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SITTING DAYS—2011

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FORTY-THIRD PARLIAMENT
FIRST SESSION—SECOND 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, Kirsten Fiona Livermore MP, Mr John Paul Murphy MP, Mr Peter Sid Sidebottom MP, Mr Kelvin John Thomson MP, Ms Maria Vanvakinou MP

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

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

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

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

Printed by authority of the House of Representatives
### Members of the House of Representatives

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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

Deputy Prime Minister, Treasurer

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

Hon. Julia Gillard MP

Hon. Wayne Swan MP

Hon. Simon Crean MP

Senator Hon. Chris Evans

Hon. Peter Garrett AM, MP

Senator Hon. Stephen Conroy

Hon. Kevin Rudd MP

Hon. Dr Craig Emerson MP

Hon. Stephen Smith MP

Hon. Chris Bowen MP

Hon. Anthony Albanese MP

Hon. Nicola Roxon MP

Hon. Jenny Macklin MP

Hon. Tony Burke MP

Senator Hon. Penny Wong

Senator Hon. Kim Carr

Hon. Robert McClelland MP

Senator Hon. Joe Ludwig

Hon. Martin Ferguson AM, MP

Hon. Greg Combet AM, MP

[The above ministers constitute the cabinet]
GILLARD MINISTRY—continued

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

Leader of the Opposition
Deputy Leader of the Opposition and Shadow Minister for Foreign Affairs and Shadow Minister for Trade
Leader of the Nationals and Shadow Minister for Infrastructure and Transport
Leader of the Opposition in the Senate and Shadow Minister for Employment and Workplace Relations
Deputy Leader of the Opposition in the Senate and Shadow Attorney-General and Shadow Minister for the Arts
Shadow Treasurer
Shadow Minister for Education, Apprenticeships and Training and Manager of Opposition Business in the House
Shadow Minister for Indigenous Affairs and Deputy Leader of the Nationals
Shadow Minister for Regional Development, Local Government and Water and Leader of the Nationals in the Senate
Shadow Minister for Finance, Deregulation and Debt Reduction and Chairman, Coalition Policy Development Committee
Shadow Minister for Energy and Resources
Shadow Minister for Defence
Shadow Minister for Communications and Broadband
Shadow Minister for Health and Ageing
Shadow Minister for Families, Housing and Human Services
Shadow Minister for Climate Action, Environment and Heritage
Shadow Minister for Productivity and Population and Shadow Minister for Immigration and Citizenship
Shadow Minister for Innovation, Industry and Science
Shadow Minister for Agriculture and Food Security
Shadow Minister for Small Business, Competition Policy and Consumer Affairs

[The above constitute the shadow cabinet]
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<td>Shadow Assistant Treasurer and Shadow Minister for Financial Services and Superannuation</td>
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The SPEAKER (Mr Harry Jenkins) took the chair at 9 am, made an acknowledgement of country and read prayers.

CORPORATIONS AND OTHER LEGISLATION AMENDMENT (TRUSTEE COMPANIES AND OTHER MEASURES) BILL 2011

Referred to Main Committee

Mr FITZGIBBON (Hunter) (9.01 am)—I move:

That the bill be referred to the Main Committee for further consideration.

Question agreed to.

TRANS-TASMAN PROCEEDINGS AMENDMENT AND OTHER MEASURES BILL 2011

First Reading

Bill and explanatory memorandum presented by Mr McClelland.

Bill read a first time.

Second Reading

Mr McCLELLAND (Barton—Attorney-General) (9.02 am)—I move:

That this bill be now read a second time.

The signing of the Australia-New Zealand Closer Economic Relations Trade Agreement in 1983, and a range of other instruments, has lead to closer business links and greater economic integration between Australia and New Zealand.

As a result of this, there is an increased likelihood of cross-border legal disputes and the need for greater civil legal cooperation arrangements.

The Trans-Tasman Regime

In 2008, the Australian and the New Zealand government signed the Agreement between the Government of Australia and the Government of New Zealand on Trans-Tasman Court Proceedings and Regulatory Enforcement.

The agreement seeks to streamline and simplify arrangements for the service of documents, recognition and enforcement of judgments, obtaining and giving of evidence, and appearing remotely in proceedings by electronic means.

In March last year, this parliament passed legislation implementing this agreement—the Trans-Tasman Proceedings Act 2010 and the consequential legislation. The New Zealand parliament also passed the companion act in August last year.

During its passage through the New Zealand parliament, several amendments were made to the New Zealand bill in response to parliamentary committee reports and stakeholder comments.

Australia, I might add, was consulted and agreed with the appropriateness of the changes.

Schedules 1 and 2 of the bill I am introducing today will address, where necessary, any divergence between the Australian and New Zealand legislation to ensure the effective operation of the cooperative scheme. The bill will make minor amendments to harmonise the language and structure of the Australian legislation with the New Zealand act. It will also make some minor technical amendments to enhance the internal consistency of the Australian legislation.

Family Law Fee Validation

In addition, the bill also contains technical measures to retrospectively validate fees charged for de facto financial proceedings under the Family Law Act 1975 in the Family Court of Australia, and certain state and territory courts as well. After most states and territories referred their relevant powers, jurisdiction under the Family Law Act for de facto financial matters was conferred on the...
Family Court of Australia, and relevant state and territory courts, on 1 March 2009.

A technical error in the amending legislation resulted in an anomaly in the application of the fee provisions of the Family Law Regulations 1984 to de facto financial proceedings. This affects fees paid on de facto financial matters between 1 March 2009 and 26 November 2010. The Family Law Regulations 1984 were amended from this latter date to enable the fees to be properly collected.

It has always been the government’s intention to have the fee apply consistently to de facto and matrimonial disputes under the Family Law Act.

The measures in schedule 3 of this bill would retrospectively correct the anomaly and ensure that the fees applying to de facto financial proceedings were the same as those applying to matrimonial financial proceedings and parenting matters in the relevant period.

In conclusion, it is anticipated that the trans-Tasman proceedings regime will commence in the second half of 2011, after both Australia and New Zealand have put in place the domestic arrangements necessary to comply with the obligations of the 2008 agreement.

The amendments contained in this bill are a vital step in this process.

Once implemented, this regime will stand as a significant piece of microeconomic reform between our two countries. I commend the bill to the House.

Debate (on motion by Mr Randall) adjourned.
by this deadline the vote does not progress to 'preliminary scrutiny' and is not counted.

This requirement was put in place by the previous government in 2006. It resulted in a situation where provisional votes were dealt with in a way that was inconsistent with the treatment of other types of declaration votes—namely, absent votes, postal votes and prepoll votes.

At the 2010 general election over 28,000 provisional votes were rejected because the voter did not provide evidence of identity by the deadline. There might be a number of reasons why a voter has not provided evidence of identity by the deadline. It does not necessarily indicate an attempt to vote fraudulently.

Out of the 28,000 rejected votes, the Australian Electoral Commission found over 12,000 instances where the name of the voter was subsequently found on the certified list. This result is not surprising as a provisional vote is cast in circumstances where a polling official has doubts regarding the voter’s identity or if a mark on the certified list appears to indicate the voter has already voted. It might also indicate a miscommunication between the voter and the polling official, or a simple mistake by the polling official in not finding the voter’s name on the certified list. Whatever the case, the result is that otherwise eligible votes were excluded from the preliminary scrutiny.

The requirement for a provisional voter to provide evidence of identity leads to inconsistency in the treatment of different types of declaration votes. Otherwise eligible voters who do not provide evidence of identity by the deadline would have had their vote counted if they had voted by absent vote, postal vote or prepoll declaration vote. There is no reason why otherwise valid provisional votes should be treated differently to other forms of declaration voting such as postal voting and absent voting.

This bill will repeal the requirement for voters casting a provisional vote to provide evidence of identity. Instead, if there is any doubt as to the bona fides of the elector, the signature on the provisional vote envelope will be compared with the signature of the elector on previously lodged enrolment records.

This amendment is supported by the Australian Electoral Commission which, in its submission to the inquiry by the Joint Standing Committee on Electoral Matters into the 2010 federal election and matters related thereto, recommended that the requirement for production of evidence of identity by provisional voters should be repealed.

I commend the bill to the House.

Debate (on motion by Mr Randall) adjourned.
The bill responds to a decision from last year of the Full Federal Court in the Minister of State for Home Affairs and Siam Polyethylene (the Siam decision, as it is called), which considered the review provisions and, in particular, the test for determining whether antidumping measures should be revoked.

The government believes the decision will lead to outcomes inconsistent with the objects of Australia’s antidumping system, and it is appropriate that we seek to rectify it.

The Siam decision is problematic for two reasons.

First, the case highlighted a lack of clarity in the current review process, whereby affected parties must request one of three things: (a) a complete revocation of existing antidumping measures, (b) an adjustment to existing measures, or (c) both a revocation or, failing that, an adjustment based on changed circumstances.

Second, the court in its decision formulated a new test for determining whether antidumping measures ought to be revoked. The formulation will likely lead to measures being revoked where they remain warranted.

In relation to the first problem, it was established practice for Customs and Border Protection, prior to the Siam decision, to conduct reviews consistent with the nature of the review request. If there was no request for measures to be revoked, Customs would not consider whether measures ought to be revoked.

In the case of Siam, that was a matter in which a request for revocation was made but was received late in the process of a review into whether measures ought to be adjusted. There was nothing explicit to prevent the revocation request being made at that point in time, but the lateness of the request constrained Customs in its ability to undertake a worthy examination of the relevant issues.

As a result of the Siam decision, where an affected party lodges a request for revocation, the minister is obliged to properly consider that request, no matter when in the review process the request for revocation is received.

The intention of these amendments is to make the process of applying for a revocation review clear to all affected parties.

