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FORTY-THIRD PARLIAMENT
FIRST SESSION—FOURTH PERIOD

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

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

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

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

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

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

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

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## Members of the House of Representatives

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<td>Zappia, Tony</td>
<td>Makin, SA</td>
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PARTY ABBREVIATIONS
ALP—Australian Labor Party; LP—Liberal Party of Australia; LNP—Liberal National Party; CLP—Country Liberal Party; Nats—The Nationals; NWA—The Nationals WA; Ind—Independent; AG—Australian Greens

Heads of Parliamentary Departments
Clerk of the Senate—R Laing
Clerk of the House of Representatives—B Wright
Secretary, Department of Parliamentary Services—A Thompson
GILLARD MINISTRY

Prime Minister                           Hon. Julia Gillard MP
Deputy Prime Minister, Treasurer        Hon. Wayne Swan MP
Minister for Regional Australia, Regional Development and Local Government
Minister for Tertiary Education, Skills, Jobs and Workplace Relations and Leader of the Government in the Senate
Minister for School Education, Early Childhood and Youth
Minister for Broadband, Communications and the Digital Economy and Deputy Leader of the Government in the Senate
Minister for Foreign Affairs
Minister for Trade
Minister for Defence and Deputy Leader of the House
Minister for Immigration and Citizenship
Minister for Infrastructure and Transport and Leader of the House
Minister for Health and Ageing
Minister for Families, Housing, Community Services and Indigenous Affairs
Minister for Sustainability, Environment, Water, Population and Communities
Minister for Finance and Deregulation
Minister for Innovation, Industry, Science and Research
Attorney-General and Vice President of the Executive Council
Minister for Agriculture, Fisheries and Forestry and Manager of Government Business in the Senate
Minister for Resources and Energy and Minister for Tourism
Minister for Climate Change and Energy Efficiency

[The above ministers constitute the cabinet]
Minister for the Arts
Minister for Social Inclusion
Minister for Privacy and Freedom of Information
Minister for Sport
Special Minister of State for the Public Service and Integrity
Assistant Treasurer and Minister for Financial Services and Superannuation
Minister for Employment Participation and Childcare
Minister for Indigenous Employment and Economic Development
Minister for Veterans’ Affairs and Minister for Defence Science and Personnel
Minister for Defence Materiel
Minister for Indigenous Health
Minister for Mental Health and Ageing and Minister Assisting the Prime Minister on Mental Health Reform
Minister for the Status of Women
Minister for Social Housing and Homelessness
Special Minister of State
Minister for Small Business
Minister for Home Affairs and Minister for Justice
Minister for Human Services
Cabinet Secretary
Parliamentary Secretary to the Prime Minister
Parliamentary Secretary to the Treasurer
Parliamentary Secretary for School Education and Workplace Relations
Minister Assisting the Prime Minister on Digital Productivity
Parliamentary Secretary for Trade
Parliamentary Secretary for Pacific Island Affairs
Parliamentary Secretary for Defence
Parliamentary Secretary for Immigration and Multicultural Affairs
Parliamentary Secretary for Infrastructure and Transport and Parliamentary Secretary for Health and Ageing
Parliamentary Secretary for Disabilities and Carers
Parliamentary Secretary for Community Services
Parliamentary Secretary for Sustainability and Urban Water
Minister Assisting on Deregulation and Public Sector Superannuation
Minister Assisting the Attorney-General on Queensland Floods Recovery
Parliamentary Secretary for Agriculture, Fisheries and Forestry
Minister Assisting the Minister for Tourism
Parliamentary Secretary for Climate Change and Energy Efficiency

GILLARD MINISTRY—continued

Hon. Simon Crean MP
Hon. Tanya Plibersek MP
Hon. Brendan O’Connor MP
Senator Hon. Mark Arbib
Hon. Gary Gray AO, MP
Hon. Bill Shorten MP
Hon. Kate Ellis MP
Senator Hon. Mark Arbib
Hon. Warren Snowdon MP
Hon. Jason Clare MP
Hon. Warren Snowdon MP
Hon. Mark Butler MP
Hon. Kate Ellis MP
Senator Hon. Mark Arbib
Hon. Gary Gray AO, MP
Senator Hon. Nick Sherry
Hon. Brendan O’Connor MP
Hon. Tanya Plibersek MP
Hon. Mark Dreyfus QC, MP
Senator Hon. Kate Lundy
Hon. David Bradbury MP
Senator Hon. Jacinta Collins
Senator Hon. Stephen Conroy
Hon. Justine Elliot MP
Hon. Richard Marles MP
Senator Hon. David Feeney
Senator Hon. Kate Lundy
Hon. Catherine King MP
Senator Hon. Jan McLucas
Hon. Julie Collins MP
Senator Hon. Don Farrell
Senator Hon. Nick Sherry
Senator Hon. Joe Ludwig
Hon. Dr Mike Kelly AM, MP
Senator Hon. Nick Sherry
Hon. Mark Dreyfus QC, MP
## SHADOW MINISTRY

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<td>Leader of the Nationals and Shadow Minister for Infrastructure and</td>
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<td>Mr Scott Morrison MP</td>
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<td>Mr Jamie Briggs MP</td>
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Tuesday, 23 August 2011

The SPEAKER (Mr Harry Jenkins) took the chair at 14:00, made an acknowledgment of country and read prayers.

CONDOLENCES

Lambert, Private Matthew

Ms GILLARD (Lalor—Prime Minister) (14:01): I move:

That the House record its deep regret at the death on the morning of 22 August of Private Matthew Lambert during combat operations in Afghanistan, place on record its appreciation of his service to his country and tender its profound sympathy to his family in their bereavement.

Around eight o'clock yesterday morning Australian time Private Matthew Lambert was killed in Afghanistan. As General Hurley said yesterday, Private Lambert's colleagues described him as a man who excelled at any task he was assigned and as a soldier who was proud to serve his country. Matthew was a sniper, a tough specialist in mind and in body, one of the most skilled soldiers in one of the most skilled armies in the world. While many Australians were starting their ordinary working week yesterday morning, finishing their breakfasts and getting the kids off to school—some already well into the day's commute—this young Australian was risking everything for us.

Matthew was on foot with elements of the Afghan National Army and other coalition forces in Afghanistan conducting a night-time reconnaissance patrol. What is believed to be an improvised explosive device detonated. It seriously wounded a comrade from the International Security Assistance Force. Matthew's mates performed first aid on the spot. He was transferred to Tarin Kowt and treated there, but it was not enough. He died from his wounds in the Tarin Kowt Hospital.

Matthew went to Afghanistan for the first time in June. He will be home soon. Our minds are full with thoughts of other people today—above all with thoughts for Matthew Lambert's spouse, parents and family. They have lost Matthew, a 26-year-old man. They have given our country what they loved above all things. We also think of his unit, 2RAR. They have suffered their first fatality in Afghanistan. We think of the Townsville community. They know these soldiers well and they know their families well.

Our minds are also with 28 other Australian families today. I want to say something to them now. There was a lot of attention on you on the day the news of your loved one's death was announced. There was a lot of attention on you on the day that their body returned home. There was a lot of attention on you on the day that your loved one was buried. We respect your privacy and we know that you need to get on with your lives, as hard as that may be, but we have not stopped thinking about you. I have not stopped thinking about you; Australians do not forget.

I want to say something to our nation as well. Transition has begun in areas of Afghanistan. The kind of mentoring work Private Lambert was performing is the kind of work which will allow Afghan-led responsibility for security arrangements in Oruzgan province to transfer by the end of 2014. Members of our Mentoring Task Forces are doing very difficult and very dangerous work and through that work they are developing an effective and capable Afghan National Army. We need that work to be done so there is security in Afghanistan after transition is complete. We need security in Afghanistan after transition is complete so that Afghanistan will not again become a
safe haven for international terrorism. We do need that work done, as dangerous as it is.

These Mentoring Task Force soldiers like Private Matthew Lambert are patiently, carefully and with superb professionalism building a capable Afghan military force. It is difficult work, dangerous work—we saw that this week—but work that must be done. We are on track to transition. It is a hard track, a hard road, and that is why we send hard men to walk it for us. We will deny terrorists a safe haven there. With our ally the United States as part of the international community we have a clear goal, a defined mission and a time line of the end of 2014. I cannot say that this will be the parliament's last condolence for a lost soldier in Afghanistan but I can say we will see this mission through.

**Mr ABBOTT** (Warringah—Leader of the Opposition) (14:06): I rise to support the words of the Prime Minister. Australia has lost another fine soldier: Private Matthew Lambert of the 2nd Battalion, Royal Australian Regiment. On this sad day our thoughts are with his wife, his family and his friends. Our thoughts and prayers are with the family of the other allied soldier wounded in the same incident, they are with the family of the New Zealand SAS soldier killed in Kabul last week and as the Prime Minister has mentioned they remain with the families of the other 28 Australians who died serving our country in Afghanistan.

At a time like this we must obviously count the cost of staying in Afghanistan but we must also reckon the greater cost of withdrawing: possibly the destabilisation of Pakistan, probably the return of the Taliban, almost certainly a new feudalism in Afghanistan and the rolling back if not the destruction of the social progress of the last decade. We best honour the dead by remaining true to the cause they served. On behalf of the coalition I echo the Prime Minister's words that we will stay the course and on this sad day our hearts go out to everyone who knew Private Lambert.

**Mr STEPHEN SMITH** (Perth—Minister for Defence and Deputy Leader of the House) (14:08): I associate myself with the remarks of the Prime Minister and the Leader of the Opposition both in expressing condolence to the spouse, parents and family of Private Matthew Lambert and in expressing support for our mission in Afghanistan.

Private Matthew Lambert was born in Kogarah in New South Wales in 1985. He was 26 years of age. He joined the Army, from Southern Queensland, enlisting in the 9th Battalion, Royal Queensland Regiment in August 2005. He transferred to the Australian Regular Army in February 2007 and was posted to the 2nd Battalion, Royal Australian Regiment—2RAR—based in Townsville in Queensland. Private Lambert first deployed overseas to East Timor from June to November 2009. He deployed to Afghanistan in June of this year with Mentoring Task Force 3.

His mates remember well that he was looking forward with great anticipation to serving his country in Afghanistan. Private Lambert is described as a well-respected soldier who excelled in any task he was assigned. He was awarded the Australian Active Service Medal, the Afghanistan Campaign Medal, the Australian Defence Medal and the Timor Leste Solidarity Medal.

As the Prime Minister and the Leader of the Opposition have indicated, Private Lambert is the 29th fatality we have suffered in Afghanistan. With this terrible tragedy, we must continue to be clear sighted about our objective in Afghanistan. Our objective is to prevent Afghanistan, in particular the Afghanistan-Pakistan border area, from
again becoming a safe haven for terrorists. We will not be in Afghanistan forever, and we are on track to transition to Afghan-led responsibility for security arrangements in Oruzgan in 2014.

None of this, of course, makes it any easier for the Lambert family, for his spouse, for his friends, for his mates, for 2RAR or indeed for the people of Townsville. It does not make it any easier for the 28 other Australian families who have been so terribly reminded of the loss of a son, a husband or a brother. Nor does it make it any easier for our nation to bear yet another fatality. Our condolences are with Private Lambert's spouse, his parents, his family, his friends and his mates. His contribution and his sacrifice will always be remembered.

Members may be pleased to know that my New Zealand defence colleague, the Minister for Defence, Dr Wayne Mapp, rang me just before question time to express New Zealand's condolences at the tragic loss of Private Lambert. Dr Mapp and I spoke as recently as Saturday when I conveyed Australia's condolences for the death of Corporal Douglas Grant, who was killed defending the British Council in Kabul. I am pleased to advise the House that an Australian C130 assisted in the early stages of Corporal Douglas Grant's repatriation to New Zealand. At this time of tragic loss on both sides of the Tasman, we remember Private Matthew Lambert with our age-old refrain, so fitting for our Anzacs, 'Lest we forget.'

Mr ROBERT (Fadden) (14:11): I join the Prime Minister, the Leader of the Opposition, and the Minister for Defence to honour Private Matthew Lambert, a soldier from 2nd Battalion, Royal Australian Regiment killed in action in Afghanistan yesterday morning. I pass on my sincere condolences to his spouse, parents and family. When Private Lambert arrived in Afghanistan as part of MTF3, his commanding officer, Lieutenant Colonel Smith, addressed the soldiers and said to them, 'You haven't yet earned the right to stand shoulder to shoulder with the soldiers of MTF2, but you will. I am confident we will build on their successes and that each and every one of you will work hard to emulate and expand on their achievements.' Let me say very clearly to all present, Private Lambert's unstinting service earned him the right to stand shoulder to shoulder with any in our grand military heritage. He served in a remote part of the province in Patrol Base Anaconda in the Khaz Oruzgan Valley. He served in the rough, in areas barely accessible by vehicle. He patrolled the valleys by foot, he manned the battlements, he mentored the Afghan soldiers he lived and fought with. He did everything asked of him in some of the most inhospitable terrain on earth, and he did it at night, in the rain, in the cold, in the heat, and in the dust. Private Lambert embodied everything that the 2nd Battalion is known for—duty first.

As a sniper, we know his deeds. Today we honour his name. A name known not only by us but by a family who loves him, known by the regiment who trained him, known by the men who fought with him, known by the medic who cradled him, known by the pilot who flew him, and known by the doctors and nurses who did everything possible to save him. While we collectively grieve for the loss of this fine Australian soldier, we remain eternally grateful for his sacrifice and that of the 28 others who have gone before. We are now closer to the end than the beginning. So as the light grows and the darkness fades let us continue to support our fighting men and women and let us strengthen our collective resolve to see this job through to the end. We honour you, Matthew Lambert, as we mourn your loss.
The SPEAKER: As a mark of respect, I invite honourable members to rise in their places.

Honourable members having stood in their places—

Debate adjourned.

Reference to Main Committee
Mr ALBANESE: by leave—I move:

That the order of the day in relation to the death of Private Matthew Lambert be referred to the Main Committee for debate

Question agreed to.

STATEMENTS ON INDULGENCE

Norway Massacre
Ms GILLARD (Lalor—Prime Minister) (14:16): On indulgence, I was asked earlier today by some members of parliament about whether or not we would be having any condolence or commemorative activity for the losses suffered in Norway. I advise the House that some arrangements are being made and I will be in a position to update the House about those arrangements in the days to come.

QUESTIONS WITHOUT NOTICE

Steel Industry
Mr ABBOTT (Warringah—Leader of the Opposition) (14:16): Mr Speaker, my question is to the Prime Minister. I refer the Prime Minister to the appointment in 2009 of a steel supplier advocate whose job was to work with the Australian steel industry to win major contracts and to boost local content. If the Prime Minister really cares about the steel industry, why has that steel supplier advocate position been vacant for nine months? Why should anyone believe the local content announcement the government made yesterday when it made the same announcement two years ago?

Ms GILLARD (Lalor—Prime Minister) (14:17): To the Leader of the Opposition I say the position he refers to is an important position. We have been consulting and working with industry to get the right person to fill it. But even as that work has been happening we have rolled out measures under our Australian procurement statement. If I can take the Leader of the Opposition to those measures, because I think they are important for members of parliament to understand and for local communities, through them, to understand, that was a $50 million package which had, as part of it, buying Australian at home and abroad and to put in advocacy work for Australian suppliers. At its heart it also had procurement plans so that when we engage in procurement that we deal with people who have Australian industry procurement plans and participation plans so that we know that local industry will benefit. In addition, through that policy we have had other measures of ensuring that people in the private sector also have Australian industry participation plans. That has worked to leverage billions of dollars of new investment which has made a difference to Australian suppliers. That work comes on top of the investments that we have made in the new car plan, a plan of more than $5 billion to make sure we continue to be a nation that manufactures automobiles. All of this work comes on top of the other measures taken by Minister Carr through the Department of Innovation, Industry, Science and Research and the powering Australian ideas agenda.

Across the board we have been engaged with manufacturing. We have also been engaged with manufacturing through skills work, which is very important if we are to retain manufacturing in this country. It is certainly my aim that we have the right skill sets. They need to be broad and they need to be deep, which is why we have been investing in skills and I am pleased that that
has deepened our skills profile, with more Australians studying at certificate III level and above. It is why we made $3 billion available in the recent budget so that we could better assist with skills and drive a reform agenda.

I thank the Leader of the Opposition for his question, but I also say that I really do wonder whether he can ask to be taken seriously on this agenda when the stated positions of the opposition on manufacturing are as follows: that they would cut $176 million from the textile, clothing and footwear strategic capability program—

Opposition members interjecting—

The SPEAKER: Order! The Prime Minister will resume her seat.

Mr Entsch interjecting—

The SPEAKER: Order! The member for Leichhardt is warned.

Mr Pyne: Mr Speaker, on a point of order: the Prime Minister was asked a question about why the Steel Supplier Advocate position has been vacant for nine months. She was not asked anything about the coalition's policies and I would ask that you draw her back to the question or sit her down.

The SPEAKER: Order! The member for Sturt will resume his seat. On the first aspect of the point of order raised by the member for Sturt, he knows that the question then went on to other matters. The Prime Minister will directly relate her material to the question.

Ms GILLARD: I was asked on the question of motivation and seriousness about manufacturing and I am making the point that the government will continue to invest and work with manufacturing. As we have done in the past, we will continue in the future.

Opposition members interjecting—

The SPEAKER: The members for Cowper and Sturt are warned.

Ms GILLARD: I presume the Leader of the Opposition intends to continue with his stated cutbacks: $176 million in textiles, clothing and footwear; $102 million in combining Enterprise Connect and AusIndustry; and $500 million in the Automotive Transformation Scheme, a cutback to which the Leader of the Opposition recently recommitted—something he clearly had not conveyed to his shadow minister because on radio today she was unable to answer questions about whether that half-a-billion dollar cutback was going ahead. It is official opposition policy and I believe Australians will judge them on it.

Economy

Ms O’NEILL (Robertson) (14:22): My question is to the Prime Minister. How is the government investing in jobs and a strong economy? And why is it the right decision to undertake the reforms necessary for the nation’s future?

Honourable members interjecting—

The SPEAKER: The member for Riverina is warned. The member for Lyons is warned. The Prime Minister has the call.

Ms GILLARD (Lalor—Prime Minister) (14:22): I thank the member for Robertson for her question and her interest in this the most serious of issues—that is, the ability for Australians to have a job, to have the benefits and dignity that come with work. There is nothing more important to this government than making sure Australians have the benefits of work. There is nothing more important to this government than making sure we spread opportunity throughout Australian society—to every part of the nation—to engage in productive work. Getting a job is of course the foundation stone people need so that they and their
families can have a good life. It is about getting a job. It is about ensuring that when you have a job you can also get access to the training opportunities you need to get the next job, a better job. It is about the journeys of people from welfare to work at the heart of our recent budget—to help people to make that journey so that they have the benefits and dignity of work. I fundamentally believe that those who can work should work, and that was at the heart of the recent budget.

When you are as serious as this government is about ensuring people have the benefits of work, then of course you do manage your economic policies so people can see those benefits. That is why we reacted so quickly and so decisively to ensure that we kept Australians working during the global financial crisis. We kept 200,000 Australians working. We were not supported in that. We had to battle it through, but we were determined to battle it through so that Australians had the benefits and dignity of work. It is why too, of course, 20 years ago, even though it was derided by others in politics, we as a political party said that this nation needed to turn its face to Asia and that our trading future would be in this growing region of the world, and so it is. So it is that our trade with Asia today enables us to see turbocharged our resources sector. A quarter of our goods exported alone go to China, fuelling its urbanisation and meaning record terms of trade for our nation. That is a good thing for the resources sector. It is a good thing for jobs in construction. It is a good thing for the jobs that flow as people continue to mine those very valuable commodities that China wants.

But, of course, at this stage of our economic development we are seeing the Australian dollar pushed up and when the Australian dollar is pushed up it does put pressure on other parts of the Australian economy. We are seeing that in manufacturing. We will be strongly engaged with manufacturing. We see that in tourism. We will be strongly engaged with tourism. We have been and we will continue to be. Of course, we will continue to be engaged with international education, a great export industry for this country.

We are fiercely proud of the fact that under this government 750,000 jobs have been created. We are fiercely proud of that fact. We are also very conscious that creating jobs for the future means we have to take the right decisions today to modernise and strengthen our economy, the right decisions so we have a clean energy future, the right decisions so that we have the best technology available to us and the right decisions so we are investing in the future of skills so that we can see people in the highest value-adding, and consequently highest paid, activities. We will always focus on making those right decisions so that Australians do have the benefits of work.

Carbon Pricing

Mr ABBOTT (Warringah—Leader of the Opposition) (14:26): My question is again to the Prime Minister. I refer the Prime Minister to her statement that she cannot release the names of businesses who will pay the carbon tax because it 'breaches secrecy provisions under the National Greenhouse and Energy Reporting Act'. Is the Prime Minister aware that the act and its website state that making the register of polluters publicly available is actually one of its objectives? If the Prime Minister does not understand the legislation associated with the carbon tax, how can anyone have confidence in her government?

Ms GILLARD (Lalor—Prime Minister) (14:27): I thank the Leader of the Opposition for his question. It is a question about legislation passed under the previous government when the Leader of the
Opposition was a supporter of an emissions trading scheme, as were all other members of the Howard cabinet. I am very happy to see the Leader of the Opposition take us back to those times when he believed in pricing carbon, when he believed in putting a cap on carbon and when he believed you could weigh and measure carbon pollution—things he apparently does not believe any longer.

The website tracks and makes available information under that legislation. The point we have made publicly is that we cannot then mine and use that dataset for other purposes. Of course, businesses who pay the carbon price will know who those businesses are when the system comes into action on 1 July next year. I view it as remarkable indeed that the Leader of the Opposition is in this parliament asking details about the government's carbon pricing plan when he is unable on most days to tell Australians whether he supports a minus five per cent target or not.

Mr Abbott: Mr Speaker, I rise on a point of order on direct relevance. How can the Prime Minister assert one thing as fact when the legislation states the absolute opposite?

The SPEAKER: The Prime Minister is aware of her obligation under the standing orders to make her response directly relevant to the question. The Prime Minister has the call.

Ms GILLARD: Thank you very much, Mr Speaker. I have described to the Leader of the Opposition matters associated with that legislation. What I would say to the Leader of the Opposition is that what we continue to see day after day—and clearly today is going to be no different to any other—is misrepresentations from the opposition about the way in which carbon pricing works. They have been out telling people that it would mean astronomical increases in prices; they were wrong about that. They have been out telling people you cannot measure carbon pollution; they were wrong about that. They have been out telling people, depending which audience they are in front of, they are either in favour of or against a minus five per cent target. What they cannot ever tell any Australians is that they have got a policy that will work, because every serious person in this country, every serious economist, considers their policy to be laughable.

Economy

Mr NEUMANN (Blair) (14:30): My question is to the Treasurer. Will the Treasurer outline for the House the importance of putting in place policies to support the economy and jobs? What other options have been put forward and what is the government's response?

Mr Pyne: Mr Speaker, I raise a point of order. While I do not normally take points of order on questions, clearly that one has to be hypothetical if it is directed to the Treasurer.

The SPEAKER: I am not going to take up the time of the chamber to consult with those that I needed to consult as to whether that is worth three days. The member for Sturt will remove himself from the chamber for one hour under standing order 94(a).

The member for Sturt then left the chamber.

The Treasurer and Deputy Prime Minister has the call.

Mr SWAN (Lilley—Deputy Prime Minister and Treasurer) (14:32): Thank you, Mr Speaker. Jobs have been the No. 1 priority of this government from day one. We understand the importance of employment in terms of peace of mind of a
community. That is why we acted during the height of the global financial crisis to support our economy. There is nothing that this government is prouder of than the actions we took at that time to support employment security and, in particular, to support small businesses who were threatened by impacts in the global economy and a catastrophic loss of demand in the global economy. Because of our stimulus, Australia emerged virtually alone as a developed economy that did not go into recession, and what that meant was that hundreds of thousands of Australians stayed in jobs and hundreds of thousands of small businesses kept their doors open. That was a very important advantage for Australia as we go forward, because if you look around the world they did not have that experience. So now Australia has an unemployment rate almost half that in the United States. And if you look elsewhere in the developed world you can see the consequences not just on the economy but on the society from very high levels of unemployment.

So from our perspective on this side of the House we believe that you have to support jobs, and you have to support jobs through good fiscal policy and intelligent policies, particularly when it comes to investing in reform to make your economy more productive. That is why we are so proud of the fact that 750,000 jobs have been created in the time of this government.

I noticed before the member for Herbert laughed when the Prime Minister talked about the achievement of 750,000 jobs. This goes to the very core of why we are in parliament: to make a difference. Of course we are now in difficult times in terms of the global economy, but if you look around the world and you compare our unemployment rate to the unemployment rate in other developed economies you can see how well Australia has done. In the United States they have still lost seven million jobs in terms of where they were prior to the global financial crisis. We showed that we were prepared to step in and to put in place effective fiscal policy to prevent a recession, and that has delivered one of the strongest budgets in the Western world. So securing good jobs and responsibly managing our budget goes to the core of what this government wants to do for the future. We have done it in the past, but we are now doing it in a difficult environment, with growth slowing in the US and of course in Europe. What our patchwork economy means is that we have to go back and make sure that we put in place the fundamental reforms that will support employment in the future. What that means is spreading the benefits of the mining boom, giving a tax cut to the 2.7 million small businesses out there, not all of whom are in the fast lane of the mining boom. But, of course, those measures are opposed by those opposite. What it also means is that we must invest in skills, and that is why the $3 billion package was at the heart of the budget we brought down in May. It also means investing in critical infrastructure, most particularly the NBN, and it also means putting in place good fiscal policy and bringing the budget back to surplus. It also means putting a price on carbon so we can drive the jobs of the future in the clean energy economy.

The Leader of the Opposition was wandering around the place calling for an election. If you are going to call for an election, you have to have a policy. There is a $70 billion hole in the bottom line of those opposite and that is before they get any new policies. That includes a $500 million cut to assistance to the manufacturing industry. We on this side of the House will get on with the job of delivering good policy. (Time expired)
Member for Dobell

Ms JULIE BISHOP (Curtin—Deputy Leader of the Opposition) (14:36): My question is to the Prime Minister. Has the Prime Minister satisfied herself that any additional gifts or loans to the member for Dobell in relation to the settling of his defamation action with Fairfax Media Ltd have been disclosed by the member in his Register of Members' Interests?

Ms GILLARD (Lalor—Prime Minister) (14:36): To the Deputy Leader of the Opposition's question I would say the member for Dobell has amended his declaration of interests and he has advised me that he has disclosed all relevant matters. I can understand why the Deputy Leader of the Opposition asked this question: there was no way the Leader of the Opposition was going to ask about late declarations, was there?

Ms JULIE BISHOP (Curtin—Deputy Leader of the Opposition) (14:37): Mr Speaker, I ask a supplementary question of the Prime Minister. What involvement did the Prime Minister or her office have in negotiating the gift to the member for Dobell to settle his defamation action against Fairfax Media Ltd with Senator Arbib, the New South Wales branch of the Labor Party and the member for Dobell?

Ms GILLARD (Lalor—Prime Minister) (14:37): As I have said publicly, decisions about finances related to the New South Wales Labor Party are for the New South Wales Labor Party to make. Let me make a broader point—that is, that the New South Wales Police have now indicated that they intend to take a look. I understand they received some correspondence from Senator Brandis and they have responded to that. In those circumstances I believe it is inappropriate for me to comment further. I also believe, frankly, that for any member of the House who is subject to investigation by the police—and we know that one member of the parliament has been charged—or investigations such as those by Fair Work Australia it is incumbent on all members of the House to make sure—

Ms Julie Bishop: Mr Speaker, I raise a point of order on direct relevance. My question related to the Prime Minister's involvement or that of her office and the Prime Minister can answer the question of her own knowledge.

The SPEAKER: The Deputy Leader of the Opposition will resume her seat. The Prime Minister is responding. The Prime Minister is aware of the obligations. The Prime Minister has the call.

Ms GILLARD: I was making what I thought was a very simple and commonsense point that, in relation to any member of parliament, I think the appropriate thing to do is for people to allow proper investigative processes, if they are being undertaken, to go through. I am sure the Leader of the Opposition is doing that in relation to a member of his team who has been charged with criminal matters—that he is applying that standard to a member of his own team. I would think, as a matter of fairness, he ought to apply that standard more broadly.

Economy

Mr WINDSOR (New England) (14:40): My question is to the Treasurer. Given the current issues created by the resource sector by the Australian dollar and its impact on manufacturing, tourism and agriculture, would the Treasurer investigate the possibility of a portion of the minerals rent resource tax being allocated to a sovereign wealth fund not only to enhance the long-term savings of the nation from the benefits of the mining boom but also to create downward pressure on the Australian dollar? Does the Treasurer share the view of
Australian Coal Association CEO, Ralph Hillman, that a carbon tax will cause downward pressure on the Australian dollar?

Mr SWAN (Lilley—Deputy Prime Minister and Treasurer) (14:40): I thank the member for New England for that very important question about the value of the dollar, because there is a changing of the guard going on in the global economy and there is a move of economic power from West to East. What that movement of economic power means is that our terms of trade are going to be much higher for much longer than anybody had anticipated only a few short years ago. The strength of the Australian economy compared to other developed economies is one of the reasons our dollar is so strong. The second reason the dollar is so strong is that our terms of trade are at 140-year highs. They certainly will not stay there forever—over time they will come down—but those are the two principal reasons our dollar is strong.

In this country for the last quarter of a century we have been committed to a market based exchange rate—a freely floating dollar—and we think that is important. We want to see other countries move to a market based exchange rate. That is the point of the discussions at the G20 on the framework for strong and balanced growth. There need to be structural reforms in other developed and developing economies and one of those structural reforms that is required if we are to get rid of global financial imbalances is that those developing countries that do not have a market based exchange rate should get one. The health of the global economy depends on that in the long term.

When it comes to the strength of the dollar we do, as I said before, believe in a freely floating exchange rate. There is nothing that will change if in the next short period or even medium-term period we were to put in place some sort of sovereign wealth fund, such as the member mentioned before. It would not be a solution to where the dollar is going to go. The most important thing to understand about what we need to do in this economy, given the terms of trade and the pressure that the dollar puts on our exporters, is to make sure that in our economy we are as competitive as we possibly can be to give those businesses that are not in the fast lane of the resources boom the best possible chance to make a profit and to invest. That is why 18 months ago the government put in place a policy of getting a stream of revenue from a resource rent tax so we could give significant tax cuts over time to those companies that are not in the fast lane of the resources boom. That is why we have this commitment: to give a significant tax cut to small businesses, all 2.7 million of them. They are crying out for this sort of assistance.

The instant asset tax write-off is terribly important to the cash flow of small business. That is why we put that policy in place and that is why we have been committed to bringing the corporate rate of tax down as well. All of these will be funded by revenue from a resource rent tax. In some ways the most important thing of all is building up the superannuation accounts of Australian workers with the revenue stream, as the Assistant Treasurer has been talking about. Effectively, what we have got in those superannuation accounts is eight million sovereign wealth funds. Building up those savings is so important to the future of a capital-hungry country that needs capital to invest. We have in place a process we started 18 months ago when we went out and said to Australians that we were going to go through a resources boom, our terms of trade would be high and would put pressure on the dollar and we needed to make some structural changes in our economy. That is precisely
what we are doing, given the circumstances that most people did not fully appreciate 18 months ago when we made these announcements.

I do not agree with the chairman of the Coal Association at all. He has made so many inaccurate statements in the last couple of weeks that I do not think I would ever believe anything he said.

**Carbon Pricing**

**Mr DANBY** (Melbourne Ports) (14:44): My question is to the Minister for Climate Change and Energy Efficiency. Would the minister outline the government's plan to use a market mechanism to move Australia to a clean energy future? What other options have been put forward, and what would be their impact? Finally, I ask the minister: how much does a tonne of carbon weigh?

**Mr COMBET** (Charlton—Minister for Climate Change and Energy Efficiency) (14:45): I thank the member for Melbourne Ports for his question. Of course, the government's plan to cut pollution is centred on a market mechanism, and that will ensure that we fight climate change in the most cost-effective manner. Using a market mechanism is unquestionably the most efficient way of reducing our pollution. That is the conclusion shared by the OECD, the IMF, the World Bank, the Stern report, the work undertaken for the Howard government by Dr Peter Shergold, the Garnaut review and the recent work of the Productivity Commission and every other reputable economist who has considered the issue.

Treasury modelling concludes that the Australian economy will continue to prosper while we do cut carbon pollution through a market mechanism. Employment is projected to grow strongly with a carbon price, with 1.6 million jobs added to our workforce by 2020. This is supported by modelling that has been released by the Queensland government today that found that Queensland employment will grow strongly, on average, by two per cent per year, with or without a carbon price, with an extra 474,000 jobs created over that period. Of course, since the government has announced its carbon pricing policy, we have seen billions of dollars committed to the coal industry in Queensland and the LNG industry.

In contrast to the efficiency of a market mechanism, the opposition's 'subsidies for polluters' scheme is inefficient, ineffective and very, very costly. That cost is increased greatly by the opposition's refusal to allow trading in international carbon permits. An emissions trading scheme to achieve the five per cent emissions reduction target through domestic only measures, with no access to international carbon markets, would result in a carbon price at least double the carbon price under the government's scheme. Keep in mind that that costing reflects an emissions trading scheme which is significantly more efficient than the opposition's 'subsidies for polluters' policy. Under that scenario, the 'subsidies for polluters', without access to international permits, will cost the budget $48 billion to 2020, almost five times the stated cost of the coalition policy. That is the equivalent of not paying pensions for a year and a half.

It would mean that the average Australian household will have to pay an extra $1,300 in taxes. That is a conservative estimate of the cost. The Grattan Institute has had this to say:

… if government were to rely on grant-tendering schemes in order to reduce annual emissions by 160 million tonnes, then based on past experience, government would need to announce an abatement purchasing fund of at least $100 billion to meet the 2020 emissions reduction target.

Whichever way you look at it, the self-declared $70 billion hole—
Mr COMBET: I would not be smiling if I were you, Joe, coming up with that. A $70 billion hole is added to significantly by this issue. But he has come up with a novel way of dealing with it. He has decided that carbon pollution is weightless and therefore it will not cost anything to cut it.

Member for Dobell

Mr TONY SMITH (Casey) (14:49): My question is to the Assistant Treasurer. Can the Assistant Treasurer, in his capacity as the minister responsible for the Australian Taxation Office, advise whether the payment from the Australian Labor Party to the member for Dobell is assessable under the Income Tax Act? Can the minister advise whether he was involved in any discussions relating to the payment?

Honourable members interjecting—

Mr Albanese: Mr Speaker, I rise on a point of order. The question is out of order because it seeks an opinion from the Assistant Treasurer. Clearly the way that the question was designed did just that.

Honourable members interjecting—

The SPEAKER: Order! Now we have got the second part into the frame, it sounded the easy part, but I would struggle to find out where that was within the minister's administration. As you know, throughout the last parliament I had concerns about questions to the Prime Minister about the actions of backbenchers. It has seemed to me that over the last week and a bit the questions that have been asked to the Prime Minister were in order, but that is on the basis that she is the leader. On the question about whether this is an opinion or not, there are precedents, I believe, where similar questions have been asked on the basis that they are generalities. If we were to take the very literal question, it would be outside the standing orders, but I do not think that is the way the House has treated them in the past. I think that people would understand that the response from the Assistant Treasurer will be couched in a way where he has to acknowledge his responsibilities as minister.
against the way in which the Tax Office, independent of him, would actually adjudicate. I invite the Attorney-General.

Mr McClelland: If I may, in so far as the question sought an opinion—

An incident having occurred in the gallery—

The SPEAKER: Order! Over the last couple of days I have been pretty tolerant of behaviour in the galleries. Every effort is made to make sure that the galleries are available for people to come in to witness the proceedings of the parliament. It is not an invitation to involve themselves in the proceedings. The Attorney-General has the call.

Mr McClelland: I think it has been the precedent in this parliament that, while there has been some scope for seeking opinions, as a matter of generality questions have not been permitted if they seek a legal opinion. I think the first part of the question clearly sought a legal opinion. In terms of the practice followed by my immediate predecessors attorneys-general, that was certainly an approach that they took in terms of declining to answer such questions.

The SPEAKER: I repeat that I have been specific in my indication to the House that it would realise that the minister, in being invited to give a response, may find constraints on his ability to provide information to the House. I will not have points of order or objections about that. The Assistant Treasurer has the call.

Mr McClelland: I think it has been the precedent in this parliament that, while there has been some scope for seeking opinions, as a matter of generality questions have not been permitted if they seek a legal opinion. I think the first part of the question clearly sought a legal opinion. In terms of the practice followed by my immediate predecessors attorneys-general, that was certainly an approach that they took in terms of declining to answer such questions.

The SPEAKER: I repeat that I have been specific in my indication to the House that it would realise that the minister, in being invited to give a response, may find constraints on his ability to provide information to the House. I will not have points of order or objections about that. The Assistant Treasurer has the call.

Mr Shorten (Maribyrnong—Assistant Treasurer and Minister for Financial Services and Superannuation) (14:57): As much as I am tempted to ask what the question was because it has been so long since it was asked, what I do understand is the following: the payment of fees is assessable income of the person who received the payment; beyond that I am not going to comment about the tax affairs of either the member for Dobell, the ALP, any lawyers or anyone else involved in these matters. Furthermore, I invite—I have just forgotten; member for Casey, are you on the front bench? Sorry about that. I was just going to invite the member for Casey—

Government members interjecting—

The SPEAKER: Order!

Mr Shorten: I am sorry he didn't back the Leader of the Opposition. I was just going to draw the member for Casey's attention to the answer of the Prime Minister to an earlier question. I see the member Randall's lips moving and as usual, nothing emerging.

Mr Dutton interjecting—

The SPEAKER: The member for Dickson is warned.

Mr Shorten: The member for Dickson interjects: I just wish they would give him a question.

The SPEAKER: The Assistant Treasurer will ignore the interjection.

Mr Shorten: To continue the answer—I assume the question was being asked sincerely—the Prime Minister has indicated that the Register of Interests has been updated. As the Assistant Treasurer, I am not going to comment on the tax office assessments of individuals, and I certainly agree with the Prime Minister on the remainder of her answer. In terms of engagement in any transaction including myself, the answer is no.

Food Standards Amendment (Truth in Labelling—Palm Oil) Legislation

Dr Leigh (Fraser) (14:59): My question is to the Minister for Trade. Will the minister inform the House of developments on the Food Standards Amendment (Truth in Labelling—Palm Oil) Bill 2011. What are
the possible economic consequences of passage of the bill?

**Dr EMERSON** (Rankin—Minister for Trade) (14:59): I thank the member for Fraser for his question and for his persistent and ongoing interest in good public policy. The Food Standards Amendment (Truth in Labelling—Palm Oil) Bill 2011 passed the Senate on 23 June with the support of the coalition. The stated aim of the bill is improvements in consumer labelling but the government already has in place consumer labelling requirements and ongoing processes for considering improvements in consumer labelling. The bill threatens yet again Australian exports, Australian jobs and Australian small businesses. Once again we see an example of the economic recklessness of the Leader of the Opposition and his desire for opportunism over good policy.

