the long term they, or whoever is in government, will pay dearly for it, as will
the Australian people.

We also saw $142 million in cuts to the Health Workforce Programs by the abolition of
Health Workforce Australia. Again, it is a false saving. Well trained medical professionals are
likely to give the best care, which in turn again means that you will save health costs in the
long run.

There is simply one cut after the other, which ultimately leads me back to the point I
started with—namely, that these measures simply add to the cost of health care across the
country. This was confirmed by researchers at the University of Sydney. I will quote some
examples they have given. A young family of four with two children aged under 16 and
parents aged from 25 to 44 years would expect to pay an average of $170 in co-payments for
GP visits and tests, and $14 for medications, which equals $184 more each year as a result of
changes made by this government. This is only for some of the changes. As a result of these
changes, a self-funded retired couple aged 65 years or more would expect to pay an average
of $244 more per year in health costs, and an older couple who are pensioners and are aged
over 65 years would pay about $199 a year more in health costs. I suspect that those
calculations take into account only some of the changes I referred to earlier.

These changes will drive people to go to public hospitals more so than going to their local
GP and paying for their own pharmaceuticals. The problem with this is that when people go
to public hospitals the cost per head becomes much higher than if they had been treated at
their local GP service. In my own state, where some $650 million has been cut from hospital
payments, I know that it will make a difference.

I can recall the member for Boothby, on the day the state budget was handed down, talking
about the cuts that had to be made by the state government as a result of this government's
direct cuts to the states in health, and saying how terrible the state government was. He was
not prepared to stand up for the people of his electorate and say, 'This is the result of the
federal government making cuts to the states.' Every time you cut health funding to the states
they have no choice but to either cut services or increase their own costs. This is nothing but
another way of pushing the cost onto someone else—in this case the state government—
because the state governments have to pick up the costs of people going to public hospitals.

This measure is going to hurt the people who can least afford it—pensioners, people who
are unemployed and people on low incomes. This side of the House will not be supporting it.
Certainly I will not be.

Ms COLLINS (Franklin) (20:45): The National Health Amendment (Pharmaceutical
Benefits) Bill is one of many bills that are part of a budget that is built on broken promises,
part of a budget that is targeted at some of the most vulnerable in our community: families,
low-income earners, pensioners, the sick and the elderly. Shame on this government for
coming in here and introducing this bill, this attack on vulnerable people in our community
who can least afford it.
This government said one thing before the election and a different thing after the election. People did not know that this increase in pharmaceutical costs was coming. They were not warned of it before the election. Indeed, we had the Prime Minister stand up and say ‘no cuts to health’. Then what did we see in the budget? We saw not only this measure, which is an increase in the cost of prescriptions, but $50 billion over 10 years ripped out of health in this country. The GP tax comes on top of it. All of these things will be targeted at the vulnerable, the sick, the elderly and families that can least afford it in our community.

This comes on top of a whole range of other measures that will affect families, things like the increase in the petrol tax and the pension changes. One of the worst things in this budget is the changes to Newstart, which could see people under the age of 30 on no income at all for six months of the year if they are unable to find employment. Indeed, the department admitted that that could be for up to 11 months when penalties apply. As well, changes have been announced to the disability support pension and to higher education, which will also affect low-income families. There are $30 billion worth of cuts to education. There are so many broken promises in this budget, of which this measure is just one.

Why have we got all of these broken promises? It is because of the government's confected budget emergency that they pretend exists, but of course it does not exist and it never did. Yes, there are challenges with the budget, but budgets are about making choices. This government made a choice that will hurt vulnerable families and elderly and sick Australians. That was the choice they made whilst at the same time introducing a $22 billion Paid Parental Leave scheme. I think it shows us what this government's priorities are, and they are not the sick and the elderly and they are not improving our health system.

Every state leader across the country reacted to this budget in the same way. They are very concerned about the federal government's cost-shifting onto the state health and education systems. That is what this budget measure will do. People will put off getting their prescriptions because of this increase. According to figures from the COAG Reform Council report released in early June, people are already putting off getting the medicines they need. Indeed, 8.5 per cent of people in 2012-13 delayed or did not fill their prescriptions due to the cost. They simply could not afford it at the time they needed their medication. In disadvantaged areas this figure is 12.4 per cent. As we heard from the member for Lingiari, it is 36.4 per cent when we are talking about Indigenous Australians, who have some of the worst health outcomes in this country.

This measure is going to hurt those people who can least afford it. What will they do? They will not fill their prescriptions, they will get sicker, their health outcomes will be worse and they will end up in emergency departments, in state health systems. This is going to cost the states more. On top of the $50 billion cut to health over a decade, no wonder state leaders are angry and concerned about this federal budget. But they are not the only ones who are concerned. This budget and the other measures in it hurt families. We know that a family on $55,000 with two kids will be around $6,000 worse off under this budget, and that is without the GP tax or these increased prescription costs. We know that people on low and fixed incomes will be hurt by this budget and we know that the elderly, particularly pensioners, will be hurt by this budget because of pension cuts.

This measure, together with the GP tax, particularly concerns pensioners in my electorate, many of whom have written to me. I have visited the Tasmanian Pensioners Association.
They are all raising very serious concerns with me. People in the Pensioners Union have told me about the phone calls they have taken from other pensioners. They have told me how distressed pensioners are about how they are going to cope with the outcome of this budget. They are in tears. Elderly people on their own have said they will have to give up their pet— their dog—because they cannot afford to feed it anymore. This budget will make matters so much worse for them. We all know that elderly Australians who have a pet have better health outcomes. The person who was telling me this story was very distressed. The Pensioners Association have collected signatures against the measures in this budget, which have been tabled in the Senate by my colleague Senator Carol Brown. These pensioners are so distressed by these budget measures, particularly this one.