The amendments clarify that if affected parties want the minister to revoke measures, they must apply for it, and they must do so at the outset of a review process or within 40 days of a review commencing.

The amendments cement Customs’ existing practice to treat revocation reviews as different in kind from reviews adjusting or updating the level of the measures, and will require an affected party to provide evidence that there are reasonable grounds for asserting that measures are no longer warranted.

The amendment will also improve procedural fairness, by giving affected parties advance knowledge of the process for seeking the revocation of measures, and will ensure that investigators have time to consider the issues before reporting to the minister. Importantly the amendments will give interested parties adequate time to defend their interests.

The second problem raised by the Siam decision was the Full Federal Court’s construction of the revocation test.

In the absence of a legislative test, the court determined that the minister must revoke antidumping measures, unless satisfied that there would be dumping causing mate-
rial injury to the Australian industry if measures were not in place.

The formulation is problematic because, where dumping measures are in place, it will be difficult to establish dumping causing material injury. In fact, if dumping measures are effective then, at least in theory, there should be no injurious dumping.

As a result of the Siam decision, it is now much more likely that a finding of no dumping or no injury during a review period will lead to revocation.

For these reasons it is appropriate to amend the review provisions to clarify the circumstances under which dumping measures should be revoked.

The proposed amendments insert a new test which will provide that the Customs CEO must recommend that the minister revoke measures unless satisfied that the removal of the measures would lead, or be likely to lead, to a continuation of, or recurrence of, the dumping or subsidisation and the material injury that the antidumping measures are intended to prevent.

It is a clearer test, which will avert the unnecessary revocation of effective antidumping measures.

The government is committed to its antidumping system. These amendments will ensure that, where measures have been put in place to address injury faced by Australian industry as a result of unfair trading practices, those measures remain effective.

Debate (on motion by Mr Randall) adjourned.

COMMITTEES

Joint Select Committee on the Christmas Island Tragedy of 15 December 2010

Appointment

Mr BRENDAN O'CONNOR (Gorton—Minister for Home Affairs, Minister for Justice and Minister for Privacy and Freedom of Information) (9.18 am)—I move:

That:

(1) a Joint Select Committee on the Christmas Island tragedy of 15 December 2010 be appointed to inquire into and report on the incident of 15 December 2010 in which an irregular entry vessel foundered on rocks at Rocky Point on Christmas Island, including:

(a) operational responses of all Commonwealth agencies involved in the response, relevant agency procedures, and inter-agency coordination;
(b) communication mechanisms, including between Commonwealth and State agencies;
(c) relevant onshore emergency response capabilities on Christmas Island;
(d) the after-incident support provided to survivors;
(e) the after-incident support provided to affected Christmas Island community members, Customs, Defence and other personnel;
(f) having regard to (a) to (e), the effectiveness of the relevant administrative and operational procedures and arrangements of Commonwealth agencies in relation to the SIEV 221 incident and its management; and
(g) being mindful of ongoing national security, disruption and law enforcement efforts and the investigations referred to in paragraph (3), to consider appropriate information from the Australian Federal Police and the Australian Customs and Border Protection Service (including Border Protection Command) to determine, to the extent that it is possible, the likely point of origin of the vessel;

(2) the Committee should have regard to:

(a) the findings and recommendations of Australian Customs and Border Protection Service (including Border Protection Command) internal review of actions relating to SIEV 221; and
(b) the work being undertaken by the Christmas Island Emergency Management Committee;

(3) the Committee should have regard to and be mindful of independent parallel investigations into the incident including the investigation by the State Coroner of WA and investigations by the Australian Federal Police, and conduct its inquiry accordingly;

(4) the Committee should report to Parliament and make recommendations to the Minister for Home Affairs and Justice and the Minister for Regional Development (relevant to his responsibilities for Australian Territories);

(5) the Committee consist of 10 members: 3 Members of the House of Representatives to be nominated by the Government Whip, 2 Members of the House of Representatives to be nominated by the Opposition Whip, 2 Senators to be nominated by the Leader of the Government in the Senate, 1 Senator to be nominated by the Leader of the Opposition in the Senate, one Senator to be nominated by the Australian Greens, and one Family First Senator;

(6) every nomination of a member of the Committee be notified in writing to the President of the Senate and the Speaker of the House of Representatives;

(7) the members of the Committee hold office as a Joint Select Committee until presentation of the Committee's report or the House of Representatives is dissolved or expires by effluxion of time, whichever is the earlier;

(8) the Committee elect a Government Member as its Chair;

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

(10) in the event of an equally divided vote, the Chair, or the Deputy Chair when acting as Chair, have a casting vote;

(11) 3 members of the Committee constitute a quorum of the Committee provided that in a deliberative meeting the quorum shall include the Chair of the Committee, 1 Government member of either House and 1 non-Government member of either House;

(12) the Committee have power to call for witnesses to attend and for documents to be produced;

(13) the Committee may conduct proceedings at any place it sees fit;

(14) the Committee have power to adjourn from time to time and to sit during any adjournment of the Senate and the House of Representatives;

(15) the Committee present its final report no later than 30 June 2011;

(16) the provisions of this resolution, so far as they are inconsistent with the standing orders, have effect notwithstanding anything contained in the standing orders; and

(17) a message be sent to the Senate acquainting it of this resolution and seeking its concurrence in this resolution.

This motion establishes a joint select committee into the Christmas Island tragedy which occurred on 15 December 2010. This is an important inquiry for a number of reasons, the first of which is to acknowledge the human tragedy that occurred at Rocky Point that day and to demonstrate that the Australian parliament too recognises the human consequences. Forty-one people were rescued from the water, one person swam ashore and 30 bodies were recovered, with others lost at sea. It was a harrowing experience for all involved: the people on the vessel; the local Christmas Island residents, who did everything they could to help the survivors; and the Customs and Navy officers involved in the dangerous rescue and search mission. True bravery was on display during the incident. Differences were cast aside as people took great risks to help and ultimately to save lives.
I was on Christmas Island on the day of the tragedy and met firsthand local residents and Customs, Navy and AFP officers working to assist the rescue. I was honoured to be able to personally express appreciation for their work and their courage, and I want to publicly acknowledge and thank them. Their efforts saved lives. I also acknowledge the AFP members of the disaster victim identification unit, who had the tough and painstaking work of identifying the victims and treating the deceased and their families with sensitivity and respect. Finally, I want to pay particular tribute to those crew in the tenders and RIBs who plucked 41 survivors from the sea. I am indeed looking forward to thanking them personally when time permits.

In establishing this committee, the government acknowledges the important reviews that have already occurred and those processes which are still continuing: the Australian Customs and Border Protection Service internal review, which was publicly released on 24 January this year; the Christmas Island Emergency Management Committee review; the Western Australian state coronial inquiry, which is on foot; and the Australian Federal Police criminal investigation on matters under Australia’s people-smuggling laws.

Similarly, the joint select committee will build on the work of the standing group which was established by the Prime Minister on the day following the tragedy. The standing group was created to ensure that the facts surrounding the incident were known and reported as they became clear, to provide direct accountability between all government agencies involved in the incident and the parliament.

As the Prime Minister said on 16 December 2010 when she announced the standing group, it is important that ‘every truth, every fact about this tragic incident, is known to decision makers and the general public’. The establishment of the standing group was also recognition of the tragedy that occurred, and the members and senators who participated showed honest compassion and professionalism in coming together to address this incident as both Australians and representatives of their communities—not just as representatives of a political party. I would like to publicly acknowledge the standing group and to thank all of its members: Senator Xenophon, Senator Fielding, Senator Hanson-Young and Mr Crook. The joint select committee will of course also include members of the opposition, and I call on them to ensure that, so far as possible, the bipartisanship continues. I trust that we can work constructively in that vein.

One of the key intentions of the government in establishing this committee is to ensure that the Australian community are able to understand what happened during this tragic incident and to provide information to parliamentarians in a transparent way. It is for that reason that the terms of reference for the joint select committee are focused on reviewing the operational response of all Commonwealth agencies, including both the direct response effort and the after-incident support. This will incorporate consideration of how agencies work together, how they coordinated responsibility for responding, the adequacy of their equipment and the location of that equipment.

The community needs to understand what happened and to consider whether, collectively, there is anything else that could have been done. While we cannot protect against every eventuality, the government is committed to ensuring that our agencies and the Christmas Island community are appropriately resourced to respond.

The Gillard government condemns people smuggling. It sees criminals profit at the ex-
pense of others and puts the lives and safety of people at risk.

Customs has taken the first step towards answering some of the questions; however, their review was limited to Customs’ internal processes and its response to the tragedy. The joint select committee will go beyond this and will ensure that a collective whole-of-government understanding exists and that the whole-of-government response works as well as it possibly can. We want to ensure that our agencies are equipped to respond to the sudden emergence of a SOLAS situation in and around Christmas Island.

Already the government is acting on the recommendations put forward to date. We have accepted all eight recommendations from the Customs internal review. We will be trialling new surveillance tools, we will provide additional safety and rescue equipment, and we will deliver more vessels to the AFP and the Department of Regional Australia, Regional Development and Local Government. What more can be done now remains a matter for the joint select committee. I commend this motion to the House.

Mr MORRISON (Cook) (9.25 am)—The coalition joins with the government in supporting the establishment of the joint select committee on the Christmas Island tragedy of 15 December 2010. This committee process is an important part of the ongoing process of examining all the issues and details that specifically pertain to this terribly tragic incident in December of last year. This was an extraordinary event. It is an event that none of us want to see happen again, and it is an event which I think calls for new and extraordinary arrangements to ensure that we cover all the processes that are required.