Last night we were able to watch the spectacle of humiliation of the shadow minister for agriculture as the item came up. Where were they? The item on New Zealand apples just disappeared without trace. He completely missed it. There he was a couple of days before saying, 'I'm proceeding with my apples bill.' And what does he do? He is confronted with a humiliating backdown.

**Mr Andrews:** Mr Speaker, a point of order on relevance: this question from his own side was about palm oil and he is now off on a frolic about apples.

**The SPEAKER:** I thank our learned colleague for his submission, as literate as it was. He has made his point and I hope that the Treasurer will be cognisant of that—sorry, the Minister for Trade.

Honourable members interjecting—

**The SPEAKER:** I apologise to the Deputy Prime Minister because how could I misconstrue the Minister for Trade for the Treasurer!

**Dr EMERSON:** You are gobbling up my time, Mr Speaker, but it has allowed me to recover from the devastating blow from the member for Menzies. I will get back to the palm oil bill. Here are the risks associated with the palm oil bill: Malaysia and Indonesia have indicated that they will take a dispute against Australia to the World Trade Organisation if the parliament proceeds with the palm oil bill. If we lost that dispute we would again be exposed to retaliatory action just as we were with the bill that dare not speak its name, the apples bill. It is not just retaliation that we need to worry about. These are the estimates of the adverse impact on Australian businesses of the labelling requirements of the palm oil bill—$150 million.

Here is the opposition leader who feigns concern about business, we have the shadow minister over here feigning concern about small businesses, but they are happy to apply a $150 million penalty to Australian businesses. Why? Here is the mystery: the coalition members of the Senate committee indicated that they would oppose the bill, that the bill should be opposed.

**Mr Billson:** Mr Speaker, on a point of order: perhaps this should be a ministerial statement if the government is changing its position from the way it did not vote in the Senate.

**Dr EMERSON:** Coalition members of the Senate committee recommended the bill be opposed. They were going to oppose it until, I am told by coalition MPs, the opposition leader personally intervened and demanded—this is true—that the coalition support this bill in the Senate and in the
House of Representatives. Do you want to know our position? We are opposing the bill. That is the truth of the matter. Let us hear just briefly what Professor John Hewson, the Leader of the Opposition's former employer, said about him: 'Tony is genuinely innumerate. He has no interest in economics and no feeling for it.' There are 70 billion reasons why this man should never be the Prime Minister of Australia. How many dollars in a $70 billion black hole? There are 70 billion of them! You should never be the Prime Minister of Australia.

The SPEAKER: Order! The Minister for Trade will resume his seat. The member for North Sydney will ignore everything else going on around him. He has now got the call and he can ask his question.

Steel Industry

Mr HOCKEY (North Sydney) (15:05): My question is to the Treasurer, the member for Lilley. If as the Prime Minister claimed yesterday the loss of thousands of manufacturing jobs has nothing to do with the carbon tax, why is the Prime Minister funding the government's steel industry compensation from the carbon tax compensation fund?

Mr SWAN (Lilley—Deputy Prime Minister and Treasurer) (15:05): First of all, we are funding it from the steel transformation scheme, so let us get the facts right. We have been in discussions with the steel industry for some time about the structural changes that are occurring in the Australian economy. For the member to suggest that somehow this is all directly linked to carbon pricing is just a continuation of the scare campaign that those opposite have been running on carbon pricing. The fact is we are potentially funding some assistance to BlueScope from the steel transformation scheme—a scheme, I might add, that the Leader of the Opposition says he is opposing. He does not believe in the steel transformation scheme. It is true that we announced it at the time that we announced carbon pricing and it is certainly part of the government's response to a range of structural issues in our economy.

Putting carbon pricing in place is a fundamental structural reform. It is one of the structural reforms that we as a country require to become much more energy efficient and to make sure that we can get the investment in renewable energy and more efficient energy practices. It is true that for industries like steel this is very important as well. The CEO of BlueScope has made that point—I heard him on the radio this morning making that point. In that sense, both are connected. The steel transformation scheme is connected to a future for the steel industry which is more energy efficient. But I want to repeat what the chairman and the chief executive of BlueScope have said today and yesterday.

Mr Robb: Mr Speaker, a point of order on relevance: the Treasurer has not answered the question. In fact, the steel plan is in the government's Clean Energy Future scheme. It is carbon tax, so why are you—

The SPEAKER: The member for Goldstein will resume his seat. He is permitted to make a point of order; he is not permitted to make a debating point. The Treasurer is replying.

Mr SWAN: It is a fact that the steel transformation scheme was announced at the same time. There is no doubt about that. I acknowledge that, so I do not know what sort of 'gotcha' moment we are trying to have here. I think they have just completely lost it and gone gaga.

The fact is that this is a very important scheme that we have put in place, and those opposite should be listening to what the chief executive and chairman of BlueScope are
saying. Their decision to cease exporting into those export markets had absolutely nothing to do with carbon pricing and everything to do with the high value of the dollar, which is putting enormous structural pressure on the steel industry. It has a lot more to do with the excess capacity in the steel industry, a lot more to do with very high input prices and a lot more to do with weakened demand for their products. Those were the four factors that were highlighted by the chairman and the chief executive. The two are linked in the sense that having an efficient industry in the future is critical.

As we go forward, all industries in this economy are going to have to become much more energy efficient. They are going to have to be able to invest in renewable energy and more efficient energy practices, and that is why the two were announced at the same time. All that these questions prove is that those opposite simply have not got a clue about how we put in place the policy settings for a modern economy to drive both investment and jobs for the future.

Carbon Pricing

Ms BIRD (Cunningham) (15:09): My question is to the Minister for Climate Change and Energy Efficiency. Why is it important to access the least cost abatement and link with international carbon markets as part of the government's plan to transform the economy to a clean energy future? How has this been received? What is the government's response?

Mr COMBET (Charlton—Minister for Climate Change and Energy Efficiency) (15:10): I thank the member for Cunningham for her question. As we know, climate change is a global problem, an international problem, and any solution to climate change is going to have to involve coordination and cooperation within the international community. There is, after all, only one atmosphere and a reduction in pollution anywhere in the world has the same environmental benefit. The most practical way that nations can cooperate to tackle climate change is through the development of credible international carbon markets, because through these markets countries can take advantage of the lowest cost pollution cuts that are available. That is what the government's carbon price mechanism will achieve.

Former Prime Minister John Howard understood this extremely well. The coalition's emissions trading policy that he took to the 2007 election clearly articulated this point. It said:

The Australian scheme will be designed to maximise the prospect of linkages with other schemes, and with policy-based arrangements such as offsets, where offshore emissions-reducing activities could be counted by Australian firms in determining their net emissions. That was coalition policy and an important piece of economic policy because, through international linking of emissions trading schemes, we can establish a common carbon price between our economy and that of our trading partners over time thereby ensuring that carbon pricing does not disadvantage our industries and our businesses.

The opposition's policy that we should not link with international carbon markets, that we should not allow Australian businesses to purchase carbon credits overseas, would have serious economic consequences. It would more than double the cost of cutting pollution in our own economy to meet emissions reduction targets. This would put Australian businesses at an extreme competitive disadvantage with those overseas. Importantly, economic opportunities for farmers, foresters and other land managers for exporting carbon credits would also be lost. One would imagine that the National Party would have an interest in
such an issue. Little wonder that the business community has strongly argued for access to international carbon markets to reduce the cost of emissions reductions. Little wonder that business leaders are rolling their eyes at the economic capacity of the coalition under the member for Warringah's leadership.

The opposition's policy is economically reckless. It is economic xenophobia. It is sending the signal—which it intends to do, one assumes—that it is somehow dubious to be trading with foreigners. It is typical dog whistle politics from the member for Warringah. It trashes commitments that have existed on both sides of this place to economic liberalisation and open trade. It is a white carbon policy on the part of the Leader of the Opposition. What would be next? Do we stop foreign trade? Do we stop trading in the dollar? Do we ban international trade?

Mrs Bronwyn Bishop: Mr Speaker, I rise on a point of order in accordance with the requirement for direct relevance to the question. There will be adequate time for the minister to have debate. This is not the time. He is not responsible for opposition policy. He should return to the question.

The SPEAKER: The minister in conclusion.

Mr COMBET: The humour is in the policy on the other side. The Leader of the Opposition is a significant economic risk. He thinks that a tonne of carbon dioxide is weightless. He thinks cost is nothing. He is not prepared to trade internationally. He is a risk to our economy. (Time expired)

Carbon Pricing

Mr FRYDENBERG (Kooyong) (15:14): My question is to the Prime Minister. Will the Prime Minister confirm that the government's carbon tax modelling assumes that countries such as Iran, Venezuela, Syria and Yemen will all have operational and internationally linked emissions trading schemes within 10 years? Does the Prime Minister stand by this heroic assumption?

Ms GILLARD (Lalor—Prime Minister) (15:15): What an exquisitely timed question from the member for Kooyong.

Mr Hunt interjecting—
Dr Emerson interjecting—

The SPEAKER: Order! The Prime Minister will resume her seat. The member for Flinders and the Minister for Trade will leave the chamber for one hour under standing order 94(a). Hopefully they will go in opposite directions, but they will leave the chamber.

The member for Flinders and the member for Rankin then left the chamber.

The SPEAKER: The Prime Minister has the call.

Ms GILLARD: Thank you very much, Mr Speaker. Can I thank the member for Kooyong for his exquisitely timed question, given we are on the issue of international linking and on the fact that the opposition have committed themselves to a scheme that would shut Australia away from the rest of the world and mean that Australian businesses and Australian taxpayers paid more of a price for moving our nation to a clean energy future and that, in particular, would put a burden of $1,300 on every Australian family because they would turn their backs on the rest of the world.

Throughout the minister for climate change's answer, the Leader of the Opposition was chanting: 'Where are these markets? Where are these markets? Where are these markets?' Let me answer the Leader of the Opposition—

The SPEAKER: Order! The Prime Minister will resume her seat. The member for Kooyong on a point of order?
An incident having occurred in the gallery—

The SPEAKER: The attendants will deal with the commotion in the gallery. The member for Kooyong.

Mr Frydenberg: Mr Speaker, I raise a point of order on relevance. I asked the Prime Minister a specific question: will the Prime Minister confirm that the government's carbon tax modelling assumes that countries such as Iran, Venezuela—

The SPEAKER: The member for Kooyong will resume his seat.

Mr Perrett interjecting—

The SPEAKER: The member for Moreton is warned! The Prime Minister has the call.

Ms GILLARD: Thank you very much, Mr Speaker. The member for Kooyong has asked me about modelling; he has asked me about global carbon markets. For the information of the House, global carbon markets in, say, 2005 were worth US$11 billion. In 2010 they were worth US$142 billion. I understand that the Leader of the Opposition may miss economic developments, given his lack of interest, but a global trading market that has gone from $11 billion in 2005 to $142 billion in 2010 I would suggest is very hard for anybody to miss. But apparently the Leader of the Opposition has missed it, the same way as he has missed—

Mr Simpkins interjecting—

The SPEAKER: The member for Cowan is warned!

Ms GILLARD: the fact that you can measure carbon pollution, which is why you can identify a tonne of it.

On the member for Kooyong's question, he has asked me about the modelling and international action and international markets. The modelling core policy scenario assumes that countries meet the low-end commitments for 2020 they have made at Cancun and at Copenhagen. They are the low-end commitments, I repeat; so that is a conservative approach. From 2016 there is a global market and countries have some form of trade in permits—that is, there will be a mechanism for allowing abatement to be sourced in other countries. And then, of course, after 2020 it is assumed that the global cuts in emissions needed to reach global targets are shared across regions.

On this question of modelling, as the opposition increasingly turns its back on anything that looks like sensible economic policy let us be very, very clear about the modelling. Hundreds of pages of information have been released. This modelling has been undertaken by exactly the same people who advised the Howard government—for example, they modelled for them the impact of the GST. Putting a slur on the modelling is the same as putting a slur on the scientists and on the economists. It is the kind of thing that the Leader of the Opposition does as he twists and turns to try and maintain his protest campaign, but he is completely unable to articulate a policy alternative, which is why he will go around saying all things to all people and agree with the last person he spoke with.

Of all the things that have been dealt with in question time today, the government of course is vitally interested in the question of Australian jobs. It still seems to me that a question that should be answered in this parliament is why the Leader of the Opposition is always available for a photo opportunity with a manufacturing worker but when it comes time in this parliament to put his hand up for $300 million of assistance for them he will not do it because he prefers the cheap, petty politics he is known for. (Time expired)
Mr Frydenberg: Mr Speaker, could the Prime Minister please table the document from which she was reading?

The SPEAKER: Was the Prime Minister quoting from a document?

Ms GILLARD: I was referring to a document which is confidential.

Economy

Ms PARKE (Fremantle) (15:21): My question is to the Minister for Resources and Energy and the Minister for Tourism. How is the government managing the pressures of a patchwork economy and spreading the benefits of the booming resources sector? What other options have been put forward and what is the government's response?

Mr MARTIN FERGUSON (Batman—Minister for Resources and Energy and Minister for Tourism) (15:21): I thank the member for Fremantle for her question. As a representative of Western Australia, she more than most in this House knows we are an economy in transition yet again. This is not a new challenge to Australia. It is no different to the fundamental restructuring of the Australian economy that occurred in the eighties and nineties. On that occasion we tore down the tariff barriers, embraced globalisation, accepted the need to put in place an active labour market and, in doing so, fronted up to the process of workplace change and the all-important question of productivity.

On this occasion we are pretty fortunate as a nation—a nation in transition in need of huge restructuring. We have committed $430 billion in new capital investment. We appreciate that in some instances that is putting pressure on other parts of the Australian economy. My responsibility for tourism is a prime example. So is the issue of change confronting the Illawarra and Hastings areas in terms of the pressure on BlueScope and other manufacturing industries. In that context, there is a responsibility on each and every one of us to act in a positive way to embrace change and to assist those communities through this difficult period.

We should not forget that this is not new to Australia. Ten years ago we would not have thought of Newcastle without a steel industry. In the lead-up to the 2007 election, neither side of politics thought of South Australia without Mitsubishi. The strength of leadership by Premier Rann on that occasion shone a focus on the mining industry, the need for assistance for exploration and the need to chase defence contracts, the responsibility to invest in the services sector, such as the export sectors available in tourism, and education. Those challenges confront places such as Wollongong and Hastings at the moment, and that is why strong leadership is needed to spread the benefits of the current resources boom.

Yes, there is a need for the Australian community to get a greater share of the record profits being earned by the mining industry at the moment, to enable us to reduce company taxation for the sectors being challenged at the moment, to assist small business in writing off the cost of new capital investment and to invest in infrastructure. The alternative is one of negativity from the opposition and a $70 billion black hole. There is also a responsibility in the private sector to work with government to assist the Australian community in this transition.

In that context, I acknowledge that I have been working with the Western Australian government, talking to the major resource and energy companies, who are responsible for the $430 million pipeline of investment in this country, to embrace Australian industry to assist them in improving productivity and increasing Australian
content. Today, for example, on the $43 billion Gorgon project, there is $14 billion to Australian companies involved in that project. That is a significant change in attitude not only by the Gorgon investors but also by industry at large in Western Australia.

I also acknowledge the actions of BHP on the South Coast of New South Wales. They will maintain current coal production. They will also work to try to fill those jobs on the South Coast, the 750 coalmining vacancies in Queensland and the 600 vacancies in iron ore in Western Australia. Transition is not easy. It is about strong leadership. It is about time the opposition fronted up to its responsibilities. We must embrace this change and turn it to the benefit of all Australians, not to a select number of Australian companies.

Carbon Pricing

Mr MATHESON (Macarthur) (15:25): Can the Prime Minister tell the House the level of carbon tax to be paid by steelmakers in China?

A government member: That's out of order!

Ms GILLARD (Lalor—Prime Minister) (15:26): Whether the question is in order or not I will answer it. To the member who asked the question: China is undertaking actions to reduce the emissions intensity of its economy. Before the Leader of the Opposition and his friends start braying about this let us remember that they too are committed to reducing carbon pollution in this country by minus five per cent by 2020 so, like the government, they have committed to a carbon pollution reduction target. To the member who asked this question: the Leader of the Opposition only uses this argument on the days he is at community groups denying the minus five per cent target. For example, at a seniors forum on 18 July he said—

The SPEAKER: Order! The Prime Minister will bring her response to a close.

Ms GILLARD: Then, when he is blogging on Mamamia and he thinks people might be interested in climate change, he is out there saying the opposition accepts a minus five per cent target.

The SPEAKER: Order! The Prime Minister will bring her response to a close.

Ms GILLARD: This question is indicative of a Leader of the Opposition and
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an opposition generally that cannot be taken seriously on public policy, that will do or say anything on any given day, that will—

Mr Matheson: Mr Speaker, on a point of order: it is a very simple question that I asked and it is not being answered.

The SPEAKER: There is no point of order because, under the standing orders, that point of order can only be raised once. I simply say to the House that inserting the word 'China' into the answer might have meant you got away with it if it was under the relevance rule. If we in this parliament have done anything by changing it to 'directly relevant', there has to be a different type of answer. I invite the Prime Minister to conclude her answer. Prime Minister.

Ms GILLARD: On the question of international action and China, when the Leader of the Opposition is talking to a different audience, then he is a big supporter of the minus five per cent target. If you are going to be taken seriously in this country on public policy, you have to be prepared to say the same thing on every occasion.

Vocational Education and Training

Mr HAYES (Fowler) (15:30): My question is to the Minister for School Education, Early Childhood and Youth and Minister representing the Minister for Tertiary Education, Skills, Jobs and Workplace Relations. Will the minister inform the House about the investments the government is making to give Australians of all ages the skills they need for the jobs of the future? What obstacles are there to these investments; and how is the government tackling them?

Mr GARRETT (Kingsford Smith—Minister for School Education, Early Childhood and Youth) (15:31): I thank the member for Fowler for his question. The government certainly understands that investment in skills is absolutely critical to enabling people to remain in the workforce, particularly in an economy that is modernising, and to enable Australia to be competitive in that economy. We are taking a number of important investment steps to make sure that we do skill up our workforce, not only for people who are in the workforce now but for kids who are starting on their education journey through school and high school, into vocational training and out into the workforce.

In the last three years, there has been an investment of nearly $11 billion in improving skills and training, compared with some $6.8 billion under the Howard government. There are record numbers of apprentices and trainees improving their skills and their future employment opportunities. Importantly, in the last budget, where there was a strong emphasis on skills, again there was one of the largest ever skills package that we have seen—some $3 billion invested over six years—driving a new skills and participation agenda, with a particular emphasis on what we on this side believe is crucial, and that is modernising our apprenticeship system. We have seen incentives for apprentices and employees totalling approximately $1.1 billion just over the last financial year, and there are encouraging signs in apprenticeship take-up.

But we do note that around 40 per cent of working Australians—that is some 4.5 million working Australians—do not have adequate literacy skills for employment. That is certainly the case for those who are unemployed, and we need to do something about that. So there are investments, specifically $500 million up to 2010, for those in the workforce; but, importantly, we are also conducting the first ever collection of national early development indexed data, which tells us how our kids are placed when they start on their learning journey. This is a world first, something that we on this side of
the House are very proud of. It measures a range of indices—physical health and wellbeing, social competence, emotional maturity and the like—to give us a sense of the kind of investment and policies we need when kids are starting out on their learning journey.

In addition, we have a significant overall investment in education. I spoke about it yesterday in the House—some $65 billion that this government is investing, almost double what was invested by the previous government. Of particular note are the investments in things like literacy and numeracy. We know that literacy and numeracy are the basics, the building blocks, for people on their education journey, and we on this side of the House have committed some $540 million to make sure that literacy and numeracy support is in place so that people can go on to get good jobs.

Finally, I cannot help but mention the investment in trade training centres. As anyone who has been in a trade training centre—and I know there are many on this side of the House—knows, this is something that this Gillard Labor government is very proud of. Every kid in Australia will get the opportunity of skills training in first-class facilities so that they will have skills in the workforce into the future. It is absolutely central to our agenda. I was asked whether there were any obstacles to this investment. The fact is that the obstacle sits opposite. The opposition—Mr Abbott and Mr Pyne, who has been thrown out of the House yet again—

**The SPEAKER:** Order! The minister will refer to members by their titles.

**Mr GARRETT:** continue to announce cuts to education. They started in August 2010 when they announced cuts to things like the trade training centres. On 8 February, they announced even more cuts, a total of some $2.8 billion they committed. Now we have a $70 billion promise to cut and we know that education will suffer. On this side of the House, we will support the education of Australians into the future.  

**Ms GILLARD:** I ask that further questions be placed on the Notice Paper.

**QUESTIONS TO THE SPEAKER**

**Parliamentary Procedure**

**Mr HOCKEY** (North Sydney) (15:35): Mr Speaker, I recognise that it is an extremely difficult job being the Speaker in such a parliament, but I am wondering whether you could provide clarity to the House in relation to a decision you made with respect to a question to the Assistant Treasurer. Was my understanding correct that you suggested that a question cannot be directed to a minister about their involvement in a matter with a backbencher, another member of this place, or was there some other reason for your determination?

**The SPEAKER** (15:36): No. The member for North Sydney will remember questions that related to a backbench member of the last parliament. I certainly changed my attitude to questions based on what was indicated by members of that parliament, in particular members of a much smaller crossbench. As part of the separation between parliament and the executive government, I believe that some of the actions of backbenchers are their responsibility and not necessary the leader's responsibility. But the drift of questions and the drift of interest by members has been that in some way these are of interest to the leaders. As I said earlier, the questions over the last couple of weeks have been directed at the Prime Minister as the leader but within her responsibilities.
Mr Albanese: Mr Speaker, on a point of order: you indicated early in your speakership during this term that you would not engage in exactly this process after question time.

The SPEAKER: I thank the Leader of the House for his reminder because I have tried to avoid it for the last 3½ years. But I think on this occasion I may have confused members by indicating an aside which is my personal view rather than the way that I have allowed things in practice.

Mr Hockey: I understand, Mr Speaker.

The question is: how could we frame a question that goes to the minister's knowledge of an issue that relates to a backbencher?

The SPEAKER: I think that is something that the framer of the questions will have to consider. All I was indicating in relation to the question to the Assistant Treasurer is: are ministers to be questioned about every conversation they have about matters unrelated to their portfolios? That is all I indicated.

Mr Hockey: You did not relate it to their portfolios.

The SPEAKER: No, but I did not think the last part of the question from the member for Casey, as I remember it—and we did have the difficulty of what went on in between—was related, whether there had been a conversation. That is all I am saying.

PERSONAL EXPLANATIONS

Mrs MIRABELLA (Indi) (15:39): Mr Speaker, I seek to make a personal explanation.

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

Mrs MIRABELLA: Yes. The Prime Minister in question time said that $176 million was to be cut to the TCF program by the coalition. In fact, we increased it by $25½ million.

The SPEAKER: The member must go to where she has been misrepresented.

Mrs MIRABELLA: I seek to table page 9 of our policy on that area.

Leave not granted.

Mrs Mirabella interjecting—

The SPEAKER: Order! The member for Indi will withdraw.

Mrs MIRABELLA: I withdraw.

QUESTIONS TO THE SPEAKER

Broadcast of Parliamentary Proceedings

Mr ROBERT (Fadden) (15:39): Mr Speaker, I have sought advice as to why the broadcasting lights were not on during the condolence motion for the fallen soldier. The broadcasting lights came on only when we started question time. I have been informed that, due to a limited industrial dispute, there were not enough broadcasting staff to allow the full broadcast on ABC radio only until question time began, but I believe TV broadcasting ran from two o'clock. I ask: is there something we can do in the future to ensure that such a thing does not occur?

The SPEAKER (15:40): There are two separate questions. Without implying fault by anybody within the parliamentary departments, I think you have been misinformed. Today was the Senate broadcasting day, and the broadcasting lights, you will notice, are now off. The broadcasting light indicates only that we are recording for the replay of question time. That gets to the gist of the question from the member for Fadden. There is a difficulty for radio in that, because this is the Senate day, the first part of proceedings was not broadcast, and it is not reported, for radio purposes, for re-broadcasting. That may be
something the member may wish to take up in the context of the review of broadcasting that we are doing at the moment. The industrial action has caused other difficulties but is not the reason for the problem that the member for Fadden has highlighted.

PERSONAL EXPLANATIONS

Mr RAMSEY (Grey) (15:41): Mr Speaker, I wish to make a personal explanation.

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

Mr RAMSEY: Sadly, deliberately so, I think, Mr Speaker.

The SPEAKER: The member should be cautious about that. Please proceed.

Mr RAMSEY: The electronic version of the Australian today quotes Senator Conroy, the Minister for Broadband, Communications and the Digital Economy as saying that I had sought advice as to why towns in my electorate are receiving state-of-the-art, next-generation satellite broadcast service rather than fibre optic cable to their home. He goes on further to cite this as support of the government's NBN network. In fact, it is not. I wrote to the minister drawing his attention to the fact that Streaky Bay has a population of over 1,000 and is over the criteria proclaimed by the government. It is another failed Labor promise.

PERSONAL EXPLANATIONS

Mr IRONS (Swan) (15:42): I wish to make a personal explanation.

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

Mr IRONS: Definitely.

The SPEAKER: Please proceed.

Mr IRONS: In the electronic version of the Australian today, the Minister for Broadband, Communications and the Digital Economy, Stephen Conroy, wrote that, last week, it was Teresa Gambaro in Brisbane and, this week, Rowan Ramsey in WA and Steve Irons in South Australia asking why towns in their electorates are receiving state-of-the-art, next-generation satellite broadband services rather than fibre optic cable to their home or are not getting fibre rolled out quickly enough. Firstly, I am from Western Australia, not South Australia. Secondly, the minister should not mistake scrutiny of government election promises as a wastage of taxpayers' money or a support of government waste. Thirdly, the question I asked was on behalf of a constituent and was to expose another Labor election lie.

MATTERS OF PUBLIC IMPORTANCE

Carbon Pricing

The SPEAKER (15:43): I have received a letter from the honourable member for Indi proposing that a definite matter of public importance be submitted to the House for discussion, namely:

The adverse impact of the carbon tax on Australian manufacturing.

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

More than the number of members required by the standing orders having risen in their places—
Mrs MIRABELLA (Indi) (15:44): It is a week to particularly focus on the crisis that is taking hold in the manufacturing sector. One would think that, at a time when there are so many cost pressures making our domestic manufacturers less competitive against our export competition and against imports, this would be the last time that the government would actually introduce an additional cost of production to manufacturing in Australia in the form of a carbon tax. But what do we have? This government seems to be living in absolute denial on some weird, perverse land on top of the faraway tree, because in the electronic version of the Australian printed out at 2.49 this afternoon the heading is 'Julia Gillard links carbon price to a 'bright future' for manufacturing.' The Prime Minister must be the only person in the country, other than some deluded Greens on the other side of this building, that actually believes that a carbon tax is going to be good for manufacturing.

What we have not heard from the Prime Minister is whether she agrees with that so-called great Labor Treasurer she keeps leaning on, that great so-called reformist Paul Keating, because she refers to all those reforms undertaken by the previous Labor government, not the Rudd Labor government, in trying to link her carbon tax to the reforms of that government and to create some sort of equivalence. In fact she has even tried to link it to the tax reforms of the Howard government. What we have not heard is the Prime Minister saying whether she agrees with Mr Keating when he said on Lateline last month that the new green industries are service industries not the old manufacturing industries. Manufacturing has moved to the east. The service industries are now the new growth industries. We need to hear from the Prime Minister whether that is in fact her view and whether that is in fact the view of the government frontbench.

They seem to be mouthing platitudes about supporting manufacturing, but every single time a manufacturing business or an industry association tries to outline the problems with this carbon tax they are either ridiculed, abused or ignored because there is a frustration in the government. We saw it last week with the member for Isaacs, who was a professional advocate in a former life, who came to this place and was given the very special job of Parliamentary Secretary for Climate Change and Energy Efficiency, presumably to argue the case for a carbon tax. He was unable to convince not only many people in his electorate—I know I was there last Saturday with Senator Fifield and the member for Higgins—but others in the broader Australian community. We see the Labor Party members turn to nasty, vindictive ridicule and mockery.

Yesterday, we had the member for Grayndler make fun of those Australians who had taken time out from work or time out from their farms to come to Canberra and express their anger and frustration with this government. It was not just to do with the carbon tax; it was to do with every single policy area that this government has touched, because we know it turns to the proverbial. Whether it is school halls, pink batts, the carbon tax or the mining tax, these people are sick of it. These people are sick of a government that no longer governs. It is a misbegotten government desperate to survive. It has resorted to ignoring the plight of industry and ignoring the plight of manufacturers.

For so long the Prime Minister has been telling us that we are behind the world. For so long she has been telling us that we have to keep up with the world and that China is forging ahead in leaps and bounds with their carbon tax, and yet in question time she could not even nominate the current carbon tax proposals in China. We see the
desperation of the Treasurer trying to justify
the existence of this government with a
pathetic performance and not one reference
to the real world situation out there in
manufacturing.

What is happening is that on average we
have seen 620 jobs lost each week in
manufacturing during the last three years.
That is more than 105,000 manufacturing
jobs lost over that time, and around one in
every 12 manufacturing workers across
Australia has lost their job since the Labor
Party came to power. We might hear from
the other side, 'That happened under your
government as well.' Actually, no. This was
after 13 expansions in activity during the
final 14 months of the Howard government.
Labor simply do not understand
manufacturing and the strategic importance
of having domestic manufacturing capability,
and they have no serious plan for its vision
or its future. In fact, that very famous self-
styled faceless man, Mr Howes, was reported
in today's papers as saying, 'Bailouts and
calling the ambulance is fine and we
appreciate that support but I want our
government and our country to be proactive,
to actually look forward and say: are we
going to be a country which makes things?' It
goes on to say: 'He called for a long-
term visionary plan for the Australian steel and
manufacturing sector.'

Wouldn't you think that a bloke, the head
of a union that represents steelworkers would
actually put someone in as Prime Minister—
use his numbers, use that great political
power behind closed doors—who understood
the importance of manufacturing, who
actually had a vision for manufacturing in
this country? Again, it goes to illustrate the
shallowness in the frontbench and in the
Prime Minister when it comes to
understanding industry and the impact that
the prospect of a carbon tax is having on
them now.

Yesterday at a press conference we had
the Prime Minister, Minister Carr and the
Treasurer. The Prime Minister and Minister
Carr were asked yesterday what they have
done and what they were doing for
manufacturing beyond the specific
announcement regarding BlueScope Steel.
Rarely in politics have I seen a more
embarrassing encapsulation of a government
in complete ignorance of such an important
sector of the economy. It was cringing to
watch. The Prime Minister fumbled for an
answer before finally settling on green cars
and cooperative research centres—that is
right! Green cars and cooperative research
centres. She has not only cut the cooperative
research centre program twice in the space of
her first year as Prime Minister and put the
very viability and future of a number of
those CRCs at risk, but also abolished her
total green car program worth hundreds of
millions of dollars and without any warning
to the industry whatsoever.

So it is not just the adverse effects of the
carbon tax. The carbon tax and the manner in
which the government has tried to implement
it colour every approach they have to other
policy. We have heard from manufacturing
about the problem with sovereign risk. We
saw car manufacturers sit down with a Labor
Prime Minister, they opened up their books,
they were told to commit to investment in
Australia and the Labor government would
co-invest. They did that through the Green
Car Innovation Fund. Guess what? After the
election, without any consultation, without
any warning and having made those
commitments to international companies that
opened up their books and trusted this
government, they just cut funding. No
wonder manufacturing in this country is
under siege when those who supposedly
negotiate with the government, liaise with
the government, cannot even trust their
word. The approach to the green cars has
been so bad that the issue of sovereign risk is a serious consideration for those wanting to invest in manufacturing in Australia. And yet, those are the Prime Minister's two key manufacturing policies—basically the sum of her total manufacturing vision for Australia.

And it does not get any better when we look at what Minister Carr said to the same question. Do you know the first thing he mentioned? The first thing he mentioned was that he had changed the name of the department. That is right! What have you done for manufacturing? I changed the name of the department. How imaginative was that! That was the biggest achievement to pop immediately into his head after so many years as the industry minister. The sad part is that the answers are actually grounded for once in reality because they have done absolutely nothing for manufacturing in this country except seek to fulfil the words of their mentor, of their hero, Paul Keating. They do not really want manufacturing left in this country. That is why they will not do the hard work to have the policies and the framework to ensure that Australian innovation and Australian investment in manufacturing can continue. Minister Carr also said that it was important to ensure that we had a steel industry in Australia and that the industry have the capacity to restart operations. Presumably, he meant they could restart export operations, because BlueScope has essentially ended their export industry. How can the domestic industry have the capacity to ramp up when the dollar is in a more favourable position for them and when Australian manufacturing is going to be imposed with yet another cost to production? It is another cost to making steel in Australia that will not be borne by steel that is imported from other countries. So how smart is the minister when he says, 'Oh well, one area of business for BlueScope has gone, but we want to make sure it survives in Australia so it can ramp up and possibly be exporters'? How is that going to happen, Minister, when there is no vision or outline for reducing the cost of production to the Australian steel sector and when in fact you want to impose an additional tax on Australian steel making?

Yesterday the government was arguing that the announcement of BlueScope steel had no connection with the looming threat of a carbon tax. Why is it raiding the very fund that it set up and designed specifically to deal with the impact of a carbon tax? Why is a scheme that, according to its own fact sheet, has been set up to stimulate industry 'investment, including on the acquisition of new or upgrading of existing plant equipment' being used in a case where the reverse is actually true? It is because the government really does not know what it is doing. It is fumbling from problem to problem. In the next few weeks when we have more announcements from innovative Australian manufacturing companies that will not be good news for their workers and the economy, we will have no direction and no vision from this government.

What does this government do? It demonises people. We saw the demonising of protesters against the carbon tax yesterday. The AWU boss said on 21 August that the steel industry in Australia had not innovated since 1983. He referred to the ineptitude and the lack of vision in his own government and his own Prime Minister. He is now so frustrated and angry that he is trying to blame industry, but this is obvious nonsense and it was designed to unfairly demonise the steel industry. When you look at the facts you see that since 2002 BlueScope alone has invested more than $2 ½ billion in capital equipment.

What does the Parliamentary Secretary for Climate Change and Energy Efficiency do in
his electorate? In early August, he turned up at the AGM of the South East Melbourne Manufacturers Association, and when one business owner said to him that their electricity bill was going to increase by $120,000 the barrister, who lives in the seat of Higgins, not Isaacs, said, 'Oh, that's a modest increase in prices.' The arrogance and the inability of this government, this executive, to break out of its own bubble has led to this devastating carbon tax and is leading to policy paralysis that is endangering the viability of many decent Australian businesses.

There was another business owner who explained to the parliamentary secretary that to stay in the market, as they had explained to me, they only made a profit of $15 for an item they exported to Germany. Do you know what the parliamentary secretary said? He said, 'Well, obviously you have other problems in your business,' not that it was the failure of this government in imposing additional costs, in not having vision for productivity or in not having any vision for this economy. We see it right across food processing with the additional costs to Nestle, Murray-Goulburn farmers and all sorts of manufacturing and agriculture across the country. (Time expired)

Mr BRADBURY (Lindsay—Parliamentary Secretary to the Treasurer) (15:59): I am very pleased to contribute to this debate on the question of the impact of the carbon tax on Australian manufacturing. I was interested to hear the comments of the member for Indi, who has taken it upon herself to try and become the scary face of the scare campaign that has been waged against the government's efforts to price carbon. I know that that campaign she has been waging along with her leader is a campaign that has even brought her into my neck of the woods in Western Sydney. I saw recently that she visited Western Sydney—
But Ms Mirabella and Senator Payne told him that "every time you switch on a light, you will be paying".

So don't worry about what Mr McMaster thinks; Ms Mirabella and Senator Payne are going to tell him what the impact is going to be. That is what you do when you visit a business and the questions you ask do not deliver the answers that you are looking for: you start to put words in people's mouths. In the article Ms Mirabella goes on to say:

"Predictions of how the tax will affect people—

The DEPUTY SPEAKER: The honourable member for Indi, is her title.

Mr BRADBURY: The member for Indi goes on to say:

"Predictions of how the tax will affect people have not been spot on but businesses will cop more costs, forcing some of them to move production overseas …

That is mere assertion, with not one ounce of evidence to support that proposition.

We heard the member for Indi a little earlier in this debate say, 'It is very simple: if you impose a cost upon a business that is not a cost that is imposed on a business elsewhere in the world then that business will shut down and relocate.' So my simple question—and I think this is a question Mr McMaster would be interested to hear—is this: what is the land tax and payroll tax that is being imposed on people elsewhere in the world? And if indeed there are countries in the world where there is not the same payroll tax and land tax that is being imposed by the O'Farrell government in New South Wales, then why is it that this business has been able to continue to operate within New South Wales and Australia?

I must say I am looking forward to the member for Indi and Senator Payne commencing their campaign against these great big taxes on everything—the great big tax on payroll, the great big tax on land. If they were going to have an even more profound impact than the carbon price, as Mr McMaster has suggested, then you would have thought that the federal opposition, so concerned about the competitiveness of industry and the cost of living, would be waging a campaign against Mr O'Farrell's land tax and payroll tax. I have not heard that campaign yet but I look forward to it and I will join with the member for Indi and Senator Payne in that campaign.

The member for Indi has come into this place and talked about the crisis in manufacturing. This is further evidence that people on that side of the chamber are more concerned with talking down the economy and talking down industry than trying to assist industry to cope with the challenges that they face. We all know the nature of those challenges—in particular, the rising dollar. If you look at all the commentary that has come from those who have made some of the decisions that are the subject of the discussion here, you will find that they have all cited the high dollar as having the major impact—no suggestion of a carbon price. It is disingenuous to come into this place to allege that an impost that has not even been passed by the parliament, let alone levied, has in fact led to these impacts, when the businesspeople who are making these decisions at the coalface have acknowledged that the impacts are more about with the value of the dollar than any government policy or any other factors.

I note that the member for Indi was interviewed on radio today. She was asked some questions about Tony Abbott's efforts in proposing to cut $500 million worth of assistance to the car industry. That seemed to be something that the member for Indi was not aware of. I know she is only the shadow minister, but you would think she would be aware of a proposed half-billion dollar cut to the car industry. The interviewer went on to
ask some questions, and the member seemed a little bit sheepish about it all. Then the host said:

But five days ago Tony Abbott did commit to that policy.

The member for Indi said:

Well, there you go. But this is not a single-bullet solution.

There you have it. At a time when we have, according to the member for Indi, a crisis in manufacturing, she is talking down the economy and talking down manufacturing with all her talk of a crisis. It is so much of a crisis that the opposition’s panacea is to rip the guts out of an industry assistance program—half a billion dollars out of an industry assistance program. That is going to help! What sort of crisis are we going to have when we finally allow the member for Indi to have some influence on government policy in this space? She visited Mr McMaster in Girraween and was told, 'Really, the carbon price is not the big issue you're trying to scare people into thinking it is; the bigger issue is actually land tax and payroll tax, and if you really wanted to represent me as a manufacturer in Western Sydney you'd stand up and take on Mr O'Farrell—but, sorry, he happens to be in the same political party, so we won't do that; we'll beat the carbon drum.' And that is what they have been doing.