The Pharmaceutical Benefits Scheme is supposed to be about universal health care. It is supposed to be about medicines being available for Australians when they need them. In this country that has been the case for decades. We are putting about $9 billion a year into the Pharmaceutical Benefits Scheme. This measure is estimated to raise about $1.3 billion over four years. But this money is not going back into the Pharmaceutical Benefits Scheme or even into health generally; it is going into a medical research fund. Even if you believe the confected budget emergency, which is not real, this money is not going towards that. It is coming out of the pockets of the sick in Australia and it is not going back into pharmaceuticals.

We have vulnerable people in our community who are going to be paying this additional tax when they can least afford it, on top of all of these other measures, and the government says, 'That's okay. We have got this budget emergency, but we are not going to use the money for that. We are going to put it into a medical research fund.' All of this pain, all of this distress and all of this confected budget emergency is not achieving anything much in the short term at all, other than causing people distress and other than making people sicker. I am not quite sure why they are doing that.

Mr Husic: It is a price signal.

Ms COLLINS: Yes, allegedly it is a price signal, because there are so many people out there that are getting prescriptions and having them filled when they have not got any money and when they do not need them. I know so many pensioners who are doing that—not!

Mr Tudge: Who introduced the co-payment to start with?

Ms COLLINS: The co-payment was introduced by Labor, but not on top of a budget that is implementing all of these other nasty measures and coming at a time when people can least afford it. It did not come at a time when we were cutting pensions, it did not come at a time when we were cutting $80 billion out of health and education and it did not come at a time when a family on $55,000 was going to be $6,000 a year worse off because of a budget. That is why this measure is so, so bad. It comes on top of all of these other measures that people are going to be facing in this budget and it is all for no purpose. It is because the government of today is making bad choices and bad decisions that are affecting the most vulnerable people and the lowest-income earners in this country. That is what this is about.

I am proud to be standing up and opposing this bill. I am proud that I am standing up for the vulnerable people in my community and in communities right across the country. I am proud to be a member of a party that says that this measure, on top of all of the other
measures in the budget, is not okay and is unfair. It is absolutely unfair to have a Prime Minister stand up before an election and say, 'no cuts to health,' and then their first budget has very significant cuts to health in it. They are very significant cuts indeed. It is not good enough to say one thing before an election, come into this place, and in your first budget then do the very thing that you said you would not do. You wonder why Australians have lost faith in this government and you wonder why Australians are so angry out there in the electorates and you wonder why the people you are talking to are so concerned about this budget!

We have heard from the other side that it is just the Labor Party that is scaring people out in the electorates. But it is not the Labor Party that is the issue; it is the budget itself that is the issue. The budget itself is scaring people. It is scaring people with a GP tax—we have doctors reporting already that people are not turning up for their appointments because they think it is already in place. We have the Pharmacy Guild and other people coming out and saying that this measure is of concern. Indeed, the Pharmacy Guild said that the recent study on the impact of the co-payment increases concluded:

… increases in patient contributions particularly impact on concessional patients’ ability to afford medicines. This is an impact that should be of concern to policy makers.

Too right it should. It should be of concern to policymakers, but it does not appear to be because they do not seem to understand what this budget is doing to people and why people are frightened of it. They do not seem to understand and they do not seem to care.

I am very pleased to be standing in this place opposing this bill and saying that this bill—together with the other measures in the budget—is unfair and that we will be opposing it in this place and in the other place because it is not fair. This measure comes on the back, as I said, of so many other measures in the budget that will be affecting people right across the country. It comes on top of the cuts to health and education, it comes in conjunction with that GP tax and it comes in conjunction with the petrol tax increases, the pension changes and the increase in the age for the pension. They are all things that the government said prior to the election it would not do but that it is now doing. On all of those things the government said to the Australian people, 'We will not do this. There will be no cuts to health, no cuts to education and no changes to pensions.' Yet all of those things are in the pipeline and are being introduced. The increase in the cost of prescriptions in this bill is one of those budget measures that Australians did not know they were going to get, that Australians do not want and that are so unfair on the sick and the vulnerable in our community.

The PBS is supposed to be sustainable and, as I said, that is why we did a talk about a co-payment and why we did look at that in government in the past. The other thing about the PBS is that when we were in government we did the right thing and made savings with the PBS. We did it by negotiating lower prices for patients. We did it and we put the money back into the PBS to ensure that other new drugs that came onto the market became available for patients, improved healthcare outcomes and were able to be listed on the PBS. That is what responsible governments should do. It is what we did and what we were doing for the last six years we were in government. We were attempting to make huge savings on the PBS but we were putting that money back into listing new medicines on the PBS, because we were concerned about health outcomes for Australians. We were not concerned, as this government is, about simply cutting funding from the budget and putting tax increases—

Mr Husic: Yes, they voted against it.
Ms Collins: They did vote against it. That is right. They did vote against the changes that we wanted to make to the PBS and the changes that we did make to make medicines more affordable for Australians.

Ms Plibersek: They voted against private health insurance.