The composition of this committee is not usual in terms of the involvement of crossbenchers, opposition parties and the government. The coalition is happy to cooperate with the government to have this different set of arrangements for the formation of this committee to enable this task to be undertaken. Obviously, in doing so I am sure the government will agree that this does not form any precedent for these types of arrangements on an ongoing basis, and we appreciate the discussions we have had with the government along those lines.

This inquiry will examine the details of what occurred around that fateful day and the things that have been done since then to support those who were involved. I want to thank the government on behalf of the shadow minister for border protection and myself for the timely and open access we had to information from the government over those terrible days. The coalition sought briefings and were given briefings. Those briefings were freely offered, and we found that process to be very effective at a very difficult time. I particularly want to thank the minister at the table, the Minister for Home Affairs, Minister for Justice and Minister for Privacy and Freedom of Information and I want to thank the Minister for Immigration and Citizenship for the very open and direct access we had, as I know that the Leader of the Opposition and the shadow minister for foreign affairs also had as we worked through that process.

This is a new process. As the minister said, we have had other reviews to date. We have had the internal review undertaken by the Australian Customs and Border Protection Service. I want to place on record again, in joining with the minister, the coalition’s thanks and appreciation to the men and women of the Customs and Border Protection Service and the men and women of our defence forces who were involved in the border protection command. I want to put on record again our thanks to all of those in the Department of Immigration and Citizenship who have been involved in dealing with
these issues subsequent to that fateful day. This has been a very difficult time but I think, in all of these cases, that our officials have served us well and have been open to providing the advice and information that we need.

This inquiry will go further into the details and I suspect it will not be the last of these inquiries, but all of these inquiries are important. And I think it is important to understand that, in undertaking these inquiries, the parliament, the coalition and, I am sure, the government and the crossbenches, believe nothing less than that the men and women of our border protection and customs service and our defence forces did everything humanly possible to assist those in need—in fact, going to the extent of putting their own lives at risk to save so many. It is indeed a miracle that so many survived this tragedy, and we are thankful for that miracle. It is tragic how many lives were lost. So we will ask these questions, we will conduct this inquiry, we will learn the things that we need to learn and we will move on.

Question agreed to.

TAX LAWS AMENDMENT (2010 MEASURES No. 5) BILL 2010

Second Reading

Debate resumed from 1 March, on motion by Mr Shorten:

That this bill be now read a second time.

Mr SYMON (Deakin) (9.30 am)—I speak in support of the Tax Laws Amendment (2010 Measures No. 5) Bill 2010. This bill amends various taxation laws to implement a range of improvements to Australia’s tax laws. The first schedule deals with changes in the federal government’s support for our local Australian film and television industry, an issue that I recently spoke on in the House. I believe the industry has a crucial role in providing an image of Australia overseas and in giving us the benefits of local production, not only in what we get to see on our screens but also, particularly, from an employment point of view.

Schedule 1 of this bill amends the eligibility criteria for accessing the film tax offsets by expanding access to film tax offsets in two ways. Firstly, the amendments reduce the minimum qualifying expenditure threshold for the postproduction, digital and visual effects offset from $5 million to $500,000. Secondly, the amendments remove the requirement for films with qualifying expenditure of between $15 million and $50 million to have at least 70 per cent of the film’s total production expenditure as qualifying Australian production expenditure in order to qualify for the location offset. It is estimated that these changes, which will apply retrospectively from 1 July 2010, will increase expenditure on the film tax offsets by $6.9 million over the forward estimates period.

These changes are aimed at attracting offshore productions to Australia and expanding opportunities for Australian postproduction, digital and visual effects providers to bid for international work. The amendments are also expected to increase employment opportunities and to assist in building capacity and expertise in the local film industry, which in turn will provide benefits for domestic productions. The change to the location offset in particular will also reduce compliance costs for affected entities.

Supporting the Australian film and television industry has many benefits for our nation. The Australian films and TV shows watched overseas help people from other nations better understand Australia, encourage overseas tourism and help Australia make a contribution to the world’s storytelling. Locally, a vibrant film and television industry creates highly skilled jobs and builds local expertise and skills in the indus-
The industry has a great impact on our local communities. Local content contributes to the development of our national culture and shared identity.

This bill will amend the tax laws to enhance support for foreign investment in local film production. Foreign funding of films and TV dramas has helped expand our local industry over the years, and the overseas investment employs local skilled workers and helps develop facilities and industry expertise. In the three years from 2007-08 to 2009-10, total foreign expenditure on Australian production was $453 million. In 2009-10, five features and two dramas funded from overseas were shot in Australia, accounting for expenditure in Australia of $170 million, which was about 25 per cent of all expenditure on film and TV production in those years. The provisions of this bill allow for an expansion of foreign film and TV expenditure by putting overseas investment into our local industry, and underpinning our local industry with more investment is exactly what we need. These amendments are expected to increase employment opportunities and to assist in building capacity, expertise and knowledge within our local film and TV industry, which is a great thing for our domestic productions.

I turn to schedule 7 of this bill, which provides for an expansion of the education tax refund so that school uniforms can be included as eligible expenses. Federal Labor introduced the education tax refund and now we are expanding the items that can be claimed to include school uniforms. Extending the education tax refund to school uniforms will provide great assistance to Australian families and help to ease their cost-of-living pressures. To receive the education tax refund, parents must be recipients of the family tax benefit part A. The education tax refund allows eligible parents to claim 50 per cent of their eligible education expenses up to the maximum claimable amounts, which are indexed each year and are currently set at $794 per primary school student and $1,588 per secondary school student. The education tax refund will be available for school uniform expenses incurred from 1 July 2011, with the first refunds paid in the 2012-13 financial year. Eligible parents can reduce the cost of their children’s education, and I encourage all parents to keep their receipts and make sure they claim their schooling expenses.

I welcome the expansion of the education tax rebate to cover the cost of clothing and footwear that is required or approved by a school with a school uniform. It is a big expense for many families and it will make a real difference. Anyone who has had children at school knows that the cost of uniforms is a big hit on a family budget. Even if it is only a pair of school shoes, the costs soon add up—and it is not only one pair of school shoes per year. At the time when children go to school they are generally growing quite fast and little feet grow very quickly into bigger feet. Several pairs of shoes a year is not unusual and, if you multiply that by a number of kids, you suddenly have a very large expense. This measure will be a great help.

I recall speaking in this place on the original bill that introduced the education tax refund in November 2008. It was called the Tax Laws Amendment (Education Refund) Bill 2008. Although that is a somewhat boring title for a piece of legislation, it has been of great benefit to over a million Australian families. I spoke of how working Australian families stood to benefit from the 50 per cent rebate of eligible education expenses and of the help this would bring to household budgets. As I noted at the time, the education tax...
refund is an offset and can even be claimed by those families or persons who have no tax liability. This is especially important for people who receive disability support pension, Newstart or youth allowance, as many recipients have no requirement to pay income tax. As I also noted at the time, the education tax refund is available for those parents whose children are in home schooling and allows them to deliver materials to their own students—that is, their children.

In addition to the cost of school uniforms, as from July next year, the following items are eligible under the education tax refund, many of which parents may not know are claimable. Items such as desktop and laptop computers and components used to build a home computer, along with running costs and repairs are eligible, as are items such as printers, USB flash drives and accessories such as wireless mice and laptop carry bags. If parents lease or hire a computer from their school, this expense can also be claimed. And for anyone who knows how much a set of printer cartridges can cost—a set of four cartridges for an inkjet printer can easily top $120—the education tax refund is a certainly a great help if your children do that sort of work at home. Importantly, the cost of establishing and maintaining a home internet connection is covered—and this is a must for most children who are given tasks to do at home and invariably want to research on the internet. Also covered under the education tax refund is computer software such as word processing programs, spreadsheet and database applications, presentation software, internet filters and antivirus software.

It is not only computer related items that can be claimed under the education tax refund; it also covers school textbooks and other paper based learning materials such as study guides and stationery—for example, pens, pencils, glue and compasses and many other things. The costs of photocopying and printing can also be claimed if a separate receipt is issued. As I also noted in 2008, the expense limit can be combined between the family’s children and, if expenses exceed the limit for the financial year, they can be carried over to the next year—for one year only. If a family has more than one eligible child, the expenses can be pooled and divided between the children involved so that they can have access to the items purchased.

Over a million families claimed the education tax rebate in 2009-10, delivering $615 million directly to those families. But many families who receive family tax benefit part A are still not aware they can claim this benefit. I certainly go out of my way to remind my constituents and anyone I meet that, if they have children and they receive family tax benefit A they can also receive the education tax refund. I spend a lot of time advertising this locally. The more we can get the message out that help is available for families the better.

I know that this measure to include the cost of school uniform clothing and footwear will be very popular, and I look forward to doing my bit to ensure local parents and parents across Australia make the most of the education tax rebate. I commend this bill to the House.

Mr HOCKEY (North Sydney) (9.41 am)—I rise to support these minor changes to the tax laws as proposed in the Tax Laws Amendment (2010 Measures No. 5) Bill 2010. However, schedule 2 of this bill, relating to changes to capital protected borrowings, has been referred to a Senate committee for further scrutiny. As the bill says, schedule 1 of the bill makes two changes to the eligibility criteria for accessing film tax offsets. The coalition acknowledges the reduction in compliance costs that these changes will have for this industry.
The overall bill has our support but, as I said, schedule 2 of the bill will obviously be subject to review following the Senate Economics Committee assessment, which will report on 24 March, regarding amendments to capital protected borrowing provisions. This reflects coalition concerns around the proposed benchmark rate that has been chosen to be used within this bill. When capital protected borrowings entered the Australian market in the early 1990s, all interest on these products was tax deductible. Treasury and the Australian Taxation Office in the late 1990s then moved to limit the fraction of interest which could be claimed as a tax deduction, with part of the interest allocated as an investment expense and therefore obviously deductible and part allocated as a capital expense and, therefore, as capital, obviously not deductible.