When the proposal to cut this $500 million from the automotive industry was announced, the Herald Sun reported:

"It removes the additional assistance to the motor industry that the government has provided largely through the stimulus package," Mr Abbott told reporters in Canberra today.

Oh, the stimulus package! It is no wonder Mr Abbott wanted to rip away that half a billion dollars; it was part of the stimulus package that he spent the last couple of years telling us we did not need. Well, go and talk to people in Western Sydney and see what they think. I hope, when the member for Indi goes round on her carnival of fear—her scare campaign—that every time she visits a manufacturer she asks them, 'What would have been the impact on your business had the government not acted to stimulate the economy?" The government provided things like the business investment allowance, which many manufacturers in my electorate took advantage of. They invested in some very heavy machinery and equipment as a result of the very generous tax arrangements under the business investment allowance. So, when the member for Indi goes around and tries to scare people—as scary as the prospect of her knocking on someone's door and coming in unannounced is—by telling them that they will be wiped off the map, that their business is going to have to shut down because this carbon price is coming in, she should also be honest with them about the electricity costs that they currently face and she should outline what her plan is to reduce those costs.

We know that there are many, many businesses out there that are facing the challenge of rising power costs, and when we talk to those in the investment community about why they will not invest in new generation capacity, they all come back to the same thing. They say, 'We will not do it because of the uncertainty due to the lack of a price on carbon.'

Mrs Mirabella interjecting—

Mr BRADBURY: We can carry on with this game that the coalition have been playing for the last decade, where they deny the fact that we have to price carbon. It is an inevitability, as the shadow treasurer said—

Mrs Mirabella interjecting—

The DEPUTY SPEAKER: Order! The honourable member for Indi has made her
contribution and she has also had a pretty good opportunity to interject.

Mr BRADBURY: As the shadow Treasurer said, it is an inevitability that we will have to price carbon in this country. That is why Michael Fraser, the CEO of AGL says:

AGL supports the introduction of a price on carbon emissions as soon as possible to provide investment certainty for the energy industry as Australia begins the transition to a low carbon economy.

Meanwhile, out there in the electricity generation world we see that old generators continue to pump out the electricity at higher and higher cost. The investment community is standing back not prepared to invest in new generation capacity because they have to go and borrow money. They have to raise capital. They have to look at a return on their investment across the life of that asset, which might be 30 years, 40 years or 50 years. And they know, because even the shadow Treasurer is telling them, a price on carbon is inevitable. They know it is coming; they just do not know when and they do not know how much they are going to have to pay. They want to know when and they want to know how much they are going to pay so they can factor that into their long-term investment decisions. But every day that they are given continued uncertainty they will choose not to invest in new energy-generating capacity. Like running an old motor vehicle, they will keep their generators on the road; they will keep their generators running at higher costs and they will pass those costs on to consumers all around the country. So people in my electorate, manufacturers and householders, will pay more in electricity costs because of inaction and uncertainty. That is why we say we are going to deliver certainty. We are going to give the investment community certainty about the price on carbon. You know it is coming; we will tell you when it is coming and how much you are going to pay so you can make the long-term investment decisions that you need to make in order to secure energy security for this country in the future.

If the coalition ever have the opportunity to repeal the legislation that we intend to put in place then they will have to look people in the eye and explain why there has not been any new investment in electricity generation. They will have to answer that question. And they will have to answer the question about why people's power bills continue to go up, up and up. And they will have to answer the question as to why they do not have a plan to deliver more investment in electricity generation in this country. Indeed, they do not have a plan that will contribute to easing the burden of the rising cost of living that comes with electricity power prices increasing at the rate at which they are. They do not have a plan to encourage renewable energy or cleaner and more efficient energy. There is no plan from the opposition. That is something they will have to confront.

The coalition have already indicated that the way they will fund their much more expensive approach to reducing emissions— they do agree with five per cent but they have a more expensive approach to reducing emissions—is by cutting funding elsewhere. They want to cut $70 billion worth of expenditure. We all know what a coalition government is like. We all know that they slash spending when it comes to services and they cut jobs. We are currently up to about 13,000 jobs that they want to cut. We know that they will bring back Work Choices. As sure as night follows day, when you bring back the coalition, when the coalition gets into government, not only will they cut expenditure on government services but also they will cut jobs and bring back Work Choices. *(Time expired)*
Mr TUDGE (Aston) (16:14): We have just had a 15-minute speech by the member for Lindsay on a matter of public importance which concerns the carbon tax's impact on our manufacturing sector. The member for Lindsay talked about the payroll tax and the land tax. Even Work Choices came up. He talked about the coalition's policies, but he barely mentioned his government's own policy, which is to apply a huge economy-wide carbon tax from next year that will impact on every single manufacturer across the country. The only positive thing that he could say in his entire 15-minute address to this House is that their policy would provide certainty. The certainty in their policy is that the carbon tax starts at $23 and will continue to go up and up and up and up over time. The certainty on this side of the House is that there will be no carbon tax. We are very, very clear in that regard.

If the news from yesterday was not a wake-up call for this government not to proceed with their carbon tax, then I do not know what will be. The headlines of the major papers screamed that a thousand jobs would be lost from BlueScope Steel due to the closure of one of the three remaining blast furnaces. A thousand families will be affected by that decision—a thousand mums and dads who will be going home and telling their kids one of the more difficult things to tell their children that they no longer have a job.

If it were just BlueScope Steel cutting workers that would be bad enough, but it is not. It is happening right across the manufacturing sector right across Australia, and it is happening right now. It is happening in large companies such as BlueScope Steel and it is happening in medium companies and it is happening in small companies and small businesses, including in my own electorate in outer eastern Melbourne, the electorate of Aston. As Alan Oster, the chief economist at the National Australia Bank, has said, manufacturing today is effectively in recession. If you do not want to listen to a big-company economist point out that manufacturing is in recession, then maybe the members of the government would listen to one of their own people. One of the four faceless men who put Julia Gillard into the prime ministership and into the Lodge, Mr Paul Howes, the head of the AWU, said:

… we are now facing a major crisis in Australian manufacturing.

Of course, the numbers support this assessment. As the member for Indi has pointed out, 90,000 jobs have disappeared from manufacturing in the last three years alone.

In the face of this crisis in manufacturing and in the face of weak economic data not just in manufacturing but in retail, in housing and in the unemployment figures right across the board, what does the government suggest should be the response to this crisis? In the context of jobs being lost and weak economic data from Europe and the United States and retail figures being down, what does the government instinctively reach for as the answer to every single problem it faces? That is right: a new tax, as the member for Longman pointed out. It is not just any old tax but a tax which will apply across the board and affect every single business in Australia. It will be the biggest carbon tax in the world with the broadest application and it will be an economy-wide tax. It will add cost to manufacturing. It is a tax that will cost thousands of local manufacturing jobs.

The reason it does this is that the carbon tax will make Australian manufacturers less competitive. Part of the difficulty for Australian manufacturers today is the intense competition coming from places like China. This carbon tax does not support our own
manufacturers in the context of very strong competition from places like China and India. The carbon tax does not even create a level playing field for Australian manufacturers versus international manufacturers. No, that is carbon tax is a production tax, which means that it penalises manufacturers in Australia but does not apply penalties to imported competition. The member for Lindsay mentioned the automotive industry. According to a report from PricewaterhouseCoopers, the carbon tax will make every single Australian car up to $400 more expensive, but it will not have any impact on cars made in Japan, Germany or the United States. Australian cars will be up to $400 more expensive due to this carbon tax but it will not apply to the imports.

The Prime Minister is fond of talking about price signals. She comes into this chamber and says, 'This carbon tax is all about sending a price signal to the market.' What sort of price signal does it send when an Australian made car will cost up to $400 more than an internationally made car due to this carbon tax? What sort of price signal does that send? It sends the signal to go and buy an international car. The same applies to every single manufacturer in Australia who competes with international companies, which these days is nearly all of them.

A small example in my electorate is Vicpole in Bayswater, a company I have mentioned before in this House. Alan Vickery, the Managing Director of Vicpole, says, 'I cannot build in a measure to counter a 20 per cent price increase when my competitors do not have that same cost.' His is the only Australian company which manufactures street poles and bollards. All of his competitors are international. He says, 'It would not be the end of Vicpole to have the carbon tax imposed but it would be the end of 40 jobs.' There would be no requirement to have 40 employees to unload containers if he simply imported those street poles rather than manufactured them here in Australia. There are hundreds of examples like this in my electorate and in the adjacent electorates of Deakin and La Trobe, and I ask those members, 'Where are you in standing up for your manufacturers in your electorates?' For example, in the parts of Bayswater and Boronia that are in the La Trobe electorate, where are those members standing up for their electorates?

As I pointed out, manufacturers are doing it exceptionally tough, but this government seems to believe that its carbon tax is actually going to be fantastic for those manufacturers. We heard from the member for Lindsay that it is going to create fantastic certainty. The government is not concerned about additional costs on manufacturers; it thinks this is going to be a good thing. Every single day the Prime Minister comes into this House and says: 'This is all about jobs. This carbon tax is all about creating jobs.' I have news for the members opposite: if you increase the costs to businesses in Australia and you do not increase the costs to competitor businesses overseas, you will end up advantaging those competitor businesses overseas and disadvantaging our businesses here in Australia.

Mr Bradbury interjecting—

The DEPUTY SPEAKER (Hon. Peter Slipper): Order! The parliamentary secretary has had his opportunity.

Mr TUDGE: If you do not believe me or you do not believe the essential logic that increasing the cost structure for Australian manufacturers is bad for those manufacturers, then maybe you will listen to Manufacturing Australia, which says that 'it will be the death knell for manufacturing in Australia.'
What is the point of all of this pain? Will it reduce emissions? Is this policy which is going to penalise our manufacturers actually going to reduce emissions? No, it will not. What it will probably do is make the overseas manufacturers more competitive, which means that some of our businesses will shut shop here and open businesses in China, where the standards are lower; hence, global emissions, which are what count, may actually grow. This is the ridiculousness of this carbon tax. This is the farce. This is the worst of all possible times to be introducing a carbon tax, when we have manufacturers across the country laying off workers and struggling as it is with a high dollar and fierce competition. They did not need an additional tax which will apply to their businesses and not to their international competitors. *(Time expired)*

Ms BIRD (Cunningham) (16:24): I rise to participate in this matter of public importance debate in this House on manufacturing and its future. I am joined in the House by my colleague the member for Throsby. Members of the House would be aware that we took the opportunity in this chamber to put on the record the events that happened in our region yesterday with the BlueScope Steel announcement and our direct and real concern for the families that have been affected by that decision. We are determined to stand with them in providing the support that the government is able to provide to them and more broadly in providing support to BlueScope as a continuing steel manufacturer in our region. We will continue the work that we have already begun on providing opportunities for support and expansion of the manufacturing sector in our region.

It is important and a good opportunity to take those comments made yesterday further in addressing this particular debate before the House today. It is a sad pity and in many ways a fairly disgraceful pity that those opposite are seeking to use what is a difficult time for those families in our region and for our region as a whole as a political point-scoring exercise around the carbon tax issue when it has been made quite clear on numerous occasions by BlueScope Steel executives that the carbon tax had no impact on the outcome that was announced yesterday. The executives made that point at the time when we announced the Clean Energy Future package.

It is important to indicate to the House in this debate that the member for Throsby and I believe that the future of manufacturing is a key point to this nation and has an important role to play in the mix of our economy into the future. It is true to say that we are in a transition process within our manufacturing sector to the more high value-added production processes, to greater utilisation of innovation and to putting the production of research and development into the delivery of new products and services in the sector. The manufacturing businesses that will make it through this transition that we are experiencing will have a package of production techniques innovations, creative thought and use technologies in ways that we could not even imagine a few years ago. They will have a full line of service opportunity in providing problem-solving solutions for production of those products and after-sales service and follow up in an integrated model that will give us a real competitive advantage, I believe, in the international market.

In our area we are working on expanding the significant relationship that these businesses have with our local university. At the University of Wollongong our government has already been thinking about this linkage and we have funded $43.8 million to the Australian Institute for Innovative Materials and additionally a $25
million investment in a Sustainable Buildings Research Centre on the Innovation Campus of the University of Wollongong. These are directly designed to create opportunities in the new space for modern manufacturing and to link those to the opportunities in our region.

Next Tuesday my colleague the member for Throsby and I will convene an Illawarra manufacturing expo. This is designed to ensure that local manufacturers are aware of and able to access the many different programs that are available through a range of Commonwealth government departments. I should indicate that a number of those programs are on the chopping block of the opposition in their search to find $70 billion worth of savings. We are hosting this event at the Australian Institute for Innovative Materials to allow us to encourage and foster the development of an ongoing relationship and partnership between the University of Wollongong and the manufacturing community in the region. We are grateful that the Minister for Innovation, Industry, Science and Research, Senator Kim Carr, will be the guest of honour at that Illawarra manufacturing expo. I should indicate that it is important to recognise not only that the University of Wollongong and the various federal government departments are in our region playing a role but that today we particularly welcome the information that BHP Billiton, through Illawarra Coal, have announced that they are going to step up as a good corporate citizen in the region and play a role in assisting us through this process. They have indicated that they are putting in place an initiative whereby they will establish an online job centre to take job applications from people affected by the BlueScope steel announcement, as well as other local people who are interested in joining the coal industry.

Mr Colin Bloomfield, whom we work closely with in our region, said the company had recently employed a number of people without experience in the mining industry and they will look to employ up to 50 more people in a range of roles across their Illawarra coal operations. They are also open to taking applications from people for their interstate activities, including their Queensland coal operations where they have more than 750 job vacancies and their iron ore operations in Western Australia where they have 600 vacancies. This is an example of the strength of our region. The Illawarra has been through difficult times in the past and I think the great resilience of our region is the fact that we all do pull together, whether it is the community sector or the government sector and elected representatives or our media, who play an important role in sustaining confidence for the community in our future. All of us pull together, and this is an example of our corporate sector also being a part of that.

The member for Throsby and I will work with all the lead organisations in our region, whether it is business organisations, the Illawarra Business Chamber, the Illawarra branches of the Australian Industry Group and Regional Development Australia or our union organisations—the South Coast Labour Council and the affected unions, in particular the AWU and the AMWU—to find opportunities and ways forward for our region in the confidence that our people are up to this task. Part of that task is finding the opportunities that do exist with the introduction of a price on carbon.

Those opposite only ever want to run a fear campaign. I point them to a tremendous example. The Illawarra Mercury gave us great coverage of a green jobs conference, organised by our regional development organisation. They highlighted the story—those opposite scoffing might want to listen...
to this—of a manufacturer in my seat called David Brown Gears. The company was originally established as a manufacturer of mass produced gear components. That business has been transformed to become the type of integrated business in manufacturing that I talked about earlier. It produces significant massive sized gear products. It goes in, looks at the challenge, particularly for large conveyors and so forth, designs specific solutions and problem solves where there are issues. It provides the product, it does follow-up service and advice and it is doing particularly well. The Illawarra Mercury highlighted a new line of opportunity for the company, which it has now got into—that is, gears for wind turbines.

This is a story of manufacturing into the future. It is about opportunity as well. Those opposite never want to talk about the important role that many manufacturing businesses continue to play and will increasingly have opportunities for under a price on carbon. I think it is important that when we have these debates we also understand in regions like mine—the member for Throsby and I have generational commitment to our region—the challenges of transition. We understand it is a hard time and the Gillard government will stand shoulder to shoulder with a region like ours with confidence in its future and the future of manufacturing more broadly.

It is an absolute disgrace that in a debate like this those opposite—and in particular the member for Indi in her opening contribution—only see a political opportunity to run another version, another strand, of a fear campaign on a price on carbon. That is an absolute abrogation of responsibility not only to the 800 families directly affected in our region but also to those who are seeking a future in our region. They need to hear a message of confidence, quite frankly, from those in this House in our future, in the future of our region and in the future of manufacturing across the nation.

I finally point out that those opposite have absolutely no solutions. They oppose the Steel Transformation Plan, they oppose our bringing the money forward and they oppose our applying the innovation and industry investment fund—all of those things that are going to be used to transform our region. What are they proposing? Absolutely nothing, as if the manufacturing problem does not exist. (Time expired)

Mr O’DOWD ( Flynn) (16:34): I rise today to support my colleagues from Indi and Aston on this matter of public importance: the carbon tax that is no good for Australia. It affects my electorate more than any other electorate in Australia. It is a toxic tax, and nothing more than a tax. It will not do anything at all for the atmosphere in my area or any other area of Australia.

I do not go knocking on doors in my electorate, they come knocking on my door and they say to me: 'How safe is my job?' What can I tell them? This is a tax that will be antimanufacturing, antibusiness and antijobs. Jobs in my area finance a lot of jobs in this House. Yesterday we saw an announcement that 1,000 jobs will be lost in the steel industry. I do not want this to happen to the aluminium industry, which is Rio Tinto in Gladstone and which supplies over 4,000 jobs to the people of Gladstone—to say nothing of the people in Weipa who supply the bauxite to Gladstone. Merrill Lynch, overnight, predicted 100,000 jobs would be lost to the Australian manufacturing industry by March next year. That is only six months away.

What do they think on the other side of the House? When are they going to wake up?
Goodness me, they are asleep at the wheel. They are fiddling out of their depth; Rome is burning and they are sitting. Business in my electorate has lost confidence. Business around Australia has lost confidence. There is no certainty left in Australia. From here on—I do not want to say it but I am going to say it—jobs are going to fall because there is no confidence in this Labor government.

I was flying home to Gladstone on Saturday and sitting beside me was a construction worker. I said, 'Where are you working now?' He said, 'I'm working in Indonesia on a nitro fuel plant.' He said, 'We expect to be there for some time because there are so many things happening in Indonesia.' There are 600 Australian companies in Africa. There are 225 projects underway by Australian companies in Africa. There is delegation after delegation from African countries coming to Australia because they can see that there will be plenty of jobs they can get for workers as the industry closes down in Australia. That is a fact.

Gladstone has two aluminium refineries and one smelter and as I mentioned before they employ over 4,000 people. The high Australian dollar, the low Japanese yen, the Chinese yuan or the RMB—how long do you think it will be before these businesses are under strain? Businesses do not work on their budgets for 12 months—it is a long-time thing. They look at their balance sheets, they look at their P and Ls and they do projections for the next 20 years, and I can tell you now that they are factoring in this carbon tax and that their only hope is that the Labor government will be kicked out within two years. Then we can return it to normal.

There is a proposed steelworks plant for Gladstone which would employ 2,000 people. Where would that project stand at this moment with what has happened to OneSteel and BlueScope Steel? This is very serious. To the plan from the opposition, the government says 'Oh, a steel transformation plan'. What does this mean? Do we have an aluminium transformation plan? Do we get a cement transformation plan?

Do we get a chemical factory transformation plan? What will we tell the people? The people are going to pay. The taxpayers of Australia are going to pay. What are we going to say to the families that have geared their budgets to current incomes from their stable industry jobs? 'Oh, sorry, your $100,000-plus a year job has just gone, but wait—we'll give you a job in renewable energy! How about greasing the windmills? How about putting solar panels on rooftops? By the way, you won't be making the solar panels because they're made in China and they'll be transported out here. Centrelink is there to help, too. We'll see you right!'

Once all the steel, aluminium and cement industries are shut down, who are the 500 biggest polluters going to be? Just imagine the fun on the opposite side when the carbon cops are running around the countryside saying: 'Are you in the 500? Are you over the 500? We're coming to get you, guns ablaze!' But there will not be any polluters out there because there will not be any industries there. It will be too late. Industries will be offshore and so will our skilled staff. They will be working in South America, Africa, Indonesia or China. Trucking companies, meatworks, farmers—bring it on! It is a great plan! 'We'll look after you. A transformation plan for everyone!'

What does the government's support do to manufacturing? It has already announced that it is going to wipe $2 billion off the car industry. That is a disgrace. The government talks about the opposition, with $500 million, but its plan is to wipe $2 billion off the Australian car industry. When you look
at the Australian car industry you see it has adopted packages to get emissions well down—that is how we will get our emissions down. Look at our trucks; they do not blow smoke anymore. There are a lot of issues that we take direct action on that do not get recognised by the government.

Our Treasurer wonders why we have inflation: health and medical services are up 5.6 per cent; education, up 5.9 per cent; food, up 6.1 per cent; electricity, up 10.7 per cent—this is in one year, mind you; petrol, up 11.3 per cent; water, up 12.8 per cent. The Treasurer wonders why we have inflation. It is the government charges that are putting up the cost of living and that directly relates to our interest rates—they go up accordingly. He does not know what is causing inflation—he is causing the inflation! The Treasurer and his buddies in the states over the past few years have caused inflation to the point where we are buckling under the interest rate pressure. It is hopeless.

It is written that back in 1957 Joh Bjelke-Petersen and the Country-National Party coerced big companies like Rio Tinto to get involved in the manufacturing industries in Queensland, especially the aluminium industry. When the aluminium industry first came to Gladstone in 1965 the people threw their hands up in the air with joy; we had something more than fishing and grain crops. There were incentives given, but they always paid their way. You would think the companies do not pay much but by the time you add corporate tax, royalty tax, superannuation, GST charges, payroll tax, land tax and MORT our companies are paying big money to live and have their industries in our country. Do not frighten them away, please. We need them. We all need them.

Mr STEPHEN JONES (Throsby) (16:44): We have heard 25 minutes on the topic of manufacturing in this country from the opposition, without one constructive policy proposition. From those who would like to sit on this side of the chamber, there was not one proposal—not one proposal. I was hoping that the member for Indi might use the opportunity of this matter of public importance debate to clarify the response she gave on a recent television program, where she was pinned by the host, Tony Jones, who asked her:

Can I get you to respond to criticism from the government that the opposition is saying that it supports the manufacturing sector, you want Australia to keep making things, but in practical terms you're not providing the support that your rhetoric would suggest. For example, Tony Abbott has said you will cut $500 million in assistance to the car industry.

Mirabella: Well, supporting the future of manufacturing requires several different policies and we are working on our policy response. We have already foreshadowed that we will have a very robust—

Host: But one specific—you have said that you're cutting half a billion dollars from the automotive industry.

Mirabella: Well, that is one policy from the last election. We are not going to do—

Host: And Tony Abbott says, 'I'll stay with that policy.'

I was hoping that, in a debate about the opposition's proposed policy on manufacturing, we might hear the manufacturing spokesperson come into this place with something positive to say about an industry that is indeed going through a difficult time at the moment.

Times are tough for manufacturing, and they are tough for a number of reasons. They are tough because of the circumstances facing the European Union economies. They are tough because of the circumstances facing the world's largest economy, the United States. They are tough because of the
high Australian dollar, which is at record levels. It has been over US$1.10 numerous times this year and it does not look like it will go south of that any time in the near future, making it very difficult for our manufacturing sector to compete with low-cost inputs. It is a tough time for manufacturing because of the high input costs. We are enjoying fantastic terms of trade at the moment because the high prices that are demanded for our iron ore and our coal are great for those who receive the benefit from that, but for many in the manufacturing sector those high prices for iron ore and coal are known as high input costs. We also face the fact that, in world terms at least, we have a very small domestic market. So, for our industries to survive, they must find niche markets within the domestic market or export to larger overseas markets.

There are some other reasons why manufacturing is struggling at the moment, reasons that the member for Indi and those behind her will go to great lengths to avoid talking about. One reason is the fact that, after 11 years in government, those opposite left this country with a woeful skills crisis because they never invested in skills and education, because they do not believe in the university sector, they do not believe in the TAFE sector. In fact, their only policies in relation to the TAFE sector were to try to destroy and replace it. A further reason is the poor state of public infrastructure, the $40 billion infrastructure deficit that they left us with and which we, because we believe in roads, rail and ports, have started to turn around. It is a tough time for manufacturing at the moment, but there are a whole range of reasons for that that those opposite will not want to talk about because, if they talk about it, they have to go to the heart of their woeful legacy.

There is another reason why times are tough for manufacturing, and that is because, globally, manufacturing itself is going through a transformation. All of the smart businesses in the manufacturing sector, and that includes those in China, understand that they have to transform their operations if they are going to be viable and competitive in a carbon constrained future. They are moving to innovate; they are putting billions and billions of dollars into research and development. That is what the smart companies are doing. That is what the smart countries are doing. We know that, if our manufacturing industry is to have a future in this country, in an open economy and a trading world economy, we have to move our manufacturing through that process of innovation and transformation as well. It matters a lot because one million people are employed in the manufacturing industry. Over one-fifth of all engineers in this country are employed in manufacturing. It is an important place for knowledge and innovation. The manufacturing sector contributes about $4.5 billion to research and development and innovation in this country, so we know on this side of the House that we need to do whatever we can to ensure that we have a viable, robust manufacturing sector which is able to transform itself to compete domestically and in a global market.

Let me get to the issue of carbon pricing and a carbon constrained future because, if you listened to the debate around this place, you could be forgiven for thinking that one side of politics believed in climate change and the other side did not, and that one side of politics had a target for reducing carbon emissions and the other side did not, when in fact that is not the case. The simple fact is that we have a bipartisan position on the targets for reducing our carbon emissions in this country—five per cent by 2020 over our 2000 emissions level. We also have a bipartisan commitment to the contribution of
the renewable energy sector to meeting that emissions reduction target.

The single difference between those on the other side of the House, those who sit behind the member for Indi, the shadow spokesperson on manufacturing, and those on this side of the House is not whether we believe in carbon pollution, not whether we believe in climate change and not whether we believe Australia should play its role in reducing our carbon emissions, but how you do it. I think that if we are to have a sensible policy on how we do it we should look at the least cost means of abatement, which is why we have approached this by a market mechanism, by putting a price on carbon. I could not find a better way of expressing the proper role and the proper approach of government in this matter than to refer to the words of the Boston Consulting Group on this matter, where they said that the government's role should be to create the market environment that will lead to the outcomes sought either through putting a price on carbon or placing a cap on how much carbon will be emitted and then allowing companies to trade CO2 entitlements. They went on say that governments are poor at making such hard-headed assessments to determine what gives the best returns for a dollar invested, and that political considerations and emotional arguments inevitably cloud judgments; the decisions should be left to the market.

Of course, consulting groups do not speak. These are the words not of the Boston Consulting Group as an organisation but of a person who used to work for the Boston Consulting Group, a man who used to be known as Alan Tudge, but in this place is known as the member for Aston and the person who spoke. I am glad to see he is back in the chamber. He probably recognises those words. They were the words he penned in an op-ed to the Australian on 13 February 2007—when he was not walking lemming-like in the procession of opposition, in the procession of 'no' led by the Leader of the Opposition, the weathervane on these matters, who has had more political positions on this than the Kama Sutra—when he was actually talking common sense and had the ability to speak plainly, to talk in the language of experts and in the language that understands the best way of approaching this bipartisan objective.

I commend the approach of the then Alan Tudge of the Boston Consulting Group, now known as the member for Aston, because I think he makes a lot of sense when he says that the best way of approaching this is through a market mechanism. I implore the member for Aston to show a bit of gumption and get up inside his caucus room and join with those others on his side of the chamber who know that this debate can be won with a bipartisan approach.

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

MINISTERIAL STATEMENTS

110th Anniversary of the Australian National Audit Office

Mr GRAY (Brand—Special Minister of State for the Public Service and Integrity and Special Minister of State) (16:54): by leave—This year marks 110 years since the first Commonwealth parliament created the office of Auditor-General as an independent public official with wide powers of investigation to scrutinise Commonwealth administration and provide independent, impartial assessments on the state of the public accounts. The ANAO is unique amongst the broader auditing fraternity in that it has an explicit mandate with wide-ranging powers to undertake its duties, including the power to take evidence under oath. The Audit Act 1901 was the fourth
piece of legislation passed by the parliament. It followed the passage of the two supply acts and the Acts Interpretation Act. Thus, the office had its genesis in the earliest days of Federation with the Treasurer of the day, Sir George Turner, introducing the Audit Bill into the House of Representatives on 5 July 1901. He described it as a bill the legislature needed to enact in order that the work of the government may be properly carried out. This sentiment still holds true 110 years later.

As a government minister, I can confirm that occasionally the government incurs some short-term discomfort following the tabling of an audit report. But I have seen the longer-term benefits that flow from the improvements made by government and public sector entities in the light of audit reports. The government and the parliament are very supportive of the work done by the ANAO in highlighting areas where agencies, and at times governments, can do better, and, importantly, in identifying the critical factors for success.

While this is a chance to reflect on the ANAO's rich history, it is also an opportunity to look forward. The Auditor-General's role is unique and the audit work undertaken by the ANAO forms an important link in the accountability chain from the public sector to the parliament and, ultimately, to the Australian community. The ANAO is well positioned to continue the valuable service it provides to the parliament. Auditors-General cannot do their job without the professionalism and support of the ANAO staff. Their work is indispensable for the parliament. I offer my congratulations to the ANAO on the achievement of its 110th year anniversary.

I would also like to take this opportunity record my regret at the death on 18 May 2011 of John Casey Taylor, former Auditor-General for the Commonwealth of Australia from 12 May 1988 to January 1995, and place on record my appreciation of his long and meritorious public service and tender my sympathy to his family in their bereavement. John Taylor started his Public Service career in 1953 with the Postmaster-General's Department. This was the starting point for many Public Service careers in that era. John went on to spend all his working life in the Australian Public Service. John served in a succession of appointments in the then Public Service Board, the Department of Trade and Industry, and the Department of Prime Minister and Cabinet where, as a divisional head, he was a member of a Whitlam government committee headed by the Chair of the Tariff Board, Alf Rattigan, which recommended an across-the-board tariff reduction of 25 per cent. This, at the time, was controversial, but it was accepted by the government.

John held a number of influential Public Service positions including Commissioner of the Public Service Board, 1974-1981; the Secretary of the Department of Aboriginal Affairs, 1981-1984; and the Australian Consul-General in New York, 1984-1988. His career culminated in his being appointed the twelfth Auditor-General for the Commonwealth on 12 May 1988. He served as Auditor-General for seven years, retiring in January 1995 at the age of 64 years. John was awarded the Order of Australia in June 1990.

As Commonwealth Auditor-General, John was seen as a champion of good government and a strong advocate for the independence of his office. He was responsible for achieving substantial changes to the Audit Office by initiating a strategic review of its operations and subsequently organising the ANAO into two business groups aligned to the two major audit deliverables produced for the parliament—performance audits and...
financial statement audits. The Australian National Audit Office (ANAO), which is celebrating 110 years of service to the parliament this year, owes its current name to John.

I move:

That so much of standing and sessional orders be suspended as would prevent Mr Robb speaking in reply to the ministerial statement for a period not exceeding four minutes.

Question agreed to.

Mr ROBB (Goldstein) (16:59): I would like to very much associate myself with the remarks of the Special Minister of State. The office of the Auditor-General plays a critical role in any well-functioning democracy. The ANAO's audit reports are compulsory reading for all of us. Quite rightly, they do give governments some discomfort and anxious moments, but that is what they are there for. They identify the problems and areas that need to be improved. It is important that governments learn from their findings and it is important that oppositions make sure that the government is aware of what the ANAO is finding about the conduct of the Public Service and the many programs that are implemented. When the government drops the ball and becomes lax in relation to guidelines, it is the taxpayers who are the poorer. Today the ANAO is very ably led by Mr Ian McPhee, who is supported by a professional, dedicated and responsive team. On behalf of the opposition I too congratulate the ANAO on the 110th anniversary since the role of the Auditor-General was established.

I would also like to take this opportunity to express my condolences over the sad passing of John Taylor, who served as the Commonwealth Auditor-General from 1988 to 1995. I had the great privilege of having contact with John Taylor over various matters before his retirement. Indeed, he was a fine public servant and a good man. Mr Taylor was a public servant in the finest tradition. As the Canberra Times reported:

He was a good choice for the taxpayer because he had no time at all for people he felt were cheating, rorting the system, or not pulling their weight.

That is a bit salient for the moment. John stayed true to that disposition to the great benefit of the Australian community.

BILLS

Carbon Credits (Consequential Amendments) Bill 2011

Returned from Senate

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

Carbon Credits (Carbon Farming Initiative) Bill 2011

Consideration of Senate Message

Bill returned from the Senate with amendments.

Ordered that the amendments be considered immediately.

Senate’s amendments—
(1) Clause 5, page 9 (line 18), omit "section 44 or 45", substitute "section 44, 45 or 45A".
(2) Clause 27, page 45 (line 24), before "the", insert "if the declaration relates to a sequestration offsets project—".
(3) Clause 29, page 48 (line 14), before "the", insert "if the declaration relates to a sequestration offsets project—".
(4) Clause 30, page 50 (line 11), before "the", insert "if the declaration relates to a sequestration offsets project—".
(5) Clause 31, page 52 (line 9), before "the", insert "if the declaration relates to a sequestration offsets project—".
(6) Clause 32, page 54 (line 10), before "the", insert "if the declaration relates to a sequestration offsets project—".
(7) Clause 33, page 55 (line 2), before "the", insert "if the declaration relates to a sequestration offsets project—".

(8) Clause 34, page 55 (line 25), before "the", insert "if the declaration relates to a sequestration offsets project—".

(9) Clause 35, page 56 (line 16), before "the", insert "if the declaration relates to a sequestration offsets project—".

(10) Clause 36, page 57 (line 4), before "the", insert "if the declaration relates to a sequestration offsets project—".

(11) Clause 37, page 57 (line 29), before "the", insert "if the declaration relates to a sequestration offsets project—".

(12) Clause 38, page 58 (line 27), before "the", insert "if the declaration relates to a sequestration offsets project—".

(13) Page 72 (after line 33), at the end of Division 9, add:

45A Eligible interest in an area of land—native title land

Scope

(1) This section applies to an area of land if:

(a) the area of land is native title land; and

(b) there is a registered native title body corporate for the area of land.

Eligible interest

(2) For the purposes of this Act, the registered native title body corporate holds an eligible interest in the area of land.

(14) Clause 56, page 81 (line 25), omit "significant", substitute "material".

(15) Clause 56, page 81 (line 26), omit "significant", substitute "material".

(16) Clause 56, page 81 (after line 31), after paragraph (2)(d), insert:

(e) land access for agricultural production;

(17) Clause 112, page 146 (after line 8), after subclause (14), insert:

(14A) Within 28 days of giving a notice under subsection (14), the Domestic Offsets Integrity Committee must publish on its website the reasons for the endorsement of the proposal or the refusal to endorse the proposal, as the case may be.

(18) Clause 215, page 244 (line 5), omit "section 75AA", substitute "section 75".

Mr DREYFUS (Isaacs—Cabinet Secretary and Parliamentary Secretary for Climate Change and Energy Efficiency) (17:04): I move:

That the amendments be agreed to.

These amendments fall into a number of groups. The amendments to clauses 27, 29 to 38, and 215 are technical. They remove the requirement for the administrator to notify land titles registries about emissions reduction projects. That is because notifying about emissions reductions projects is unnecessary; it is only sequestration projects that need to be brought to the attention of future buyers. That is because permanence provisions only apply to carbon storage projects, for example revegetation or soil carbon.

There are further amendments at the end of division 9 and clause 5 which deal with consent rights for determined native title. This is an amendment which gives holders of determined native title the right to consent to sequestration projects. It will give native title holders the opportunity to negotiate for a share of the benefits of carbon farming initiative projects. The government is still consulting on what other interests should have the right to consent to projects. There is scope to include further interests in regulations.

There is an amendment to clause 112, which is a transparency provision; it provides for a clearer timetable for the publication of the Domestic Offsets Integrity Committee's reasons for endorsement of, or refusal to endorse, a proposal.

Finally, there is an amendment to clause 56, dealing with excluded offsets projects and risk level. Under clause 56 the minister...
can exclude certain kinds of carbon farming initiative projects if they carry risks of adverse impacts on such things as the availability of water, conservation of biodiversity, employment and the local community. There are two amendments made to clause 56. The first amendment requires the minister to consider whether there is a 'material', rather than 'significant', risk that that kind of project will have a 'material', rather than 'significant', adverse impact. The change represents a cautious approach to identifying risks which is appropriate because the carbon farming initiative will create new economic opportunities which could affect other land users.

The second amendment to clause 56 clarifies that the minister will consider impacts on land access for agricultural production in addition to considerations already listed, including impacts on employment, local communities and water. It is an amendment which gives effect to one of the recommendations made by the National Farmers Federation, which of course supports this legislation. This was a suggestion that the National Farmers Federation made in its submission to the Senate Environment and Communications Legislation Committee during the inquiry conducted by that committee into the Carbon Farming Initiative. It was an amendment acting on that suggestion of the National Farmers Federation which the government was happy to take up.

Mr HUNT (Flinders) (17:08): I refer to the Carbon Credits (Carbon Farming Initiative) Bill 2011 and the Senate amendments. We made our position very clear in both houses that we support the general thrust of the bill. It comes from work we have done over a period of years. It was initially rejected by the government in terms of abatement incentives. We are pleased that has been put in the form of legislation. But, ultimately, given our experience with the Home Insulation Program, the Green Loans Program, the warnings we gave in relation to the cash-for-clunkers program and many other elements, we are not willing to take programs on face value if they appear to be inadequate and unfinished. The Senate has improved the legislation, and we will accept the amendments as were agreed upon in the Senate through cooperative action between the different parties. We will, however, maintain our position of the House and the Senate that the bill, whilst desirable in its intent and whilst desirable in its general construction, remains inadequate, with the failure to complete many of the processes with respect to the regulations—in particular the failure to assume what we regard as a reasonable definition of permanence which will not be destructive, damaging and a hindrance to the fair and proper functioning of this bill and of the general carbon farming area. Having said that, our position remains this: we support the intention, we support the goals, we support the amendments; we do not, however, believe that the bill is ready, given the history with other such programs. It is suffering from inadequacies and incompleteness, and we believe that it is therefore not yet ready for passage. Nevertheless, if elected we will seek to improve this bill along the lines which we have outlined in both houses. The amendments, however, which are the specific subject of this debate at this moment are ones with which we concurred in the Senate.

Mr DREYFUS (Isaacs—Cabinet Secretary and Parliamentary Secretary for Climate Change and Energy Efficiency) (17:10): The government rejects the suggestion that this legislation is in any respect unready. This is legislation which has been the subject of exhaustive consultation.
It has been the subject of detailed consideration by the Senate Standing Committee on Environment and Communications during its inquiry. It has been the subject of detailed consultation on the draft regulations, which were published back on 1 June and in respect of which there have been some 59 submissions, which the government of course has considered and will continue to consider. It is hard to understand what is said to be support for this legislation, which is supported by very many groups around the country and in particular by the National Farmers Federation, and the position that has been taken by the coalition in continuing to oppose the legislation. This legislation was given some 16 hours of debate in the Senate. The suggestion that this legislation has had anything other than the fullest possible consideration—indeed, it is long past time for this parliament to now bring it into effect by passing it on its return from the Senate—is without foundation.

question agreed to.

Australian National Registry of Emissions Units Bill 2011

Consideration of Senate Message

Bill returned from the Senate with amendments.