Ms Collins: They did vote against the private health insurance rebate changes that we introduced, which also were to make the health budget more sustainable into the future. Any government should be focusing on measures that improve outcomes for Australians—for patients, for the sick—rather than simply trying to raise revenue, trying to cut costs and trying to make things much, much worse for those sick, elderly and vulnerable Australians who cannot afford the increases in medication prices that are part of this budget. They are in this bill and, as I said, they do come on top of a whole range of other measures in the budget that will attack families, attack low-income earners, attack pensioners and attack the sick and the vulnerable in our community. I am very pleased to be standing here opposing the measures in this bill and opposing other measures in this budget that are so unfair on so many vulnerable young Australians who cannot afford these increases. I am very pleased that we are opposing this bill.

Debate interrupted.

**ADJOURNMENT**

The Deputy Speaker (Hon. BC Scott) (21:00): Order! I propose the question: That the House do now adjourn.

The Deputy Speaker: Order! I propose the question: That the House do now adjourn.

Department of Foreign Affairs and Trade

Ms Plibersek (Sydney—Deputy Leader of the Opposition) (21:00): The Department of Foreign Affairs and Trade has a proud history, going back to its creation in 1935 as the Department of External Affairs. Originally it was a tiny department with half a dozen officers. It grew in size and importance as Australia adopted a more independent foreign policy, a foreign policy that expressed Australian values and Australian interests rather than being just an offset of British foreign policy.

That role is just as important as ever, but the government's cuts to the Department of Foreign Affairs put its roles and its performance at risk—cuts, of course, that have come despite commitments before the election not to cut. The coalition said in its foreign affairs policy statement before the election that it would:

... implement a review of diplomatic resources and consider options ... to ensure Australia's global diplomatic network is consistent with our interests.

Well, it seems from this budget that what is 'consistent with our interests' is a $400 million cut over four years to the Department of Foreign Affairs and Trade budget. This year, that means reducing staff numbers by 500 people—one in eight of all DFAT staff. With an operating budget of $1.3 billion a year, that is a cut of eight per cent a year, every year, for four years.

Soon after the election the foreign minister said that she would fight for more funding for the Department of Foreign Affairs and Trade. She told AAP in October:

Over time, I have a plan to expand our diplomatic footprint overseas and that will in some instances require new money ... Sometimes you have to spend more money to make more money.

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CHAMBER
Of course, there has been no sign of a truly expanded footprint, and instead of more money we are seeing dramatically less.

In Senate estimates we learned that the government is undertaking a 'footprint review'. The most likely outcome will of course be a smaller diplomatic footprint to reflect the smaller resources of the department. The department's Secretary, Peter Varghese, told estimates that in aid 'we will be doing less in Africa, which means the footprint we have in Africa on the development cooperation side is going to be different to what it was 12 months ago'. And I think 'different' means smaller in this case. We also learned in Senate estimates that the embassy in Baghdad will be merged with the British embassy and that the department is looking at further mergers of embassies in other places. In May, many DFAT workers were told that the department would reduce staff numbers at foreign posts by 65, out of 800 in total serving overseas. And of course there are cuts to the aid budget, which I have spoken about many times here.

Before the election, the coalition said there would be no cuts to the ABC. And in another broken promise we see that instead the government has abolished the Australia Network, a key instrument in Australia's soft-power diplomacy—the main tool for spreading the message about all aspects of Australia throughout our region.

The foreign minister probably thought that by combining AusAID with DFAT she could transfer some of the backroom costs and share them and protect DFAT from spending reductions. Instead, she has presided over massive cuts to AusAID and massive cuts to the Department of Foreign Affairs. In Canberra, responsibility for much aid policy and many aid projects has been transferred to Foreign Affairs staff who have little experience in the aid part of the work. Shifting foreign policy experts to aid tasks they are not trained for adds to the complexity of the aid work and also means that good foreign policy work that should be being done by those experienced foreign policy staff is not being done.

Staff morale has been very badly affected by the merger of AusAID with DFAT. Morale is especially low among former AusAID staff, who regard it as a hostile takeover. A staff survey conducted after the merger shows that just 33 per cent of former AusAID staff feel part of the team, compared with 70 per cent of longstanding DFAT staff. And the proportion who rate DFAT as a good place to work has slumped to 57 per cent, down from 70 per cent as recently as 2012.

So far, it seems that the merger will degrade the capability of both DFAT and AusAID, both parts of the new department, and it means that DFAT—the backbone of our foreign policy, trade and aid—is in a sorry state and getting worse.

**Broadband**

**Mr Pitt** (Hinkler) (21:05): Last month I announced that Bundaberg, at the northern end of my electorate, would be one of only 10 sites across the country prioritised for superfast broadband upgrades. NBN Co and Telstra have reached an agreement on an expanded program to plan, design and construct fibre-to-the-node high-speed broadband. About 200,000 premises will be passed by fibre to the node nationally, including a high proportion that were classified as being underserved in the government's myBroadband study. While the planning and design work has not yet been completed to map exactly which suburbs and
streets will receive the NBN in my electorate, it is expected that about 20,000 premises will be eligible to connect to high-speed VDSL fibre-to-the-node services in 2015.

The fact that Bundaberg is a point of interconnect for the NBN bodes well for further expansion down the track. The announcement was part of the government's ongoing reform of the NBN to ensure that superfast broadband can be rolled out sooner and more cost-effectively in areas that are underserved. I would like to remind the House of the findings contained in the independent strategic review released by NBN Co in December last year. The review found the rollout was two years behind schedule, with final completion due 11 years later than was first promised by Kevin Rudd. The cost to taxpayers of completing the NBN under Labor's plan had blown out to $73 billion. That is $29 billion more than Australians were told. An average broadband bill will now cost $72 per month using a mix of technology, compared with $139 under Labor's plan.