In 2002 the Full Bench of the Federal Court ruled that the component of interest applicable was in fact deductible, and the High Court later refused an appeal from the tax commissioner. After this, legislative action was required and the Howard government moved to introduce an interim methodology apportioning deductibility for capital protected borrowings and opened the consultation process to determine a longer-term methodology. The new methodology was introduced from 1 July 2007. Until this, any interest paid in excess of the Reserve Bank’s indicator rate for personal unsecured loans would not be deductible. Government and industry were content with this; however, Treasury, being Treasury, wanted a lower rate.

In the May 2008 budget the Rudd government lowered the benchmark interest rate to the indicator lending rate for standard variable housing loans—a move that would net the government an additional $70 million in revenue. This is where the coalition’s concerns began to emerge. As everyone on this side of the House understands—and I say to the new member for Canberra: watch and learn—housing lending rates are significantly lower than personal unsecured lending rates. Industry lobbied the government for change and the Rudd government delayed proposing legislation to implement their proposal.

This brings us to where we currently are with the legislation. In the May 2010 budget the Rudd government undertook changes to the benchmark interest rate so that it was 100 basis points above the indicator lending rate for standard variable home loans—that is their version of a compromise—with revenue forecast to be $28 million less. However, the proposed benchmark interest rate at current interest rate levels is about six percentage points below the personal unsecured lending rate. That is why the coalition wishes to defer the final decision on schedule 2 of this bill until the Senate committee has reported, in order to determine whether the government has actually got this right.

Schedule 3 extends the main residence capital gains tax exemption to a compulsory acquisition or other involuntary realisation. We will be supporting this change as this allows the taxpayer who has had part of their asset compulsorily acquired to reduce or disregard a capital gain made as a result of the compulsory acquisition. I think that is very reasonable. Schedule 4—deductions in relation to benefits for terminal medical conditions: obviously we support this part of the bill, which allows complying superannuation funds and retirement savings account providers to claim deductions for terminal medical condition benefits. Schedule 5 deals with changes to the 1999 GST act to allow non-profit subentities access to GST concessions of their parent entity.

How fitting it is to have the minister, Minister Crean, at the table—my old foe and
friend from GST days. And how the roles are reversed. How the worm turns—and hopefully it will turn again.

Mr Crean interjecting—

Mr HOCKEY—I well remember! And he is a good man, this one. Standing right here—

Mr Crean—There were the Hockey Bear pyjamas.

Mr HOCKEY—The Hockey Bear pyjamas were brought to the table during question time. That is when the Speaker used to allow all those sorts of props. And my friend here, the now minister for—education?

Mr Crean—No, regional development.

Mr HOCKEY—I am sorry—regional development. He came to this place every day and asked question after question on the GST. He asked, ‘How much is a bag of salad going to cost?’ and brought in a bag of salad; he asked ‘How much are Hockey Bear pyjamas going to cost?’ and brought in the Hockey Bear pyjamas; ‘How much is this can of food going to cost?’ and ‘How much is a bottle of Coke going to cost?’ I well remember those days, and the lessons have been learnt.

Mr Crean—It was actually the radio interviewer who asked about the can of Coke.

Mr HOCKEY—No, it was actually on the 7.30 Report that they asked me about the can of Coke.

Mr Crean interjecting—

Mr HOCKEY—That is quite right. So I would say to the government that there are lots of long memories in this place from previous debates about tax, and we will not disappoint. So here we are with changes to the 1999 GST act—proposed by this government. And they were going to roll back the GST.

Mr Crean—But that is what you are going to do on—

Mr HOCKEY—No, we are going to abolish, not roll back, because you were selective in rolling it back. But that was not your idea. I am sure that was the Leader of the Opposition at the time, Kim Beazley.

Mr Crean—We’ll wait and see whether you get rolled on this one.

Mr HOCKEY—Well, from our perspective, we are abolishing—totally abolishing. It is all gone. And I would say to the minister for regional development, ‘Watch this space,’ because I am sure this will be a very interesting debate on the carbon tax. I thought that, when the former Prime Minister, the member for Griffith, said in 1999 in relation to the GST that 1 July would be—was it ‘a day of infamy’? Maybe I am misquoting him there. It was something along those lines. I thought, ‘Well, what about the day he was dumped as Prime Minister? That was a pretty significant day.’

Mr Crean interjecting—

Mr HOCKEY—I would say to the minister for regional development: how ironic it is that he is now sitting at the table proposing extensions to the GST act when he so vigorously opposed it at the time. How the worm turns. But, of course, as the minister knows, his friend and colleague, the representative of the AWU in Canberra, the Deputy Prime Minister and Treasurer, has introduced or increased—

Mr Crean interjecting—

Mr HOCKEY—13 different taxes.

Mr Crean—It pays to have a memory in this place.

Mr HOCKEY—It does pay to have a memory in this place. It is like Groundhog Day, in one sense. Thirteen different taxes Labor has introduced or increased since 2007, since they were elected. That is quite a
They have not abolished any taxes, but they have increased or introduced 13 taxes in just three years. And now the Treasurer does not bother to turn up at the announcement of a tax. He cannot even be bothered turning up because it has just become so commonplace. We could go through them: the alcopops tax, $3.1 billion; a new tax on Australians working overseas, $675 million; cutting Australians’ tax-free superannuation contributions, $2.8 billion; restrictions on business losses, $700 million; changes to employee share schemes, $200 million; the cigarette tax hike, $5 billion; and the mining tax—well, God! How much is that? We do not know. And you know what? They do not know either. How is that, the mining tax? Ethanol taxation increases—I will be interested to see what the minister for regional development thinks about that. He is quite silent.

Mr Crean—The mining tax?

Mr Hockey—The ethanol tax increases—do you support those?

Mr Crean—The mining tax?

Mr Hockey—The ethanol tax increases?

Mr Crean—Going into infrastructure in the region.

The Deputy Speaker (Hon. B. C. Scott)—Order! The member for North Sydney has the call.

Mr Hockey—What about the LPG tax increase? Tightening restrictions on medical expenses before you can claim them on tax—that was $350 million. Increasing the luxury car tax, $555 million; the flood levy, $1.8 billion; and then, No. 13, lucky 13—the carbon tax. How much is it going to raise? We do not know. The government does not know. How much is it going to apply to various industries? The government does not know, so we do not know. Who is going to be exempt? Well, the government does not know, so we do not know. All the government knows is that it is imposing a new carbon tax right across the Australian economy, and the Treasurer, as deputy chair of the committee responsible for the recommendation, did not have the guts to turn up to the announcement. So much change! So many tax increases! The Treasurer cannot even be bothered turning up.

We are a party of accountability. We are a party of responsibility. We are a party of transparency. Even though we did not win government, we are quite properly seeking to implement our policies as if we were elected to government. After all, half the Australian people voted for us. After all, we hold more seats in this place than the Labor Party. After all, we have policies that we believe will grow the Australian economy, reduce the burden of taxation and make it easier for people to meet their bills head on. In committee, we are going to introduce a similar but not exactly the same amendment to this bill which will give Australians a receipt for their taxation contribution and explain to them in detail where their hard earned tax goes. This receipt, a core part of our election commitment, is about transparency and accountability.

Of course, as I shall say again and again during the committee stages of this bill, we are asking this parliament to let the sun shine in to give Australians full transparency about where their hard earned bucks are going. It was the Prime Minister who said, ‘I will open the curtains and let the sun shine in.’ It was the Independents who said, ‘This is a new paradigm. This is a new environment where there will be total transparency.’ Let them vote our way this time. Let them vote for transparency and accountability. This government are scurrying away from their tax summit commitment, which of course the Independents identified as one of the reasons
they were going to back the Labor Party. They said that. That is one of the reasons they were backing the Labor Party: the Labor Party are going to have a tax summit by 30 June 2011.

You know what—in the first few weeks of 2011 the government announced two new taxes: a flood tax and now a carbon tax. Let me say to you: the whole year is turning out to be a tax summit—not just one or two days in June but the whole year—but the problem is they are not abolishing any taxes and they are not reducing any taxes. All they are doing is announcing new taxes and higher taxes. So, from our perspective, we say, ‘Let the sun shine in. Open the doors of the parliament. Let the people see exactly how wasteful the Labor Party are in government.’ That is their form. As my leader said, the Labor Party have never seen a tax they did not like and have never seen a tax they did not want to hike. That is their form.

I see the member for Canberra watching intently. As a new member, I would say to her, ‘Run away. Run away. Do not be associated with this mob because, ultimately, even the good folk of Canberra—as the highest average net earning people in the country—will come to understand that sooner or later you cannot trust Labor with money and sooner or later you just cannot trust them with tax.

Mr NEUMANN (Blair) (9.56 am)—I speak in support of the Tax Laws Amendment (2010 Measures No. 5) Bill 2010. Let the sun shine in; open and transparent. What about the Charter of Budget Honesty that those opposite so fearlessly boasted of when they were in government? Guess what—they did not comply. Did they submit their costings before the last election? They hid things. It was secret. They did not want to reveal to the Australian public the full extent of their economic irresponsibility. They somehow came up with the notion that they had $50 billion worth of savings. Guess what—when the Australian people, in their infinite wisdom, decided to construct the parliament the way it is and there were negotiations with respect to who should form government, they had to come clean. They had to submit their election promises to the Treasury and to the Department of Finance and Deregulation—and guess what. The shadow Treasurer can wax lyrical and sing songs all he likes, but, when it was really revealed, there was a $10.6 billion fiscal black hole. Talk about irresponsible. Those opposite have form.