Ordered that the amendments be considered immediately.

Senate amendments—

(1) Clause 66, page 56 (lines 20 and 21), omit "Australian carbon credit", substitute "non-Kyoto international emissions".

(2) Clause 82, page 63 (table item 2), after "section", insert "36 or".

Mr Dreyfus (Isaacs—Cabinet Secretary and Parliamentary Secretary for Climate Change and Energy Efficiency) (17:12): I move:

That the amendments be agreed to.

I will briefly explain the small amendments to this bill, the Australian National Registry of Emissions Units Bill 2011. The first is to clause 66. It is a technical correction which makes an amendment to replace the reference to 'Australian carbon credit' units with a reference to 'non-Kyoto international emissions' units. The second is a short amendment to clause 82 which ensures that decisions made under section 36 of the act are included in the list of renewable decisions.

It is very pleasing to have reached the end, it would appear, of consideration of these three bills. We would hope that, with the support of the House, this set of legislation is going to come into effect soon. It will provide very extensive opportunities to Australian landowners and landholders across the country to participate in the emissions reduction task that we have as a nation and, in doing so, to earn carbon credits which will provide a stream of income for those landholders who choose—it is voluntary—to embark on emissions reductions or sequestration projects on their land.

Mr Hunt (Flinders) (17:14): In relation to the Australian National Registry of Emissions Units Bill 2011, I also wish to place on the record our support for the general concept and our support in particular for the notion of capturing carbon in soil, in vegetation, in trees and on non-prime agricultural land. This has been our idea. I see the Minister for Sustainability, Environment, Water, Population and Communities across the table who ridiculed the idea over the years at this very dispatch box. He denounced and derided the coalition's policy and then, not surprisingly, adopted it. We endorse the concept and we endorse the mechanism, but we do not believe that, as I have said elsewhere, it is fully ready. There is a reason: we have
experience in relation to the Home Insulation Program, the Green Loans program and the warnings we gave in relation to the cash-for-clunkers program, which the government also realised was unsustainable, unjustifiable and unbelievable.

Having said that, I do want to put this statement, which I think is an important statement, on the record: we will not be abolishing the bill. It is important to give this message to potential actors and investors in the space. We will, if elected, simply seek to improve the bill, remedy the defects which we have identified and, in particular, seek a better and more workable agreement in relation to the concept of permanence. The 100-year rule will ultimately be self-defeating and destructive, and we want to make sure that there are adequate protections for prime agricultural land. Improvements have been made in the Senate, but we will maintain our right to further improve it and ensure that the legislation is fully functional.

So our position remains: support for the concept, acceptance of the amendments, but a belief and a judgment that the legislation is not ready yet. For that reason, we have not provided support for final passage of the bill. We acknowledge that it is a mechanism that we proposed, outlined and defended in the face of then opposition from the government of the day. We will not abolish or withdraw this legislation; we will seek to improve it if elected.

**Mr DREYFUS** (Isaacs—Cabinet Secretary and Parliamentary Secretary for Climate Change and Energy Efficiency) (17:17): In closing, I again welcome the in-principle support of the opposition for this legislation but express our disappointment that the opposition has not seen it possible to support what is needed by Australian land managers, which is a lasting framework for assessing methodologies and rewarding land sector abatement. In this Carbon Farming Initiative we have the investment certainty that the land sector has been looking for and needs to be part of the solution to climate change.

No-one should be in any doubt about the depth and breadth of consultation that the government has engaged in, starting in October 2010 and going right up to the passage of the legislation through the House. The government has continued that consultation through the Land Sector Working Group. There was consultation with Indigenous groups. Up to February this year, some 350,000 organisations attended consultation meetings and some 280 formal submissions were received, and we have had further submissions on the draft regulations since they were published on 1 June.

With the Carbon Farming Initiative we have something that will provide new economic opportunities for farmers, forest growers and landholders—something that will help the environment by reducing carbon pollution. We have a scheme that will enable participants to generate Carbon Farming Initiative credits for reducing greenhouse gas emissions or increasing the carbon stored on their land. These are credits which can be sold to companies needing to offset their emissions.

The Carbon Farming Initiative will create demand for new skills and services, boosting rural and regional employment. It will be supported by the Carbon Farming Skills program that the government announced as part of the Clean Energy Future plan announced by the Prime Minister on 10 July. There will also be new employment and economic opportunities for Indigenous land managers who will be able to earn carbon credits by using their skills and knowledge of the land to reduce emissions or increase the
carbon storage in trees and soils on their land. I commend the bill to the House.

Question agreed to.

**Excise Tariff Amendment (Condensate) Bill 2011**

**Excise Legislation Amendment (Condensate) Bill 2011**

Second Reading

Cognate debate.

Debate resumed on the motion:

That this bill be now read a second time.

to which the following amendment was moved by the member for Groom:

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

"whilst not declining to give the bill a second reading, the House:

(1) objects to the Government's repeated attacks on the resources sector, in particular its decision to impose a $2.5 billion tax on condensate on the North West Shelf in 2008, a decision which has made it necessary for this legislation attempting to clarify confusion created about taxable areas;

(2) notes the Government's comprehensive failure to provide leadership for the energy and resources sector, most grievously by its failure to deliver an Energy White Paper;

(3) expresses concern about the Government's decisions to put more pressure on all sectors of the economy by inflicting taxes such as the condensate tax, carbon tax and minerals resource rent tax;

(4) calls on the Government to scrap its destructive high taxing regime which is inflicting damage on the energy and resources sector, which is one of the most profitable sectors of the Australian economy."

**Mr NEUMANN (Blair) (17:20):** I speak in support of the Excise Tariff Amendment (Condensate) Bill 2011 and the Excise Legislation Amendment (Condensate) Bill 2011. These are quite technical changes which essentially put beyond doubt the question of where the excise on condensate will apply in the region called the Rankin Trend. The region was prescribed by the Commissioner of Taxation, but the North West Shelf partners initiated legal proceedings challenging their excise liability based on the validity of the prescribed condensate production area. The subsequent price determinations were made by the Commissioner of Taxation. Given the value of the revenue—and a huge amount is associated with this particular legislation—the government decided proactively to take steps by this legislation. In the 2011-12 budget, the government announced it would legislate the definition of the Rankin Trend area.

I cannot let go by that the Senate Standing Committee for the Scrutiny of Bills criticised the federal Labor government in relation to this legislation. I think they are wrong. They said it was retrospective and that it may:

... trespass unduly on personal rights and liberties, in breach of principle 1(a)(i) of the committee's terms of reference. The bills do not actually impose any additional impost, so it is not retrospective in the sense that the committee outlined.

I am going to address the issue of the broader tax agenda and the budget in relation to what we are doing, and some history is required in relation to this. In the 2008-09
The federal Labor government announced the removal of the crude oil excise exemption that had applied to condensate production since 1977. The condensate production is subject to an excise regime equivalent to that applying to stabilised crude oil discovered on or after 18 September 1975. Under the arrangements excise is applied to condensate production for individual ‘prescribed condensate production areas’ in a manner similar to income tax assessment, with higher rates applying to production exceeding certain thresholds up to a maximum of 30 per cent.

I mentioned before that the Commissioner of Taxation issued a by-law prescribing the Rankin Trend and another area called Angel, being condensate production areas located in the North West Shelf project area. As I also mentioned before, the partners in the North West Shelf project challenged the excise liability on the basis that the Rankin Trend is not a valid condensate production area. They claimed it is of uncertain size and contains petroleum accumulations from which condensate had not been produced, as well as being an area where no hydrocarbons are present.

This legislation undertakes a statutory definition in relation to the Rankin Trend production area by reference to the reservoirs within the intended Rankin Trend area which currently produce condensate. The amendments also provide for the Minister for Resources and Energy to add known but currently non-producing reservoirs to Rankin Trend by specifying them in regulations when he is satisfied they form part of the Rankin Trend field and after considering the affected areas. There needs to be an efficient exploitation of the resource. This is important legislation because this is an important resource and important revenue for our economy and our country. It is important also to get the system of taxation correct.

I have said before in this place that sometimes you can measure the income tax assessment legislation by weight, not by sections, subsections and chapters. We need to make sure that we get a sustainable taxation system. If we are going to have a strong economy, a sustainable environment and a just society into the future, we have to make sure that the legislation is accurate and that there is no lack in definition specificity in legislation which covers the collection of taxation. This is sensible legislation and it is part of our broader tax agenda.

I am pleased to talk about some of the things that we have done and to wrap this into the framework of what we are doing in the budget. In the 2011-12 budget we announced that we would legislate the definition of the ‘Rankin Trend area’, so I am happy to talk about what we are doing in the budget to make the taxation system simpler and fairer. Since the 2010-11 budget, we have announced a number of reforms, about a dozen, for what we have described as Australia’s future taxation system review. We have made many changes. Reforming the statutory formula method for valuing car fringe benefits, phasing out the dependent spouse tax offset, abolishing the entrepreneur tax offset and developing a small business tax package, which includes the $5,000 immediate deduction for motor vehicles, are important measures. We are also providing certainty for investors in relation to infrastructure projects of national significance to carry forward their losses with an uplift factor. Also—and this has particularly benefited my electorate of Blair in South-East Queensland—we have increased family tax benefit part A payments for 16- to 19-year-olds by $4,200 per child, because everyone knows that the cost to families, single parents and couples does not abate when a child turns 16 years of age. Another important measure is the extension
of the education tax refund to uniforms, which we have announced as part of the budget framework that I said this legislation should be seen as part of.

We are also planning to improve the tax system governance by committing to a principles based approach to tax law design. We will allow the Board of Taxation to initiate its own reviews into how tax policy and laws are operating and establish a new tax system advisory board. So there is much we are doing. Also, the minerals resource rent tax will allow the cutting of company tax rates to 29 per cent from 2013-14. This is another assistance to small business across the country. I mentioned the instant write-off for all assets under $5,000 and the bringing forward of that company tax rate to 2012-13. Also, there is the lifting of the superannuation guarantee from nine per cent to 12 per cent. In my electorate alone, that would see 43,500 Blair residents get an increase in their superannuation. This is really important because this gives dignity, confidence and financial security to people in my electorate and communities across the country so that they can live out their retirement with respect. We have $1.3 trillion in superannuation sector funds established by previous Labor governments and carried on.

It is a tragedy that the coalition are not supporting the minerals resource rent tax or the boosting of the superannuation guarantee to 12 per cent. Once again, they demonstrate that they have never been in support of real tax reform. What they want to do is mouth the words but never actually carry out genuine reform. They often criticise us in relation to tax and alleged waste, but, really, when they were in power the coalition wasted money on middle-class welfare as opposed to spending money on health, education, roads, infrastructure and the like. We also know that we are the most prudent managers when it comes to monetary issues and fiscal issues. We have been committed in this country to floating the dollar, deregulating the banking sector, ensuring the Reserve Bank has independence and also ensuring that the Australian taxpayer gets value for their dollar. We are not the big-taxing and the big-spending government of the Howard years where the tax as a percentage of GDP rose up to 24.1 per cent. It is not 24.1 per cent now; it is 21.8 per cent, so those opposite should really have a good look at the budget papers; but they do not want to really look at the budget papers. Real spending over the next five years is at one per cent, the lowest since the 1980s, but in its last five years we saw the profligate, willy-nilly Howard government spend at the rate of 3.7 per cent. Those opposite have a narrative about us, but the reality does not bear it out.

The legislation that the Assistant Treasurer is presenting to this parliament is important legislation; once again it demonstrates that this Labor government is interested in tax reform. The Labor government will hold a tax summit in early October to make sure that we can get the best and brightest people in this country together to talk about the way forward in taxation. I must say, the fact that we have seen this government deliver tax cuts three years in a row so that people in my electorate across Ipswich and the Somerset region get personal income tax cuts is a demonstration of this government's commitment to carrying out tax reform and also gives people a helping hand under cost-of-living pressures. If you are on $50,000 a year, you are currently paying $1,750 less in tax; and if you are on $100,000 a year, you are currently paying $1,900 a year less in tax, as a result of this government's efforts. It is this government which has been prudent with respect to managing the dollars and prudent with respect to government expenditure. It
has made good investments in South-East Queensland and good investments in health, hospitals and infrastructure, but it has also made important changes that we have seen here.

I support this legislation. I think it is a part of the whole fabric of what Labor governments are about: reforms of the taxation system, prudent management of money and investing in infrastructure and communities across the country. I commend the legislation.

Mr SHORTEN (Maribyrnong—Assistant Treasurer and Minister for Financial Services and Superannuation) (17:32): I would like to thank all the members who have taken part in the debate on the Excise Tariff Amendment (Condensate) Bill 2011 and the Excise Legislation Amendment (Condensate) Bill 2011. Before I come to the content of these bills I must address some of the comments made by the member for Groom in his contribution to the second reading debate. It is with some pleasure that I notice that the member for Groom is here. The member for Groom stated that the coalition will be supporting these bills. However, he then moved a second reading amendment. The member for Groom has an interesting understanding of the concept of supporting government legislation. But I am not surprised the opposition is, as we know, all opposition and insufficient leadership.

If we take their pulse on just about any issue before this parliament, there is no economic heartbeat. When we try to engage in robust policy debate in this country, all we get nowadays from the opposition is relentless negativity. The hill of inconsistencies is now slowly but surely becoming a mountain. They say they are for the workers, but at the same time they want to axe hardworking public servants. They say they want to keep a lid on inflation, but they want to dump rocket fuel on the mining sector by giving mining an effective $11 billion tax break. They say they want to stick up for cost-of-living pressures, but they will also blow the budget by $70 billion. This is something that I know every member on this side of the parliament gets.

The parliament has serious economic debates to have in the second half of this year—the mining tax, the carbon price package, the tax forum, lifting superannuation, reducing corporate taxes, investing in infrastructure, supporting 2.7 million small businesses and helping sectors to grow. But how can these national conversations occur sensibly with a federal opposition that are not taking things seriously. What is most unfortunate is that they constitute a cabal of cynicism that not only turns the country off but turns their backs on the possibility and hopes for the future. By contrast, we on this side find our purpose in optimism and energy. The Gillard government is committed to Australia's future. We have made some tough policy decisions which will ensure the future prosperity of Australia and Australians. There are big challenges on the horizon, but this government has the policy options which provide a solution to the challenges that Australia faces in the next decades. Taking into account our multispeed economy, we will be introducing the minerals resource rent tax—the MRRT package—which will take a percentage of the profits that miners make from Australia's non-renewable resources and which will fund important measures. These measures include the instant asset write-off for small businesses and a cut to the company tax rate, which, from 2013-14, will be down to 29 per cent and which will include a head start for small businesses for whom the rate cut will commence in 2012-13. Cutting the company income tax rate increases domestic productivity and
domestic investment. More capital means higher productivity and economic growth and leads to more jobs and higher wages. These measures will ensure that Australia comes through the current mining boom with more prosperity and a stronger economy. The MRRT will also fund the increase in employer superannuation contributions from nine per cent to 12 per cent. This will significantly increase the future retirement incomes of many Australian workers. For example, a 30-year-old earning average full-time wages will have an additional $108,000 in retirement savings.

From their public statements to date, the opposition appears set to oppose these measures when they are introduced. I noticed that the member for Groom mentioned the energy white paper, but what he neglected to mention is the importance to the future of Australia's energy security of taking action now and setting a price on carbon pollution. A price on carbon pollution goes to the question of how to price the available energy options for Australia. Rather than saying one thing to one audience and another thing to another audience, this government is taking action by putting a price on carbon pollution. The member for Groom is right to raise the need to resolve the issue of the energy white paper, but it cannot be resolved without considering the impact of a price on carbon.

The Gillard government's response on this issue is vital to the discussion of different energy options for Australia in the decades to come. We have committed to a clean energy future through our carbon price package, and we will be supporting affected families and businesses to transition to a cleaner economy which will position Australia as a world leader in renewable energy. If given his way, the Leader of the Opposition would tax families to compensate polluters through his so-called direct action plan, which would cost each and every taxpayer some $720 a year. But the Gillard government understands that there are families are doing it tough, that the global economy is volatile, and Europe and the US are in the midst of public debt crises. Rather than ignore this, we are working on policies to spread the benefits of the mining boom and secure economic growth in other sectors of the economy.

Returning to the bills immediately at hand: the amendments contained in these bills serve to address uncertainties that have arisen following the implementation of the government's 2008-09 budget decision to remove from 13 May 2008 the crude oil excise exemption which is applied to condensate production. The amendments provide the necessary certainty by inserting a statutory definition of the prescribed Rankin Trend condensate production area as the area that includes those reservoirs or groups of reservoirs producing condensate which form part of a single field. The amendments also allow for other reservoirs to be included within the Rankin Trend condensate production area by regulation where the minister for resources is satisfied that they form part of the same field.

The Excise Legislation Amendment (Condensate) Bill makes minor technical amendments to the Petroleum Excise (Prices) Act 1987 regarding the determination of volume weighted average of realised prices—the VOLWARE price. The amendments clarify that VOLWARE price determinations, which are integral to determining excise liability, are not invalidated by failure to provide relevant petroleum producers with a written notice setting out the terms of the determination. Were this the case, no excise would be payable in circumstances where a notice was not provided. To ensure that the ability of producers to seek a review of VOLWARE price determination is not affected, the
amendments also extend the review provisions to allow producers to seek a review within 28 days of receiving a formal notice of price determination.

The amendments contained in the bills will have effect from 13 May 2008, consistent with the commencement of the original 2008-09 budget measure. As the amendments serve only to clarify and confirm the application of crude oil excise to condensate production as it has been applied since 13 May 2008, they do not impose any additional impost on industry participants and have no revenue impact. Rather, they provide industry with the necessary certainty regarding the application of the crude oil excise to condensate producers in the North West Shelf area and protect the excise revenues collected to date under the original 2008-09 measure. I again thank those who have participated in this debate and commend the bills to the House.

That the amendment be agreed to

The House divided [17:44]

(The Speaker—Mr Harry Jenkins)

Ayes....................72
Noes....................74
Majority..............2

AYES

Abbott, AJ
Andrews, KJ
Baldwin, RC
Bishop, BK
Briggs, JE
Buchholz, S
Christensen, GR
Cobb, JK
Crook, AJ
Entsch, WG
Forrest, JA
Gambbaro, T
Griggs, NL
Hartson, L
Hockey, JB
Irons, SJ
Jones, ET
Kelly, C
Ley, SP
Marino, NB
Matheson, RG
Mirabella, S
Neville, PC
O'Dwyer, KM
Pyne, CM
Randall, DJ
Robert, SR
Ruddock, PM
Scott, BC
Simpkins, LXL
Smith, ADH
Southcott, AJ
Tehan, DT
Tudge, AE
Van Manen, AJ
Washer, MJ

NOES

Adams, DGH
Bandt, AP
Bowen, CE
Brodtmann, G
Burke, AS
Byrne, AM
Cheeseman, DL
Collins, JM
Crean, SF
D'ath, YM
Elliot, MJ
Emerson, CA
Ferguson, MJ
Garrett, PR
Gibbons, SW
Gray, G
Griffin, AP
Hayes, CP
Jones, SP
King, CF
Livermore, KF
MacKinnon, JL
McClure, RB
Mitchell, RG
Neumann, SK
O'Connor, BPJ
Owens, J
Perrett, GD
Ripoll, BF
Rowland, MA
Saffin, JA

AYES

Laming, A
Macfarlane, IE
Markus, LE
McCormack, MF
Morrison, SJ
O'Dowd, KD
Prentice, J
Ramsey, RE
Robb, AJ
Roy, WB
Schultz, AJ
Seeker, PD (teller)
Slipper, PN
Somlyay, AM
Stone, SN
Truss, WE
Turnbull, MB
Vasta, RX
Wyatt, KG
Mr SHORTEN: by leave—I move:
That this bill be now read a third time.
Question agreed to.
Bill read a third time.

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

Mr PERRETT (Moreton) (17:52): I rise to speak in strong support of the Schools Assistance Amendment Bill 2011. The federal Labor government is passionate about raising the quality of teaching in our schools and ensuring that all students, especially those in disadvantaged areas, are benefitting from schooling and improved transparency and accountability about our schools. It is a passion shared by all members certainly on this side of the House and probably, I would acknowledge, by most of those opposite—and not just the former teachers on the other side of the House.

Education provides young people the tools and know-how to enter adulthood, to succeed in life and to contribute to society. You do not have to look any further than the Building the Education Revolution program to see what this commitment looks like in action. Back in the day, the Howard government blessed our schools with 3,000 flagpoles, but the Rudd and Gillard Labor governments have completely transformed our schools into modern education centres, providing 3,000 new libraries—so 3,000 flags on one hand and 3,000 libraries on the other. The contrast must be a little embarrassing for those opposite.

Every other week I attend an opening of a new school building in my electorate thanks to the once-in-a-lifetime BER program—new multipurpose halls, new libraries and resource centres, language and science facilities, new classrooms. These modern facilities are transforming education for our young people. Last month I also attended the opening of a new classroom at Marist College at Ashgrove, which I think is in the federal seat of Brisbane.

Mrs Prentice: Ryan.

Mr PERRETT: I beg your pardon: it is Ryan. I take that interjection from the member for Ryan. As a former house master at Marist College, Ashgrove, I was thrilled to be asked to officially open the new classrooms and science labs. I was also delighted to join the local state member,
Kate Jones, at the event and was impressed by her commitment to her electorate and her understanding of the great benefits of quality education facilities for local students. It was disappointing that there were not other members there. I am sure the member for Ryan had a full diary on that day, but I did not see her. I am sorry to hear about that. But I can tell you for a fact, Deputy Speaker Murphy, that no school principal, no parent, no teacher has ever complained to me about the BER program.

Mr Robert: I rise on a point of order—relevance. The Schools Assistance Amendment Bill makes no reference to the government’s disastrous Building the Education Revolution overpriced school halls. I ask the member to be brought back to the substance of the bill.

Mr Bowen: On the point of order, it is perfectly in order for a member to talk about assisting schools in a schools assistance bill.

The DEPUTY SPEAKER (Mr Murphy): The member for Moreton has the call.

Mr Perrett: This interjection has been made previously. The same interjection and the Speaker made exactly the same ruling. Perhaps the member for Fadden might actually look at what goes on in the House rather than jumping to his feet every time he gets an opportunity.

As I said, no school principal, no parent and no teacher has ever complained to me about that BER program. I am sure the member for Ryan and the member for Fadden would know that people do not complain about the BER projects. No-one has ever said to me, ‘We didn't want this new building,’ or ‘Our kids didn't deserve a decent library.’ It does not happen. The only people who will tell you that are the Leader of the Opposition, the member for Sturt and some of those opposite when they are in this chamber—only when they are in this chamber; not when they are in their electorate, obviously. These are the same people who want to rip $2.8 billion out of our schools.

Our revolution of the education system does not end with the BER program. In Moreton the Labor government has delivered almost 2,000 new computers for schools; we have secured the employment of 21 school chaplains; and we have provided extra funding for 16 state, Catholic and independent schools through the Smarter Schools National Partnerships program, surely one of the best programs to come out of the Rudd and Gillard governments. I will list those schools: Our Lady of Fatima Primary School at Acacia Ridge; St Brendan’s Primary School at Moorooka; Acacia Ridge State School; Corinda State School; Eight Mile Plains State School; Moorooka State School; Nyanda State High School in Salisbury; Oxley State School; Salisbury State School; Sunnybank State High School; Watson Road State School in Acacia Ridge; Yeronga State School; Yeronga State High School, where the Prime Minister and community cabinet will be on 1 September this year; the Aboriginal and Islander Independent Community School, also known as the ‘Murray School’, at Acacia Ridge; and the Southside Christian College at Salisbury. These are just some of the schools that will benefit from the Smarter Schools National Partnerships program—and that is just in Moreton.

The Labor government wants to see all students, public and private, Catholic and independent, city and country given the best opportunity to get a great education. As I said, I visit many schools and I know the overwhelming majority of students are performing at a high level and our teachers and other support staff work very hard to ensure that this happens. But the reality is
there are still children who are left behind and there are still some children who struggle to rise above their circumstances to complete their education on par with their peers. This tells us that more can be done to ensure a quality education for all and to ensure that no child is left behind.

The national curriculum is an important part of this objective. It was agreed previously that all non-government schools be required to sign up to a national curriculum by 31 January 2012 as a condition of funding. However, the development of the national curriculum has taken a more phased approach and greater flexibility is required to ensure a smooth implementation. Obviously as a government we must get this right. Therefore, this bill removes the implementation date of January 2012 and will enable time frames to be determined by regulation. This will provide certainty to the non-government sector—the sector in which I taught for eight years—and it will also bring them into line with government schools, where I taught for three years.

The meeting of all education ministers agreed in December last year that the Australian Curriculum should be substantially implemented by the end of 2013. Therefore, we need to ensure that the implementation of the curriculum is the same for both government and non-government schools. All Australian schools should have the same curriculum time line, and this bill achieves that.

Just as there is movement between states, there is also significant movement between systems, particularly from state schools to private schools and particularly when going from primary to high school. This bill also ensures that we do not need to bring legislation into this place to amend future time lines. These are really practical implementation matters that do not need to be considered by the parliament. This amendment will enable the implementation time lines for each new phase of the national curriculum to be prescribed by regulations and authorised by the Standing Council for School Education and Early Childhood. Greater flexibility in the implementation process will also allow future editions and revisions to the national curriculum to happen more easily. The development of the national curriculum marks the beginning of a new era in Australia's education system, part of our journey from colonies to a unified nation. It will drive substantial improvements to our children's education. It will also put an end to the confusion experienced by students moving interstate who have to deal with changing subject matter, and it will ensure that all students, no matter where they are, are learning similar material. It will also help teachers, by giving them a clear idea about what is to be covered but with the flexibility to adapt the curriculum to local contexts—a national story with local characters, local lessons and local implementation. The national curriculum will also give parents a better idea about what their children should be learning at each stage of their education and the skills they should be developing. The bill before the House is another step along the way to achieving a better quality education for all Australian children, and I commend the minister for this endeavour and proudly commend the bill to the House.

Ms O'NEILL (Robertson) (18:00): I rise to speak in support of the Schools Assistance Amendment Bill 2011, advancing this government's proud record in the area of education. There are a number of important practical changes that this bill will enable, and I support the amendments because they achieve three very important outcomes. They provide a more certain legal framework for
the non-government sector in which to implement the national curriculum and remove the 31 January 2012 date as the deadline for implementation. They also allow the curriculum implementation time frames for non-government and government schools to be aligned, and they look to the future and provide the necessary flexibility for the implementation of each new phase of the national curriculum to be authorised by the Standing Council on School Education and Early Childhood, which was formerly known as MCEECDYA.

I would like to commence with a few general comments on education and notions of what a curriculum offers. Education is and will always be my passion. It is truly the transformer of societies, and the plan for the way in which that society sees itself and envisions the future for its citizens is laid out in our syllabus or curriculum documents. In the current educational discourse practices in Australia, the new term for the core government documents to which teachers refer is 'curriculum' rather than 'syllabus'. Curriculum or syllabus documents are important for teachers, as we use them in our professional capacities to inform and guide how we plan for the learning of all students in our care. Some parts of the documents prescribe core knowledge, but it is teachers as professionals who are the critical agents who make that knowledge accessible and provide the organisation of the learning environment to enable students to engage and learn.

It is the teachers who are critical in this—the teachers as professionals. It is the skilled pedagogues and exemplary citizens who model how to learn and how to be a good Australian citizen who bring the curriculum to life. It is the teachers who construct the learning environments to support students to become great Australian citizens who can work, live freely and participate fully in life in a healthy democracy that is enabled by the teachers. It is teachers who construct classrooms and other learning spaces that enable students to do the talking, thinking, reading, writing, drawing, typing, speaking, moving, listening, sharing, producing and ways of being that really make learning happen.

There is much debate in educational circles about what exactly constitutes the curriculum. Is it just the document itself or is it something far more? Some argue that the curriculum is everything that students learn at and around schools. Such definitions go beyond the prevailing use of the word 'curriculum' in this bill. A curriculum certainly includes knowledge, skills, values, attitudes, understandings and capacities that students gain from being a student. Essentially, the curriculum links us to the world around us. That dynamism of the world around us and the need to be able to respond to it are acknowledged in this amendment.

Considered and careful amendment of the national curriculum documents is a necessary response to the critical evaluation of the implementation of any curriculum. Teachers' and students' responses will always need to inform ongoing improvement of learning. Their views are vital to enable the standing council to make informed changes to the curriculum over time. No changes will be made without the authorisation of the standing council. The amendment before the House allows for this good practice to be enabled.

At this point of our nation's history, in a world with a global economy and increasing mobility, the federal government has determined that it is time to move to a national curriculum. It has always interested me that in the curriculum wars that have gone on in each jurisdiction over many years
the shaping and reshaping of the content of courses has been a highly political event. The determination to keep as much of what was already there and to push to include new materials, new skills, new competencies and new knowledge has resulted, in many jurisdictions, in overloaded documents that commonly bring about something called 'the crowded curriculum'.

The national curriculum development has faced the same challenges and now we are on the cusp of phase 3, where health, PE, information and communications technology, design and technology, economics, business and civics and citizenship curricula are all about to be developed. There will once again be fulsome debate about what stays in and what is removed. New knowledge, understanding and perspectives will be offered up, learning flows will be resequenced and debate about what is prioritised and what will be less prominent will continue. All this considered and time-consuming work will, and must, be undertaken.

It is in this context then that the need for the amendment before the House is, in fact, a response to the natural, robust debate and consultation process about content, shape and timing of any national curriculum. This bill concerns the specific issue of the implementation of the national curriculum and the manner in which this implementation is to occur. The necessary amendment contained in this bill concerns independent schools, including non-systemic or schools within an approved school system.

The act as it currently stands mandates a particular date for the implementation of the national curriculum. The amendments contained in this bill reflect recent negotiations where it has been agreed that the national curriculum will be implemented in stages. Each jurisdiction will now be afforded the necessary flexibility to address particular issues relevant to its particular state or territory. It is important that this legislation reflects this and enables the appropriate and agreed implementation of the national curriculum.

Provision of a quality curriculum for all Australian students delivered at the same time in all sectors is central to the future progress of our nation. It was a long time ago that former Prime Minister Bob Hawke declared Australia to be not only a lucky country but also a clever country. This well-remembered statement was an acknowledgement that a strong national education system is vital for the welfare of Australia and for the lives of our citizens.

Additionally, throughout the 1990s in particular, economists around the world realised the immense importance of human capital in enabling economic growth and development. I see education as investing in human beings; it is not only good for the individual who receives that investment but it is also an advantage for the common good, and the common good is also an economic advantage. In my view, Australia is a country which has been at the forefront of recognising that investment in a quality education is vital for the nation's long-term social and economic wellbeing.

I believe I am not on my own in this regard and, in fact, it was an Australian president of the World Bank who recognised the immense importance of knowledge sharing in reducing global poverty. James Wolfensohn recognised that in the global economy knowledge, as a commodity, was outstripping material resources and capital as a source of wealth. As a result, the World Bank recognised the need to prioritise the spread of knowledge and education throughout the developing world.
As a member of the Australian parliament, I support the actions that maintain and enhance the esteem afforded to the Australian education system. As a Labor member, I am proud to say that we have a long and proud record of investing in education as the great enabler. That is why we are investing in renewal, in teachers and in bricks and mortar. I am aware that we are discussing curriculum matters, but bricks and mortar decisions impact on the way curriculum can be offered and the learning spaces and resources in those classrooms. Those opposite have never completely understood the future dividends of investing in education infrastructure, and this is most clearly demonstrated in their approach to the Building the Education Revolution.

Since I was elected as the member for Robertson, I have yet to see a school that has not been transformed by the Building the Education Revolution program. Apart from the physical transformation though, new rooms, smart boards and new learning spaces are part of the form and nature of the curriculum being taught and learned. The school principal at Ettalong Public School, Mr Colin Wallis, was proud to state that in the future, looking back on the BER would be an event where we should have immense pride. It was a time when the federal government, determined to keep Australians working by stimulating the economy, invested in public education.

At Brisbania, also located in my electorate, the principal, Mr Michael Burgess, stated that since he had become principal he had noted the immense dissatisfaction of his students and teachers in the demountables that the school relied on. The demountables were intended only to be temporary, but after decades they were still there: smelly, old and leaking. As a result of the BER, Brisbania Public School has four brand-new classrooms, a new technology room and a storage room, with which they are absolutely delighted. It is vital to recognise that these buildings will be used far into the future, enhancing the educational opportunities and learning outcomes of future generations. The BER recognises the fundamental notion that investment in education is one of our most important government activities. I understand that the development of the national curriculum has been a central policy of this government and is tied to the government's commitment to developing a truly national economy. I am confident that the profession will voice its appreciation and critique of the curriculum to ensure it develops and adapts over time to keep pace with our rapidly changing world while holding to the wisdom that we have from the older curriculum. All students in our education system have differing capacities. They all deserve a curriculum that allows them to find their strengths.

The amendments before the House today attend to the important practical matters of management of this significant change to the content, the pedagogical practices and the national learning outcomes that will come with the national curriculum. For these reasons in particular and for many more educationally significant ones, I commend the bill to the House.

Mr GARRETT (Kingsford Smith—Minister for School Education, Early Childhood and Youth) (18:10): I take this opportunity to provide some summing-up remarks at this stage of the debate and also some remarks as we move to consider the bill as a whole subsequent to my summing up. I thank the members who have participated in that debate. Government members understand the importance of education and have identified those significant components of the government's reform agenda, which will ensure that every school in Australia is a great school and that
we have a system which is fair and delivers the best possible education to all Australian students in all Australian schools.

The government is opposed to the amendments to the Schools Assistance Amendment Bill that have been circulated by the shadow minister. The government's bill should be supported. The coalition's proposed amendments should be opposed. The amendments go to two issues. We oppose those amendments on the basis that they are fiscally irresponsible and they ignore the commitments that have already been made and the division of responsibilities that have already been agreed to.

Contrary to the claims of the opposition, the national curriculum is on track for substantial implementation by the end of 2013. In fact, the agreement to implement the Australian curriculum by 2013 has been in place since September 2009. The ACT government and non-government schools commenced implementation this year, becoming the first in the country to start teaching the Australian curriculum. I commend the ACT, its education authorities, its teachers and its students for that particular commitment. Western Australia will use 2011 as a year of planning and an opportunity for schools to trial the curriculum. Queensland and Tasmanian schools will start to implement the Australian curriculum in English, maths and science in 2012 and then introduce history in 2013. The Northern Territory will implement English and maths in 2012, and science and history in 2013. That represents significant steps for substantial implementation by states. We do have New South Wales, who have decided to cut their education costs and are walking away from an agreement that was reiterated only a few months ago. But, as I have said before, this will mean that, regrettably, New South Wales students will be out of step with the rest of the country.

We have listened to a line of speakers from the coalition with no idea about the curriculum implementation timetable that I have just reprised. We have also heard opposition arguments in this debate that, frankly, ranged from the ignorant to the facile. The member for Sturt seems surprised that his ham-fisted attempt at an amendment to the Schools Assistance Act earlier in the year was opposed. It was opposed because it was a stunt that would have created chaos. Every time a new subject was added to the curriculum, we would have had to amend the act. It was not supported by stakeholders because, unlike the member for Sturt, who is at last back in the parliament, they could see its flaws.

We have had coalition speaker after coalition speaker wringing their hands and complaining about a lack of support for education. This is either wilful ignorance or deliberate misrepresentation, so I make a simple point: this Labor government has doubled the education budget. It is now over $65 billion. Not only have we poured a decade's overdue resources into schools but we have introduced teacher standards, national assessment, transparency through the My School website, computers, schools' facilities and so on. Those opposite delivered the flagpoles and that was it—a decade of government and approximately 3,000 flagpoles. The member for Forrest seems to believe that computers in school facilities are a waste of money. I am sure that the students and parents in her electorate do not share this view. She also somehow managed, I noticed, to bring the National School Chaplaincy Program into the debate, a program where we have announced an additional 1,000 places. We had the members for Mayo, Dawson and Wannon arguing about content of the history curriculum. Somehow, in their
close reading of the curriculum, they missed the references to the Magna Carta, the Westminster system, federalism and constitutional monarchy. Despite their deep concern about history, they also forgot to mention that it is this Gillard government that is putting history back into schools across Australia after a decade of coalition inaction.

We have the member for Riverina telling the House what should and should not be taught in relation to climate change. In fact, we have had the most extreme ideological coalition opposition in living memory complaining about lack of balance. We have heard significant coalition support for the view of the New South Wales Teachers Federation. The member for Sturt has announced that he is 'on a unity ticket with the AEU'. That will come as some surprise to them, I suspect. We have been told that there is a lack of consultation, when the introduction of the Australian curriculum has seen more discussion, debate and input than has ever before occurred. There have been nearly 1,000 participants representing stakeholder bodies, interest groups attending forums in 2010 and 180 other stakeholder groups making submission to the online forum—significant consultation.

The member for Brisbane thinks the Australian curriculum:

... burdens our schools with mandatory hours in the areas of English, mathematics, science and history.

I am not exactly sure what the member thinks should be taught at school. While it seems that half of the coalition is concerned about the contents of the history curriculum not reflecting our Judaeo-Christian culture and background, we have the member for Hughes arguing that the Australian curriculum locks us into the past. The member for Herbert, on the other hand, worries that teachers are spending too much time on literacy and numeracy, and the member for Aston is not even sure whether he likes the idea of an Australian curriculum or not.

The fact is that in this debate on the Schools Assistance Amendment Bill 2011 every random thought bubble of coalition members has been ventilated, and virtually every coalition member has recently become an expert on curriculum design. The members for Longman and Aston clearly have authority on achievement standards and curriculum frameworks, but what the coalition members in this debate have clearly demonstrated, led by the member Sturt, is that they should not be designing the national curriculum. In fact, they should be kept as far away from education as possible, and that is for the sake of Australian students.

In relation to the first part of the opposition amendment that has been circulated and the issue of teacher professional development, I want to make a few points. The first is that the Australian government is making a substantial contribution to the establishment of Australia's first national curriculum, a curriculum that the opposition talked about but simply could not deliver. Under the National Education Agreement, the Australian government and states and territories are jointly responsible for the development of the Australian curriculum. States and territories, including non-government schools and systems, are responsible for implementation of the Australian curriculum. This was a commitment under the National Education Agreement, the NEA, and is a requirement of the Schools Assistance Act. Implementation refers to delivery and the support that delivery requires, and this is clearly understood by the states and territories.
This opposition amendment that has been circulated ignores this agreement and is fiscally irresponsible. The opposition already has a $70 billion black hole. This amendment would commit the Commonwealth to further millions of dollars of uncapped expenditure. There are over 1,000 non-government school teachers in the teacher workforce in Australia. The coalition amendment is an open cheque book. It refers to 'such funding as is necessary' without definition. This is the same opposition that has already promised cuts of $2.8 billion and is yet to tell us what proportion of the $70 billion black hole will come from education—another $5 billion in cuts, $10 billion, $15 billion and now another uncapped promised. The fiscal irresponsibility of the member for Sturt knows no bounds. As I have said, the states and territories have all agreed that the implementation of the Australian curriculum is their responsibility. It is a clear commitment. All states and territories have initiatives that could be used or redirected to provide a focus on professional support for teachers linked to the national curriculum. Over time one benefit of this national Australian curriculum will be the sharing of national, state and territory resources to support all teachers.