NBN Co advised the government that to deliver broadband sooner, at less cost to taxpayers and more affordably for consumers, the NBN should be completed by using a mix of technology. When you consider that fewer than 400 million of the world's 1.6 billion internet devices are PCs, it is easy to see why using a mix of technologies is ideal: people are moving towards portable wireless devices.

Wireless technology is particularly vital across vast distances, in regions that are sparsely populated. Twenty development applications have so far been lodged with Bundaberg Regional Council for wireless internet towers in outlying areas. A further 15 development applications for towers have been lodged with Fraser Coast Regional Council, at the southern end of the Hinkler electorate.

As with any development application, one tower in particular has drawn heavy criticism. My office receives regular complaints and inquiries about the quality and availability of internet at Pacific Haven. However, we also recently received a petition against an NBN tower in the same community. The residents argue the proposed location of the tower will distract drivers and reduce property values. They also claim electromagnetic radiation will affect their wellbeing. They have suggested two other sites for the tower. NBN Co took their concerns on board and assessed the sites, but found they were not feasible or appropriate.

I also recently met with representatives from Bundaberg Port. They say internet availability is one of the major deciding factors for many yachtsmen and businesses. The Bundaberg Port Marina is the most popular ports of entry into Australia. International visitors come from all corners of the globe and use the marina as a gateway to the southern Great Barrier Reef and a centralised base for their inland adventures. Unfortunately, the Bundaberg Port Marina and the nearby town of Burnett Heads have among the worst internet coverage in the Hinkler electorate. As a result, Bundaberg Port is struggling to compete with destinations that have reliable internet. Visitors are staying for fewer nights and moving on to other ports.

As with most complaints about local internet service, Telstra says there are no ports available in the roadside cabinet. They have no plans to expand or upgrade the service in the foreseeable future. The simple truth is that Telstra did not invest enough in the fixed-line network, while Labor continued to make unrealistic promises. It is understandable that Telstra did not want to invest, when the infrastructure might be removed a short time later.
to make way for the NBN.

I hope that this latest announcement on NBN will put an end to this stalemate. The NBN roll out across Bundaberg should free up some of Telstra's capital, and I urge Telstra to re-invest any savings back into the local network in areas where expansion is sorely needed. Telstra's one saving grace locally is customer service specialist, Roger Dewar. He responds promptly whenever my very diligent electorate officers contact him with a constituent inquiry.

Prior to entering politics, I was an electrical engineer and a small business owner. I have three school-age children, and my wife works in allied health. I understand how important it is that Australians have access to reliable high-speed internet, including those who live in regional Australia. I have fought hard to ensure Hinkler residents are among the first to receive the NBN. Under Labor, the NBN was the most wasteful and mismanaged infrastructure project in Australia's history. We are taking steps to get this project on track after so many years of misinformation and frustration. I thank Hinkler residents for their patience and understanding.

Indi Electorate: Job Losses

Ms McGOWAN (Indi) (21:10): A very sad thing happened in my community of Indi last Friday, and it has a widespread impact on individuals, on families, on businesses, on the community and, indeed, on my whole electorate. Sixty people were summarily sacked from their job without entitlement, and this decision has had a huge impact on this community. The ripple effect will be felt by the churches, the schools, the sporting clubs, by business and in the wider community.

Wangaratta is a very close-knit rural community—or, more correctly, I should say an urban community. It is a caring community and I am proud to say that we have already seen examples of this community kicking in to do what needs to be done. There is lots that can be done to support the community and the individuals who have been affected by this decision. Already people are taking action. There was a community information session today; there is a union meeting tomorrow; and lawyers in the community are offering free legal service for affected individuals and their families. It is very important, I believe, that the people of Indi, the people of Wangaratta and the people of Bruck Mills know that they are not alone. I thank the many members of this parliament who have come up to me and offered their support and advice.

Clearly, in the first instance, to the individuals who have lost their jobs, it is their families and friends who have an important role to play to show that they are not alone. I know that already meals are being delivered, families are organising very subtle—if that is the word—social events, children are being invited to sleepovers and people are helping where they can. On a community level there is much that we can do. Community events, music for young people, fund raising, fun and information are all important aspects. There is a saying—'Facts fight fears'—and in the circumstances that are facing the people of Wangaratta, facts and communication are really important. It is not only information about entitlements and the role of the government, but also information about services, assistance and what else is available in the community to assist the individuals affected, their families and their extended families, as well as the communities in which they are working.
Schools have a very important role to play, and in Victoria the holidays are over and our children are back in school. So I call on our schools to play their part in helping children understand what is happening and how business actually works and the morality of good business. I call on service clubs in Wangaratta also to do their bit—not only the Lions and the Rotary Clubs, but also the churches and the neighbourhood houses. There is much we can do to provide support to the families and to the extended community that is suffering through this loss.