They talk about their history. Let's have a look at their history with respect to tax. We have the GST, which he mentioned. Let's think about the ratio of tax to GDP—never below about the mid-20s. It never got to 20.9 per cent, which we have presently. The Howard coalition government were the biggest taxing government in the history of the country—far more than this. They talk about economic responsibility. How many tax bills and how many savings are they trying to stop on the red carpet in the Senate? We have seen a performance by the shadow Treasurer that would be good for an Oscar, but the reality is that it is on the red carpet that they are playing their economically irresponsible and silly games, and here he can say all he likes—"I’m the member for North Sydney. I’m the likeable, lovable cuddly bear"—but the truth is that they are acting irresponsibly in the other place. The shadow Treasurer can come in here and give us his little sermons, but they started acting irresponsibly when they were on this side of the chamber. Whether it is Work Choices or taxing the devil out of the Australian people, that is what those opposite did. What they thought about economic responsibility was to privatise everything they possibly could and send people to the scrapheap. That is their idea: take away people’s rights at work.
The shadow Treasurer was given a lot of licence by you, Deputy Speaker Scott, with respect to taxation. He sat in the Cabinet. He was responsible for Work Choices and he was responsible for every economic decision they made.

Mr Crean interjecting—

Mr NEUMANN—Absolutely! So let us talk about tax. Let us talk about the consequences of raising those taxes. I see the member for Hinkler over there. He knows very well that the Howard coalition government did not use the tax laws well with respect to providing for road funding in regional and rural Queensland. How many roads were not funded? Look what they did with the Warrego Highway, the failures on the Warrego Highway. We have increased the funding for the Warrego Highway and the Brisbane Valley Highway. And there is the Ipswich Motorway which they had no idea about at all. So with respect to raising tax and spending it appropriately and responsibly in regional Queensland, it has been this government that has allocated $37 million of road funding with respect to the area and $22 million in regional and rural Queensland.

Let us talk about economically irresponsible behaviour and investing in infrastructure. The legislation before this chamber now means a number of things by schedule. The first schedule is at the request of the Australian film industry, increasing our capacity and employment opportunity by reducing the minimum qualifying expenditure threshold from $5 million to $500,000 and removing the requirement for films with qualifying expenditure of between $15 million and $50 million to have at least 70 per cent of the film’s total production expenditure as qualifying Australian production expenditure in order to qualify for the location offset.

There is a change with respect to the benchmark interest rate under the Income Tax Assessment Act, schedule 2. That relates to borrowings that a person may undertake to purchase listed shares. The investor is protected from any fall in the prices by the capital protection feature and the benchmark interest rate determines the cost of capital protection. I welcome this particular legislation which will have a positive fiscal impact of about $170 million over the forward estimates.

With respect to schedule 3, there is an extension of the capital gains tax exemption with respect to compulsory acquisition under, say, the land acquisition legislation of states and territories that enables an exemption with respect to land adjacent or close to the principal place of residence, and we are talking about it covering up to two hectares.

There are a number of other changes with respect to schedules as well. There is the extension of deductibility for not-for-profit subentities. For example, if you have a situation with a church or a charity organisation which has an exemption, extending that exemption to subentities also is a sensible way to go about it. This can be a bit of a challenge. If anyone has served in a not-for-profit organisation, as I have, they will know that there are a number of committees and organisations below those that can have some difficulties with respect to these concessions. This is simply confirming what the Commissioner of Taxation is doing anyway, so it is putting at law what is happening in practice. It is a sensible measure.

Schedule 4 is really just to fix up an anomaly with respect to medical condition benefits to members under superannuation funds and retirement savings accounts. I think that is a prudent thing to do as well. Schedule 6 also makes some amendments with respect to running balance accounts and that makes prudent economic management as well.
Schedule 7 is the one I want to talk about briefly, the education tax refund. I warmly welcome this particular extension. The press release from the Prime Minister on 13 July 2010 said that she would extend the option to apply to uniforms under the education tax refund. Existing items at that particular time included the cost of computers, computer equipment, textbooks and trade tools for secondary school trade courses. I noticed that the Prime Minister made reference—and it was reported in the *Sydney Morning Herald* on 14 July last year—to school uniforms, and I agree entirely with the comment. She said:

... having a school uniform helps undercut the kind of unhealthy competition we can see at schools to have the latest, most expensive, fashionable gear.

That would be my observation. It is a long time since I went to school, but I can see that school uniforms are important. Indeed, I can recall one day in year 11 at Bundamba State High School, as it was called in those days, having almost a Damascus road conversion experience on the issue of school uniforms. Having been someone who could not see the benefits of them until a uniform-free day took place, I became a St Paul advocate for school uniforms thereafter. I saw how young people, particularly young women, tragically wore the trendiest and the most expensive gear. So I am a passionate believer that school uniforms are a great leveller. They also help with respect to discipline, and they are good preparation for work life because in many jobs people wear uniforms.

This is an important reform and I think that it will help families in the Ipswich and Somerset regions to get access to the kind of support they need. Anyone who has got children knows what I mean. I have got two who are both at university, but I recall having to take them to school uniform shops or to shoe shops to buy shoes as their feet grew, and you see that sort of thing all the time. Mums and dads talk to me in my electorate office and in the mobile offices about the cost of education. It is not as free as they would like and certainly the cost of school uniforms is very expensive.

I know that has been the challenge, by the way, in the flood affected schools in my electorate, and I want to pay tribute to the wonderful work particularly done by people in the P&C and to people like Shelley MacDonald who is the P&C president at Ipswich State High School and at Brassall State School as well. The work that she and her committee have been doing, particularly in helping get those schools back on their feet, is most laudable. A lot of the tuckshops and school uniform shops are run by P&Cs and so in those flood affected areas in my electorate the P&Cs and school communities have been working fantastically well to ensure that young people, who lost their uniforms and particularly their shoes in those days of flood crisis in Ipswich and Somerset region, got help.

If you look at a school like my old primary school, Ipswich East State Primary School, 40 per cent of the kids lived in houses that were flood affected. At the school itself, the out-of-hours care area, the music room, a number of classrooms as well as the school grounds were inundated. In schools like that many of the kids lost their uniforms, their shoes, their sporting gear and a lot of their personal possessions. So this amendment can have a practical impact in my seat, in seats such as Moreton, Brisbane, Oxley and Ryan and in seats across Australia which have been affected by the floods crisis. This is a practical way to help mums and dads and I am pleased that the coalition supports it. I think helping working families with high living costs is what this parliament should be all about and what we should do.
I am passionately of the belief that giving kids the best education they can have improves not just their self-esteem and their dignity but their employment opportunities and their financial security for the future. I am a passionate advocate for education, which should not be the purview of those on the left or the right of political life. It is about social justice, social inclusion and equity, but also about increasing the profitability of our economy and making sure our businesses work as well as they can. It is in the national interest for us to extend the education tax refund for school uniforms. I warmly welcome this particular initiative.

Mr ROBERT (Fadden) (10.08 am)—I rise to cast some comment on the Tax Laws Amendment (2010 Measures No. 5) Bill 2010. Whilst the TLAB No. 5 has seven schedules, I wish to constrain my comments to the schedule dealing with the film tax offsets. I think we all realised that the Australian film industry has developed and become incredibly diverse over the last 20 years. The federal government has continued to support the international film industry, and economic benefits have flowed from that. Indeed, I was with the Hon. Senator George Brandis SC in 2007 when the former Howard government announced the 15 per cent tax offset at the Village Roadshow Studios in my electorate of Fadden. Fadden contains one of only two significant sound stage areas and studios in the country, the other major studio being the Fox Studios in Sydney.

The success of that original 15 per cent rebate generated enormous interest from overseas. That, combined with a lower dollar—certainly relative to the dollar at parity at present—meant the industry was able to attract a large number of big-budget US feature productions that generated substantial economic benefits to the region. Now, unfortunately, we are competing against more countries around the world, and these countries since 2007 have consistently and constantly upgraded their rebates to attract production. We were leading the world in terms of offset rebates in 2007. We are now, unfortunately, dragging our heels. I dare to say Australia has even lost its competitive edge and we have certainly seen a substantial decline in international production. While several projects that have looked at Australia—for example, Battleship and Green Lantern—would have injected something like $90 million into the local economy at least, those two major productions chose to shoot in other countries because, frankly, the 15 per cent rebate as well as the post-production and location offsets simply were not competitive.

International productions, I suggest, are imperative for the Australian film industry. They have the funds, for example, to build infrastructure. Warner Bros feature film Fool’s Gold built a $2.1 million water tank at the Village Roadshow Studios in my electorate of Fadden which then, of course, attracted productions like Nim’s Island, Triangle and Sanctum to film in Australia, building on that substantial infrastructure that had previously been built. These three projects alone would have spent around $60 million in Australia. Narnia: The Voyage of the Dawn Treader invested money in infrastructure at Cleveland Point, but still injected over $70 million into the economy. The Australian film industry is a great revenue generator, especially when it comes to goods, services and employment in electorates around the country.

As Australia starts to lose its competitive edge we are also starting to lose experienced technicians and actors to overseas jobs, or people are simply leaving because the work is not there. It does not take rocket science to work out that this is creating a substantial skills shortage, where we simply cannot meet supply and demand for what international
productions require, should international productions seek to come to the Australian market. Vendors who obviously benefit from these productions may reduce staff or, in some cases, close down. As the injection of international funds has the potential to sustain these businesses long term, the converse is also true: the lack of injection of international funds will see a decline in these businesses. Education and training will not be available to universities, especially if the demand for those skills is not there. Those universities that offer film and television degrees will lack the experience and capabilities to move forward with their courses and training.

Luckily, domestic productions still exist, but their budgets are substantially smaller than those of the international blockbuster types of productions. Domestic productions also spend a lot less than international productions. It is estimated you would need about 10 to 15 Australian productions to generate what one international production could generate. Australia has spent 20 years growing the industry and we have had a major stake in the international market, backed up in 2007 by the Howard government’s move for the 15 per cent tax offsets, which began to anchor some of that. The worldwide global response has seen our competitive edge now begin to slip. It would be disappointing to see the industry deteriorate to a level that it could not recover from.