Support for implementation is also being provided at a national level—for example, through the national digital resource collection, managed by Education Services Australia, where schools have access to thousands of resources aligned to the Australian curriculum. The Australian Institute for Teaching and School Leadership is delivering professional development in the form of the Leading Curriculum Change Professional Learning Flagship Program.

In relation to the second part of the opposition's circulated amendment, the Australian government believes strongly in school choice. The government's policies recognise this principle in practice. I have regular meetings as minister with the non-government sector and take into account their views when making decisions at ministerial council meetings. AESOC is made up of senior officials of government departments across states and territories. This committee sits underneath the ministerial council to provide support directly to ministers in relation to the ministerial council meetings. The key point is this: membership of AESOC is not an appropriate decision for the Australian parliament; it is a decision for the ministerial council and it is a decision that the coalition somehow forgot to make when they had the chance.

The non-government sector is represented on the Australian Curriculum, Assessment and Reporting Authority. The Australian government has also established the strategic policy working group, chaired by the secretary of DEEWR and including representation from the Catholic and independent sectors, specifically established to consult on the government's education reforms. In addition to that group, I personally chair the cross-sectoral Australian government election commitments working group—more opportunity for formal consultation than the former coalition government ever provided. I can say that the government will continue to consult with the non-government sector and to include the non-government sector in working parties and committees.

The Australian curriculum is a once-in-a-generation opportunity. The coalition could not deliver a national curriculum, did not provide professional development for teachers and did not include the non-government sector on AESOC. They delivered no computers. They did not build libraries. They did not care about teacher
standards or teacher training. The coalition did nothing about literacy and numeracy. They were not interested in the performance of our most disadvantaged students. In fact, the performance of these students went backwards on their watch. And yet they have the hide to come into the parliament and talk about standards, consistency and the views of stakeholders. It really is time for the member for Sturt to get onboard, to get relevant in the important education debates of this country. The amendments that he has circulated should be opposed. The government's bill should be supported. I commend the bill to the House and make the point that the Schools Assistance Amendment Bill 2011 makes amendments to the Schools Assistance Act 2008 to provide a more certain legal framework for the non-government sector in which to implement the national curriculum and provide greater administrative efficiency for prescribing the phased introduction of the Australian curriculum. This is an important piece of legislation which I commend strongly to the House.

Question agreed to.

Bill read a second time.

Consideration in Detail

Bill—by leave—taken as a whole.

Mr PYNE (Sturt—Manager of Opposition Business) (18:24): by leave—I reluctantly move opposition amendments (1) and (2) together:

(1) Schedule 1, item 1, page 3 (lines 8 to 11), omit all the words from and including "require" to the end of subsection 22(1), substitute:

(a) require the relevant authority for the school or system to ensure that the school, or each school in the system, implements the national curriculum prescribed by the regulations in accordance with the regulations; and

(b) provide such funding as is necessary to ensure that each teacher in the school or system has received professional development in the implementation of the national curriculum in accordance with a nationally consistent professional development program.

(2) Schedule 1, item 1, page 3 (after line 11), after subsection 22(1), insert:

(1A) The national curriculum must not be prescribed unless the non-government school sector has had input into its development through membership and/or observer status on the Australian Education, Early Childhood Development and Youth Affairs Senior Officials Committee.

I spoke to the two amendments to the Schools Assistance Amendment Bill 2011 in my contribution in the House yesterday, so I will not delay the House further with a long dissertation about the amendments—although, if the minister insists on goading me, I might do so, which would be unwise because I am sure he has things he would like to get on with, as do I. Suffice to say, the first amendment deals with the provision of resources to the teaching profession in order to be able to implement a national curriculum and in order to get the training and the professional development that they seek in order to be able to implement a national curriculum. This is one of the great bugbears in this whole process of developing a national curriculum. This amendment is strongly supported by the sector, particularly by the teaching profession and all their unions, representatives and principals. I commend it to the House.

The second amendment, which is supported by the National Catholic Education Commission and the Independent Schools Council of Australia, will provide the necessary position for them to be observers or contributing members on the committee that is drafting the national curriculum. They both support it because they see it as important if the curriculum is going to be properly implemented in the non-
government sector and also reflect some of the values and requirements of the non-government sector. I also commend that amendment to the House.

Question put:
That the amendments be agreed to.

The House divided. [18:30]

(The Speaker—Mr Harry Jenkins)

Ayes....................72
Noes....................73
Majority.................1

AYES

Alexander, JG
Andrews, KL
Billson, BF
Bishop, JI
Broadbent, RE
Chester, D
Ciobo, SM
Coulton, M (teller)
Dutton, PC
Fletcher, PW
Frydenberg, JA
Gash, J
Haase, BW
Hawke, AG
Hunt, GA
Jensen, DG
Katter, RC
Kelly, C
Ley, SP
Marino, NB
Matheson, RG
Mirabella, S
Neville, PC
O'Dwyer, KM
Pyne, CM
Randall, DJ
Robert, SR
Ruddock, PM
Scott, BC
Simpkins, LXL
Smith, ADH
Southcott, AJ
Tehan, DT
Tudge, AE
Van Manen, AJ
Washer, MJ
Adams, DGH
Bandt, AP
Bowen, CE
Brodermann, G
Burke, AS
Byrne, AM
Cheeseman, DL
Collins, JM
Crean, SF
D'Allah, YM
Elliott, MJ
Emerson, CA
Ferguson, MJ
Garrett, PR
Gibbons, SW
Grierson, SJ
Hall, JG (teller)
Husic, EN (teller)
Kelly, MJ
Leigh, AK
Lyons, GR
Marles, RD
Melham, D
Murphy, JP
Oakeshott, RJM
O'Neil, DM
Parke, M
Plibersek, TJ
Rishworth, AL
Roxon, NL
Shorten, WR
Smith, SF
Snowden, WE
Symon, MS
Thomson, KJ
Willie, AD
Zappia, A

NOES

Albanese, AN
Bird, SL
Bradbury, DJ
Burke, AE
Butler, MC
Champion, ND
Clare, JD
Combet, GI
Danby, M
Dreyfus, MA
Ellis, KM
Ferguson, LTD
Fitzgibbon, JA
Georganas, S
Gray, G
Griffin, AP
Hayes, CP
Jones, SP
King, CF
Livermore, KF
Macklin, JL
McClelland, RB
Mitchell, RG
Neumann, SK
O'Connor, BPJ
Owens, JE
Perrett, GD
Ripoll, BF
Rowland, MA
Saffin, JA
Sidebottom, PS
Smyth, L
Swan, WM
Thomson, CR
Vamvakauin, M
Windsor, AHC

PAIRS

Abbott, AJ
Gillard, JE
Moylan, JE
Rudd, KM

Question negatived.
Bill agreed to.

Third Reading

Mr GARRETT: by leave—I move:
That this bill be now read a third time.
Question agreed to.
Bill read a third time.
Cybercrime Legislation Amendment Bill 2011
Second Reading
Debate resumed on the motion:
That this bill be now read a second time.
Mr KEENAN (Stirling) (18:37): I rise to talk about the Cybercrime Legislation Amendment Bill 2011. The coalition broadly support the purpose of this bill, which is to require carriers and carriage service providers to preserve telecommunications data for specific persons when requested to do so by domestic agencies or by the Australian Federal Police on behalf of foreign countries.

In Australia, 'cybercrime' has a narrow statutory meaning, as used in the Cybercrime Act 2001, which details offences against computer data and systems. However, a broader meaning is given to 'cybercrime' at an international level. In the Council of Europe's Convention on Cybercrime, 'cybercrime' is used as an umbrella term to refer to a range of criminal activities, including offences against computer data and systems, computer related offences, content offences and copyright offences.

Australians have been quick to adopt the internet in their lives and in their businesses. For many Australians, it is an essential part of our daily lives for communicating with family and friends, for studying, shopping, paying bills and for doing myriad other things that the internet has enabled. Similarly, businesses embrace the internet and other information technology to improve efficiency and quality of service, and to gain access to new markets. Regrettably, with its extensive use the internet has also created new prospects for criminal activity. Criminals seek to access our personal and corporate secrets, steal our resources and intimidate internet related businesses. Additionally, the global community continues to experience an increase in the scale, sophistication and penetration of cybercrime.

As the extent and the importance of electronic information have increased, so too have the efforts of criminals and other malicious actors who have now adopted the internet as a more convenient, anonymous and profitable method of conducting their criminal activities. I would like at this point to acknowledge the very good work that is done by our domestic agencies but in particular the Australian Federal Police, led by Assistant Commissioner Neil Gaughan, who do an outstanding job with the resources they have available and with the constant evolution of the cyber threat.

The bill itself seeks to make amendments necessary to facilitate Australia's accession to the Council of Europe Convention on Cybercrime. Several countries outside of Europe, including contemporary countries such as the United States and Canada, have done so also. The convention is the first international treaty on crimes committed either against or via computer networks. It deals predominantly with online fraud, online child exploitation and the unauthorised access, use or modification of data stored on computers. The convention's key objective is to pursue a common criminal policy by adopting consistent legislation and fostering international cooperation.

The bill's explanatory memorandum notes that the bill makes amendments to the Telecommunications Act 1997, the Telecommunications (Interception and Access) Act 1979, the Mutual Assistance in Criminal Matters Act 1987 and the Criminal Code Act 1995. The principal effect of the amendments is to require carriers and carriage service providers to preserve the stored communications and
telecommunications data for specific persons when requested by certain domestic agencies or when requested by the AFP on behalf of certain foreign governments. Furthermore, the amendments: ensure that Australian agencies are able to obtain and disclose telecommunications data and stored communications for the purposes of a foreign investigation, provide extra territorial operation of certain offences in the Telecommunications (Interception and Access) Act, adopt the computer crime offences in the Criminal Code Act so that they have adequate scope, and create confidentiality requirements in relation to authorisations to disclose telecommunications data.

This bill has been the subject of two parliamentary inquiries—firstly, as is appropriate for any foreign treaty, by the Joint Standing Committee on Treaties. In April 2011, the committee were invited to consider Australia’s proposed accession to the European convention and they made various comments on the issues as they saw them. The JSCOT report, while recommending that we do accede to the convention, identified a number of concerns that would arise from any enabling legislation. In addition to the loss of autonomy in future domestic law reform on the issue, there are concerns about privacy and jurisdiction. Submissions to the JSCOT review complained that the convention does not contain sufficiently robust privacy and civil liberties protections to offset the increased surveillance and information-sharing powers it implements. The powers governing the real-time collection and preservation of computer data were identified as being of particular concern to JSCOT. However, it was noted that powers for mass surveillance activity, such as wire-tapping or eavesdropping, are not enhanced by the legislation because the amendments are limited to telecommunications legislation only, which requires the issue of a warrant, and do not extend to surveillance devices. It should be noted that the acts sought to be amended by this bill contain their own fairly robust privacy safeguards and accountability mechanisms.

The proposed legislation may also have some effect on state and territory law, as some of them do not currently criminalise activity but will be bound by amendments to the cybercrime offences in the Criminal Code. I wish to particularly note the concerns of the Western Australian government as they were put to JSCOT. I quote their submission directly:

It is important to note that accession to the Convention should not create further bureaucracy which could act to stifle established links between agencies, particularly those formed at a State level. WA Police already has strong ties with a number of … service providers in attempting to tackle cyber crime. It would be detrimental if accession to the Convention were to erode these links.

Notably, there is a savings clause in the Criminal Code which provides that Commonwealth computer offences are not intended to limit or exclude the operation of any law in a state or territory. This clause will continue to apply. Despite these concerns, the bill has been welcomed by the information technology sector, including Telstra.

The second review that this bill has been subject to was conducted by the Joint Select Committee on Cyber-Safety. This happened after the bill was introduced to the House and was referred to that committee. The committee's review of the bill came up with 13 recommendations in its final report, which I note was only tabled last week, on 18 August. I particularly want to acknowledge the deputy chair of that committee, the member for Mitchell, who
tabled the report, is very passionate about this area and has put a lot of effort into this inquiry. The committee made a number of detailed and technical recommendations which the coalition will consider. It is pretty unfortunate, we believe, that the Labor Party has rushed forward with this debate without having given those recommendations their due. The committee's report took the approach of ensuring that thresholds that apply to domestic investigation are applied equally to foreign countries seeking access to communication materials of Australians. One of the recommendations proposed that the Australian Federal Police guidelines on police-to-police cooperation in possible death penalty scenarios be tightened and should occur only in exceptional circumstances and only with the consent of the two relevant ministers—namely, the Attorney-General and the Minister for Home Affairs. The intended result of this proposal is that telecommunications data cannot be shared even at an early investigative stage in possible death penalty scenarios without the consent of both ministers. The member for Mitchell mentioned when he tabled a report late last week in the House that the committee also recommended that the police should be required to consider the factors, including the Mutual Assistance in Criminal Matters Act, before sharing telecommunications data retrieved during a domestic investigation with foreign counterparts.

The committee believed that this proposal would strengthen protection against data sharing in relation to a political offence as one example. They believe that the general privacy safeguard in proposed section 180F would be elaborated in more detail to provide greater guidance for the AFP. The coalition looks forward to considering these recommendations that have been put forward by the committee, and I again note the concern we have that the government has rushed this legislation into the House when the joint select committee has spent a lot of time looking at the legislation and has made 13 very sensible recommendations which clearly the government has not had a chance to consider properly.

The coalition supports the objectives of the bill and we are broadly satisfied that the safeguards it contains and other legislation within which it operates are effective. However, the government by bringing on this debate so soon after the tabling of the committee report has not excluded the possibility that further amendments may be required in the Senate. The coalition does, however, agree with the government that cybercrime poses a significant challenge for our law enforcement authorities and the criminal justice system as a whole.

The global and interconnected nature of the internet makes it easy for malicious actors to operate from abroad, especially from those countries where regulations and enforcement arrangements are weak. For this reason it is critical that laws designed to combat cyber threats are harmonised or at least compatible to allow for international cooperation between law enforcement agencies. With this objective in mind, the coalition will not be opposing this bill.

Mrs ELLIOT (Richmond—Parliamentary Secretary for Trade) (18:47): The main purpose of the Cybercrime Legislation Amendment Bill 2011 before the House today is to protect Australians from cybercrime by ensuring that our legislation meets the requirements to allow Australia to join the Council of Europe Convention on Cybercrime, also known as the convention. Only after Australian legislation is compliant can Australia accede to this convention. The bill amends the Telecommunications (Interceptions and Access) Act 1979, the
Criminal Code Act 1995, the Mutual Assistance in Criminal Matters Act 1987 and the Telecommunications Act 1997. The convention, which came into force in July 2004, is the only binding international treaty on cybercrime. It serves both as a guide for nations developing comprehensive national legislation on cybercrime and as a framework for international cooperation between signatory countries.

The convention promotes an internationally coordinated approach to cybercrime by requiring countries to criminalise offences, including computer related offences such as forgery and fraud, content related offences such as child pornography, illegal access to computer systems, illegal interception and data interference and offences related to the infringement of copyright and other related rights. It also establishes procedures to make international investigations more efficient and helps facilitate international cooperation by helping authorities from one country to collect data in another country. By joining the convention, Australian agencies will have greater access to information stored overseas on the investigation of cybercrime and crimes committed using the internet.

There are a number of important protections in this bill. Agencies can only access information from a carrier with a relevant warrant. Warrants are only available to investigate serious crimes, which are those with a three-year imprisonment or more than a $19,800 fine for individuals or a $99,000 fine for non-individuals. Warrants will also be available for obtaining evidence relating to national security, espionage, terrorism, foreign interference and border integrity.

In each case a number of tests must be satisfied to obtain a warrant, such as balancing privacy considerations, determining that there are reasonable grounds to suspect that the carrier holds the relevant communications and that the information that would be obtained would likely assist in investigations. Agencies will be required to report on the number of preservation notices issued and to keep copies of those notices. Use of preservation powers by agencies will be subject to oversight by the Commonwealth Ombudsman and the Inspector-General of Intelligence and Security.

The proliferation of digital technology and the convergence of computing and communication devices have really transformed the way that we do business and the way that we socialise. But they have also provided a very wide range of risks to be exploited for criminal purposes, and the internet provides a very vast pool of potential victims for many online scams. Digital photography also allows large volumes of child exploitation material to be distributed globally. Digital media may be copied and shared, allowing widespread copyright infringement. In fact, many social networking sites are often used to menace and harass.

Our increasing dependence on computers and digital networks makes the technology itself a tempting target and gives rise to the very real potential for cyberterrorism and espionage. The sheer number of people online provides an unprecedented pool of potential offenders and victims. There is estimated to be approximately two billion people connected to the internet which, of course, is about 30 per cent of the world's population. In fact, the social networking site Facebook has 500 million active users alone.

Although not evenly spread, the uptake of technology continues to increase in most countries. In the developing world, for example, mobile cellular usage rates were estimated to be at 68 per cent by the end of
2010. Not surprisingly, of course, with this massive growth in the take-up of new technology cybercrime is the fastest-growing crime in the world, with millions of people affected every day. The most common form of cybercrime is, of course, online fraud which means any type of fraud scheme that uses email, websites, chat rooms or message boards to present fraudulent solicitations to prospective victims. Some forms of online fraud include internet banking fraud, scams and identity theft.

Internet banking fraud is fraud or theft committed using online technology to illegally remove money from or transfer it to a different bank account. One of the most common types of internet banking fraud is called ' phishing '. Phishing involves using a form of spam to fraudulently gain access to people's internet banking details. The term ' phishing ' refers to the use of spam emails purporting to be from a bank. In this way criminals phish for legitimate bank customers' login information.

Criminals send out millions of these fraudulent emails to random email addresses in the hope of luring unsuspecting innocent persons into providing their personal banking details. Typically, a phishing email will ask an internet banking customer to follow a link to a fake banking website and to enter his or her personal banking details. If the link is followed the victim also downloads a malicious program which captures his or her keyboard strokes, including any typed information such as banking login details, and then sends them on to a third party. As well as targeting internet banking customers, phishing emails may target online auction sites or other online payment facilities. The AFP works with the financial sector, internet security industries and relevant organisations to investigate crimes associated with phishing emails.

Another type of internet fraud is the internet scam. Of course, we are all very familiar with these particular scams. A good example is the Nigerian letter scam, which asks the potential victim to forward their bank account details and a small sum of money in order that a larger sum of money held in Nigeria may be put into their account. We also have the lottery scam which involves fake notices of lottery wins. The winner just has to provide sensitive personal information such as their name, residential address, occupation and position. The scammer then asks the victim for a small fee to ensure that their million-dollar windfall can be deposited into their bank account. Criminals send out millions of these fraudulent spam emails to random email addresses in the hope of enticing someone to respond. Of course, another very serious type of cybercrime is that of identity theft, and that can occur in many ways—for example, having your entire identity assumed by another person to open bank accounts. While technological advances such as the internet have improved communications and the ease of doing business, the downside is that fraudsters and other criminals may have a lot more opportunities to obtain details about us and our personal lives. Victims of identity theft bear significant financial and emotional costs and often experience difficulties in regaining control of their identity and restoring their credit rating. In 2007, the Australian Bureau of Statistics conducted a survey on personal fraud. The findings indicated that around half a million Australians experienced some form of identity fraud in the 12 months preceding the survey.

One of the most insidious forms of cybercrime is, of course, child pornography. Protecting children, stopping the electronic distribution of child pornography and punishing those responsible form one of the
most important applications of online policing. The success the AFP has had in prosecuting cybercrime can be seen in the very outstanding success of Operation Rescue, which concluded in March this year. Operation Rescue has seen almost 200 suspected child sex offenders arrested and 230 children rescued, following one of the biggest investigations of its kind so far by law enforcement agencies across the world.

The AFP has removed four children from harmful situations and arrested 31 suspected offenders since the operation commenced in 2007. The suspects were members of an online child abuse forum with thousands of members worldwide. The AFP began the investigation in August 2007. It was a three-year investigation, spanning the globe, which revealed several of the internet addresses coming from Australian internet service providers. In the words of AFP Manager Investigations of the High Tech Crime Operations, Grant Edwards:

With over 200 children removed from harm globally, we imagine an even larger number of children were safeguarded elsewhere in the world; however we will never know the total figure due to it being such a limitless crime. Commander Edwards went on to say of Operation Rescue:

This demonstrates that global law enforcement is working together internationally to protect children wherever they may be in the world.

At the end of the day, our goal is simple: child safety.

We can certainly see how important it is for Australia's law enforcement agencies to work cooperatively with other agencies around the world to work together to help fight cybercrime. An increasing cyberthreat means that no nation alone can effectively overcome this problem and international cooperation is absolutely essential, and accession to the convention will demonstrate Australia's commitment to actively engage in international efforts to combat cybercrime and complement the Australian government's broader policy agenda on cybercrime and cybersafety and security.

Acceding to the Council of Europe Convention on Cybercrime will ensure that Australia's laws and arrangements are consistent with international best practice and it will really improve Australia's ability to engage internationally to combat cybercrime. This is a very, very important step to increasing the power of Australian investigators to effectively combat cybercrime and all the threats that it poses, by absolutely ensuring our increased international cooperation. I commend the bill to the House.

Mr IRONS (Swan): I rise to speak on the Cybercrime Legislation Amendment Bill 2011. In recent decades there has been an explosion in the use of telecommunication technologies in Australia. Each year, more and more of us use mobile phones and the internet. It is the way we interact in the 21st century. It is the way we shop, we bank and we communicate. Activities that used to take place face-to-face are now happening in cyberspace. Unfortunately the criminals have followed suit, creating a new category of crime—cybercrime. I am sure all members would hear many stories of cybercrime in their own electorates each year. From scams and fraud to the more serious incidents we see on the news, this is a growing area of concern and one which we need to deal with.

Countries around the world are coming to terms with these challenges. Given the nature of the internet and the nature of 21st century telecommunications, there has been a focus on dealing with these matters at a transnational level. A landmark agreement on dealing with this issue happened at the Council of Europe's Convention on
Cybercrime—otherwise known as the Budapest Convention. It is the first international treaty on crimes committed either against or via computer networks. In particular the Budapest Convention deals with online fraud, child pornography and the unauthorised access, use or modification of data stored on computers.

The bill we are debating today facilitates Australia's accession to the Budapest Convention and in the process aims to strengthen Australia's cybercrime legislation and to harmonise our approach with international legislation, fostering a consistent, cooperative approach to tackling this issue. The bill makes amendments to the Telecommunications Act 1997, the Telecommunications (Interception and Access) Act 1979, the Mutual Assistance in Criminal Matters Act 1987 and the Criminal Code Act 1995. The main effects of these amendments are: to require carriers and carriage providers to preserve the stored communications and telecommunications data for specific persons when requested by certain domestic agencies or when requested by the Australian Federal Police on behalf of certain foreign countries; to ensure Australian agencies are able to obtain and disclose telecommunications data and stored communications for the purposes of foreign investigation; to provide for extraterritorial operation of certain offences in the Telecommunications (Interception and Access) Act; to amend the computer crime offences in the Criminal Code Act so that they have adequate scope; and to create confidentiality requirements in relation to the authorisations to disclose.

When this legislation was considered by the Joint Select Committee on Cyber Safety some concerns were raised by stakeholders. The main concern was the issue of privacy, with many submissions uneasy with the increased surveillance and information-sharing powers contained within the bill. These are important concerns to raise—particularly where this concerns the government, which does not have a good overall track record when it comes to these matters. The issue of mandatory internet filtering is still a concern for many people in my electorate of Swan, and the government's pursuit of this issue has put Australia on an 'enemies of the internet' watch list in the company of a number of totalitarian regimes—something to consider a day after a dictatorship in Libya was on the brink of collapse.

These submissions have forced the government to clarify a number of privacy matters, and I note that in the Attorney-General's statement of 18 August 2011 he stated:

Preservation notices can't apply to an entire provider, but only to a person, phone number or email address. Moreover they only apply until a law enforcement agency obtains a warrant to formally access the information and the information is destroyed after 30 days if a warrant is not granted.

The bill does not require ongoing collection and retention of communications. We on this side of the House will be keeping a watchful eye on the Attorney-General to make sure he keeps his commitments.

I draw the attention of the House to a submission from the government of Western Australia that stated:

It is important to note that accession to the Convention should not create further bureaucracy which could act to stifle established links between agencies, particularly those formed at a State level. WA Police already has strong ties with … a number of service providers in attempting to tackle cybercrime. It would be detrimental if accession to the Convention were to erode these links.

I hope this is not another example from this government of a lack of consultation with
WA, as was raised consistently in the debate on the Offshore Petroleum and Greenhouse Gas Storage Amendment (National Regulator) Bill 2011. The government must consult properly with WA and must ensure that this legislation does not undermine the ongoing work of the WA Police in tackling this crime. There is a clause in the Criminal Code which provides that Commonwealth computer offences are not intended to limit or exclude the operation of any law of a state or territory. However, it is up to the government of the day to make sure that this is effectively applied.

Despite flagging these points with the government in this chamber this evening, I will be supporting this legislation. The legislation recognises that criminal policy in this country needs to keep pace with the massive changes we have seen in telecommunications. We need the police to be able to request telecommunications data. Even what we might call traditional crime now often leaves traces on mobile phones and emails. The transnational nature of crime means that more than ever we need to cooperate with international agencies. I spoke about this in more detail during my speech on the Mutual Assistance in Criminal Matters Amendment (Registration of Foreign Proceeds of Crime Orders) Bill 2011 during the last parliamentary sitting. There may be some matters to clear up in the Senate, given the speed with which the government has brought the debate forward following the tabling of the Senate inquiry report. The joint select committee made no fewer than 13 recommendations including restrictions on police-to-police cooperation in possible death penalties scenarios without ministerial consent. The committee also recommended that the police should be required to consider the factors included in the mutual assistance act before sharing telecommunications data retrieved during a domestic investigation with foreign counterparts with a view to strengthening protection against data sharing in certain cases. These are areas that may be subject to further consideration in the other place.

However, we support the objectives of this bill and are broadly satisfied that the safeguards in it and other legislation with which it operates are effective. Beyond this legislation there is much we can all do to help tackle cybercrime. It is important to take cybersecurity as seriously, for example, as you would locking your car or your house. When I was at Sevenoaks school in my electorate of Swan in Cannington, I spoke to the students about how important it is for students to protect their personal information online. There were many who thought that by placing photos or personal information on sites such as Facebook they would be secure. Clearly, that is not the case, as we have seen. Cyberbullying is also a related problem, and I am a big supporter of the Carlisle Primary School in my electorate for their anti-cyberbullying stance, which I would encourage other schools to look at as well.

In conclusion, we all have a part to play in tackling cybercrime. I am glad that this is a duty we are taking seriously in the Australian parliament today and I congratulate the other members who have made a contribution to this debate. Thank you.

Ms ROWLAND (Greenway) (19:06): This is an area of law of great professional and personal interest to me. I have been analysing, commenting on and advising on the subject matter of this bill for many years, particularly with some of my former colleagues whom I wish to acknowledge today. The intersection between technology, electronic communications, law enforcement and privacy is one which I have witnessed grow and expand from something of a fringe area of law and policy into a household term
which we now commonly understand to constitute cybercrime. Indeed, I remember over a decade ago firstly advising on the differences between the breaches of the prohibitions against telecommunications interception in the Commonwealth legislation as opposed to the criteria under the various state and territory listening devices legislation.

Probably the most complex advisory roles at that time concerned 'double jacking', or a third party listening in to conversations between a customer and a call centre operator, usually for quality assurance purposes. There have since been enormous developments in the law, corresponding with the evolution of data collection and storage, access to data, prospective access, access to metadata, as well as the needs of law enforcement agencies to exercise necessary powers to enforce the prohibitions in the Criminal Code Act dealing with crimes using communications devices. Equally, at a practical level, carriers, carriage service providers and carriage service intermediaries have also been required to maintain their compliance and cooperation standards with such agencies to implement these measures.

The term 'cybercrime' is usually defined by way of inclusion rather than exhaustively. It includes the use of a device by means of a network to commit offences against that network, as well as that network being utilised to commit an offence. The expanded use and accessibility of any number of devices—be they telephony exclusive, data or, as in most cases, platform and content neutral in nature—and the explosion in networks and the network of networks that comprise not only what we understand to be the internet but networks capable of storing clouds of data, unfortunately means that capacity for illegal activity utilising such networks is virtually ubiquitous.

It is also why, unfortunately, cybercrime is often associated with some of the most heinous offences imaginable. Part 10.6 of the Criminal Code Act 1995 lists those offences, including: using a telecommunications network with intention to commit a serious offence; using a carriage service to make a threat or a hoax threat; using a carriage service to menace, harass or cause offence; offences relating to use of carriage services for child pornography material or child abuse material; and offences relating to the use of a carriage service involving sexual activity with persons under 16, including using a carriage service to groom persons under 16 years of age or transmit indecent communication to persons under 16 years of age. There is also a series of computer offences listed in part 10.7 of the Criminal Code Act. It is unfortunate that the term 'cybercrime' is now commonly understood to be associated not only with threats to private and national infrastructure, which was the primary focus of the law around a decade ago, but as recently as over the weekend we saw on our television news footage an individual being charged with grooming offences in a sting conducted by police in Western Sydney. It is therefore not without careful consideration that successive governments have approached this complex area of policy and regulation within a prism of seeking maximum evidence gathering and enforcement opportunities. Equally, the successive amendments to the laws including an interception and access regime, which is almost unrecognisable compared to the now superseded primary 1979 act, have not gone without scrutiny from privacy advocates and, for practitioners and operators in the area, the implementation and the practicality of the law have been overriding issues.

I would like to turn to the international arrangements on the issue of cybercrime since the bill before us is intended to set the
legislative framework to enable Australia's accession to the Council of Europe Convention on Cybercrime. As noted by the Attorney-General when introducing the bill in June this year, the intent of the convention is to provide systems to facilitate international cooperation between signatory countries as well as establishing procedures to increase the efficiency of law enforcement investigations in this area. This includes the ability of authorities to request the preservation of specific communications, assisting authorities of one country to collect data in another, the establishment of a 24/7 network to provide immediate assistance to investigators and facilitating the exchange of information on these matters between countries. Thus, as described in the convention, its main objective is to develop a common criminal policy to combat cybercrime through international cooperation.

The convention was considered earlier this year by the Joint Standing Committee on Treaties of which I am a member. Australia, as a non-member state, was invited to accede to the convention in September last year. In its report on the convention, the treaties committee noted that, in addition to the crimes referred to previously, cybercrime is a growing threat to consumers commensurate with the value and significance of electronic communications as the most efficient, dynamic and prolific global mechanism for social, professional and business communications.

Despite the range of prohibitions set out in current legislation and the existing powers of surveillance, search and obtaining by warrant available to law enforcement agencies, new threats from cybercrime continually emerge. Again, as the treaties committee noted in its report on the convention, consumers were not only the prime targets of such activity but the nature of networks which do not recognise geographic borders poses an immediate challenge stating:

The Committee notes advice that while Australia currently has specific laws targeting cybercrime—including such offences as unauthorised access, modification or impairment of computers, online child exploitation, copyright infringement and online fraud—law enforcers are increasingly challenged by the transnational and dynamic nature of this type of criminal activity.

In its report, the treaties committee noted concerns raised in its public hearing on the convention, including the potential impact of ratification on the integrity of Australia's regulation of computer communications in the context of the rights of individuals as well as privacy protections and on the capacity of the states and territories to raise and implement the necessary enforcement powers to support Australia's obligations.

As a parallel matter, which I have alluded to, there are the practical issues of implementatations by operators. In the public hearing on this matter conducted by the treaties committee in March, I raised the following questions and issues:

For many years I acted for telco operators and particularly when I was in-house we would receive access requests for data going back many weeks or months. For SMSs, being store and forward technology, you would need a server the size of Western Australia to store all of this stuff for some of the periods that were required. I am sure this still goes on today, but we got access requests for communications that were weeks or even months old. The engineering that needed to be done to retrieve them was prohibitively expensive. I know it is revenue-neutral in the end because you have the interception agreements with the Commonwealth.

There was not a process that all of a sudden the carrier would get notified, ‘In a few weeks we are going to ask you for all this information.’ If this is going to work effectively I am concerned that in a very practical sense telcos would not have budgeted for this. I do not think any of them made submissions to the committee.
In response, the departmental witnesses reiterated that the measures proposed in the convention and the amendments themselves would be about preserving material already held by a carrier.

While I accept that advice, it would be remiss not to highlight some of the concerns that have been raised about these issues at a policy and procedural level. Firstly, the treaties committee rightly recognised the growing threat of cybercrime, but it also recorded its awareness that surveillance and data storage by law enforcement agencies does raise fears about privacy with potential threat to human rights and liberties. The committee noted that the convention contains certain guarantees for human rights protection and judicial review. Secondly, the committee placed on the record its concerns about lack of transparency in the review process for this important treaty. In its recommendation 14, in relation to the convention, it recommended the Attorney-General's report to the committee on any proposed amendments to Commonwealth, state and territory law in support of the convention.

Thirdly, I note concerns raised by organisations and privacy advocacy groups, including the Australian Privacy Foundation, as reported in the media and elsewhere, such as guidance on any legal restrictions regarding how data would be used by foreign nations once it was handed over by our domestic law enforcement agencies. I also note, as reported in the Sydney Morning Herald on Friday, the concern that Australia is, per capita, home to more data interception than almost anywhere else in the world. I am very familiar with this, particularly as I was involved in much of the research and commentary in this area that over the past few years fed into Social Implications of National Security, the forum and proceedings overseen by the Research Network for a Secure Australia and edited by Katina Michael and MG Michael.

Fourthly, I note that last Thursday the Joint Select Committee on Cyber-Safety tabled its report into the review of the bill. The report contained 13 recommendations intended to clarify and tighten conditions under which new powers of law enforcement agencies may be exercised. The committee recognised the importance of enabling Australian agencies to work with their international counterparts, particularly in relation to crimes against children. As stated by the chair, Senator Bilyk, these views were unanimous with the intention of allaying fears about the potential to misuse these powers and ensuring that they are actually available to fight cybercrime but also that the public has confidence in the scheme. One of the most important points made by the committee, and it goes again to the line of questioning which concerned me at the Joint Standing Committee on Treaties, was that this is not a data retention scheme and it does not allow foreign countries to demand access to private communications.

I would finally like to mention and acknowledge the thinking and rigour, both in a policy sense and from a practical implementation viewpoint, of former colleagues who involved me in what I maintain was commentary well ahead of its time on this issue. I want to particularly note the cost-benefit analysis undertaken by Rob Nicholls, on whom is now or very soon to be conferred the title of Dr Nicholls for his outstanding academic contributions to communications and broadcasting. One of Rob Nicholls's most compelling works was his contribution to the fourth workshop on the Social Implications of National Security, entitled 'For what it's worth: cost benefit analysis of the use of interception and access in Australia'. This was not a cost-benefit study of whether or not the interception and
access regime in Australia should exist; rather, it was an analysis of the effectiveness of Australia's covert communications law enforcement arrangements with international benchmarking. It examined this on a qualitative basis, in terms of outcomes with privacy rights forgone, and in a quantitative sense—the monetary cost of the regime per conviction. This was able to be analysed thanks to the requirements to publish the Attorney-General's annual report into the interception and access operations that had been conducted in the previous year, 2009.

Rob Nicholls also noted that 2009 was the milestone 30th anniversary of the Telecommunications (Interception and Access) Act—the addition of 'access' in its title being added only a few years ago to accommodate the provisions for access to data rather than limited to real-time voice communications. His analysis included the following salient points. In the period from 1 July 2008 to 30 June 2009, there were more than 3½ thousand warrants for interception and access executed in Australia. By way of background, there is a strict prohibition against interception and access, except in cases of a warrant. The vast majority of these warrants were consistently in relation to drugs offences over the period 2006 to 2009. There was a reasonable level of effectiveness of interception warrants, with a consistently higher than 50 per cent rate of arrest per warrant. Compared to the United States over the period 1 January 2008 to 31 December 2009, the total number of warrants issued in Australia under the regime was slightly over two-thirds of the number in the United States. When one considers that the population of the United States is around 15 times that of Australia, the per capita discrepancy becomes stark. Canada's 2009 figure showed a warrant rate less than Australia's on a per capita basis, as did the United Kingdom.

I believe it would be remiss, not only in a policy sense but also in a legal sense, considering the strict communications-specific privacy requirements set out in part 13 of the Telecommunications Act and the strict prohibition against interception and access to communications without a warrant, not to consider the concerns of privacy advocates and individuals generally in this area. However, at the same time, we must recognise that Australia operates in a global economy, that we are connected to the world by a global network and that international cooperation is the only effective way to combat the incidence and impact of cybercrime for all Australian citizens. I therefore agree with the comments of the Attorney-General and the Minister for Home Affairs and Justice, as stated in their introductions to the bill, on three important points. The Attorney-General stated:
The increasing cyber threat means that no nation alone can effectively overcome this problem and international cooperation is essential.
The Minister for Home Affairs and Justice stated:
Australia must have appropriate arrangements domestically and internationally to be in the best possible position to fight cybercrime and cyber security threats.

He also said this bill:
… is an important step to increasing the powers of Australian investigators to effectively combat cybercrime with increased international cooperation.

I therefore commend the bill to the House.

Ms GAMBARO (Brisbane) (19:20): I am very pleased to speak tonight on the Cybercrime Legislation Amendment Bill 2011. It amends the Telecommunications (Interception and Access) Act 1979 to ensure that Australian legislation is compliant with the Council of Europe Convention on Cybercrime requirements in order to
facilitate Australia's accession to the convention.

Cybercrime—and cyberspace—is one of the great legal frontiers of our time. It has been reported that from 2000 to 2008 the internet expanded at an annual rate of 290 per cent on a global level and that there are currently an estimated 1.4 billion people on the Net. This is an absolutely phenomenal growth rate. The impact of the internet on society has been so very fast moving and far reaching—the uptake has been incredibly fast—that the legislation has failed to keep pace.

Cybercrime is borderless and potentially transnational. Offenders can in general target users in any country in the world, so international cooperation of law enforcement agencies is absolutely essential for international cybercrime investigations. The Convention is the first international treaty on crimes committed either against or via computer networks. It deals with a number of areas, including fraud, child pornography and the unauthorised access, use or modification of data stored on computers. The convention's main objective is to pursue a common criminal policy by adopting consistent legislation and fostering international cooperation.

The Council of Europe Convention on Cybercrime came into force on 1 July 2004, and to date some 31 countries are party to the convention and a further 16 countries have signed the convention, including nonmembers such as Canada, Japan and South Africa. The bill targets online fraud, child pornography, copyright offences and security breaches, including offences against the confidentiality and integrity of the computer systems that bring Australia's communications laws into alignment with international conventions.