One of the things that comes to mind is the role of local institutions. Of particular note tonight is the role of the local paper, the Wangaratta Chronicle. It has an important role in providing information to everybody. Our local radio station, 3NE/Edge FM, and other stations let people know about services and meetings and also that Wangaratta is caring. In closing, I would like to acknowledge in this House what a wonderful community Wangaratta is, but it is facing a really big challenge at the moment. It is a time, I suppose, for all of us to be our best selves. For me, as a leader of this community, it is to speak in this parliament about what needs to be done. For community leaders at the state and local government levels, it is for us to be our best selves in communication, in being open and in being inclusive in what we do. For the families of the people who have been affected, it is for us all to be our best selves by being more tolerant, more caring and more compassionate than perhaps we usually are. I ask particularly that the people of Wangaratta as a community come together to look at these challenges openly and honestly and to have the belief that together we can move through this time and that, when it is over, in a year's time we will look back and be a stronger, better and much more prosperous community.

Agriculture: Animal Rights Activism

Mr PASIN (Barker) (21:14): I rise today to voice my strong support for responsible and sustainable livestock production in Australia. This is quite timely, given the latest round of mischief making from animal rights activists in the past week or so. Unfortunately, those of us in rural and regional Australia are getting used to guerrilla attacks from the likes of People for the Ethical Treatment of Animals with the use of unverified footage showing cruelty being inflicted upon livestock, which is supposedly Australian. Any proof of cruelty to livestock sickens me as I sure it outrages any fair-minded Australian. I have had the privilege of growing up around farm animals and I have always had a tremendous respect for the way Australian livestock producers care for their animals. The golden rule of running stock, whether it is sheep or cattle, pigs or poultry, is that a happy, healthy animal is a productive animal—and, what is more, a productive animal is a profitable one.

While my parliamentary work keeps me busy, I made time to spend a day in February drenching lambs with my father and sister on our family property at OB Flat near Mt Gambier. Believe me, there are more pleasant places to be on a hot summer’s day than in the sheep yards but, like farming families across this country, we know that drenching our stock is a vital safeguard in the fight against internal parasites like worms. Such welfare measures are important part of any profitable, sustainable livestock enterprise, and millions of dollars are spent across the country on promoting and protecting animal health. I am not sure how extremist, anti-farming groups like PETA reconcile such a massive in investment in animal
welfare by producers with the myth they seek to proffer about farmers not caring for their animals.

I was concerned to see accusations last week levelled at Big River Pork, a major pig abattoir situated at Murray Bridge in my electorate of Barker, by way of uploaded footage which was covertly recorded. This is just the latest in a spate of footage obtained by criminal extremists breaking the law and trespassing onto private property, putting themselves and farm animals at great risk. Most of these reckless crusaders would not even understand the sort of quarantine breaches such illegal intrusions entail, especially for more intensive operations such as chicken sheds, piggeries and feedlots. But as they go traipsing from property to property under the cloak of darkness, they are putting the very animals they purport to campaign for at serious risk by breaking the stringent biological controls in place on such farms.

Given the frequency of such instances of trespass, I am pleased to note that the South Australian parliament is currently considering new laws which would outlaw the use of hidden cameras and microphones on private property. The proposed laws would provide severe penalties for breaches by individuals and organisations and for those who publish or broadcast the material gathered. Such laws will provide significantly stronger protection for innocent producers from the growing threat of animal activist mischief makers trespassing on farms.

Of course, the release of the footage from Big River Pork, which aroused some media interest, was followed soon after by PETA's release of footage supposedly shot in an Australian shearing shed featuring examples of livestock cruelty. Irrespective of the provenance of the footage, that vision has no place in modern Australia—no-one refutes that. Unfortunately, instead of appropriately reporting this incident to police so that the perpetrator could be dealt with, the ill-informed extremists sought to hold onto that footage and release it at a period of time which would cause the most damage to the industry.

In the name of so-called animal welfare they would consign every hardworking Australian farmer to social welfare. That might be their wet dream but it is certainly not mine, because I know that those most offended by this footage are those who work with animals day to day. I was pleased to see Agriculture Minister Barnaby Joyce respond quickly and appropriately to the release of this footage. He quite rightly said that the footage was not representative of how the industry operated. As someone who has spent his fair share of time in a shearing shed, I can confirm to you that the minister is spot-on.

It seems that PETA and their comrades need reminding that it is the police and the RSPCA that are actually responsible for animal welfare legislation and for prosecuting those that breach same, and for ensuring investigations happen and, where needed, charges are pursued through the courts. Animal activists seem to think they can act as judge, jury and executioner on these matters, which is a scary prospect. On behalf of the responsible and sustainable livestock producers of Australia, I say to these criminal extremists, 'Stop harming Australian farmers by pursuing your calculated criminal campaign.'

Violence against Women

Mr WATTS (Gellibrand) (21:19): I last spoke in this House about men's violence against women in our society just under a month ago. Since the murder of Fiona Warzywoda in my
electorate in Melbourne's west earlier this year, I have committed myself to speaking about this horror in our society at every opportunity.

Based on 2013 data, in the month since I last spoke about men's violence against women, there would have been at least 5,000 further incidences of family violence in Victoria. There would have been over 1,000 breaches of intervention orders, where we have failed to protect those in our society in most need of it. Throughout Australia, there would have been four women murdered by their partner or former partner. That is the average—one woman every week.

Think of the anguish we have seen in court today from the Baden-Clay family and re-run this trauma every week of the year and you can begin to appreciate the scale of the tragedy we are confronting. As reported incidents of family violence in Victoria are continuing to rise, these extrapolations are likely to have been conservative. Given the scale of these numbers, it is easy to see how one in three Australian women have been victims of violence since their teens and how one in five have been a victim of sexual violence. Think about the women you know in your life—you friends, family, professional peers and just imagine. This is a miserable, uncomfortable topic to speak about in this House, but speak about it we must, as this is the only way that we can begin to reduce, and ultimately eliminate, this cancer in our community.