Village Roadshow Studios has made a compelling case to me and has urged me to say to the Australian government that perhaps there is a need to review the PDV incentive from 15 per cent to higher amounts. This is especially important because of the high Australian dollar and also what other countries around the world are doing. If you look at global incentives for film production you will begin to see why our current 15 per cent lacks the ability to draw big-budget productions from overseas. In continental United States of America, New Mexico has a refundable rate of 25 per cent; Arizona, transferable, 20 to 30 per cent; Oklahoma, rebate, 35 to 37 per cent; Kansas, 15 to 25 per cent; Alabama, refundable, 25 to 35 per cent; Georgia, transferable, 20 to 30 per cent; Kentucky, refundable, 20 per cent; North Carolina, refundable, 25 per cent; Pennsylvania, transferable, 25 per cent; West Virginia, transferable, 27 to 31 per cent; Michigan, refundable, transferable, 30 per cent to 40 per cent—and the list goes on and on.

Some argue that Australia began the revolution in providing incentives for big blockbuster productions in the film and television industry with our 15 per cent. The world has caught up at an astonishingly rapid rate. Let us look elsewhere. In Alberta, Canada, there are grants for 20 to 29 per cent, plus bonuses. It is the same in British Columbia and in New Brunswick, where the refundable amount is up to 40 per cent of the labour costs only. In Nova Scotia 25 or 50 per cent of the labour costs are refundable, plus a range of bonuses. Look across the world. Italy gives a credit of 25 per cent, Ireland gives upfront funding of 28 per cent and there are discretionary rebates of up to 50 per cent in Singapore. The days of Australia providing the most generous incentives to lure film and television here are rapidly coming to an end, which is disappointing. The world has caught up and it has caught up fast.

I commend the government on their 2010 Review of the Australian independent screen production sector, which was released about a week ago. I urge the government to continue to review the current taxable offset rates and to continue to engage with industry to look forward. In terms of where the government are going now, I support their film tax offsets that this bill brings forward. I certainly support schedule 1, which is making changes to the eligibility criteria for access-
The minimum qualifying expenditure threshold for the post-digital and visual effects offset—what the industry calls postproduction—is reducing from $5 million to $500,000. I support the government, which believes that these measures better align the incentive with the standard industry practice for such work to be divided amongst several companies, usually in job lots of less than $5 million.

I certainly support the government in its move for a location offset—that is, the removal of the requirement for films with qualifying Australian production expenditure of between $15 million and $50 million to have at least 70 per cent of the total of the company’s production expenditure in the film as qualifying expenditure in order to qualify for the offset. This makes the offset now available to smaller budget films that exceed the $15 million threshold but still need or want to make a substantial part of the film elsewhere. This makes enormous sense, considering the location opportunities across the world, the opportunities for shooting in different parts of the world. It still makes Australia competitive and it still provides an option for film and television, especially big blockbuster type films, to come to Australia and to use Australian facilities in some way.

The measures within the bill, especially on the film tax offsets, are certainly supported by the coalition and enjoy my strongest support. I will conclude by asking the government, as part of its review of the Australian independent screen production sector, to also review the producer offset. I will be writing to the minister specifically about this. Currently, the producer offset has a minimum spend of around $1 million and provides up to a 40 per cent tax offset for Australian spend. However, there is a limit to the number of episodes that you can qualify for. I believe the number is 65. We have the somewhat absurd situation now where the amazingly popular Sea Patrol has reached that limit. We all love Sea Patrol. I look at the advisers’ box and I see a group of people who love Sea Patrol. Sea Patrol has hit 65 episodes. It has been filming for five years, under Village Roadshow, on the sound stages in my electorate of Fadden. Now they are seeking to wind down and will not be producing any more episodes because the producer offset is not available for them.

The beauty of Sea Patrol is not only in injecting local money into the economy. The Navy generously gave an Armidale class patrol boat for many months for the filming of this series. I joined the military in 1988 as an Army officer. I went to the Australian Defence Force Academy. I look at all of my Navy mates, all the naval midshipmen—naval officers now—who joined with me. So many of them joined because, at the time, back in the eighties, Patrol Boat was being aired on our screens. It was the same thing: the military had given a patrol boat. People saw that and said, ‘You know what? I would love to go and join the Navy.’ As we deal with recruitment issues and a range of challenges, especially within Navy at present, here we have a prime opportunity—a show based around a patrol boat and around naval officers, sea men and women, going to sea. We are going to lose that. We are going to lose the opportunity to show the great things about the military and serving on one of our Armidale class patrol boats. It is a great recruitment opportunity that we are going to lose simply because Sea Patrol has hit the 65-episode limit under the producer offset.

I say to the minister, whom I have a fair amount of respect for and who I believe will understand these issues: can we have a look at the issue of the episode limit in the producer offset so that we do not come to the point where we lose something like Sea Patrol that has great ancillary benefits not just for the industry and the economy but also for
the wider application of its recruitment opportunities and how it makes people see the military as a career opportunity. I will certainly be writing to the minister to ask him to look specifically at the issue of Sea Patrol and, more widely, the producer offset and the 65-episode limit. I will find out how that limit got there, the rationale for it. In the current world of an exceptionally high Australian dollar, where production incentives across the world have grown beyond all measure since 2007, now is the time to review a range of these offsets to make the Australian industry more competitive.

Mr HAYES (Fowler) (10.20 am)—I too rise to support the Tax Laws Amendment (2010 Measures No. 5) Bill 2010. This bill is largely uncontroversial. It deals with seven aspects in various schedules. As we have just heard in the dissertation from my learned friend the member for Fadden, film tax offsets are one of those areas. The other matters dealt with in this bill are protected borrowings, capital gains tax exemptions, deductions for terminal medical conditions by super funds, capital gains tax concessions for not-for-profit subentities, concessions in running balanced accounts, and educational expense tax offsets covering school uniforms. As I said, these are largely uncontroversial. The last one I mentioned gives rise to the government’s commitment to include school uniforms as part of the education tax refund.

There are two areas on which I would like to concentrate my contribution. The first is schedule 4, which deals with the release of benefits for terminal medical conditions by super funds. This will bring it in line with the requirements under the Superannuation Industry (Supervision) Act, which provides for conditions of release in the case of terminal medical conditions. Presently, under the act, deductions are allowable in the case of death, permanent incapacity, temporary incapacity or for relief of those medical conditions. What it does not do is provide conditions of release in terminal medical conditions. This schedule will bring it in accord with the Superannuation Industry (Supervision) Regulations 1994.

Aside from this, oddly enough earlier this week I had the opportunity to speak in this parliament on behalf of a constituent, Ms Leanne Kilmore, who was diagnosed with a very rare form of breast cancer. Immediate surgery was prescribed. After surgery she was placed on what I understand to be the highest dose of chemotherapy. Ms Kilmore, a single mum of two, sought to get some relief from her superannuation fund because, being a single mum, she still had the dilemma of running a household and providing for her kids while not being able to work and while undertaking the surgery and chemotherapy. It is a really sad story because she had to set aside the last parts of her chemo treatment. It got to a stage where she had exhausted all her leave and she needed her employment to provide for her children. She did not have the assistance of family and friends and, despite the advice of her doctors, had to set aside her last chemotherapy treatments. Notwithstanding the unilateral decision she did take, she has made a full recovery.

The point I make about this is that, when Ms Kilmore applied for relief out of her superannuation fund after her surgery, at the stage of her chemotherapy treatment her condition was not legally regarded as a terminal condition. Maybe if she had made the application prior to the chemo treatment, when she was diagnosed as having this rare form of breast cancer and requiring immediate surgery, it would have been different. I would like to think that in future there might be some latitude and super funds will not simply be allowed to hide behind the face of the regulations. I have seen the consequence of a mum who took a decision in very dire
circumstances, without the support of family, to set aside what could have been life-saving treatment. In her case, fortunately, she recovered, but I do think her example is a salient reminder to us that not everything that occurs in life is black and white and there does need to be some flexibility.

The other area I would like to talk about is schedule 7, which deals with school uniform costs. It amends the education expense tax offset, which is the educational expenses tax refund. This is an area of policy I am particularly proud of. In my electorate of Fowler there is a very high proportion of families. There are 6,700 families with school kids under the age of 15. That is a significant number. Fowler also has a high population of migrants, all going to new schools. Speaking of migrants, I have the distinction of having the most multicultural electorate in the whole country. A lot of new Australians, particularly refugees, decide to settle there. We have a community that values diverse cultures and traditions and we rejoice in it.

Schedule 7 is quite significant. Sending a kid to school in jeans and a T-shirt may not look so flash compared to other children turning up in expensive shoes, expensive joggers—fashion statements on the run, particularly for high school students. A uniform is very positive for high school students. Apart from showing a uniform position of the student body, it not only promotes school pride but also is an opportunity to promote schools amongst our community. Most of the schools in my community have both a summer and a winter uniform, so that adds additional expense. There is no doubt when the education expense tax offset was introduced it was an amazing success, providing up to 50 per cent of eligible expenses or up to $780 per student in primary school and $1,558 for eligible expenses for secondary students. These are quite significant contributions to the financial relief that parents need. Provisioning children for school is not an inexpensive option these days. I have been able to survive that myself, but now I see what my daughter is going through with her three children going to school and I can sympathise—but, fortunately, it is not my direct responsibility these days. No doubt my daughter Elizabeth is quite happy with the education tax refund, particularly for what it has meant in the provisioning of computers for kids, accessing of books and all the rest of it.