There are a number of effects of the amendments and they are: 'To require carriers and carriage service providers … to preserve the stored communications and telecommunications data for specific persons', particularly 'when requested by certain domestic agencies or when requested by the Australian Federal Police on behalf of certain foreign countries.' That means that the bill authorises the requirement for communications carriers to preserve that very important data for up to 90 days from customers who are suspected of having committed a cybercrime offence. By requiring companies to hold information—including emails, messages and internet usage data—agencies can prevent data on suspected cybercrimes from being destroyed during the investigation process. Additionally, this bill will amend the computer crime offences in the Criminal Code Act so that they have adequate scope to act. Cybercrime is on the rise, and we hear it every day in the press. Criminal activity is getting much more shrewd. It involves a use of computers or computer networks, and there are full-time people working in many countries. The level of criminal activity in this particular area is on the increase. The committee heard reports from the Uniting Church of Australia Synod of Victoria and Tasmania in support of Australia's accession to the convention, with particular regard to the need for greater international effort to combat child sexual abuse. This is a particularly horrific crime that we must do everything in our power to combat.

Another example of cybercrime involves using a computer connection and specifically developed software in order to steal identity, credit card numbers and other data that criminals can use to their advantage. Using illegally obtained data, the criminal can open accounts, charge a wide variety of goods and services and then abandon the accounts. This
sometimes leaves the victim in a position of having to deal with huge debts of which they are unaware. Quite often I have constituents speaking to me about items appearing on their credit card from offshore regions.

In addition to this, data integrity and security is topical at the moment. There have been some very highly publicised attacks. Earlier this year Citigroup was IT breached by hackers and an online facility used by customers to manage their credit cards was infiltrated. Recently we also had Sony breached, allowing unauthorised access to the account information of millions of users. Other security breaches have also occurred over the last year in relation to RSA Security. All of these breaches expose companies and their customers to the risk of cybercrime. On a daily basis we hear about bank accounts being emptied. Constituents are forever contacting my office when they are being asked for their online bank account details. It still goes on quite frequently.

Submissions to the Joint Standing Committee on Treaties complained that the convention does not contain sufficiently robust privacy and civil liberties protection to offset the increased surveillance and information-sharing powers that it implements. The powers governing the real-time collection and preservation of computer data where identified has been of particular concern; however, powers for mass-surveillance activities such as wiretapping or eavesdropping are not enhanced by the legislation, because the amendments are limited to the telecommunication legislation, which requires the issue of a warrant and does not extend to surveillance devices. Disclosure of real-time data is limited to investigations relating to criminal offences punishable by at least three years in prison.

In addition, the acts sought to be amended by this bill contain their own fairly robust privacy safeguards and accountability mechanisms. We support these amendments, and Australia's accession will assist in the prevention of cybercrime.

Mr Perrett (Moreton) (19:28): I rise to speak in support of the Cybercrime Legislation Amendment Bill 2011. Acting Deputy Speaker Adams, I am sure that, as a Tasmanian, you, too, will be supportive of these endeavours. I speak as the father of a two year old and a six year old. These boys will see more innovation in education by the internet in the next 10 years than we have seen over the last 100 years, I would suggest. There will be great opportunities but also more challenges and more threats at home in the living room.

The internet has improved the lives of many through better communication, immediate access to banking—no queues and waiting on a Friday afternoon—great innovations in e-health and education to name but a few areas, but the internet has also provided a new platform for criminals to conduct their malicious activities. They can come creeping around your house at night not with a mask and a bag of loot like in a cartoon but with a keyboard, reaching from their den in Russia, Nigeria or even Sydney and coming into your lounge room via your computer. Traditional crimes like theft and fraud can now be committed in cyberspace. Crimes like fraud, hacking, money laundering, theft, cyberstalking, cyberbullying, identity theft, child sexual exploitation and child grooming are now, sadly, widespread on the internet. Where the academics who invented the internet saw opportunities to share knowledge, crooks see opportunities to share in the fruits of our labour. These are not just bits and bits. These can be particularly horrendous crimes that have a horrible impact on their victims. I saw today in the media that even in my home
town of St George there were people involved in this in a horrible way.

It is acknowledged that these crimes are becoming more common, but their extent in Australia is difficult to quantify, as much of it goes unreported. As a member of the Joint Select Committee on Cyber-Safety I was pleased to be a part of some good work in developing the report into cybersafety, *High-wire act: cyber-safety and the young*. That was a great report to be involved with and it certainly opened my eyes to some of the problems that are out there with the internet. The committee investigated the risk to safety and privacy for young people on the internet but—and I know this personally—there are lessons for all Australians, whatever their age. I think I learnt more at MacGregor State School about the internet than I had in 10 years of using it—and that was from the grade 7 students.

We know, in no uncertain terms, that more needs to be done to protect people's safety online. Just today my office received an email from a constituent who is the victim of internet fraud and harassment, which he encountered after visiting internet dating sites. This is just a lonely guy seeking companionship or romance who is suddenly the target of criminal activities. The hook was baited because he was lonely and, suddenly, he was the target of criminals. I understand, and I have heard this from other speakers, that this experience is all too common. Of course my office has referred his case to the AFP, but there are many who do not make contact with their federal member of parliament.

This is a difficult area of law. The global and borderless scope of the internet makes law enforcement in cyberspace convoluted and complicated. The exponential development of new technology is also a major challenge for law enforcement agencies, who do great work but are often struggling to keep up with criminal technology and innovation. That is why international cooperation in fighting cybercrime is so very important. To this end, the Cybercrime Legislation Amendment Bill will facilitate Australia's accession to the Council of Europe's Convention on Cybercrime. This treaty has already been signed by 40 nations and is the only binding international treaty on cybercrime. It puts in place common procedures governments should follow to combat cybercrime. As a signatory, Australia will be better positioned to prevent, detect and prosecute crimes committed on the internet, as Australian law enforcement agencies will have greater access to information stored overseas in the investigation of cybercrimes.

Australia already complies with the majority of our obligations under the convention. However, this bill amends a number of acts to ensure we meet all requirements under the treaty, particularly those relating to the storage and exchange of information, which are such important areas. Firstly, it amends the Telecommunications (Interception and Access) Act 1979 to enable authorised agencies to request the preservation of specific communications that are stored by a carrier. Law enforcement agencies will be required to produce a warrant to access this information. They will only be available for serious offences, with a penalty of three years in prison or a fine of $19,800, and for obtaining intelligence related to espionage, terrorism, foreign interference and border security. A notice to preserve communications will be automatically revoked after 90 days for domestic purposes. Notices for foreign purposes will be valid for 180 days.

Secondly, this bill amends the Mutual Assistance in Criminal Matters Act 1987 to allow Australian law enforcement agencies
to obtain and disclose communications for
the purposes of a foreign investigation. There
are some good checks and balances in this
process. There are a number of mandatory
and discretionary grounds for refusal of a
mutual assistance request; for example, the
Attorney-General may refuse a request if the
assistance is not considered appropriate. The
Attorney-General is also required to report to
parliament annually on the number of stored
communications warrants obtained for
foreign purposes.

Further, the bill amends the Criminal
Code Act 1995 to expand the application of
Commonwealth computer offences under the
treaty. Finally, it amends the
Telecommunications Act 1997 to require
service providers to assist law enforcement
investigations and enable them to recover
costs associated with that assistance. This
bill will ensure Australia becomes a stronger
part of global efforts to combat cybercrime. I
am particularly proud of this legislation as
my wife has worked in child protection for
20 years. Unfortunately child protection and
child abuse are so often cultivated and
commenced through the internet with people
looking at sites that are inappropriate. This is
one small step in nipping crimes in the bud
before they escalate. It ensures stronger
international cooperation and empowers
Australia's crime-fighting agencies with the
appropriate tools to investigate cybercrimes.
I commend the bill to the House.

Mrs ANDREWS (McPherson) (19:35): I
rise to speak on Cybercrime Legislation
Amendment Bill 2011. The amendments
contained in the bill will ensure Australia is
compliant with the Council of Europe
Convention on Cybercrime requirements and
introduce a variety of measures to help fight
cybercrime at home and abroad. Cybercrime
is a developing issue that has caused concern
within the general public and the business
community.

Looking back on events that have
occurred over the last year, we have seen the
websites of credit card giants Visa and
MasterCard attacked after they stopped
processing donations to WikiLeaks. This
occurred after the public arrest of the
organisation's founder, Julian Assange,
weeks after the unauthorised disclosure of
thousands of sensitive diplomatic documents.
Other notable incidents of cybercrime have
included the release of passwords from US
military consultants, social media profiles
being hacked and open invitations to non-
existent gatherings being distributed. The
parliamentary Joint Standing on Treaties
define cybercrime broadly to encompass a
variety of situations, referring to it as
criminal activity that involves the 'use of
computers or computer networks … or
where use of a computer is integral to the
offence'.

The Council of Europe Convention on
Cybercrime has been signed by our major
allies and trading partners, including the
United States, Japan and the United
Kingdom. It aims to develop a common
criminal policy to combat cybercrime, in
particular by adopting appropriate legislation
and international cooperation. This is to
occur through the criminalisation of offences
such as forgery, fraud, child pornography,
data interference and infringement of
copyright, as well as facilitating international
cooperation through better cyber related
procedures and systems. It is the first
international treaty that deals with crimes
committed over the internet, such as
computer related offences and computer
accessed offences.

The bill before the House introduces a
variety of amendments to the
Telecommunications Act 1997, the
Telecommunications (Interception and
Access) Act 1979, the Criminal Code Act
1995 and the Mutual Assistance in Criminal
Matters Act 1987. This will create a statutory method to preserve stored communications and allow for mutual assistance in fighting cybercrime with our allies and foreign law enforcement agencies. The bill proposes to meet the provisions of the convention and will introduce a preservation regime for stored communications—these being, communications that have not commenced or that have passed through the telecommunications system. These communications include emails, voicemails and SMSs. The amended act will allow domestic law enforcement agencies or foreign law enforcement agencies to request disclosure of these stored communications data from carriers and service providers for up to 90 days under a warrant.

In the circumstance of a request for mutual assistance on behalf of a foreign country, the Attorney-General will be able to authorise the Australian Federal Police to apply on behalf of that foreign country for a stored communications warrant in relation to an investigation or investigative proceedings that have commenced in that country for a serious foreign contravention. For the purposes of the bill, a serious foreign contravention is any offence which carries a penalty of three or more years imprisonment, life imprisonment or a fine of roughly $99,000. The bill also deals with legislative changes to the Commonwealth Criminal Code Act 1995—namely, extending the scope of computer related offences listed in the code. Many of the states and territories have already legislated for computer offences, and some submissions to the Joint Select Committee on Cyber-Safety expressed concern that there may be some conflict. Yet the saving provision of the Criminal Code Act will not limit or exclude the operation of the state and territory laws in the event of any inconsistency.

There have been concerns raised about privacy, especially confidentiality requirements in relation to the authorisations to disclose telecommunications data as handled in the bill. Submissions to the Joint Select Committee on Cyber-Safety expressed concern over a lack of sufficient privacy and civil liberty protections to counter the increased powers of surveillance and intelligence the bill implements. However, it should be noted that the bill will impose a broader test upon authorised officers in considering how much privacy of any person or persons would be likely to be interfered with by the disclosure or use of prospective or historical telecommunications data for a domestic or foreign investigation. The bill does not increase the scope of powers for mass surveillance, due to the bill's limitation to telecommunications legislation and the requirement for a warrant. Also, the relevant acts that are being amended maintain their own safeguards in relation to privacy and accountability.

We must not forget the inherent threat that cybercrime poses to both our local communities and the nation at large. In mid-June internet hackers obtained and distributed 62,000 worldwide email addresses and passwords, including some from Australian universities and government departments. But Australia is not the only target. This problem is global. For example, the United States Senate website was hacked as recently as June this year. In response to continued cyberattacks, the United States of America has recently declared that a serious cyberattack on the United States, if found to be perpetrated by another nation, could be construed as an act of war.

Here in Australia, a concern exists that cybercrime may threaten our businesses. With the vast majority of businesses now using computerised systems and the internet in the course of their daily activities, the risk
of cybercrime has escalated dramatically. Businesses are already hurting, and they are at increasing risk of cyberattack because they are unable to meet the additional costs associated with high-level internet security. In my electorate of McPherson, there are roughly 15,400 businesses in a variety of industries, including tourism, manufacturing, construction, retail and education. The Australian Institute of Criminology noted in 2009 that 28 per cent of businesses with information technology experienced one or more computer security incidents over a 12-month period in 2006-07. If that statistic were to be applied to the number of businesses in my electorate, this would mean roughly 4,300 businesses, or about one in four businesses, would have been open to a computer security incident of some form.

Last year the former House Standing Committee on Communications produced the report *Hackers, fraudsters and botnets: tackling the problem of cyber crime*, in which the standing committee investigated the economic effect of cybercrime. The report noted:

All aspects of Australian society including Australian government, private businesses and home users, are victimised by cyber criminals.

The standing committee then went on to explain that—with the Australian economy expanding due to the digital economy, a decline in consumer confidence in online services, a loss of business reputation due to online incidents—the direct financial loss to businesses due to scams, frauds and extortion, or even a direct impact on critical infrastructure has the potential to substantially damage the Australian economy. The variety of ways cybercriminals can affect our digital economy is indeed a frightening reality which seems almost daunting when you consider the relative ease with which this occurs. We are now witnessing a new breed of criminals that steal from our computers using software. Unlike the stereotypical robberies that occur in a physical sense, these opportunists are able to commit these crimes at a distance, often in private locations. The internet is a place for opportunistic people. Quite often people are being taken advantage of by email scams, identity theft and the range of other offences I previously mentioned tonight. Our seniors can be some of the most vulnerable people in our community who fall victim to internet scammers. However, there are community groups who assist seniors in navigating their way around the internet and computer systems. I would like to commend the efforts of the Gold Coast Seniors OntheNet computer club, which assists seniors who are interested in learning about computer systems in addition to improving their knowledge of new technologies. Along with the organisation's entire management committee, Vice-President Judy Gamin, who is a constituent of mine and a former state member for Burleigh, does a great job with our seniors on the Gold Coast to ensure they engage as much as possible in an area that is often overlooked or considered too difficult and problematic.

Children are also at high risk of cybercrime and we must ensure they are kept safe from these emerging threats. While the emergence of Facebook, Twitter, Myspace and other social-networking sites have revolutionised the lives of many young people, they have also created many new challenges we must often overcome. The lives of children are often put on display for the world at large where scammers and predators are only an email, comment or tweet away from conversing with these most vulnerable members of our society. I commend the schools in my electorate for their continuing efforts to educate their
students on the precautions they should take while surfing the net.

The challenges our national economy faces are constantly discussed in this place and at no time more so than now. It is important we look to giving businesses and private households the security of knowing that those who perpetrate cybercrimes, whether they be related to content being conveyed or stolen or to the integrity of the system or computer itself, will have a net, so to speak, closing in on them fast and surely.

Ms BRODTMANN (Canberra) (19:47): Tonight I speak in favour of the Cybercrime Legislation Amendment Bill 2011. Earlier this year I had reason to speak on the identity theft provisions of the Law and Justice Legislation Amendment (Identity Crimes and Other Measures) Bill 2010 [2011] and in particular on the growing problem of the online theft of personal information. It is for similar reasons that I speak on this bill tonight. Indeed, I revealed earlier this year that I was a victim of online identity theft when I was planning a trip to a conference in the United States a couple of years ago. I was told by my travel agent — and I do not use this travel agent anymore — that I had to get a visa to go to the States. That surprised me at the time, given that I had worked in Foreign Affairs and was aware of the relationship we had with the US. I thought we had agreements in place so that for short stays we did not have to obtain visas. Being the person I am, I found a site purporting to provide me with such a visa. I applied, paid $60 and got an ID code to show the officials when I arrived at the fabulous Los Angeles airport. However, my initial instincts were correct and when I arrived in the US there was no need for the visa, so it was a completely spurious concept and a completely spurious visa. I was completely scammed and have not seen my money since.

On a less amusing note, late last year my father-in-law was the victim of identity theft after the death of my mother-in-law. He was in the midst of reconciling and closing down bank accounts and advising government agencies and community organisations of her death while at the same time trying to come to terms with the loss of the woman he had loved for more than 50 years. In his grief he thought the request for bank information was just one of the many administrative processes he had to go through at the time. There was a pile of paperwork and it was just another thing he had to do. He discovered too late that he had become a victim of identity crime. It was very traumatic for him and we spent a lot of time back-peddalling on a range of things to help him out. As I said, it happened at the worst possible time — just after his very beloved wife had died. Last month my husband, Chris, got a phone call from the bank saying that our credit cards had been skimmed and had subsequently been cancelled. Unfortunately, we had no choice in the matter. It is one thing to have the cards cancelled immediately, but then you have to wait to get the new cards and there are all the accounts you have attached to your credit card. You get nasty letters from people saying you have not paid a bill and you have to let them know that you are waiting for a new credit card and then have to notify them of the new details — and we both have so much spare time to do all that.

The reason I spoke on identity theft earlier this year is that it is an everyday problem. I relay these stories because I believe my family is not all that special; in fact it is quite the opposite. My story is all too common and sadly the loss of my $60 is very minor when compared to some of the crimes that occur online. This year we also heard of the breach of the Sony PlayStation Network and the theft of information. It has been confirmed that in all some 77 million users from across
the globe had their information stolen by unknown criminals. It is also a sad fact that the online environment is proving to be very convenient for paedophiles and for the dissemination of child pornography. As an example, in March this year the Australian Federal Police cooperated with police from around the world to arrest nearly 200 suspected paedophiles and rescue 230 children—I do not even want to think where those children were—from Holland, Chile, Brazil, France, the United States, New Zealand and Australia.

It is abundantly clear that cybercrime does not confine itself to the niceties of international borders. If one thing can be said about the criminal elements of society, it is that they are nothing if not enterprising. We should not be surprised then that, like legitimate business, criminal syndicates and groups are taking advantage of the globalised world made possible by advances in technology. In March last year, for instance, *New Scientist* reported on a burgeoning service industry for the creation of malware, insidious software that infects computers to steal information, including credit information. The article revealed that for as little as $400 a person with little computer skill could purchase and use sophisticated malware for online fraud and theft.

Given the rise of this risk to our economy and our society we must react decisively and appropriately, because as Rafael Etges and Emma Sutcliffe stated in an article entitled 'An Overview of Transnational Organized Cyber Crime' for the *Information Security Journal, A Global Perspective*:

Organized crime is successful where laws are confusing or lax, or law enforcement is not prepared or structured to fight back.

It is clear that if cybercrime is to be tackled we need effective, international cooperation. It is this kind of international cooperation that this legislation is designed to achieve.

This legislation will facilitate Australia's accession to the Council of Europe Convention on Cybercrime. This convention is the only binding international treaty on cybercrime and as such is the only global mechanism for cooperation on this important issue. The convention serves as a guide for nations to develop laws to combat cybercrime. It aims to combat this rising new criminal enterprise by harmonising laws amongst convention members, empowering agencies with the appropriate tools to investigate crimes and through these elements enable better international cooperation.

Schedule 1 of this bill amends the Telecommunication (Interception and Access) Act. While this act already contains most of the necessary powers, it has no formal arrangements around the preservation of information. The bill seeks to amend this act so that Australian law enforcement agencies can seek the preservation of communication stored on carriers' networks prior to a warrant being issued. This is necessary as it is currently standard business practice for many providers to routinely delete information after relatively short periods. This creates issues for law enforcement as information is often deleted before a warrant for the information can be issued. The amendment will fix this problem. It is important to note that law enforcement agencies will still require a warrant to access the information with the appropriate tests under that process. Warrants will only be available to investigate a serious contravention—that is, a crime with a penalty of three years imprisonment or a significant fine.

Schedule 2 of this bill is designed to facilitate international cooperation. It makes amendments to allow the AFP to assist foreign partners by accessing communications data on a police-to-police
basis. This will allow foreign partners improved access to information here in Australia as well as allowing Australian law enforcement bodies greater access to information stored overseas. Again, there are some important safeguards on foreign requests for information. Section 8 of the Mutual Assistance in Criminal Matters Act already sets out a range of mandatory and discretionary grounds for the refusal of mutual assistance. The bill also includes a range of safeguards to govern how and when things can be provided to a foreign country, including how the privacy of the person is likely to be interfered with, the record-keeping requirements on agencies and carriers, and a requirement that the AFP report on the use of powers for foreign purposes in the same way that they report on their use for domestic purposes. Finally, schedule 3 makes amendments to the application of criminal offences. While many of Australia's relevant laws already comply with the terms of the convention, there are some gaps. This bill amends a scope of computer crime offences in part 10.7 of the Criminal Code Act to ensure full compliance with the convention.

This legislation is a timely and necessary reform to ensure that Australia can rely on international cooperation to protect the economy and the lives of Australians from cybercrime. Cybercrime is no longer the domain of spotty faced teenagers out for intellectual stimulation and easy thrills, if indeed it ever was. Cybercrime is being committed by sophisticated syndicates and groups who are intent on committing terrible crimes either for financial gain at the expense of ordinary people or for other more disturbing reasons that, quite frankly, the mind boggles to comprehend. Australia must respond appropriately to this new breed of crime and criminal, and this legislation enhances our ability to respond. I commend it to the House.

Mr HAWKE (Mitchell) (19:57): I also rise to support the Cybercrime Legislation Amendment Bill 2011 as proposed by the government, taking account of some of the recommendations of the Joint Select Committee on Cyber-Safety. As deputy chair of that committee I was privileged to be present during the inquiry into this piece of legislation and I want to endorse the recommendation of the House that we did inquire into it. When you are creating and amending law in the criminal space it is very important that the government take the time to ensure that it gets it right. In the recommendations that the committee put together, it has attempted to demonstrate to the Attorney-General and the government ways in which the bill can be improved to ensure that community expectations are met, and that it recognises the very sensitive nature of the material which the Cybercrime Legislation Amendment Bill is dealing with.

It is true that in the modern era the globalisation of communication technology has brought a lot of benefits, but it has also enabled transnational crime to flourish. It is a constant frustration of constituents, businesses and entities within Australia and around the world today that often crime is transnational. It has been elusive; it has been hard for agencies to track down, detect, identify, prosecute successfully and ensure that the crime is prevented. Hacking, the spread of malware, denial of service attacks on private corporations, attacks on the institution of government and attacks on the Australian government in recent times make up the modern face of cybercrime. Large-scale online fraud can net organised crime vast profits. We know of all the scams that occur on the internet today. But we are no longer dealing with those small-scale hackers; we are dealing with serious criminal
elements using the internet and telecommunications to achieve their criminal ends. Of course, anytime you are amending the Telecommunications (Interception and Access) Act, especially to sign up to an international convention, which is what we are doing here—we are fulfilling our obligations to the Convention on Cybercrime, which Australia is now becoming a party to—it is important that you thoroughly examine the ramifications for ordinary Australian citizens. In doing so, the Joint Select Committee on Cyber-Safety did take time to analyse what the bill does and how the bill would operate in relation to fulfilling our obligations on the Convention on Cybercrime.

There were four main aspects to this bill. The first was to introduce a new mechanism for the preservation of communications to prevent the destruction of potential evidence until a warrant for access is obtained. The new preservation mechanism will be available to law enforcement agencies and to ASIO. The purpose of a preservation notice is to ensure that potential evidence is not destroyed. This it is a worthy objective. We do not want evidence of criminal activity destroyed; we want to ensure that it is preserved in this electronic communication format. It is a worthy intention of the bill. Access to the material by a stored communications warrant, which is available under the Telecommunications (Interception and Access) Act, is appropriate and there are the safeguards in relation to this material.

Second, the bill also requires the AFP to preserve communications data on behalf of a foreign country when requested to do so. This can be interpreted as controversial and indeed has raised several questions in members' minds in this place about the nature of that foreign access and the nature of that request. In a certain sense this does rely on the benign nature of our police forces and on their good intentions. That is why it is appropriate that parliament thoroughly scrutinise legislation in this regard and ensure that we have those appropriate safeguards. It is important to note here that there is no access to this material without a warrant and that the AFP can only apply for a warrant when the Attorney-General and the Minister for Home Affairs have agreed to a formal request for mutual assistance from the foreign country.

Thirdly, the bill allows for the AFP to share telecommunications data—that is, non-content data—with a foreign country without the need for a formal mutual assistance request. This may only occur where that data has already been obtained for a domestic investigation. It is intended to speed up international cooperation where perpetrators may also be operating overseas. The AFP can share that telecommunications data with a foreign country without formal mutual assistance request but only where that data has only been obtained for a domestic investigation. Again we see the way that this will actually work in practice.

Fourthly, the Ombudsman will have oversight of the preservation regime and the stored communication warrants obtained for a foreign country. The Inspector-General of Intelligence and Security will have oversight of ASIO's use of the preservation regime for intelligence purposes. The Ombudsman's role in this type of legislation is entirely appropriate and should be carefully monitored to ensure that all of the intelligence that is gathered and the telecommunications data that is stored is appropriately done so and in accordance with legislation and the parliament's intentions.

There have been several concerns in relation to this legislation. I want to say to those commentators and people out there who have expressed some concern that I do
not have an issue with people expressing concern about legislation proposed by this House. It is appropriate. People ought to thoroughly scrutinise the activities of their parliament and what they seek to do. I am happy to say that from our investigations and the 13 recommendations that the Joint Select Committee on Cyber-Safety made, we are quite satisfied that the intentions and the provisions in this bill will be appropriate and will provide law enforcement agencies with the powers they need without seeking to expand the powers of those agencies massively. It is important to be clear that neither the convention nor the bills seeks to implement a general data retention scheme. Naturally, of course, the instinct of people concerned about digital liberty and the right of people to privacy online would be concerned about a general data retention scheme. There will be no general data retention scheme from the provisions of this legislation.

I have been the first to criticise the government on internet filtering and massive government intervention into the online space. I would be the first to stand in this place and say that if I believe there was mass surveillance of internet usage being proposed, I would certainly speak out about that. I have satisfied myself that this is an appropriate and targeted, focused piece of legislation that will enable our law enforcement agencies to do their job and allow Australia to cooperate with international agencies in a way that will not violate the rights of Australian citizens. The powers available under the bill and indeed the powers that already exist under the Telecommunications (Interception and Access) Act can only be activated where there are legitimate law enforcement requirements or, in the case of ASIO, legitimate security purposes. Quite importantly, no country can demand that communications traffic data be transferred to them, and I think that is entirely appropriate, considering the nature of different countries and regimes around the world. Not everybody has the benefit of living in a Western democratic society as we do.

There have been other untrue claims; for example, that countries such as China could obtain large volumes of communications data about dissidents or about so-called political crimes through people in China communicating with people in Australia. That is not the intention of this legislation, and I am certain that would not be accessed by an Australian Attorney-General or other agency in that regard.

Access to the content of the communications is provided under warrant only after a mutual assistance request has been agreed to by the Attorney-General. So again there is a dual safeguard of requiring a warrant and a mutual assistance request being agreed to by the Attorney-General of the day. While it is true that the bill does not limit the sharing of telecommunications data only to countries that are party to the convention, it also makes no change to the range of countries that police can provide police-to-police assistance to. While that may be concerning to some people—that it does not limit the sharing of this data to countries that are signatories to this convention; and certainly that is a cause for concern—I think, in the era we are in, that does not immediately raise a series of problems or issues that must be addressed by this legislation. It is of course something we would have to continue to monitor, as indeed we will be monitoring our international conventions and how this legislation will perform. In other words, police cooperation will happen on the same basis that it happens now. As I said before, we often rely on the benign nature of our police forces in Australia, their goodwill and their obedience.
to the law. There are some countries where that is not the case, where countries suffer from a police agency or force that is not so benign or as high quality as Australia's. Cooperation is still important for our agencies. That is something we will continue to monitor.

The bill does not increase ASIO's powers or allow ASIO to share communications with foreign counterparts either. So any commentary in relation to those concerns has been misstated.

The committee was fortunate to hear about 23 submissions and several witnesses on Monday, 1 August. We also had the opportunity to carry out an inspection of the Australian Federal Police high-tech crime operation facilities in Barton. I think all of us were sensitive to the expansion of covert policing powers and we were especially mindful of the powers that involve access to private communications. I think this legislation ensures that the proper standards and safeguards are met. The recommendations we made to the Attorney-General were realistic, modest and practical, in the main. We are happy that he has adopted some of the recommendations. I think perhaps others could have also been adopted, but that is no reason for us to change our position in relation to this legislation or indeed alter our position on this bill. The process of the committee scrutinising the legislation and ensuring that we have suggested improvements is a worthy one. We were able to satisfy ourselves about many of the assertions that have been around in public commentary about some of the provisions contained within this bill.

The general approach that we took, and which I think the government has adopted, was to ensure that thresholds that apply to domestic investigation were applied equally to foreign countries seeking access to communications material. I think that is no less than any Australian citizen would expect; that when we are signing an international convention those international agencies be required to meet the same standards as domestic agencies. We have also proposed that AFP guidelines on police-to-police cooperation in possible death penalty scenarios be tightened and should only occur in exceptional circumstances and with the consent of the relevant ministers. I think that the Attorney-General and the government took a positive approach in relation to that very tricky area of the operation of this legislation and this convention in relation to countries that have the death penalty. Considering Australia's formal and stated position on the death penalty, there was a constructive approach taken by members of the government and we have a constructive outcome with which I am satisfied that we will not be engaged in many situations where this will be a big concern. Of course, in some situations it may be possible that this will arise, but there will be mechanisms for the parliament and for Australians to satisfy themselves that this legislation is not in any way opposing Australia's position on the death penalty.

We have also made quite a valid suggestion that police be required to consider the range of factors set out in the mutual assistance act before sharing telecommunications data obtained during domestic investigations with a foreign counterpart. Some of those things that would strengthen some of the provisions of this bill that have not been adopted could also be considered as future amendments once the operation of these provisions becomes commonplace. This will lead to a general improvement in law enforcement and cooperation between international agencies in this space. I think the rights of Australians will be preserved, and of course the Privacy
Act already applies. There was one minor concern in relation to carriers and telecommunication service providers and the retention of data. I want to make it clear that this legislation may require telecommunications providers to hold information. The telecommunications providers are subject to the Privacy Act and other acts of this place that would disallow them from using that information for any legitimate commercial or other purpose. It is entirely appropriate in an era where large telecommunications service providers have access to a lot of our information that those safeguards are also in place.

The committee that inquired into this bill was quite satisfied about its provisions. The coalition supports this legislation and legislation that enhances our ability to cooperate with international policing forces to better protect Australians and prosecute those people engaged in serious cyber and transnational crime.

Mr HAYES (Fowler) (20:12): It is nice to follow the member for Mitchell. I think he made a very positive contribution. He is a person who has, I understand, particularly in relation to this piece of legislation, taken the time to review it very much from the perspective of what is required for law enforcement in this country. I too rise to support the Cybercrime Legislation Amendment Bill 2011. This bill makes the necessary amendments for us to meet the Council of the Europe Convention on Cybercrime, which is really the only binding international treaty on cybercrime. As I understand it, there are 40 nations that are signatories to this part of the convention at the moment and, as I will come to later, having more countries subscribe to this convention reduces the window of opportunity for those criminals who seek to exploit cybercrime regardless of where it occurs.

The bill will make an overall improvement to Australia's cybercrime laws consequently protecting Australia's consumers, businesses and governments but most importantly individuals and of particular importance to some of us children. Cybercrime is a significant challenge to our law enforcement agencies and particularly to our criminal justice system. As I understand it, as advised by areas of the Australian Crime Commission, cybercrime is fast becoming one of the most profitable forms of crime in the world and in fact is surpassing in many instances the global drug trade. The Australian Crime Commission conservatively estimates that serious and organised crime in this country is costing Australia somewhere between $10 billion and $15 billion a year. That cost takes in a loss to business, a loss to tax revenues, expenditure on law enforcement and regulatory efforts and also the social and community impacts that criminal activity has on our community. Due to the nature of cybercrime, it is very hard to estimate the extent to which it is occurring at the moment in this country. We know it is present, but we certainly know it is a challenge to properly assess the cost it is having to the Australian community. It is clear from matters which are already being addressed by the Australian Federal Police and other agencies, including the Australian Crime Commission, that this is a crime which is certainly having a significant impact in Australia but is not necessarily originating in this country. One of the things about cybercrime is that sometimes the victims of the crime may not even know that they have been victims of, say, credit card fraud or, if they do, they might not discover it for some time. In some areas, particularly business and financial institutions, sometimes these things go unreported because of significant commercial embarrassment.
Globally, the interconnected nature of the internet makes it very easy for sophisticated criminals to operate from abroad, especially from those countries where there are, as I said at the start of my contribution, significant windows of opportunity, whether through lax regulation or lax law enforcement arrangements, that allow them the chance to press their trade on the global internet.

The European convention, through this bill, will assist the Australian police in detecting, preventing and prosecuting cybercrime. Our police should be assisted in every way possible in respect of this crime because of the rising cost that it has, not only in the global community but also here. We know that it is developing in our own community; we are not insulated from it at all. This bill will make an amendment to the Mutual Assistance in Criminal Matters Act 1987 to allow Australian law enforcement agencies to both obtain and disclose communications for the purpose of foreign investigations.

Not all that long ago, when I was overseas talking to various police jurisdictions, one of the things that was made clear to me was the fact that there needed to be a greater degree of cooperation among law enforcement agencies and, in turn, various judicial authorities in international countries to ensure that they can close down and effectively prosecute various crimes, particularly cybercrime. That is essentially the basis of the legislation before the House today. The bill will also improve Australian law enforcement agencies' efforts to effectively investigate criminal matters by improving the legal requirements for the preservation of stored communications data by particular carrier networks. At the moment, as I understand it, before a warrant can be produced some carriers can delete information and therefore ensure, unwittingly, I suppose, that any investigation goes cold before it even starts. This bill will also widen the scope of existing Commonwealth computer offences to fully meet the requirements of the international convention.

As I said, the growing force of globalisation as well as the increased development in technology are forcing countries like ours to constantly adapt their laws to ensure that they appropriately meet the current threats to individuals, businesses and the nation as a whole.

As we have heard from previous speakers, this bill is in accordance with the recommendations made by the report of the Joint Select Committee on Cyber-Safety. Those recommendations include training for our police forces on cybersafety issues. The report also recommended mandatory training for judicial officers and various judicial court staff to ensure that they are up to date with emerging technologies, particularly as they relate to cybercrime. The report confirms the serious criminal status of cybercrime and what exposure to this form of criminal activity holds for our nation. It is a simple fact that, the more our businesses and other enterprises go online, the more criminal organisations will go online. It is folly to think that criminals are just a bunch of crooks who try to make a profit by the easiest possible means, because the fact is that modern-day serious and organised crime is not conducted by a bunch of uneducated crooks but by people who use the best of technology to ply their trade. That trade can be in anything from drugs to illegal weapons to prostitution—or whatever they plan to make a profit out of. The point I am making is that we should view the way that those involved in serious and organised crime conduct their activities as being similar to the way that businesses conduct their activities. Certainly they are nefarious business
activities, but people involved in serious and organised crime are businesspeople in the sense that they are in it to make a profit. In order to make a profit they are prepared to invest, and they invest very large sums in technology. They run their criminal operations internationally through cyber activity from, in effect, the safety of their own backyard, and this is increasingly occurring in this country.

I understand from the Australian Crime Commission that the big attraction of cyber based crime is that it is globally connected, borderless, largely anonymous, fast and low risk and that high levels of information—financial data, personal information and business information, much of which is tradeable—can be accessed using cyber based methods. That is precisely what modern-day cyber crime is about: maximising profits, as most businessmen try to do, with the lowest possible level of risk.

I am very fortunate to be the chairman of the Parliamentary Joint Committee on Law Enforcement, which has oversight of law enforcement—the Australian Crime Commission and the Australian Federal Police. The ACC's cyber intelligence unit has recently noted the exponential growth in the use by organised crime of computer technology to further its activities. The ability of police to extract intelligence from computers, mobile phones and other types of digital devices as evidence is becoming increasingly vital to law enforcement investigations. Criminals tend to embrace technology—they are fast adapters—and this is reflected in the increased volumes of electronic data seized as evidence in law enforcement operations. One investigation by the Australian Crime Commission into a serious and organised crime group yielded 45 computers, 79 mobile phones, more than 50 SIM cards and over 100 other pieces of digital evidence. This is significant due to the fact that the group in question had traditionally been a drug syndicate and had not previously been known to focus on higher forms of technology; yet, as this investigation made clear, they had since adapted new technology to further their criminal operations.

Criminals exploit the weaknesses in our technology and legislation and, indeed, the confusion that has been created by the global reach of the internet and its rapid expansion. They use all this to facilitate traditional crimes in a new and far more targeted way, and this has devastating impacts on victims. The most serious concern involves cases where traditional crimes are adapted to the online environment. The internet, in some cases, has allowed traditional criminals to reach new victims while maintaining their anonymity and evading detection by police and law enforcement. The point I am trying to make is that if criminals are able to adapt with technology we should not expect our police and law enforcement agencies to protect our communities with both hands tied behind their backs. We need to not only give them access to the technology but to really support them to ensure that they can do their job, which is to protect our community against people like this.

Particularly when we get to talking about issues of child sex offences, I think that brings it home to all of us who are parents or, in my case, grandparents that we need to ensure that our law enforcement authorities have the most up to date and most effective weapons, including regulatory support not only to disrupt and detect but to bring down people who perpetrate that type of activity on our families and our communities. With that, I commend the bill to the House.

Ms MARINO (Forrest—Opposition Whip) (20:26): I rise to support the Cybercrime Legislation Amendment Bill
2011, and in doing so offer support to our law enforcement agencies in their efforts to deal with cybercrime and very serious transnational cybercrime. The bill will make amendments to four acts: the Telecommunications Act 1997, the Telecommunications (Interception and Access) Act 1979, the Mutual Assistance in Criminal Matters Act 1987 and the Criminal Code Act 1995.

I am a member of the Joint Select Committee on Cyber-Safety. We made 13 detailed and technical recommendations in our final report. This report was tabled in this House just last Thursday. However, the government has brought on this legislation and debate merely days after the report was tabled, without the Attorney-General or Minister for Home Affairs responding to those recommendations, and the minister has given no indication whether any of these recommendations will be supported and whether there will be further amendments made by the government.

The bill facilitates Australia's accession to the Council of Europe Convention on Cybercrime, and it amends the Telecommunications (Interception and Access) Act and the Telecommunications Act 1997 to oblige carriers and carriage service providers to preserve targeted stored communications when requested by certain domestic agencies or when requested by Australian Federal Police on behalf of certain foreign countries. There are three types of preservation notices: historic domestic preservation notices, the ongoing domestic preservation notices and foreign preservation notices.

The bill also provides Australian agencies with greater access to information held overseas in the investigation of cybercrime and internet crime. It deals with domestic and foreign preservation notices. The bill ensures that Australia meets requirements under the convention, which is the first international treaty on crimes committed either against or via the internet and other computer networks. It covers a broad range of crimes committed over the internet and computer networks, particularly online fraud, child pornography and the unauthorised access, use or modification of data stored on computers, such as violations of network security.