Members of this parliament were talking about this difficult issue in the Mural Hall this morning at the launch of the second action plan of the 10-year, National Strategy to Reduce Violence Against Women and their Children. Commencing in 2010, the national plan sought to lay national-level infrastructure to inform policy making and service delivery in this area and to engage the community in the effort to reduce violence against women and their children. As the Chair of the Foundation to Prevent Violence against Women and their Children, Natasha Stott Despoja, told those gathered this morning, the underlying cause of men's violence against women is gender inequality. The national strategy seeks to address this through primary prevention—by changing attitudes and behaviours of young men and boys in our community towards women; ensuring that boys and young men both see and treat women as genuine equals.

This change takes time. We can only change these attitudes, buttressed as they are by a society in which women have been disadvantaged for centuries, by continually and relentlessly chipping away at instances of gender inequality wherever we see them, whether they be institutional or individual. This is why, during the last parliamentary break, I spoke out against a series of comments attributed to New South Wales state MP, John Williams, at a recent National Party New South Wales state preselection process. The Sydney Morning Herald reported that Mr Williams verbally attacked a female New South Wales cabinet minister, Robyn Parker, in front of a hundred colleagues as part of a National Party pre-selection contest, threatening to 'tear her a new orifice' and saying she had 'never had a real man'.

I do not condemn these comments for partisan reasons. In fact, I have previously recognised the excellent work on this issue by the member for Mallee, a proud member of the National Party and an even prouder one after the government responded to his calls to implement a nationally-enforceable intervention order that will help protect the women in his electorate, which is bounded by two state borders. I spoke out about Mr Williams's comments...
not out of partisanship but because it is comments like these that contribute to the environment of gender inequality identified by Ms Stott Despoja and the national plan as the underlying cause of men's violence against women.

We need to be working towards a society in which comments like these are condemned in the room as they are made. In this respect, I particularly call on the New South Wales Deputy Premier, Andrew Stoner, who was present when these comments were first made, to reconsider his position on this issue. When Mr Williams comments were first reported in the media, a spokesman for Mr Stoner told *The Sydney Morning Herald*:

… it was not the deputy premier's role to censure another member in a party forum.

I believe this is a mistake. I want to take this opportunity to appeal to Mr Stoner, free from partisan rancour and in the spirit of a shared intent to push back against men's violence against women, to think again and publicly condemn Mr Williams's comments. As the National Plan to Reduce Violence against Women and their Children makes clear, it is every man's responsibility to speak out against comments like this. This obligation is especially important for men in leadership positions. It would be a particularly powerful moment if Mr Stoner was able to consider his position and say publicly that he had reflected on these issues and that he recognised his responsibility, not as a politician but as a man, to condemn these comments. This kind of self-reflection is not easy. I would greatly admire him and heap praise on him in this place if he had the courage to do this.

It is only through a series of lessons like this that we will learn as a society how to change the environment of inequality and hostility towards women in our community under which men's violence against women is perpetrated. We will only break down this culture if we have the courage to call out those attitudes and behaviours wherever we see them, even where it is uncomfortable for us because of the individuals or institutions involved.

**Carers**

**Mr HUTCHINSON** (Lyons) (21:24): I rise to talk about carers. Last sitting week, during the Parliamentary Friends of Mental Illness breakfast that was held in the Senate alcove, a number of us had the privilege of hearing stories from some young carers. It was a story of sacrifice—sacrifice for the parents of the individuals or the siblings of the individuals. It has come at huge cost physically, emotionally and psychologically to those people. In many instances, normal adolescence or childhood is lost. We also see instances of grandparents looking after grandchildren in our community for a range of different reasons. We have all heard the stories and the reasons why this is the case. It might be drug abuse. Many of these carers also lose their retirement years.

For example, in my electorate of Lyons there are 4,277 people receiving a carer allowance, another 100 receiving a healthcare card, and 2,295 people receiving a carer allowance payment. That masks the number of people that receive nothing for the work that they do—particularly grandparents looking after grandchildren. From time to time around the electorate, I have the privilege of meeting carers as well as those who depend on the support of carers. The stories are often inspirational.

The ABC's *Country Hour* is an institution for many of us all around the country and certainly in my state. It is listened to and loved by many Tasmanians. There is great work done by Tony Briscoe, Sally Dakis, Rosemary Grant and Jane Ryan. It was a regular Friday
contribution to the *Country Hour* by contributing poet Phil Rush, who is also a carer, that grabbed my attention. I believe his contribution is worth sharing:

*A Poem by Philip R. Rush*

There are thousands upon thousands of carers in our State,
And I've had the privilege of meeting quite a few of them of late.
Some are only children, pre-teenage girls and boys,
But almost every carer seems to do their task with joy.
There are many in their eighties, as is a friend of mine,
In only thirty months or so he'll be turning eighty-nine!
He does the cooking and the cleaning and the caring for his wife,
His care's the most important role he carries out in life!
It's the same for many thousands who daily spend their hours
Cooking dinners, dressing partners, making beds and giving showers.
The carer's role is never-ending, seven days of every week,
But it's done in love and caring, no rewards they ever seek!
They're often hidden from the public, care quietly on their own;
You rarely hear a carer complain or sigh or moan!
You ask me how I know it; how I know these things I've said,
Well, I'm a carer also to the lady that I wed
Back in the nineteen sixties, and she needs a bit of care,
Her head is quite undamaged, but her body's past repair!
A back that can't be mended, and her legs that struggle, too,
And many other problems which I won't repeat to you.
She cannot drive; it's hard to walk—a wheelchair's what we use
When going out, or to the shops, whatever we might choose.
She swims an hour each Wednesday, two hours of Aquarobics, too,
On a Monday and a Friday, that's all that she can do
To exercise her body, her commitment's great to see,
Since her health is so precarious, she's said good-bye to me
Three times when in the hospital since nineteen ninety-eight,
But she's survived these obstacles, her tenacity is great!
So I'm chief cook and cleaner, but I don't do that as well
As Yvonne used to do it, as anyone could tell!
But my cooking skills are better, which doesn't mean that much,
Yet apple sponge and birthday cakes, and casseroles and such
Are now upon the menu which I manage now and then,
And I'm sure it's similar history for many carers who are men!
I could go on for ever, but I'll finish with this line,
All you carers who are listening, you're close to being divine!
Thank you.

**The DEPUTY SPEAKER (Hon. BC Scott):** Order! It being 9.30 pm, the debate is interrupted.

*House adjourned at 21:30*

**NOTICES**

The following notices were given:

**Mr Truss** to present a Bill for an Act to amend the *Marine Safety (Domestic Commercial Vessel) National Law Act 2012*, and for related purposes.

**Mr Dutton** to present a Bill for an Act to amend the *Australian Sports Anti-Doping Authority Act 2006*, and for related purposes.

**Mr McCormack** to move:
That, in accordance with the provisions of the *Public Works Committee Act 1969*, the following proposed work be referred to the Parliamentary Standing Committee on Public Works for consideration and report: AIR 6000 Phase 2A/B New Air Combat Capability Facilities.

**Mrs K. L. Andrews** to move:
That this House:
(1) acknowledges the key role that Australia is playing in the international Square Kilometre Array (SKA) project to build the world’s largest radio telescope;
(2) welcomes the recent news that the CSIRO’s Australian SKA Pathfinder telescope in Western Australia, an important precursor to the international SKA, has been trialled very successfully with encouraging results;
(3) recognises the technology employed in this ground breaking project has potential applications extending far beyond radio astronomy; and
(4) congratulates the Australian scientists, led by SKA Australia Director, Professor Brian Boyle, working with the international community on this project.

**Mr Pitt** to move:
That this House:
(1) notes that:
(a) Vietnam Veterans Day is held on 18 August each year to commemorate the iconic Battle of Long Tan in 1966;
(b) on that day, 108 Australian and New Zealand soldiers in Delta Company, 6 RAR fought for hours in torrential rain to fend off a regimental assault on the Australian base by approximately 2000 regular Viet Cong and North Vietnamese Army troops;
(c) 18 Australians were killed and 24 were wounded, and approximately 500 enemy soldiers were killed;
(d) despite their victory, our veterans were treated appallingly upon their return to Australia; and
(e) the number and degree of awards presented to Australian soldiers following the Battle of Long Tan is today widely regarded as ‘being little short of insulting in view of the heroism displayed’; and
(2) recognises:
(a) the tireless efforts of retired Lieutenant Colonel Harry Smith, over almost half a century, to seek recognition for his soldiers;
(b) that Delta Company was awarded a Unit Citation for Gallantry in late 2009, however, two
officers and ten other ranks still have not received the individual awards that were recommended in
1966, despite several reviews and inquiries naming the men; and

(c) the Delta Company Commander and four Platoon Commanders, who recommended the awards in
1966, have provided supporting material to the Defence Honours and Awards Appeals Tribunal, and
Part 2 of the Valour Inquiry is currently underway.

Mr Albanese to present a Bill for an Act to continue the Nation Building Roads to
Recovery Program, and for related purposes.

Mr Wilkie to present a Bill for an Act to amend the Australian Security
Intelligence
Organisation Act 1979 to restore access to the Administrative Appeals Tribunal for asylum
seekers with adverse security assessments. (Australian Security Intelligence Organisation Act
Amendment (Restoring Merits Review) Bill 2014)

Mrs McNamara to move:
That this House:
(1) notes the Government is providing practical help to small business workplaces;
(2) recognises that:
(a) the 2014-15 budget has allocated $8 million to establish the Small Business and Family
Enterprise Ombudsman;
(b) the Small Business and Family Enterprise Ombudsman will act as an advocate for small business
and cut compliance burdens and reduce red-tape;
(c) the Government has a plan to cut $1 billion in red tape every year; and
(d) on Wednesday 19 March, the Government introduced legislation and tabled documents to repeal
more than 10,000 pieces and more than 50,000 pages of legislation and regulations and save over $700
million of compliance costs from across the economy; and
(3) commends the Government for providing this practical help to assist small business workplaces and
boost productivity in the Australian economy.

Ms F. M. Scott to move:
That this House:
(1) notes that the first major root and branch review of competition policy in more than 20 years, as
promised by the Coalition, is being delivered, and:
(a) is being conducted with a focus on the current laws and competition framework, to ensure that
efficient businesses, both big and small, can compete effectively and have incentives to invest and
innovate for the future; and
(b) will provide a framework for delivering durable benefits to consumers by building a productive
and competitive 21st century Australian economy;
(2) recognises the plans of the Government to support efficient markets which deliver lower prices and
better services for Australian consumers; and
(3) commends the Government on its approach to this important economic reform.
QUESTIONS IN WRITING

Tax Avoidance
(Question No. 9)

Mr Kelvin Thomson asked the Treasurer, in writing, on 3 December 2013:

What action is the Government taking to combat multinational tax avoidance and secure sustainable tax revenues for (a) Australia, and (b) developing countries.