Surprisingly enough, this year they have decided to move closer to home. I am very pleased that they have decided to move a couple of kilometres up the road from us, but the thing is they had to change schools for three kids. That meant a new set of uniforms, but, for the first time, these uniforms will be eligible expenses for the purposes of the education tax refund. I think that is a very positive thing for the community and the school, and it certainly helps mums and dads with their expenses and providing for their school age children.

I just mentioned my electorate being the most multicultural in the country. I would like to take the opportunity to acknowledge the Cabramatta Cabra-Vale Lions Club and particularly its president, Ms Jenny Tew, for their efforts with local youth. Significantly, the Lions Club also took it upon itself to set up two junior clubs, called Leo clubs. One of those clubs was for Cabramatta High School and the second was for Pal College. This involves young students of high school age in the values and ethics of the Lions Club and shows them that it is good to participate in assisting others. Amazingly, these two clubs raised $10,000 for the flood victims of Queensland. It is a good thing for young people to be involved in. It is certainly very healthy to be able to learn community values in a positive way. I thank the Lions Club for what it has done in that area, building on
lasting friendships and demonstrating the value of service to the community, leadership and personal development. These are very important qualities for Australians, and it is particularly important for youth to grow up understanding the value of those qualities and what they mean for our community.

I also thank Ms Beth Godwin, Principal of Cabramatta High School, who has been so exceptional in her student leadership. For the work she has done she was recently recognised by the Fairfield City Council as its citizen of the year. She runs a fabulous school. I get to see the product of her work; there are a very positive bunch of young people growing up at the school, paving the way for great advances in the community at large. I also thank the Principal of Pal College, Mr Seth Pal. His college distinguishes itself with its pride in the development of community values as part of its curriculum, ensuring that young people have the opportunity to understand that being part of a modern community is not about what you get from the community but about what you contribute to it. Those two principals do a sterling job and I am very proud to have those two schools operating so well in my electorate.

I conclude by saying, as I said at the outset, that this bill is largely uncontroversial. It does some very good things in its seven schedules, but I would like to credit the government in particular for schedules 4 and 7. Not only in my electorate but in my own family, I get to see the value of the education tax refund. The extension of it to provide for uniforms will make a very real difference for many people, particularly those on low incomes. I commend the bill to the House.

Mr SHORTEN (Maribyrnong—Assistant Treasurer and Minister for Financial Services and Superannuation) (10.34 am)—in reply—Firstly, I would like to thank all those members who contributed to this debate. Schedule 1 of the Tax Laws Amendment (2010 Measures No. 5) Bill 2010 is particularly welcome in the days after the Academy Awards in Los Angeles because it increases access to film tax offsets. These changes reduce the minimum threshold for the post-digital and visual effects offset and simplify eligibility requirements for the location offset. This measure is also expected to increase employment opportunities and to assist in building capacity and expertise in our local film industry, which will in turn provide benefits for domestic productions. The Gillard government is committed to assisting the film industry to attract offshore productions to Australia and to expand opportunities for Australian providers to bid for international work. We do, of course, recognise and congratulate the 10 Australians who were nominated for Academy Awards and the four of our fellow citizens who in fact won an Oscar this week. Their work and their great talent make us all very proud.

The change to the location offset in the tax laws amendment bill will also reduce compliance costs for affected taxpayers. This schedule gives effect to the government’s 2010-11 budget announcement. Schedule 2 adjusts the benchmark interest rate used in the taxation of capital protected borrowing provisions to the Reserve Bank of Australia’s indicator lending rate for the standard variable housing loan plus 100 basis points for capital protected borrowings entered into, amended or extended after 7.30 pm Australian eastern standard time on 13 May 2008. The new benchmark interest rate provides a more appropriate basis for apportioning the expense and capital protected borrowings between interest on a borrowing that does not reflect the payment for the capital protection on the one hand and the costs of capital protection on the other. The costs of capital protection will not be treated as interest for tax deductibility purposes. The new bench-
mark rate takes into account industry concerns over the credit risk borne by lenders for the costs of capital protection that is paid on a deferred basis.

This schedule also provides for transitional arrangements for capital protected borrowings entered into or extended at or before 7.30 pm Australian eastern standard time on 13 May 2008 from 30 June 2013. It allows capital protected borrowings entered into on or before 13 May to apply the existing benchmark interest rate until 30 June 2013 or the life of the product, whichever is earlier. The amendments are expected to save $170 million over the forward estimates period and are another demonstration of the government’s commitment to ensure that our tax system is as fair and efficient as possible.

Schedule 3 extends the main residence capital gains tax exemption to cover a capital gains tax event that is a compulsory acquisition or other involuntary realisation. The extended exemption will apply where part of a main residence is compulsorily acquired without the dwelling itself being compulsorily acquired. This ensures that there will be no CGT implications for taxpayers if part of their adjacent land is compulsorily acquired without the dwelling also being compulsorily acquired.

Schedule 4 of the bill allows superannuation funds and retirement savings account providers to deduct the cost of providing terminal medical condition benefits to members and account holders. On 16 February 2008 the superannuation law was amended to allow superannuation funds and retirement savings account providers to provide benefits if the member was expected to pass away due to a terminal medical condition in 12 months. However, from that time an anomaly has existed in the law. While superannuation funds and retirement savings account providers have been able to deduct the cost of providing benefits relating to permanent incapacity and the payment of death benefits, they have not been able to claim a deduction for the cost of providing terminal medical condition benefits. This amendment rectifies that anomaly and will provide consistent tax treatment for similar insurance arrangements. Schedule 4 also makes some minor amendments to reflect the drafting convention that someone should be referred to by the term ‘individual’ rather than the term ‘person’.

Schedule 5 of the bill confirms the Commissioner of Taxation’s interpretation of the GST law in allowing non-profit subentities to access the GST concessions available to their parent entity. As part of these amendments, non-profit subentities will be allowed to access the higher registration turnover threshold of $150,000 for non-profit bodies. This measure takes effect from the start of the first tax period after royal assent.

Schedule 6 simplifies how business activity statement liabilities can be offset. It ensures that the Commissioner of Taxation need not apply a payment, credit or running balance account surplus against a tax debt on a business activity statement unless the tax debt needs to be paid. This measure will reduce unnecessary complexity and ease the costs of complying with our taxation laws.

Finally, schedule 7 provides for the expansion of the education tax refund so that school uniforms are included as eligible expenses, along with existing eligible expenses like laptops, home computers, school textbooks, stationery and tools of trade. The refund will be available for school uniform expenses purchased from 1 July 2011, with the first refunds paid in the 2012-13 financial year. The education tax refund will help an estimated 1.3 million Australian families who experience the pressure of back-to-school costs. The refund allows eligible families to claim 50 per cent of their eligible
education expenses, up to a maximum refund of $794 for high school children and $397 for primary school children, on back-to-school items. Extending the education tax refund to include school uniforms, along with the childcare rebate and Paid Parental Leave demonstrates the Gillard government’s commitment to reducing cost-of-living pressures on Australian families.

As I believe I have outlined, this Tax Laws Amendment (2010 Measures No. 5) Bill 2010, as presented, deserves the support of the parliament. I commend this bill to the House.

Question agreed to.

Bill read a second time.

Message from the Governor-General recommending appropriation announced.

Consideration in Detail

Bill—by leave—taken as a whole.

Mr HOCKEY (North Sydney) (10.41 am)—by leave—I move opposition amendments (1) and (2):

(1) Clause 2, page 2 (before line 1), table item 5, omit “Schedule 7”, substitute “Schedules 7 and 8”.

(2) Schedule 7, page 26 (after line 10), add:

Schedule 8—Providing tax receipts to individual taxpayers

Income Tax Assessment Act 1936

1 After section 174

Insert:

174A Taxation receipt to be provided with notice of assessment

(1) A notice of assessment for an individual under section 174 for the financial year ending 30 June 2011 or any later financial year must be accompanied by a taxation receipt, setting out:

(a) a break-down of how the amount of the assessment was spent on different functions in the financial year; and

(b) the level of Australian Government net debt.

(2) The information in the taxation receipt must be calculated at the time the assessment is made, using the most recently published budget economic and fiscal outlook report or budget outcome report for the financial year. The amount spent on different functions must be calculated by reference to the nominal proportion of Budget expenditure constituted by each function.

(3) A taxation receipt for subsection (1) must, at a minimum, contain the information shown in the following table:

<table>
<thead>
<tr>
<th>Item</th>
<th>Information to be included in taxation receipt</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>The name and tax file number of the taxpayer.</td>
</tr>
<tr>
<td>2</td>
<td>The amount of the assessment.</td>
</tr>
<tr>
<td>3</td>
<td>The level of Australian Government net debt at the end of the financial year and at the end of the previous financial year.</td>
</tr>
<tr>
<td>4</td>
<td>The taxpayer’s share of the Australian Government net debt for the financial year, to be calculated by dividing the Australian Government net debt by the number of individual taxpayers.</td>
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<tr>
<td>5</td>
<td>How much of the taxation revenue raised under the assessment was expended for the welfare function, broken down into the following sub-functions:</td>
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<tr>
<td></td>
<td>(a) aged pension entitlements;</td>
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<td></td>
<td>(b) disability pension entitlements;</td>
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<td></td>
<td>(c) family benefit entitlements;</td>
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<td></td>
<td>(d) unemployment and sickness benefit entitlements;</td>
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<td></td>
<td>(e) other welfare benefit</td>
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</tbody>
</table>
Item | Information to be included in taxation receipt
---|---
6 | How much of the taxation revenue raised under the assessment was expended for each of the following functions:
(a) health;
(b) education;
(c) defence;
(d) foreign affairs and economic aid;
(e) recreation and culture;
(f) housing and community services;
(g) industry assistance and fuel subsidies;
(h) public order;
(i) transport and communications;
(j) labour and industrial relations.
7 | How much of the taxation revenue raised under the assessment was expended in transfers to the states, territories and local government authorities.
8 | How much of the taxation revenue raised under the assessment was expended to service public debt interest.
9 | How much of the taxation revenue raised under the assessment was expended for other public services.