The main objective is to pursue a common criminal policy through consistent legislation and international cooperation. As many members before me tonight have indicated, there is no doubt that cybercrime and cyber-terrorism pose very serious and growing transnational threats that are operating on a global and industrial scale. Also, the ability to share telecommunications data with foreign countries will enhance the ability of the AFP to work with foreign counterparts, both in accessing data and information required for criminal offences and providing information for foreign counterparts to deal with the growing issue of cybercrime and cyber-terrorism threats.

One recommendation of the joint select committee that I would like to mention is recommendation 9 in chapter 7, proposing that a new paragraph be inserted into the Telecommunications Act requiring:

… that the Australian Federal Police report to the Minister:

- the number of authorisations for disclosure of telecommunications data to a foreign country;
- identify the specific foreign countries that have received data;
- the number of disclosures made to each of the identified countries; and
- any evidence that disclosed data has been passed on to a third party or parties.

In my view we need to ensure that this legislation does not assist any foreign entity,
government agency or partly or fully owned government entity to access material that is commercial-in-confidence, corporate secrets or material that would give it commercial advantage through either an individual or a number of strategically requested preservation orders. However, we do not know yet whether the minister will respond to recommendation 9. I understand from the hearings that the AFP has very sound working relationships with the foreign agencies and counterparts that it deals with on these matters, and they are existing. The AFP is extremely confident that there is not currently and will not be any unauthorised or third party access to the information provided. However, I bring to the minister's attention the importance of recommendations to include the requirement that the AFP report to him any evidence that disclosed data has been passed on to a third party or parties, as recommended by the joint committee.

During the inquiry the committee heard concerns that the convention does not contain sufficiently robust privacy and civil liberties protections to offset its increased surveillance and information-sharing powers. The Law Council, the Australian Bar Association and several other submitters expressed concerns relating to the threshold for granting a stored communication warrant, to privacy safeguards and to conditions of disclosure. The bill in its current form lowers the justification threshold for foreign countries, and this was something that did concern several of the submitters to the inquiry. There is no requirement that a foreign country justify the use of stored communications. The Law Council expressed the view that foreign agencies should be required to provide sufficient information on the merits of the request, but I note that the European convention contains express limitations and assumptions that limit the scope of procedural powers by requiring that such powers be for the purpose of specific criminal investigations and proceedings.

The committee's first recommendation was that the thresholds applying for issuing a stored communication warrant for a serious foreign offence should have the same thresholds as those applying to a domestic Australian investigation. The third recommendation includes 'an additional discretionary ground to decline a request where the requesting country's arrangements for handling personal information do not offer privacy protection substantially similar to those applying in Australia'. The committee also felt that there are justified concerns about the unrestricted sharing of data with foreign countries. There was a view that the public will have more confidence in the new regime and processes if there is an alignment of the T(IA) and MACM acts to provide clarity to police on factors to be considered, and that is reflected in the recommendations made.

The committee also dealt with the practical issue of the impact of this legislation on the validity of concurrent state criminal offences. Western Australia, Victoria and New South Wales support Australia's accession to the convention provided that this does not lead to conflicts between Commonwealth, state and territory offence provisions. I note that the proposed legislation may have some effect on state and territory governments. In fact, the government of Western Australia said in their submission:

It is important to note that accession to the Convention should not create further bureaucracy which could act to stifle established links between agencies, particularly those formed at a State level. WA Police already has strong ties with a number of … service providers in attempting to tackle cybercrime. It would be detrimental if
accession to the Convention were to erode these links.

As noted in the committee report, there is current uncertainty over the constitutional division of legislative power to make laws with respect to crime. The recent High Court decision that invalidated certain Victorian legislative provisions is a decision that has brought into question the approach to resolving the validity of concurrent and overlapping Commonwealth offences. In relation to these concerns, I note that the Criminal Code provides that Commonwealth computer offences are not intended to limit or exclude the operation of any law of a state or territory and that this clause will continue to apply. However, the committee also noted continuing concern about the impact on the validity of state law at a federal level. It was noted in our report that this may be significant, which is why further consultation with the states is required.

The bill does not detail the practical handling of content or trafficked data by carriers and carriage service providers, particularly in relation to privacy and confidentiality. These are critical issues for the consumers of services provided by the carriage service providers. The privacy and confidentiality of their communications is paramount to individuals and businesses, given both commercial-in-confidence issues as well as personal information matters. The committee made specific recommendations for the data handling and the protection obligations of carriers and carriage service providers, as well as the destruction of stored communications.

Tonight I have touched briefly on some of the 13 recommendations in the committee's report into this legislation. The joint committee was quite satisfied with what we recommended in relation to this legislation. The issue of cybercrime may require ongoing and further amendments, given the level of sophistication that our law enforcement agencies are having to deal with. We can only expect that this level of sophistication will increase and that there may be a requirement for further amendments to enable our law enforcement agencies to carry out their responsibilities and discharge the obligations or requirements we place on them as a parliament and as a people. On that basis I support this legislation.

Mr DANBY (Melbourne Ports) (20:37): The Cybercrime Legislation Amendment Bill 2011 makes amendments to facilitate Australia's accession to the Council of Europe's Convention on Cybercrime. The convention is the only binding international treaty on cybercrime. In April 2010 the Australian government announced its intention to join 40 other nations that have signed or become a party to the convention, including the United States, the United Kingdom, Canada, Japan and South Africa.

Cybercrime poses a significant challenge for our law enforcement and criminal justice systems. The global and interconnected nature of the internet makes it easy for malicious actors to operate from abroad, especially from those countries where regulations and enforcement arrangements are weak and, indeed, from countries where it seems that some governments half approve of the activities both of the state and of individuals in violating intellectual property in particular.

On 2 August a report by online security firm McAfee into cybersecurity, entitled Revealed: Operation Shady RAT—that is, remote access tool—detailed the largest cyber attack to be uncovered. The report, by Dmitri Alperovitch, revealed that over the past five years there have been targeted intrusions into 70-plus global companies, governments and non-profit organisations,
including the UN, Lockheed-Martin, Sony, PBS and even the International Olympic Committee. They also include the government of Australia and this parliament. Mr Alperovitch writes:

What we have witnessed over the past five to six years has been nothing short of a historically unprecedented transfer of wealth—closely guarded national secrets … source code, bug databases, email archives, negotiation plans and exploration details for new oil and gas field auctions, document stores, legal contracts … design schematics, and much more has "fallen off the truck" of … mostly Western companies …

And as a member of the Joint Committee on Intelligence and Security I would say of Western governments, including Australia, France and the United States. The report notes that these attacks are more insidious and occur often without public disclosure. Further, they present a far greater threat to companies and governments where these intrusions are motivated by a desire for secrets and intellectual property. For this reason, it is critical that laws designed to combat cyber threats are harmonised or are at least compatible to allow for international cooperation.

In June 2010, the House of Representatives Standing Committee on Communications tabled a report on cybercrime called Hackers, fraudsters and botnets: tackling the problem of cyber crime. The report included consideration of the European convention which resulted in the committee recommending to the Attorney-General, in consultation with state and territory counterparts, to give priority to the review of Australian law and practice and move to accede to the Council of Europe Convention on Cybercrime. In response to this report, the government accepted the committee's recommendation:

Australia is currently in a good position to comply with the majority of obligations under the Convention. The Government is working on the final legislative amendments required for Australia to formally accede.

The convention serves as a guide for nations developing comprehensive national legislation on cybercrime, establishes procedures to make investigations more efficient and provides systems to facilitate international cooperation, including empowering authorities to request the preservation of specific communications and helping authorities from one country to collect data in another country.

I note that the Attorney-General said in his speech that the bill will enable the Australian Federal Police to require the preservation of communications on behalf of a foreign law enforcement agency. However, once again, the content of these preserved communications can only be accessed following authorisation of a stored communications warrant under a formal mutual assistance request for a serious foreign contravention. This is an offence carrying a penalty of either three years imprisonment or a fine of $99,000. That is taking the issue very seriously.

The other systems that will facilitate international cooperation include establishing a 24/7 network to provide immediate help to investigators and facilitating exchange of information. The convention promotes a coordinated approach to cybercrime by requiring countries to criminalise four types of offences, including offences against the confidentiality, integrity and availability of computer data systems, including illegal access to computer systems, illegal interception, data interference, systems interference and misuse of devices. Computer related offences include forgery and fraud. Content related offences are offences relating to the infringement of copyright and other related rights. The convention requires parties to criminalise
certain types of conduct committed via the internet and other computer networks and to ensure domestic agencies can access and share information to facilitate international investigations. As such, the convention will help Australian agencies better prevent, detect and prosecute cyber intrusions and criminal activity conducted over the internet.

Australian law already complies with the majority of the obligations of the convention. In particular, jurisdictions in Australia have created relevant offences and have provided agencies with many of the powers and procedures required by the convention. The bill amends the Telecommunications (Interception and Access) Act 1979, the Criminal Code Act 1995, the Mutual Assistance in Criminal Matters Act 1987 and the Telecommunications Act 1997.

The proliferation of illegal access of data, computer enabled fraud and forgery, and attacks against computer systems pose a strategic challenge not only to Australian’s political, economic and national security interests but to many other nations around the world. The threat posed by cybercrime and targeted intrusions is on a massive scale, with such attacks and crimes possibly affecting nearly every industry and sector of nations around the globe. While I cannot go into it, my experience as a member of various committees of this parliament leads me to reflect on the fact that the Attorney’s legislation and the remarks that I have just made have, in my view, absolute authority. The things that have been done that I am aware of that breach cyber-security and are criminal intrusions, whether by individuals or governments, into this nation's affairs are truly astonishing. I note the member for Barton, the Attorney-General, concluded his speech by saying:

The increasing cybercrime threat means that no nation alone can effectively overcome this problem and that international cooperation is essential. Australia must have appropriate arrangements domestically and internationally to be in the best possible position to fight cybercrime and to do it in cooperation with international partners.

I commend the Attorney-General for introducing this legislation. This bill brings Australia’s into line with the European Convention on Cybercrime and enables us to improve our ability to combat this ever-increasing threat. I commend the bill to the House.

Mr SLIPPER (Fisher—Deputy Speaker) (20:45): I am particularly pleased to have the opportunity of joining the debate on the Cybercrime Legislation Amendment Bill 2011. This is an important bill. It is a bill which, in my view, is vital to be passed so that it can be entrenched as part of the law of Australia. This bill aims to improve further Australia's defences against cybercrime— which, believe it or not, is now a bigger industry world wide than the trafficking of illegal narcotics.

It is extremely difficult for those of us in the community to actually appreciate the growth of cybercrime. It was only 10 or 15 years ago that cyberspace was something that most people knew very little about. The internet has become very much a tool used by just about everybody and the new division of our society is no longer between rich and poor but between information rich and information poor.

Cybercrime is a criminal growth area that requires an equivalent growth in the strategies and tactics to combat it. Too often we hear stories of innocent computer users having their world turned upside down suddenly through identity theft, online robbery of funds and the theft and fraudulent use of other personal information like bank account numbers, credit card details and the like. We also hear of the internet being used
for the commission of crimes like child pornography, online fraud and the unauthorised use of data stored on computers in computer networks.

The situation is heightened by the fact that many people using computers can turn a computer on, can log on and can participate in the internet but have very little actual knowledge of how the internet operates and how those people who are ill disposed are able to break the law of Australia by participating in cybercrime. It is also relevant to note that the internet has made the world more accessible and has made the world smaller. Cybercriminals can base themselves virtually anywhere in the world, being able to pinpoint and hone in on targets anywhere, including Australia. So the need for a truly international offensive is as important as ever.

It often concerns me that we have these microstates in some parts of the world, which, for all intents and purposes, are failed states. They are economically unviable and heavily dependent on foreign aid and sometimes on crime and the proceeds of crime. A nightmare is that a criminal syndicate or criminal people could effectively take over one of these mini states and, by doing so, acquire all of the respectable authority of being a nation state. So it is important for us to remain vigilant and for us to recognise that an international offensive against cybercrime is as important as ever.

With more and more commerce being conducted on the internet and the increase in online social interaction, in line with the growing popularity of social media sites like Facebook, Twitter and MySpace, it is not hard to see why cybercrime is the growth industry that it is and why criminals would see the opportunity to trawl the internet for their next victim and prey on unsuspecting computer users and for the internet to be a handy and powerful tool for committing all sorts of crimes. With the increase in these online offences comes a proportionate increase in the need to set up barriers and preventive measures to ensure that computer users are protected as best they can be. This bill provides for changes to be made to the laws of Australia that will enable our country to join the Budapest convention, which is otherwise known as the Council of Europe Convention on Cybercrime. Some people would ask, ‘Why on earth would Australia want to become a party to the Budapest convention, or the Council of Europe Convention on Cybercrime?’ Interestingly enough, the convention has been acceded to by the United States, Canada, Japan and South Africa. It was tabled in parliament on 1 March this year. As is appropriate under our system of government, the Joint Standing Committee on Treaties has had a good look at it.

This international treaty will provide for telecommunications providers in Australia to be required to preserve telecommunications data, for specific reasons, when that information is requested by international crime-fighting authorities as well as by domestic organisations, like the Australian Federal Police. Its main aim is to foster a common international policy that has, as its No. 1 goal, a regime that enables all of society to be protected against cybercrime by adopting appropriate legislation and by encouraging international partnerships and cooperation.

There have been some concerns raised with the Joint Standing Committee on Treaties that focus on issues of privacy, jurisdiction and the loss of autonomy in future investigations. Some of the submissions suggested the accession to the treaty allowed increased surveillance and information-sharing powers but did not also
include sufficient privacy and civil libertarian protections to counteract these provisions. Major concerns raised in submissions focused on the collection and use of computer data.

As I said before, there will be tens of thousands, if not millions, of people—I did not say the actual numbers—who consider themselves to be computer literate but just do not really understand what happens when they turn the computer on and log on and what can occur to their privacy simply as a result of joining the World Wide Web. It should be noted in response to some of the concerns expressed by those worried about the impact of this bill that the powers granted by this bill under the treaty will not impact on surveillance activities, like wire-tapping, because the amendments focus only on data collected by telecommunications carriers.

Regarding the concerns about the impact of any overlap of jurisdictions of the Commonwealth and the states, the Criminal Code does provide that Commonwealth cyberlaws are not intended to limit or undermine the operation of any state or territory laws, so that safeguard exists. Since Federation in 1901 the states of Australia have, with some justification, been concerned about the ongoing encroachment by the Commonwealth parliament into areas which were hitherto seen as being matters of state constitutional responsibility. We all know that that has happened in a range of ways from constitutional amendment—not that the Constitution is amended formally on very many occasions—to judicial interpretation and by the Commonwealth using its treaty-making power and entering into treaties with foreign states. So it is understandable that the states see their position as constantly being eroded, but sometimes, with respect to matters such as cybercrime, I think it is important that we look at this issue on a national basis and recognise that the overall national good might outweigh what would otherwise be seen as understandable concerns by the states that constitute the Commonwealth of Australia.

Mr Danby: Especially, as you pointed out, it is a new issue.

Mr SLIPPER: That is right, honourable member for Melbourne Ports. The legislative changes outlined in this bill must be made to ensure that Australia meets the requirements that enable it to join the convention. This will help ensure that the trail of evidence left behind by cybercriminals when they commit their offences is preserved, retrievable and accessible to those investigating and fighting online crimes. The treaty fosters mutual assistance between member nations, creating an international network that embraces cooperation and mutual assistance with respect to crimes that are not restricted by international borders. Increasingly, with cybercrime becoming a greater and greater concern, crimes are no longer restricted by the boundaries of a nation state. This cybercrime-fighting convention is the first international treaty of its kind that deals with cyber and online crime. As I said before, a number of other nations not in Europe have become part of it.

This bill provides for amendments to various acts including the Telecommunications Act 1997, the Telecommunications (Interception and Access) Act 1979, the Mutual Assistance in Criminal Matters Act 1987 and also the Criminal Code Act 1995. The changes include: requiring telecommunications carriers to store communications data for specific people when requested by the Australian Federal Police on behalf of other countries, giving Australian authorities the right to obtain and disclose relevant telecommunications data for the purposes of
a foreign investigation, providing for extraterritorial operation of some offences under the Telecommunications (Interception and Access) Act 1979, modifying the offences outlined in the Criminal Code Act 1995 to ensure that it has a wider and more adequate scope, and creating confidentially protections in relation to authorising the disclosure of telecommunications data.

The world of crime continues to evolve. When television first came out, a lot of people were transfixed by programs like *The FBI* and other programs that led us to believe that the forces of good would always outweigh the forces of evil. But time has marched on, criminals are not always what they appeared to be and it really is important that governments, nations and the world use the latest technology, whatever that might be, to make sure that cybercriminals are apprehended in the way that every other criminal should be. The internet is a powerful and far-reaching weapon. It should be used as a tool; it should be used to our benefit, and if people want to use it for another purpose then it is absolutely vital that they are apprehended and stopped.

This bill will add to the legislative arsenal that is available to fight against cybercrime. It is somewhat unfortunate that the bill has been brought into the House so soon after the release of the report from the Joint Select Committee on Cyber-Safety, so it may eventuate that we have to review some of the provisions of this legislation in the future. Having said that, this is good legislation, necessary legislation. It is legislation which may in the future be required to be changed, but ultimately it is better that we should get it on the statute books now and if it needs some tweaking in the future then obviously that is within the purview of the parliament to achieve. I am very pleased to add my voice to the voices of those people supporting the bill before the House which will, in my view, assist greatly in the fighting of cybercrime and cybercriminals. I commend the Cybercrime Legislation Amendment Bill 2011 to honourable members and to the parliament.

Mr FLETCHER (Bradfield) (20:58): I am pleased to have the opportunity to speak on the Cybercrime Legislation Amendment Bill 2011. This is a bill which makes amendments to a range of existing acts which collectively give effect to the regulatory regime applying to online criminal activity today and also give effect to the framework for international cooperation between regulatory and enforcement authorities in a range of jurisdictions. For that reason, the bill amends a series of acts, including the Telecommunications (Interception and Access) Act 1979, the Criminal Code Act 1995, the Mutual Assistance in Criminal Matters Act 1987 and the Telecommunications Act 1997. The purpose of the set of amendments made by this bill to all of those acts is to ensure that Australian legislation is compliant with the requirements of the Council of Europe Convention on Cybercrime so that in turn Australia can accede to that convention. Why is it that we as a nation would be concerned by the terms of a convention agreed between a range of European nations? The answer to that question becomes clearer when you look at the substance of the provisions which will be introduced into the various acts that I have mentioned.

Firstly, under these provisions carriers and carriage service providers will be required to preserve the stored communications and telecommunications data for specific persons when they receive a request to do so from certain domestic agencies or from the Australian Federal Police on behalf of certain foreign countries. Secondly, the amendments have the effect that Australian agencies are able to obtain and disclose
telecommunications data and stored communications for the purposes of a foreign investigation. Thirdly, the amendments provide for the extraterritorial operation of certain offences in the Telecommunications (Interception and Access) Act. The amendments also expand and amend the computer crime offences in the Criminal Code Act 1995 and create confidentiality obligations for authorisations to disclose telecommunications data.

All of that may sound quite dry, but speaking as a former senior executive at a large telecommunications company I assure you that these are matters which engage the attention of a large number of people in the telecommunications and information technology sectors, as well as the law enforcement and justice authorities. I want to make three key points. My first is that the international nature of cybercrime, reflecting in turn the international nature of the internet, makes this kind of international cooperation essential if authorities in any one country are to join with authorities in other countries to achieve appropriate responses to online criminal activity. The second point is that one of the aspects of this package of legislation is that there are significant operational impacts on telecommunications carriers and internet service providers. I want to highlight my concern that focus needs to be given to allowing these companies sufficient time to implement the new requirements that will be imposed upon them. Thirdly, I point to some of the non-trivial issues of process, fairness and equity of approach which have been highlighted in the very good report of the Joint Select Committee on Cyber-Safety. My view is that we need to see a response from the government on some of these issues.

Let me turn firstly, therefore, to make the point that there is a growing and international threat from cybercrime. I quote the recently departed Chief Executive Officer of the Internet Industry Association, Peter Coroneos, who said:

It is critically important for the future of the internet that we develop globally consistent policies to tackle the spectre of cybercrime and potentially, cyberterrorism.

When he made these remarks, Mr Coroneos talked about the icode model, which has been adopted by the Internet Industry Association, as a private sector response to this threat. He noted that icode is being examined by international organisations like the OECD and APEC. A private sector approach is very much to be encouraged and welcomed, but the nature of this problem is one which requires a comprehensive global approach involving the government as well as the private sector.

Let me also cite some remarks on this topic by US President Obama, speaking on 29 May 2009. He had this to say:

It is the great irony of our information age—the very technologies that empower us to create and to build also empower those who would seek to disrupt and destroy. And this paradox—seen and unseen—is something that we experience every day.

He went on to make the following observations about the American people, but you could replace the word American with Australian or indeed the identity of peoples of any country around the world. He said that tackling the problem of cybercrime was:

…about the privacy and the economic security of American families. We rely on the Internet to pay our bills, to bank, to shop, to file our taxes. But we've had to learn a whole new vocabulary just to stay ahead of the cyber criminals who would do us harm—spyware and malware and spoofing and phishing and botnets. Millions of Americans have been victimized, their privacy violated, their identities stolen, their lives upended, and their wallets emptied. According to one survey, in the past two years alone cyber crime has cost Americans more than $8 billion.
I repeat the point that similar remarks could be made about the peoples of any nation including Australia with perhaps some appropriate scaling down of that particular figure that he quoted. The fundamental point is that cybercrime is international in nature. We have known for more than 15 years that Australia's classification system faces great challenges because pornographic material can be hosted on servers around the world. I might add that the long promised internet filter from Minister Conroy is not a practical or workable solution, as he appears to have in practice conceded by hastening extremely slowly with that particular policy.

We know that criminal gangs in many parts of the world, Russia and many other countries, target consumers all around the world including in Australia. We know that fraudulent activities over the internet emerge from many different parts of the world. Those Nigerian reserve bank emails do not necessarily come from Australia, although I might add they do not necessarily come from Nigeria either. The central point is that international fraudulent and criminal activity over the internet is occurring in many different countries. Accordingly, if we are to find solutions to these problems, there must be cooperation between international authorities. The more that jurisdictions are able to link together so that cybercrime masterminded in one country but affecting victims in another can be effectively pursued the better. That is the underlying purpose of the Council of Europe Convention on Cybercrime.

To return to the question of why it is that Australia would sign up to a convention between European nations, the point is that the title is slightly misleading because so far the convention has also been acceded to by the US, Canada, Japan and South Africa. If this bill passes into law, Australia will also be able to accede to this convention. It is the first international treaty which addresses crimes committed either against or via computer networks and it deals particularly with online fraud, with offences related to child pornography and with the unauthorised access, use or modification of data stored on computers. The principal objective is to pursue a common criminal policy aimed at the protection of society against cybercrime.

I want to briefly turn to the second point I want to highlight this evening which is that the impact of this legislation on telecommunications carriers and internet service providers is significant. Drawing on my previous experience I can observe that the task of compliance with legal and regulatory obligations is a substantial one for carriers and internet service providers. It occupies a substantial amount of time and resources. The law enforcement liaison unit at Optus involves full time some 10 to 15 employees at different times of the year and those of other companies would be of corresponding sizes. The other key point to make is that when the regime changes and the legal obligations applying to carriers and internet service providers change there is a significant lead time in those companies changing their compliance arrangements. To take one specific example in this bill, if you are to impose a requirement to store data on request for up to 180 days that adds complexity and requires additional data storage capacity. That cannot be delivered overnight.

There is a tendency in government to say 'We've passed the law, we've done what needs to be done and the private sector can get on with meeting their legal obligations.' I would highlight the comments made by Telstra in its submission:

… Telstra would also like to express its serious concerns that there is no transitional period allowing C/CSPs the time to:
• undertake detailed feasibility studies into these additional obligations;
• design, build and deploy the necessary equipment;
• make network and IT system changes; and
• undertake testing with agencies in order to be fully compliant with the new legislation.

I think that is a serious and substantive concern. I urge the government and the appropriate government agencies to be responsive to that point and to allow sufficient time for implementation and to give serious consideration to another point Telstra made—in my view, quite properly—which is that there is an issue of cost recovery here that needs to be dealt with. In other words, I make the point that while the principle underlying this legislation is a sound one and it is a necessary and appropriate mechanism there are some issues of implementation that need to be carefully considered.

In the brief time remaining to me I will address some of the issues raised by the Joint Select Committee on Cyber-Safety in its excellent report. They are substantive and deserve a considered response from government in the course of this legislation being considered by the House. For example, a concern was raised that the thresholds which apply to the issuing of a stored communication warrant for investigation of a serious foreign offence should be the same thresholds that apply for domestic investigations. There was a concern raised that law enforcement agencies of a foreign country could request information in circumstances where there are not privacy protection measures in place in that foreign country which meet standards that we in Australia would regard as acceptable. The Law Council of Australia argued that while it does not object in principle to assistance between international police forces the ability of Australian law enforcement agencies to share data directly with counterparts overseas should be subject to strict conditions.

Finally, one of the concerns raised was by state governments noting that this legislation greatly expands the scope of the Commonwealth computer crime offences and raises the question of the impact of this on the existing state legislation. Therefore, while I am a supporter of this legislation in the broad, I make the point that there appear to be some details which ought properly be addressed by this government in the course of taking this legislation through the parliament.

Mr SIMPKINS (Cowan) (21:13): I welcome the opportunity to speak tonight on the Cybercrime Legislation Amendment Bill 2011. All members of this place would be aware—or at least their staff would be aware—that in recent weeks we have received a great number of emails. These emails have come from our constituents and from around the country. They have been sent to us for the purpose of trying to persuade us on a number of issues: live animal export trade, same sex marriage or even the carbon tax. These are things that of great concern to Australians and we should never believe that we can dismiss these matters out of hand.

I always say to my staff, if it is important enough for someone to contact our office it is important enough for us to do something about it. I would probably hesitate to say that that applies to people within my electorate but I guess I cannot help everyone around the country. It really does say something that in the modern age it is very easy to communicate. It is very easy to reach out across cyberspace and make contact with somebody out there. People can do that not
only in the case of their particular cause but also in the case where they are up to no good or they may be committing a crime. A person used to be required to put pen to paper or get the old typewriter out and find a stamp then whack it in the letterbox, but in the modern age that is not the case any more. This has opened up a wide variety of criminal options that colleagues have mentioned during the debate.

As I said, in the same manner that we have been the destination for several email campaigns in recent weeks, Australians have for many years been the target of persons offering dodgy deals and rip-offs via email. It is a very cheap means of delivery. With the right computer programs, millions of emails can be sent out as bait just waiting for someone to respond. Those of us who check our Parliament House email accounts will find great offers from those overseas trying to transfer money out of the country, offering us a percentage of millions of US dollars that they have access to. That is the reality, but as always the snake oil salesmen of the modern era offer a deal that is just too good to be true. Sadly, in spite of receiving an unsolicited offer from a person they do not know offering money that does not belong to them or to the originator of the email, many people are drawn in by this and taken in by the deception. It is pretty much an everyday event in Australia. I note that in the 2007-08 financial year, as colleagues have said tonight, the ACCC received 12,000 online scam complaints. Whilst we may distribute from our office the little black book of scams, unfortunately there will still be Australians that will be taken advantage of or might be deceived by these sorts of criminal activities.

This is just one part of cybercrime and in many ways it is the low end, the unsophisticated end. Although it is a significant acknowledged problem around the world, we know that the only multilateral international treaty on cybercrime is the Council of Europe Convention on Cybercrime. It is in relation to the convention that we are having this debate about this bill which provides for the necessary amendments to Australian laws to facilitate our entry to that convention on cybercrime. As has been said before, this convention is also known as the Budapest Convention.

The main results of this bill being passed will be the imposed requirements on carriers and carriage service providers to preserve data for specific persons when they have been requested to do so by domestic agencies or by the AFP, the Australian Federal Police, on behalf of foreign countries. The Budapest Convention is all about crimes committed either against or via networks and it is focussed particularly on online fraud, unauthorised access, use or modification of data stored on computers and the particularly insidious child pornography crimes. In many ways the convention is about establishing a common criminal policy and taking away the opportunities for criminals to have an easy path for their criminality which they can base in any country. The convention does so by having countries adopt consistent laws and ensuring the best opportunities for fostering international cooperation.

The reasons for the convention and the need to act are apparent. For instance, in February 2008 a hacker attacked the Australian Stock Exchange website bringing it down for four hours. Although the attack could probably be more described as something like a cybergraffiti attack than the destruction or altering of figures or the theft of information, the damage that could have been done could have been even greater given that it was in January 2000—just one month before—that live company and share price information was added. Though the
four hours represented just a significant inconvenience, it did prove to be a lesson for the future—but, unfortunately, there have been many incidents since then.

An incident which demonstrates another aspect of information security is the report that a US car maker suffered an incident a few years ago. Apparently a disaffected employee walked out of the building and away from their job but carried with them the latest prototype plans for a car on a flash drive. Those plans were apparently leaked and the cost in lost sales as customers decided to wait for the next model to come out, together with some research and development problems, was estimated at $1 billion.

It is probably the reason that these days if someone decides to resign from a company or is let go by a company often they are escorted from the building. With computers on every desks these days it is very easy to take damaging information away from any business. That is, again, an aspect of the modern world. In just May this year it was reported that Sony was the subject of a cyberattack which resulted in its Playstation network being offline for 23 days because information from tens of millions of subscribers was accessed. The cost was some $171 million.

I, like most members, have an RSA security token on my key ring. This token allows us to get remote access to the parliamentary computer network. On 21 May this year, Lockheed Martin, a large US military contractor, announced that they had sustained what they described as a ‘significant and tenacious attack’. That attack occurred using data stolen from RSA—the security token producer—in a hacking in March this year. So we can see that these events are not occurring in isolation and that the skill of these criminals has application beyond the initial crime itself.

I also note that in the first three months of 2011, McAfee, the antivirus company, estimated that some six million malicious—or malware—software programs had been unleashed onto the internet. Again, it is a reality that while there is imagination in the world, there will be someone out there looking to create computer programs designed to separate information or money from those that they wish to target. They will do it for the money or as some sort of challenge. It may be for personal gain or it may be for some political statement. But they are out there and they exist and they are, without doubt, up to no good.

When Mr Rudd was the Prime Minister, there was a major attack on the Australian government’s major website. It was apparently hacked in protest. It is a stark reminder to us all that, just because we are in the business of government in this place, we are most definitely a source of interest for attackers and criminals and there are vulnerabilities that we must always be on our guard against.

Before moving on to aspects of the actual bill itself, I wish to spend a bit of time on the most heinous crimes of all—that being the sexual abuse of children. Without a shadow of a doubt, it is a reality that out there in the world—in this country—today there are evil people. There are people who abuse children and there are those who seek to derive financial gain out of abusing children. In the past these evil tendencies were mainly suppressed because these terrible people did not have access to things like the internet. Nowadays, they can seek to indulge their depravity through their perceived anonymity on the internet. Fortunately, this perception of anonymity is not true anymore because we have officers of the Australian Federal Police
and other agencies around the world intercepting emails and getting into the chat rooms to find these people, getting into the social media and the other means by which these images are exchanged. More and more of these pathetic yet terrible people are being found out and dealt with, and that is good because if these people feel the inclination to look at those sorts of photos they are more likely to act on the impulses they have. It is not just the looking; it is in fact because of the symptoms of evil people that they should languish in jail. People who look at such images just cannot be trusted in society and have to be dealt with to the full extent of the law. In my view, I have grave doubts that rehabilitation is ever possible for people like that. I am sure that taxpayers would not mind them languishing in jail for the rest of their lives, but that is a personal opinion.

With regard to the convention, it would appear at the outset that it is only about European nations. But, as we know, the United States, South Africa, Japan and Canada have all acceded to the convention. The Treaties Committee, JSCOT, has looked at the convention and reported on it as well.

In Australia the existing laws that will be amended by this bill include the Telecommunications Act 1997, the Telecommunications (Interception and Access) Act 1979, the Mutual Assistance in Criminal Matters Act 1987 and the Criminal Code 1995. The amendments will, as I have previously stated, require carriers and carriage service providers to preserve the stored communications and telecommunications data for specific persons when requested by certain domestic agencies or when requested by the AFP on behalf of certain foreign nations. The amendments will also ensure Australian agencies are able to obtain and disclose telecommunications data and stored communications for the purposes of a foreign investigation. Those are just some of the things that this bill will do. As I said, the bill has been looked at by JSCOT and more recently—just in the last few days—reported on by the Joint Select Committee on Cyber-Safety.

In the very limited time I have left to speak on this bill, I want to say that everyone in this place acknowledges the need for action on this matter, and not just for action today. As I said before, while imagination exists, people will come up with more and more sophisticated methods to commit crime and particularly crime through information technology, or cybercrime. So I anticipate that we or our successors in this place will continue to address these sorts of problems. Because I guess there will always be bipartisan support to take action on these matters, the challenge will be to try to do that without making the future so onerous on the service providers in this country that they can no longer able to operate. But we should be very certain that there is bipartisan support for strong action on these matters, and let us hope there always will be.

Mr BANDT (Melbourne) (21:28): The Joint Select Committee on Cyber-Safety, in the short time available to it, issued a very detailed report with 13 very strong recommendations to improve the Cybercrime Legislation Amendment Bill 2011 that we are now debating. I am extremely concerned that the hard work of that committee is being ignored. Though the committee's report does not address all of the concerns that the Greens and other stakeholders have had about how this bill would operate in practice, it does propose some very solid improvements to the bill. As my colleague Senator Scott Ludlam has indicated, the Australian Greens continue to believe that there are fundamental flaws in this cybercrime bill and the controversial European Convention on Cybercrime that it seeks to implement. In fact, this bill goes
further than the problematic European treaty. Unlike the European treaty, this bill requires the ongoing collection and retention of communications. Unlike the European treaty, this bill requires police to pass on data even if it is inconsistent with human rights standards. And, very concerningly, this bill leaves open the door—

Debate interrupted.

ADJOURNMENT

The DEPUTY SPEAKER (Hon. Peter Slipper): Order! I propose the question:

That the House do now adjourn.

The DEPUTY SPEAKER: The honourable member for Melbourne will have the opportunity of continuing his remarks at a later time.

Disability Services

Mr HARTSUYKER (Cowper) (21:30): I place on record today my views on the need to provide a better deal for people with disabilities and their carers. I recently attended two events in my electorate which have focused on people with disabilities. One was a conference for a syndrome known as Rubinstein-Taybi and the other was an event to promote the need for a national disability insurance scheme. I support the need for an NDIS and I believe it is essential that all members of this House adopt a bipartisan approach to delivering a better deal for those with disabilities and for those who care for them. During the recent state election we saw Barry O'Farrell and Kristina Keneally set aside their differences and work in a bipartisan way to deliver better outcomes for people with disabilities. I would very much like to see the approach replicated at a federal level.

It is clear that despite the billions of dollars invested in the disability system each year it is not adequately supporting all the people who need assistance. The support for Australians with a disability is a frayed patchwork characterised by piecemeal programs, inconsistent eligibility criteria and a lack of coordination. Support is determined not by need but by how a disability was acquired. It depends on a number of factors such as what state you live in and whether the disability is congenital or was acquired. Most Australians assume because Australia is an advanced and wealthy nation that adequate support is provided for people with disabilities. This is a reasonable assumption but it is the wrong assumption, a fact I was reminded of when I attended two local events which I bring to the attention of the House.

As I previously noted, the first event was a conference about the Rubinstein-Taybi syndrome, which I was privileged to open in Coffs Harbour. I confess that like many others I knew nothing of Rubinstein-Taybi syndrome until a man named David Stevens came to see me in my office earlier this year. Rubinstein-Taybi syndrome is a condition characterised by short stature, moderate to severe learning disabilities, distinctive facial features, and broad thumbs and first toes. Other features of the disorder vary among affected individuals. People with this condition have an increased risk of developing non-cancerous or cancerous tumours, leukaemia and lymphoma.

David Stevens made the point to me that Rubinstein-Taybi syndrome is a condition which affects very few people and therefore is overlooked when it comes to government policy. He highlighted the government's Better Start program. Under Better Start, from 1 July this year people diagnosed with Down syndrome, cerebral palsy or fragile X syndrome now have access to funding in the new Medicare items under this initiative. This is a welcome first step, but the problem is that people with different disabilities who have similar impairments cannot access this
program. Children with Rubinstein-Taybi syndrome are a classic example. To date, approximately 40 Australian children suffer from Rubinstein-Taybi and despite their impairments they simply do not qualify for the same support offered to people with similar disabilities. I believe any future reforms of disability services must be more mindful of the medical conditions which are not well known but are just as challenging as many other common disabilities.

The second event which I attended in my electorate recently involved promoting the need for an NDIS scheme. As I said previously, I support a national disability insurance scheme. Earlier this year the Productivity Commission reported:

The current disability support system is underfunded, unfair, fragmented, and inefficient…

The current system gave people with disabilities:
… little choice and no certainty of access to appropriate support.

The commission proposed a scheme to provide insurance cover for all Australians in the event of a significant disability to fund long-term, high-quality care and support. It identified the current funding shortfall of $6.3 billion and proposed giving sole responsibility to the federal government and ending the current funding split between Canberra and the states and territories. The current government has been receptive to a lot of the commission's advice and I look forward to a renewed commitment from all members of this House to fixing this broken system. We simply cannot sit back and allow the current system to collapse. We owe it to the people with disabilities and we owe it to the families and carers of those who have a disability.

And let us not forget the carers. Carers face many challenges, whether they are a parent caring for a child, a child caring for a parent or a spouse caring for a partner. Isolation, emotional stress, long hours and substantial personal sacrifice are all part of being a carer. We must always remember that an increased investment in people with disabilities is good for the welfare of our carers. They are the true unsung heroes in communities right across Australia and they deserve our support. I certainly welcome the prospect of an improved disability system that is going to provide better for both patients and carers in the developed country that Australia is today.

Spinal Muscular Atrophy Awareness Month

Mr HAYES (Fowler) (21:35): August is the month for spinal muscular atrophy awareness. I seek to draw the attention of the House to this condition. It is, quite frankly, alarming. It is the leading genetic killer of infants under two in Australia, and that is why I have moved the motion appearing on the Notice Paper. Spinal muscular atrophy is a rare genetic motor neurone disease that causes progressive deterioration of motor neurones in the spinal cord. It can occur in both adults and children.

One in 35 Australians carry this regressive gene, which is compounded by the fact that most of us are not, or not fully, aware of our respective family histories. Tragically, 52 Australian lives are lost every month due to this incurable disease. The greatest risk for SMA patients coincides with the birth of their first child. This was horrifically the case for the CEO and founder of the Spinal Muscular Atrophy Association of Australia, Julie Cini. Julie Cini lost two daughters to SMA, one in 2005 and another in 2007. However, using her experience in disability and community service, Julie works tirelessly to not only raise awareness of SMA
but also provide a support network for affected families.

This is also an issue very close to home for me, as my young cousin, Tamara Hayes, lost her daughter, Summer, in April last year. Tamara is up in the gallery with her mum and dad at the moment. That loss was an unbelievably tragic experience for the whole family. Since then, Tamara has dedicated herself to volunteering with the SMA Association, to offer emotional support and provide relevant information and genuine empathy and caring to other families suffering SMA.