Mr Hockey: the answer to the honourable member’s question is as follows:

(a) Australia:

Australia has a robust set of domestic laws in place to counter base erosion and profit shifting (BEPS) by multinational companies, including comprehensive controlled foreign company and thin capitalisation regimes, tough transfer pricing rules and an extensive general anti-avoidance rule.

The government is also progressing two key reforms to further respond to emerging integrity issues in the corporate tax system. These changes involve:

- Tightening and improving the thin capitalisation rules; in particular by reducing all safe harbour limits to bring them more closely into line with commercial debt levels or to regulatory requirements in the case of banks. This will broadly limit multinational enterprises from claiming excessive debt deductions in Australia.

- Changes to the exemption for foreign non-portfolio dividends. This will remove a significant tax planning opportunity that has arisen from a flaw in the current tax laws. This flaw has allowed multinational taxpayers to claim a tax exemption for interest income from loans to offshore subsidiaries, whereas this income should be assessable. The flaw has also undermined the efficacy of the thin capitalisation rules by allowing unconstrained amounts of debt to be allocated to Australia.

International cooperation complements our domestic processes and will help ensure that other countries are fulfilling their responsibilities.

The G20 is working with the Organisation for Economic Co-operation and Development (OECD) to deliver the BEPS Action Plan, which identifies 15 action items to help prevent base erosion and profit shifting.

Seven action items have outputs which will be delivered in September 2014, and the remaining items will be finalised by December 2015.

As G20 President, Australia has a key role in facilitating these discussions about the international tax system, which is one of the key work streams in the G20 agenda.

(b) Developing countries:

Australia recognises that many developing countries are also adversely affected by BEPS and is working both bilaterally and through international forums to help developing countries address BEPS.

For example, in Papua New Guinea, Australia is helping to build institutional tax capacity to address transfer pricing, implement new automated systems, increase tax compliance and strengthen audit capacity.

Australia has undertaken to increase tax-related official development assistance over the next two years.

In the G20 context, Australia is working to ensure that developing countries can participate in and benefit from the G20’s tax agenda.

This year, the G20 is analysing the impacts of BEPS in developing countries and what the G20 can do to support developing countries address these.
The G20 will also release a roadmap on the steps developing countries can take to effectively implement the Common Reporting Standard on automatic exchange of tax information with other countries. Implementing the roadmap will help tax administrations in developing countries to identify offshore assets and investments held by their residents that may be subject to tax. This will be one important tool for developing countries to tackle tax evasion.

**Infrastructure**

(Question No. 101)

Mr Kelvin Thomson asked the Minister for the Environment, in writing on 13 May 2014:

Is he aware that past and current open ended population growth policy creates the inevitable prospect of imposing continual infrastructure projects on the public, each one more invasive and destructive of the social and natural environments.

Mr Hunt: The answer to the honourable member's question is as follows:

Setting a fixed population target can mask the complexities of the issue. For example, there are many aspects of population change in Australia, such as changes in fertility rates that cannot be accurately predicted or directly controlled.

The Australian Government has in place a range of commitments to infrastructure, services, jobs and the environment which will provide for Australia's currently growing population including a commitment to better plan for and sequence infrastructure development across Australia, and to develop a White Paper on the Development of Northern Australia. These policies will support environmentally, socially and economically responsible growth and cultivate resilient, productive and fair communities.

**NBN Co Limited**

(Question No. 110)

Mr Fitzgibbon asked the Minister for Communications, in writing, on 13/05/2014:

When will each of the following towns in the electoral division of Hunter have access to minimum broadband download speeds of 25mbps: (a) Aberdeen, (b) Aberglasslyn, (c) Branxton, (d) Broke, (e) Cassilis, (f) Cessnock, (g) Denman, (h) Gillieston Heights, (i) Greta, (j) Kandos, (k) Kurri Kurri, (l) Lochinvar, (m) Maitland, (n) Merriwa, (o) Mulbring, (p) Murrurundi, (q) Muswellbrook, (r) Pokolbin, (s) Rutherford, (t) Rylstone, (u) Scone, (v) Singleton, and (w) Wollombi?

Mr Turnbull: The answer to the member’s question is as follows:

NBN Co Limited (NBN Co) advised the Government that to deliver fast broadband sooner, at less cost to taxpayers and more affordably for consumers, the NBN should be completed using a multi-technology mix. This is predicted to save taxpayers $32 billion, get the NBN finished four years sooner than under Labor and enable nine out of ten Australians in the fixed line footprint to get access to download speeds of 50 megabits per second or more by 2019.

The rollout of the NBN is currently underway in Maitland. NBN Co is working on a new rollout schedule which will indicate when different parts of Australia will be connected to the NBN. It is expected that this will provide greater certainty about the rollout timing and technology for many areas, such as Aberdeen, Aberglasslyn, Branxton, Broke, Cassilis, Cessnock, Denman, Gillieston Heights, Greta, Kandos, Kurri Kurri, Lochinvar, Merriwa, Mulbring, Murrurundi, Muswellbrook, Pokolbin, Rutherford, Rylstone, Scone, Singleton, and Wollombi.