Julie Cini, Tamara Hayes and the SMA Association have been working tirelessly to raise awareness and provide support to other affected families. The association has recommended several policy initiatives that they believe would make a difference should they be implemented. Such things as routine testing for carriers of the SMA gene can prevent the continuance of the disease itself. Currently individuals have to request the test be conducted, at a personal cost of $380 which is currently not rebatable from Medicare. If the disease cannot be prevented, sufferers must have access to appropriate proactive care. Families living with SMA spend a lot of time visiting a multitude of health-care facilities. In order to ensure access to all-round care, the association believes consideration should be given to establishing multidisciplinary clinics offering an appropriate range of care for those suffering from SMA. Further, the provision of government rebates and subsidies should be structured to enable the purchase of life-saving cough assistance machines. This would not only ease the burden on families living with SMA but, more importantly, allow those families the opportunity to care for the SMA sufferer in the comfort of their own home.

I note that the association is calling for spinal muscular atrophy to be listed as a keyword with the National Health and Medical Research Council. Through the association, the families are making a very significant contribution to fund research into this genetic anomaly, and public funding is desperately needed. Like sudden infant death syndrome, SIDS, spinal muscular atrophy is a silent killer, and those suffering and their families undoubtedly deserve the caring support of the general community. As it currently stands SMA Australia is somewhat alone in providing support, promoting awareness and searching for a cure. I find the commitment of Julie Cini and Tamara Hayes inspiring. They are genuinely making a difference by selflessly acting in the precious memories of their daughters. I also take the opportunity to advise the House that on Thursday this week SMA Australia will be in the House to brief members on the real and challenging problems associated with spinal and muscular atrophy, and I encourage all members if they have the time to please come along and try to make a difference.

The DEPUTY SPEAKER (Hon. Peter Slipper): Before calling the honourable member for Denison, I would like on behalf of all members to congratulate Tamara Hayes and others on the excellent work they do.

Member for Dobell

Mr WILKIE (Denison) (21:40): I rise to make a statement regarding the controversy surrounding the member for Dobell. There are obviously many accusations swirling around the member right now, arguably the most important being that he misled Fair Work Australia when it was inquiring into alleged misconduct in the Health Services Union. Added to that is the suggestion that in his previous career as a union official he used his credit card to pay for prostitutes and
made inappropriate cash withdrawals on that card. The member for Dobell and the government find themselves in a very difficult situation. That the ALP paid to keep the embattled member from bankruptcy and that the Prime Minister effusively endorses him before any inquiry is finalised compound the public disquiet over this matter.

Let us not forget that the member for Dobell must be accorded the presumption of innocence no matter how strong the prime facie case against him—not just because it is the right thing to do but also because the issue has become so highly charged. Hence I will be keeping a close eye on the current Fair Work Australia inquiry and any other external inquiry, as well as any move to commence legal action against him. Until such time as the process has run its course and until such a finding has been brought down which prohibits the member from taking his seat in this place, my view will remain that Craig Thomson is entitled to sit as the member for Dobell.

The possibility that he may have engaged in activities that some people regard as being unethical is an important consideration, but the member's character is something to be judged at the next election and is not in itself a reason for him to lose his seat prematurely. So too the next election is the time to pass judgment on the government's handling of the matter. Whether or not the ALP thinks the member for Dobell represents the party's values and should retain the confidence of his party's leadership is obviously a matter for the ALP. Moreover, the member for Dobell's chair of the House of Representatives Standing Committee on Economics should not be denied him on account of these allegations; and, while I note he has tonight resigned as chair, I do not believe that was necessary. He is either fit to take his seat in this place or he is not, because he either complies with the constitutional requirements to do so or he does not. Frankly, until the current inquiry or other external inquiries and any subsequent legal action have run their course there is no basis for him surrendering his seat.

The same goes for the Liberal senator for South Australia, Mary Jo Fisher. Yes, she has also been accused of a serious offence and legal action against her is underway, but she also is innocent until proven guilty and has every right to hold her seat in the Senate until and unless she is found to be guilty of an offence punishable by imprisonment of more than 12 months. So too Senator Fisher should be allowed to reign as the chair of the Senate Environment and Communications References Committee until and unless an adverse judicial outcome.

That some in the opposition, media and community have ignored Senator Fisher's circumstances while at the same time reacting disproportionately over the member for Dobell illustrates the politicisation of the whole credit card saga. If only for that reason it must be dealt with by the book with strict adherence to proper process. Against this backdrop, I am uncomfortable with the Prime Minister's strong public show of support for the member for Dobell. Yes, this issue is highly charged politically, but a consequence of that should be a greater, not lesser, focus on proper process and it is not proper process to pre-empt an inquiry's findings. My only caveat on this approach is that I would have supported the opposition motion yesterday to suspend standing orders to allow the member for Dobell to explain himself to the parliament. That the motion foundered was unfortunate, because I do believe the public interest would have been served by the member having his say in the parliament.
There is much talk nowadays about integrity. Did Prime Minister Gillard lie over pricing carbon? No, because changed circumstances forced her hand. Did Prime Minister Howard lie over the invasion of Iraq? Yes, and I have asked the PM to initiate a proper inquiry into that matter. When it comes to the member for Dobell I feel we should let the proper process run its course, and that is what I intend to do.

Employment

Mr SIDEBOTTOM (Braddon) (21:45): Colleagues may be aware that my electorate in the north-west of Tasmania, which includes the west coast, has met and is still meeting challenging times. We share that with a number of other regions throughout Australia. Tonight I want to place on the record that this government has worked hard with my community to meet these challenges and assist those in my community to obtain re-employment. Unfortunately some have lost their jobs in manufacturing, particularly at the two paper mills that were underinvested in for years, at our local carpet factory and at McCain's in the processing area. These businesses have been going through some structural changes for some time and have been affected by commodity prices and the high Australian dollar.

Opposition members interjecting—

Mr SIDEBOTTOM: Without snide remarks from the other side—I do not know what you wish to gain by doing that—

Opposition members interjecting—

Mr SIDEBOTTOM: This is just a nonsense, and you know it.

Opposition members interjecting—

Mr SIDEBOTTOM: You would know because you are an expert on just about everything, but nothing. People have lost their jobs by the hundreds in my electorate. The government through a number of initiatives has sought to re-employ them. Many programs have been successful and I will highlight a couple in particular. The North West and Northern Tasmania Innovation and Investment Fund is effectively a contribution by the state government and the federal government of some $17 million. Applications were called for businesses to put in their own investment and to grow jobs and be sustainable into the future. They were the essential criteria of it. Out of the 123 applications, 36 projects were approved. They totalled, with their own investment as well, nearly $35 million. Members opposite think that is nothing. We are talking about people's lives and their jobs. There was $35 million in terms of growing their businesses and employing people.

It is estimated that 417 jobs will be created, realising that with the two paper mills 420 people were unemployed. To date nearly 370 people have been employed and it is not complete. That successful program has allowed the economy to diversify in my region so we do not just rely on one or two major manufacturers to employ people. I thank the government very much and I thank all of the businesses that have invested in themselves and their people and have been able to retain so many more.

I want to comment on a program that was devised through ForestWorks Learning and Skill Development in a major JSA in my region, the O group. They have localised the attempts to place and manage workers. Through the 420 jobs, they have managed to tag each and every person that was retrenched and deal with them individually to seek to place those people through local JSAs, training organisations and employers. The success of that has been quite remarkable.
I would recommend that forest workers program to those people who have the unfortunate circumstances of having a large number of people retrenched in their regions. This is a model, along with the North West and Northern Tasmanian Innovation and Investment Fund, that will allow people to find jobs instead of falling through the nets. What may seem a joke to some of my colleagues on the other side from Western Australia, is a real living thing happening in our regions. This government has sought to assist those people as much as possible and has been relatively successful in doing so.

(Time expired)

Petition: Headspace Centre for Knox

Mr TUDGE (Aston) (21:50): I rise tonight to table a very important petition. This petition which I have in front of me has over 10,000 signatures—10,284 to be precise. This makes it the second-largest petition in my electorate, which covers the Knox area in outer-eastern Melbourne. I launched this petition with Pauline Renzow, a local resident, a few months ago. It calls for additional youth mental health services in the outer east and in Knox particularly. In particular, it calls for a headspace centre to be based in the Knox municipality.

As you would be aware, mental health is a significant issue for many Australians and particularly for young people. It is estimated that a quarter of all young Australians will suffer from a mental illness at some stage, be it anxiety, depression or substance abuse disorder. In Knox, the incidences of mental health disorders are particularly high. They account for over half the burden of disease and injury amongst 15- to 24-year-olds. Depression amongst men and women, anxiety disorders amongst women and suicides amongst men are all present at higher rates than the state or city averages.

We do not know why this is the case, we simply know that it is the case.

While statistics paint a picture of the prevalence of the problem, they do not reveal the anxiety, the pain or the loneliness that many sufferers face. Nor do they reveal the sense of worry or hopelessness that a family can sometimes feel when one of their loved ones is afflicted by a mental health disorder. Of course, at the most severe end of the spectrum, mental illnesses can lead to suicide. No-one is immune from mental health issues. I have found that there is barely a family that I have come across who has not been affected either directly or indirectly as a result of a mental health disorder.

The petition itself calls for a headspace centre in the Knox City Ozone precinct, to address some of these issues. The Knox City Ozone precinct is a particularly good location because it is the central hub for young people in the outer east. Further, there is an outstanding site which is available. We want to seize this opportunity for the benefit of the young people there. The petition is a hugely powerful message from the people of Knox. Other than the petition for a rail link to Rowville, no petition in recent memory has had such support from residents of my electorate.

I thank those who signed the petition. Your voice is being heard loudly in this parliament tonight. I would like to acknowledge all the members of my Youth Mental Health Committee who have worked with me on this campaign. They include Chris Potter, Kristin Michaels, Peter Cole, David Jancik, Debbie Field, Sarah Lowenchal, Bronte Schofield, Anthony Osborne, Tony Justice, Praveen Ranjan, Anni Ross, Pauline Renzow and Prerna Diksha. I particularly acknowledged the two people who were the co-principal petitioners,
Pauline Renzow and Prerna Diksha. They are both inspirational people.

In Pauline's instance, she lost two sons to suicide a month apart from each other six years ago. Since then she has been a tireless campaigner for better youth mental health services in our community. Prerna is here in the gallery tonight. Her brother Abhishek committed suicide earlier this year, in May. From all accounts he was a popular, bright man who showed very few signs of depression or any signs of mental illness. Both of these women are incredibly courageous people who have bravely talked publicly about their experiences and they proudly spearhead this petition in part in the memory of their lost family member but also to make a difference to young sufferers today.

We all know that a headspace centre will not be a panacea to all the problems but it will make a difference. As Pauline Renzow has said to us before and to our mental health committee, if all of our efforts in this regard can save just one life, then it will be worth all the effort. I table the petition.

The petition read as follows—
To the Honourable The Speaker and Members of the House of Representatives
This petition of the concerned residents of outer eastern Melbourne
Draws to the attention of the House the high incidence of mental illness among young people in the Knox area. Over a third of young people in Knox will be affected at some stage by depression, severe anxiety or worse before the age of 25. The impact of a mental problem can be devastating on the individual affected and their family.
We therefore ask the House to call upon the Federal Government to provide additional services in Knox to assist young local people with mental problems. In particular, we request the funding of a Headspace Centre in Knox (a one-stop-shop that focuses on 12-25 year olds) to reduce some of the current gaps in service provision and assist thousands of young people in our local community.

from 10,284 citizens
Petition received.

The DEPUTY SPEAKER (Hon. Peter Slipper): I thank the honourable member for Aston for his particularly moving contribution. I understand that the petition has been approved by the Petitions Committee and consequently I advise the honourable member that it is received pursuant to standing order 207(b)(iii).

Climate Change
Mr MURPHY (Reid) (21:56): I join with you, Mr Deputy Speaker Slipper, and applaud the member for Aston for his contribution. Despite the relentless campaign of climate change denial orchestrated by the Leader of the Opposition, evidence for the baleful effects of unabated carbon dioxide emissions continues to accumulate along with the greenhouse gases produced by the burning of fossil fuels. Most recently Professor Julian Sachs from the University of Washington in Seattle and his colleagues from Princeton University have shown that the intertropical convergence zone, the band of rain that produces the annual wet season in Australia's north, is moving northwards in response to rising global temperatures that are, as is beyond reasonable doubt, being driven upwards by carbon dioxide pollution.

Present-day climate patterns such as El Nino and La Nina are well recognised; however, less well known is the band of heavy rainfall that circles the globe in the tropics and that moves to the north or to the south according to the seasonal angle of the sun. The area in which this rain band moves is called the intertropical convergence zone and the band's present average latitude varies across the globe from roughly 10 degrees north in the northern summer to three
degrees north during the southern summer. The annual migration of the intertropical convergence zone greatly affects rainfall in North Australia and merging with the monsoonal circulation results in the tropical wet season that occurs at the same time as the corresponding summer season of higher latitudes.

Professor Sachs and his colleagues have extensively mapped changing rainfall patterns in the tropical Pacific that have occurred over the past 1,200 years and have shown that small changes in greenhouse gas concentrations can greatly affect tropical rainfall. The evidence is taken from repeatable and independently verifiable measurements that have been made in many places across the Pacific that have in the past or that presently fall within the intertropical convergence zone. While it is obviously not possible to obtain records from the Pacific Ocean that cover the past 1,200 years there are sediments found underneath lakes on tropical islands that record the ratio of precipitation relative to the evaporation of lake water.

With the advice provided to me by a very respected scientist I will explain the method of obtaining measurements that can be used to infer past rainfall from tropical lake sediments. As has been understood since Berzelius's determination in 1826, water molecules are composed of the elements hydrogen and oxygen in the ratio of two atoms of hydrogen to one atom of oxygen, hence H\textsubscript{2}O. A proportion of hydrogen atoms approximately 0.03 per cent by mass is deuterium or heavy hydrogen that is almost twice the atomic weight of the more common lighter isotope. The means of inferring rainfall from earlier times depends upon this mass difference since the ratio of deuterium to the light isotope of hydrogen found in the lipids of algae that are preserved in lake sediments on islands has a linear relationship with the ratio of deuterium to the normal lighter isotope of hydrogen that was present in the lake water in which the algae grew. That ratio in turn reflects the ratio of precipitation to evaporation so that in areas of high rainfall within the tropical rainband the ratio of deuterium to the lighter isotope of hydrogen is low because water molecules containing the heavier deuterium tend to remain in the sea when water evaporates to form rainclouds.

Field measurements from the intertropical convergence zone have tracked the movement of the rainband over the past 1,200 years and show that a large shift to the north of about five degrees of latitude, or around 550 kilometres, has already occurred over the last 400 years. These measurements also show that during what is called the little ice age, between 1440 and 1850, the rainband's mid-line remained south of five degrees north, while under the present warmer conditions it varies between three and 10 degrees north and is moving north. Increasing temperatures resulting from greenhouse gas pollution threaten to move the mid-line of the rainband north by another five degrees by 2100, a shift that would have very serious consequences for the north of this country as the annual wet season could be greatly diminished in intensity. The evidence is before us and shows that unless we rapidly arrest the increase in atmospheric carbon dioxide by putting a price on emissions, these irreversible changes will seriously damage this country and the wider world. Doing nothing will never be an option. (Time expired)

Convoy of No Confidence

Mr HAASE (Durack) (22:01): I rise this evening to bring to the attention of the House my distaste for the contemptuous treatment of a great bunch of Australians who were moved by their dissatisfaction to travel from
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all points of the compass in Australia and converge on Canberra. I am moved by the absolute contempt in which they were held by the Leader of the House, the member for Grayndler. Much has been said about his performance in the House and his contempt for those in the gallery representing that group, but it does not go far enough to describe the absolute arrogance and schoolyard tactics to which those people and others like them across Australia today are being increasingly exposed by members of this government, both on the backbench and on the frontbench I am sorry to say. There are numerous examples.

Monday and today saw the presence here in Canberra of a group—not a great number relatively speaking I confess—that expressed with a great deal of passion and commitment their dissatisfaction with this government. We do live in a democracy I trust. Those persons were sufficiently motivated to invest their time and considerable money in moving from all points across Australia and converging on Canberra, or should I say attempting to converge, and be apparent in the media's eye and in our eyes as members of this place. It was totally thwarted and it was absolutely denigrated by so many in this House on the side of the government. One would have thought that there was a degree of maturity in those representatives of the government that would have accepted the discontent, the sense of a toxic government, that these people hold. One would have thought there was a degree of maturity that would have treated those persons with a modicum of respect. Instead we found that they were treated not just with contempt but with disdain. They were denigrated. They were insulted. They were referred to as the convoy of no consequence. What a lovely little schoolyard tactic by the Leader of the House. Why would he do it? Because quite frankly he is typical of the frontbench of this government—running scared and terrified of any example across Australia that might show to the media and the wider population the contempt with which this government is held. One might ask the question: why on earth would there be such a passion to stay in government when one is held in such contempt by the population at large? I believe I have found a clue. When asked by author Fenella Souter of the Sydney Morning Herald on 2 April 2005 about aspirations for leadership as a minister or as a Prime Minister, our current Prime Minister replied: I wouldn't finish my career unsatisfied if that's what life brought me. In fact, I'd cheerfully kill several hundred people to get that opportunity in the short term. I shouldn't carry on about killing people, but you'd certainly cut your right arm off for it now.

One is amazed by such a statement, but it goes further because this Prime Minister right now is in cahoots with the Leader of the Greens, Bob Brown, and she said of his illusion of being a saint: "Oh it's nonsense, nonsense," she says in exasperation, losing all interest in her sushi. "He's a politician. I'm not saying he doesn't believe the things he says ... he is as hard-nosed and pragmatic and grafting about [building a political party] as any politician you'll ever meet ..."

I believe I have found the clue to the arrogance of this government. I believe I have found another good reason why people should be ashamed of this Prime Minister. (Time expired)

Ipswich Rugby League

Mr NEUMANN (Blair) (22:06): I congratulate Ipswich Rugby League and all its many sponsors and proud partners on its presentation night. The event was held at the federally funded North Ipswich reserve conference centre. The centre is a wonderful facility. The federal Labor government's $3.3 million under the Better Regions program was money well spent by the Ipswich City
Council as owner of the reserve. I was pleased to have secured this funding for Ipswich. The centre has a fantastic view of the oval and it has a modern industrial kitchen which can cater for hundreds. This facility, located in the Ipswich CBD and opposite Riverlink Shopping Centre, is once again a demonstration of Labor's commitment to Ipswich.

Rugby league is Ipswich's most beloved sport. It is the most popular sport in Ipswich and its rural surrounds. Thousands of junior players and many clubs in the sports pages of local newspapers such as the Queensland Times and the Ipswich Advertiser testify to rugby league's popularity in Ipswich. The trains to Suncorp Stadium in Brisbane on the Ipswich line are full regardless of the standard of opposition played by the Brisbane Broncos. Rugby league in Ipswich was established in 1910. Ipswich has a long, proud history in rugby league. From the days of the Bulimba Cup contest with Brisbane and Toowoomba, when at one time Ipswich based players Dud Beattie, Noel Kelly and Gary Parcell represented the whole front row of the Australian Kangaroos, to the genesis and development of the Brisbane Broncos, when Alfie Langer and the Walters brothers reigned supreme, the Ipswich connection has been vital to rugby league in Queensland.

With the proposed expansion of the National Rugby League in 2013 and the granting of a new licence, I urge the NRL to look with favour upon Ipswich. I welcome and endorse the western corridor bid, with Ipswich at its heart. The bid includes Logan City, the Darling Downs and the country areas in between. The population of this district makes Penrith look tiny in comparison. The western corridor is rugby league heartland, and it is the fastest growing area in Queensland. If granted the licence, the western corridor team would play initially at Suncorp stadium in Brisbane, giving South-East Queensland rugby league fans another home game to watch. I applaud the efforts of those involved in the bid, including the western corridor bid chairman Steve 'Johno' Johnson, bid consultant Brian Canavan, Ipswich Jets CEO Brad Wolens and many others. The Ipswich City Council and the community—business and sporting—are right behind this bid, which has support at every level of government.

I said to David Gallop and the NRL hierarchy: just look at the success of the Brisbane Broncos, the North Queensland Cowboys and the Gold Coast Titans. Look at the many successive years of victory by the Queensland State of Origin team. The evidence is in. It is conclusive and persuasive. The centre of gravity in rugby league is now north of the Tweed River. The western corridor is the New South Wales equivalent of Western Sydney, only projected to grow much faster. In the next 20 years, Ipswich alone, with a population of 175,000, will grow to more than 400,000. It is time to grant the licence to South-East Queensland and to the Western Corridor.

I want to congratulate all those involved in Ipswich rugby league clubs affected by the 2011 floods: Lowood, Norths, West End and Goodna, and junior clubs such as Karalee Tornadoes. These clubs have been rebuilt or are rebuilding their facilities. They have fielded teams under the most adverse circumstances. Well done to their club secretaries, treasurers and committees. Well done also to IRL chairman Jack Rhea and operations manager Brendan Rose, and all their team. Brendan, you did a good job as MC for the event. This federal Labor government and the Queensland state Labor government have worked well to rebuild rugby league in Queensland, including with a $1.4 million commitment to assist clubs affected by the flood. Ipswich Rugby League received $185,000 of this money to help
local clubs. It was fitting that A-grade player of the year was Steve West, from flood affected Norths, a club which had to play away all season. I congratulate David Blair, who received an award for decades of officihood and service on the judiciary panel of the IRL. I further congratulate Daniel Roos of the Fassifern club for his award as coach of the year.

Ipswich Rugby League continues to flourish despite the challenges. It is time for an NRL team in Ipswich. It is time for the Western Corridor. It is time the NRL listened. It is time for Ipswich.

**Sandakan Mateship Trek**

Mr MORRISON (Cook) (22:11): In early April this year I teamed up once again with my good friend and colleague the member for Blaxland, the Minister for Defence Material who is at the table, to embark on our second mateship trek, following our earlier expedition to Kokoda in April 2009. The mateship trek is an initiative we started to bring young people together from our respective communities with very different Australian experiences, framed by diverse ethnic, cultural and religious backgrounds, to demonstrate the power and possibility of unity. Our purpose was not to focus on what was different but to understand what we all have in common by connecting with the unique legacy we share as Australians provided by those service men and women who sacrificed so much.

Our purpose is to give honour; to understand their story, their sacrifice, their lives; to walk in their footsteps and allow that experience to change us. The unity we seek is not a lowest common denominator consensus. To the contrary, it is deeply aspirational: to inspire each of us to reach upwards to the values lived by those Australians who sacrificed so much. These values are those of mateship, sacrifice, endurance and courage—the same carved into the stone at Isurava, overlooking Kokoda. They lead us to a better understanding and appreciation of ourselves, each other, and our own responsibility to live a life that counts; to live a life with purpose; to live a life worthy of their sacrifice; to live a life that seizes the opportunity they gifted to us, all of us in equal measure, regardless of how long we have been here, and to provide the same opportunity to those that will follow us.

On this occasion our trek took us to the jungles of Borneo to walk in the footsteps of the POWs who were slaughtered on the Sandakan Death March—Australia's greatest ever military atrocity. We were joined on this occasion by the member for Lyne, for whom this pilgrimage had a special significance as that march had claimed the life of his own grandfather, Captain John Oakeshott, at the final camp at Ranau.

Our trekkers were drawn from each of our electorates. They were young people from Indigenous, Lebanese, Italian, Greek, Maori, African and Anglo backgrounds: from the shire—Elyse Murphy, Brett Johnson, James Biasetto, Michael Cutici; from Bankstown—Chanel Steiner, Katherine Kopsaris, Issa Jebara and Sam Jalloh; from the Mid North Coast—Liam Carney, James White, Tommaya Kelly-Sines and Kyia Eveleigh. They were joined by a veteran from our Kokoda Trek, school principal Jihad Dibb, as well as Luke Morris, the team from Channel 9 led by Tracy Vo, and our tour leader, Lynette Silver, whose tireless work has ensured that the story of the Sandakan Death March will forever now stand in our nation's memory and history. We were generously supported by Channel 9, BHP Billiton, Interlink Roads, Generation One, Clubs Australia and Bankstown Sports Club, together with John and Patricia Azarias, who made our trip possible.
Within days our trekkers were one team, overwhelmed by the story they were discovering for the first time. Elyse put it best when she said it was 'a story she never knew, but now she will never forget'. By late 1944 the Allied forces had advanced towards Borneo. The Japanese decided to send about 2,000 Australian and British prisoners, who had been held at the POW camp in Sandakan where they had been sent to build an airstrip, westward to Ranau in Borneo's rugged interior. Weak and sick prisoners staggered for about 260 kilometres along jungle tracks. Many died on the way, their bodies never recovered. Those unable to continue were killed; indeed, murdered. Those who made it either died of disease, a beating, or at the end of a bayonet or a bullet, including 15 who were executed after the declaration of peace. They included the member for Lyne's grandfather. Only six, all Australians, out of about 1,000 sent to Ranau escaped and survived the war. Each of us carried with us one POW. We carried their story, and where we reached the place where they fell we paid tribute and we spoke their story. For me that time came at the first camp at Ranau, to honour the life of Private Richie Murray from Botany. Together with his mate Keith Botterill they had stolen rice from the Japanese to build up food stocks for an escape. When the theft was discovered Murray stepped forward to take responsibility, knowing that unless he did all remaining men in the camp would be slaughtered. He was bayoneted and his body thrown into a bomb crater at Ranau on 20 May 1945. His mate Keith Botterill was one of those who escaped.

As the trek concluded we came to the final camp at Ranau. It is a beautiful spot; a leafy flat framed by the banks of two rivers joining at its edge at the base of a steep gorge. I have never felt so uneasy at a place in my life. It was like the ground itself was screaming. It reminded me of Genesis 4:10, where God says to Cain, who had killed his brother Abel:

The voice of your brother's blood is crying to me from the ground.

As our trek concluded, and we stood and listened to the member for Lyne pay tribute to the grandfather he never knew in the place where he was murdered, I can only reflect on the fact that we can never forget their cries. Twelve young Australians now understand that story. It was a great tribute to those who lost their lives and it was a great honour to once again share with the member for Blaxland, and on this occasion the member for Lyne, that great privilege of walking in their footsteps.

The SPEAKER (22:16): I thank the member for Cook for sharing his experience with the House.

Victorian Certificate of Applied Learning

Mr MITCHELL (McEwen) (22:16): We are all used to the man of stunts in federal politics but I want to make the House aware of his new apprentice down in Victoria, Premier Ted Baillieu. Today in a stunt the premier went to the school as principal for the day. It is ironic, because at the same time as he did this his government was ripping over $400 million out of the Victorian education system. With his track record on education there is no doubt that today, as principal for the day, he was channelling Miss Trunchbull, the horrible principal from the Dahl classic Matilda. Miss Trunchbull's idea of the perfect school, she says, 'is one in which there are no children at all', and this seems exactly what the Premier of Victoria wants.

It seems the Premier's idea of a perfect education system is one where his government spends no money to pay teachers and no money to build schools.
Today, as he smiled for the cameras as principal, his Liberal government ripped $12 million out of the Victorian Certificate of Applied Learning, otherwise known as VCAL. The Victorian Certificate of Applied Learning is a hands-on option for students in years 11 and 12. It provides students with practical, work related experience as well as literacy and numeracy skills and the opportunity to build personal skills that are important for both life and work. Similar to the VCE, the VCAL is a recognised secondary qualification, and most students who undertake VCAL are generally more interested in going into training in TAFE, completing an apprenticeship or getting a job after completing year 12. The VCAL is an important part of education and strengthening the labour force, which is particularly important when we talk about skills shortages. Skills shortages, which flourished under the former Howard government, is only being addressed by the Gillard Labor government.

Once students complete VCAL the opportunities are endless; they can go straight into employment, apprenticeships or traineeships or are able to obtain a Certificate II, III or IV and a diploma and advanced diploma. Cutting VCAL is probably one of the cruelest things this out-of-touch Liberal government has done since being elected. We all know that the Premier himself may have been able to afford a very privileged education. We know that he chose to go on to university, but for many students in Victoria it is a far different story. Many students are interested in completing an apprenticeship or going to TAFE and we should be encouraging this and giving students more options, not depriving them of crucial career pathways. This Liberal government, like all Liberal governments, does not believe that is the case.

We on this side know that VCAL provides students with a hands-on experience if they choose for whatever reason not to do the VCE. It prepares them for further education and training as well as related work experience and job training. According to the Victorian Curriculum and Assessment Authority, VCAL students gain the knowledge and the skills that assist their preparation towards entering a trade. The On Track destinations survey for students who completed a VCAL intermediate or senior certificate illustrates that 87 per cent of the students followed a pathway to education, training or work after VCAL.

These mean, short-sighted cuts are denying our students of the training and the skills they require for jobs and in turn is denying the Victorian economy a strong workforce. Families and, importantly, students in my electorate and across the state will be heavily impacted by these mean cuts and this mean government. They are schools like Wallan Secondary College, Whittlesea Secondary College, Broadford Secondary College, all our schools in Healesville, schools in Yea, Seymour, Alexandra, Gisborne, Craigieburn, Mount Ridley and Sunbury College, just to name a few.

These savage, mean-spirited cuts to children's education are having a wide-ranging impact on our highly valued local learning and employment networks such as the Central Ranges LLEN and the HumeWhittlesea LLEN. All are highly valued and highly successful organisations delivering real results for our kids. With these cuts to VCAL many schools in my electorate will not be able to give students an alternative pathway and options to VCE. The Baillieu Liberal government's first budget saw $481 million of cuts to education. It seems they believe education is a privilege to be earned and not a right or necessity.
Governments should be giving every student every opportunity because when given these opportunities we know that kids will succeed. Not all parents can send their kids to private schools but all Victorian students—no matter where they live and regardless of their parents' income—are entitled to the best quality education system. Thankfully Premier Baillieu was only principal for a day because I would not want to see the further damage he would inflict upon education if he were given that position to any longer period of time.

Dung Beetles

Mr RANDALL (Canning) (22:21): I raise the issue this evening of dung beetles in Australia. People might find this a little unusual but dung beetles would provide an incredible addition to Australia's carbon tax debate. This week I was visited by Mr John Feehan from a group called SoilCAM.

Dung beetles in Australia have done an incredible job. To provide some background, they descend on animal droppings, bury them in the soil and lay eggs in them—and the cycle begins. The unfortunate problem in Australia is that these dung beetles have a short life cycle. In my case, in Western Australia, dung beetles only have a two-month life cycle. They do their job on all manures—cattle, sheep, horses—in vast paddocks. They are buried, taken into the subsoil, enrich the soil and add nitrogen to it. They do a marvellous job at geosequestration.

Therein lies the problem. John Feehan and his group of ex-CSIRO scientists have other species from the rest of the world which can fill the gaps. This is my point this evening. Filling in the gaps is the issue confronting the scientists and entomologists that want to fill the gaps. Early in the season there are two species of dung beetle, one from northern Spain and one from southern France around the Pyrenees. One is called Onthophagus vacca and the other is called Bubas bubalus. They come early in the season, between August and September or October, and they do the same job. They descend on the piles of manure, they take them into the subsoil, they lay eggs in them and that cycle begins.

In Western Australia this is a huge issue. Only two years ago, in the south-west, the tourist season was almost cancelled because people were having to walk around, in places like Margaret River, with fly veils on. The flies were out of control. They were breeding on the massive amount of manure that was being distributed in the paddocks in the south-west region by cattle in particular and other domesticated animals.

I am saying this today because it is bizarre. Previously I approached the former agriculture minister Mr Burke about funding the opportunity to bring the beetles into Australia. He said there is a quarantine issue—there is no longer a quarantine issue. They have been accepted. I would not even try Minister Ludwig given his ineptitude in the cattle debate. We won't even go there. Dr Jane Wright of the CSIRO could be helpful, Cameron Allan from MLA where they take $5 a beast and with millions of dollars in their kitty could come up with, dare I say, only $150,000 so that John and his group of scientists could breed these dung beetles which could then be placed into the agricultural regions of Australia to do this job and fill the gaps.

They are everywhere trying to get the support to do this. The problem is that the CSIRO have estimated that to do the breeding in their quarantine areas is going to cost $150,000—a miserable amount of money to put into a program like this where these beetles have been tested, there are no risks to them unlike any other introduced
species, they have been tested in Europe and the rest of the world and it would do so much not only for the soils of Australia but the ecology of Australia and the environment.

Prudence Barwick from a company called Virbac is helping to sponsor John and his group of scientists to get this into Australia. I am going to write to all these people including the agriculture minister in West Australia, Mr Terry Redman, to try and help fund this magnificent opportunity. *(Time expired)*

**Local Government**

Mr Griffin (Bruce) (22:26): Local government plays an incredibly important role in the Australian community. It represents local communities, provides essential services close to where people live and coordinates local resources to achieve community goals. It delivers a range of programs funded by the Australian government and it delivers critical infrastructure such as local roads.

It would be difficult to provide services such as libraries and waste recycling without local government and yet local government does not rate a mention in the Australian Constitution. It is the invisible partner in our Federation. The Labor Party has long held the view that this is an omission that must be rectified. The Commonwealth constitutional convention established by the Whitlam government recommended that local government be given recognition in the Australian Constitution. In 1974 proposals relating to local government went to a referendum for determination by the people. However, none of the referendum proposals put to the vote in 1974 were successful. Like so many other referendum proposals before them they did not succeed because they failed to attract bipartisan political support. At the time the coalition argued that these proposals would diminish the role of the state and concentrate more power in the hands of the Commonwealth. They claimed that if these proposals were successful Labor would be able to bypass the states and directly fund a network of regional government.

In 1988 the Hawke government put a watered down proposal to the people which provided for the establishment and continuance of local government in each state. This was again opposed by the opposition and defeated at the referendum. Yet local government is given much more significant recognition in the constitutions of other countries, for example in Sweden and also in South Africa where a whole chapter is devoted to local government including its objects, powers and functions. Yet, as I said, in Australia it does not rate a mention.

However, constitutional recognition of our third tier of government has continued to be pursued by Labor. The Australian Labor Party went to the 2007 election with a platform commitment to constitutional recognition of local government. A recent High Court decision in the Pape case has also brought into sharp focus the need for constitutional reform. The High Court's determination raises serious doubts over whether the federal government has the power to directly fund local government through programs such as Roads to Recovery and the Community Infrastructure program. Constitutional reform will resolve this uncertainty and protect these vital sources of local government funding.

This is where members of this place from all political persuasions can find common cause. It is possible to develop a referendum question that would not seek to undermine the powers of state governments or restrict their ability to regulate or reform local government but it would grant constitutional recognition and remove funding uncertainty.
This is the position of the Australian Local Government Association, a position supported by an overwhelming majority of local councils across Australia.

The expert panel on constitutional recognition provides a fresh opportunity to address these questions. Chaired by the Hon. James Spigelman QC it includes representatives from all sides of politics including current and former members of parliament. The panel will consult extensively across Australia before presenting a final report to the government in December this year. I look forward to seeing the outcomes of this work on this very important matter which provides an opportunity to recognise finally in the Constitution of this great nation the very important role that local government plays as the third tier of government—a government that many members in this House, myself included, have had service in in years gone by, an area of government that is incredibly and vitally important to the provision of services throughout this nation on behalf of all those that we represent.

The SPEAKER: Order, it being 10.30 pm, the debate is interrupted.

House adjourned at 22:30

NOTICES

The following notice(s) were given:

Ms ROXON: to present a Bill for an Act to amend the National Health Reform Act 2011, and for related purposes.

Mr SWAN: to present a Bill for an Act to provide for the appointment and functions of a Parliamentary Budget Officer and the establishment of a Parliamentary Budget Office, and for related purposes (Parliamentary Service Amendment (Parliamentary Budget Officer) Bill 2011).

Mr MELHAM: to move:

1) acknowledges the contributions of:
   (a) Pole Depot;
   (b) Riverwood Community Centre;
   (c) the Chinese Australian Services Society;
   (d) Padstow Community Centre;
   (e) Mortdale Community Services; and
   (e) Community Services Alliance;

to the overall welfare of the people in the Hurstville, Kogarah, Bankstown and Canterbury local government association areas;

2) notes the contributions of all community-based organisations to the welfare and support of the neighbourhoods they service through:
   (a) family, youth and children's services;
   (b) health, ageing and disability services;
   (c) migrant settlement and support;
   (d) carer respite and support;
   (e) education and training; and
   (f) sport and recreation;

3) recognises the support of the Government to those community groups through:
   (a) the Community Investment Program;
   (b) community grants;
   (c) volunteer grants; and
   (d) the Diversity and Social Cohesion Program; and

4) acknowledges the advocacy of the management and boards of those organisations to ensure that local needs are being met; and

5) affirms the Government's ongoing commitment to assisting those organisations.

Mr ZAPPIA: to move:

That this House:

1) acknowledges the importance of the Road Transport Industry to Australia's economy;

2) notes that Heavy Vehicle Regulator Intergovernmental Agreements (HVIA) were reached at the Council of Australian Governments meeting on 19 August 2011;

3) acknowledges the significance of the HVIA to Australia's road transport sector; and
(4) commends the federal Minister for Infrastructure and Transport for his work in bringing about this agreement.

Mr ABBOTT: to present a Bill for an Act to protect the interests of Aboriginal people in the management, development and use of native title land situated in wild river areas, and for related purposes.
QUESTIONS IN WRITING

Defence: Protection Equipment

(Question No. 382)

Mr Robert asked the Minister for Defence, in writing, on 25 May 2011:

Is Defence acquiring add-on extremity protection for soldiers, specifically to protect the pelvic area and groin; if so, is this part of (a) an existing, (b) a new, or (c) any other, personal protective equipment acquisition program; if not, will he consider acquiring such protection for soldiers.

Mr Stephen Smith: The answer to the honourable member’s question is as follows:

Yes. Defence is examining pelvic and groin protection equipment as part of a broad program responsible for the development and delivery of a new soldier combat ensemble that includes body armour, load carriage systems and personal protection equipment.

The Modular Combat Body Armour System issued to some personnel deployed to the Middle East, Timor Leste and Solomon Island areas of operations includes an add-on groin protection apron. This can be worn when required and on the direction of in-theatre commanders.

With the roll out of the Tiered Body Armour System, other options to improve pelvic and groin protection are being acquired and further investigated. Defence has begun a trial of a tiered pelvic protection system currently used by the British Army in Afghanistan. The first tier is a light weight garment that is worn as protective underwear. It is designed to help protect the groin areas from the fine dirt and shrapnel particles that result from explosions. Personnel in Afghanistan will be issued with this protective underwear by November this year. Sufficient stocks are being procured to issue to the next rotation of troops occurring in early 2012.

The second tier is a heavier and more rigid ballistic groin protection system worn on the outside of the combat uniform and is designed to provide increased protection against larger shrapnel fragments. It can be worn together with the protective underwear or separately. A small number have been purchased and will be provided to Mentoring Task Force Three this month as part of a trial to obtain user feedback on the performance and ability to integrate with the current soldier combat ensemble.

Based on results of the trial, a wider acquisition of pelvic protection systems is likely to be conducted.