It’s back! The tax receipt is back, and it will keep coming back until we give Australians the opportunity to hear exactly how their tax is spent by a government that is focused so much on waste. I can see people up in the gallery wondering what the receipt is about. Australians work damn hard for their money, they work incredibly hard for their money. They pay income tax, but in doing so they never get a thankyou note from the tax office, a receipt or any explanation of how their hard earned tax is actually spent by the government.

I take a leaf out of Kerry Packer’s book on this. Kerry Packer said, ‘Why would you give the buggers any more money than you have to give them, because they do not spend what they have properly anyway?’ He said that last time Labor were in government. Then we came in and we spent it wisely. We had surpluses and put $100 billion aside for a rainy day, and Labor came back in and spent it all. It all went.

We went to the last election promising that each year taxpayers who remit their tax to the tax office would receive a receipt. Firstly, I think it should thank the taxpayers—‘The Australian government thanks you for the $20,000 in tax you paid in 2010-11.’ This tax receipt would also detail where your taxes have been spent and the level of Australian government debt.

Mr Anthony Smith—Oh, that’s a bit risky.

Mr Hockey—It is risky. In this case, if you paid $20,000 in tax then $6,480 would have been spent on welfare—that is nearly a third—$3,200 on health, $1,860 on education, $1,180 on defence, $320 on foreign affairs and economic aid, $300 on housing and community, $740 on industry and fuel subsidies, and so on. We would be telling Australians where their money is going, and Labor does not like that. We will do that because we believe it is good policy. It is good policy that people know exactly what proportion of their taxes is going to what area of expenditure.

We are doing that because it is part of our transparency agenda, an agenda that the Labor Party, in partnership with the Independents, said would open the curtains and let the sunshine in. Let us bring it on and have an open and accountable parliament. Let us have a new paradigm where everybody holds
hands together, sings *Kumbaya* and says, ‘Hang on guys, we’re going to let you see the full entrails of government’. But no, this Assistant Treasurer, this Treasurer and this government last time, unbelievably with the support of some of the Independents, voted against transparency. We want them to vote every time this comes up; every time, we want them to vote against transparency. The sole defence that the Assistant Treasurer had last time was that this will somehow delay the processing of tax returns. Well, we have changed the amendment this time to accommodate the wishes of the Assistant Treasurer. Last time he was a bit more animated, whereas this time he is just looking down and writing his next speech to the AWU—just drafting and redrafting. I can see him pencilling into every sentence the word ‘Combet’! How many times did he mention ‘Combet’ on *Q&A*? How many times did he try to tie Greg Combet to the carbon tax? It was not just Julia Gillard’s carbon tax; it was Julia Gillard and Greg Combet’s carbon tax.

The DEPUTY SPEAKER (Mr KJ Thomson)—The shadow Treasurer might return to his amendments. It might suit the House if he did that.

Mr HOCKEY—We will pursue this amendment until we get into government and actually get it through this parliament so that Australians can find out exactly where their hard-earned money is going.

Mr ANTHONY SMITH (Casey) (10.46 am)—As the shadow Treasurer has just summed up, nothing could be clearer than the intent of this amendment, an amendment that will let the sunshine in. We remember the rhetoric when those opposite formed government with the support of the Independents, in particular the member for Lyne, who wanted to let the sunshine in. This place was going to be transformed. As we said when we debated this amendment last year, the roof was going to be ripped off and the sunshine was going to come in. With this amendment, which would give taxpayers access to information about how their taxes are spent, you could not get a clearer example of letting the sunshine in. But the Assistant Treasurer, who is at the table, is opposed to this measure, the government is opposed to this measure and, last time, the Independents, including the member for Lyne, were opposed to this.

The shadow Treasurer made the point that when we debated the substance of this amendment towards the end of last year, on another tax law amendment bill, the Assistant Treasurer talked about the possible delay to tax returns. During that debate he also had a number of other excuses ranging from the absurd to the ridiculous. He told the House that there might be security concerns in fulfilling this amendment—as if tax file numbers were not sent out on tax returns already. I am not sure how the Assistant Treasurer thinks taxpayers get their tax returns. He also raised the very real spectre of mass litigation from taxpayers upset with the information they have been sent!

But give the Assistant Treasurer a break; he was new to the job and he was relying on the advice that was being thought up and sent to him in real time during that debate. But, as the shadow Treasurer said, this is a very straightforward measure. It is an amendment to let the sunshine in. The Independents should have no trouble supporting this amendment. All of the excuses invented by the Assistant Treasurer, the member for Maribyrnong, last time have been shown to be utterly absurd. And now they have the opportunity to vote on this amendment again in the full knowledge that it is a choice about whether they give taxpayers access to information about how their taxes are spent—pure and simple.
Letting the sunshine in is something that has been advocated by the member for Lyne. He did so in those heady days after the federal election. It was very obvious that he was channelling The 5th Dimension. He was very much in the zone of *The Age of Aquarius*. I do not remember the song because I am not quite that old. Of course, we have all seen *Forrest Gump*. I thought that perhaps the member for Lyne is a fan of Forrest Gump and that is why he wanted to let the sunshine in. When I saw him grow a beard it became obvious to me that he is a fan of Forrest Gump. And he started running, just like Tom Hanks did—from Green Bay County across Alabama, from sea to shining sea. He has shaved the beard off, so that probably means he has stopped running. Unlike Forrest Gump, though, I think he has turned around to discover that no-one has been following him. This is a good chance for him today to vote for transparency and vote for the very thing that he said was important: transparency for taxpayers, transparency to let the sunshine in.

This amendment is something the government should agree to. It is an amendment we will keep pursuing. If the Assistant Treasurer believes in transparency he would simply agreed to this amendment today. He would not put forward the absurd and ridiculous propositions he put forward towards the end of last year, when he said a simple amendment to tell taxpayers how their taxes are spent would somehow threaten the security of taxpayers’ information and may lead to some sort of mass class action that would bankrupt the Commonwealth. It was ridiculous and, some months on, he would now know that. I urge him to support this sensible amendment.

**Mr BILLSON** (Dunkley) (10.51 am)—This is really a test of whether Labor walks the talk. The government has made much of this being an era of improved transparency. We have seen speeches from the Prime Minister, including the Light on the Hill speech, about how this will be a new era of openness and accountability. At the National Press Club the Prime Minister said, ‘I believe Australians want greater scrutiny of their government and greater accountability to parliament.’ Well, here is an opportunity to actually do what Labor said it was going to do. This is a chance to walk the talk. It is important because the Australian public deserve to know where their money is going and how it is being applied. The shadow Treasurer has highlighted this amendment as a mechanism of achieving that goal.

You do not have to believe the opposition about this—and you might even be tempted to set aside what the Prime Minister says as people are being asked to set aside her assurance that there would be no carbon tax under a government they led!—but you might be persuaded by President Obama. In his State of the Union speech in January he said:

> In the coming year, will also work to rebuild people’s faith in the institution of government. Because you deserve to know exactly how and where your tax dollars are being spent …

That was President Obama. You have heard what Labor has said and how they now won’t walk the talk. You have heard President Obama talk about the importance of this. But it gets worse. This government actually demands others do it but will not do it itself. If you look through some of the Australian aid program requirements that AusAID releases, it sees as a key cornerstone of improving governance in other countries that they should make this information available. It is a key governance objective. The Office of Development Effectiveness report says:

> Public accountability depends on the availability of good information about the use of public resources and careful monitoring of government performance.
It in fact requires recipients of funding through AusAID to do what the government refuses to do itself. If you were to look at the line in this tax receipt you would actually know how much money is going to foreign affairs and economic aid. Accompanying that requirement is for other governments to do what this government will not. The government must get behind this measure if it believes at all in accountability and openness and in the good governance that sits behind the public knowing where its money is going. Take it from Obama and take it from the Prime Minister when she is in full flight, but reflect on the fact that this government will not walk the talk. They can support this amendment.

Mr CIOBO (Moncrieff) (10.53 am)—If there was one piece of political advice that you would give to any aspiring Prime Minister, it would be that they should be open and accountable; it would be that they could be the people’s champion. I would have thought that the Assistant Treasurer—given that I notice that he is down to $2; in fact, he is in front of the current Prime Minister in terms of being odds-on favourite—might want to be the people’s prince. One way that the member for Maribyrnong can become the people’s prince, can be the champion of the people, can make sure his ambition and dream is realised by the time of the next federal election, is to make sure that he actually follows through and gives the people what they want. We know that in his ears we hear them chanting, ‘We want Bill. We want Bill. We want Bill.’

The DEPUTY SPEAKER (Mr KJ Thomson)—The member for Moncrieff will return to the amendments otherwise I will have to sit him down.

Mr CIOBO—To deal with the amendments very directly, we know that taxpayers want to know they are getting value for money, and they are not getting value for money from the current Prime Minister. The potential Prime Minister might add value for money. Taxpayers want value for money and they want to know where their hard-earned taxpayer dollars are going. That is why the coalition is absolutely committed to providing transparency by providing a tax receipt back to taxpayers so that they know the priorities of government and the way in which their money is being spent.

The other key point that I will make quickly is that it is up to the Independents as well. It is one thing to say something before the election—and we know that the Prime Minister has form in this area—but it is a separate thing to follow through with it. The Independents have the opportunity here and now to demonstrate their genuine independence, to demonstrate their commitment to standing up for Australian taxpayers and to demonstrate their absolute commitment to transparency. That is why the coalition through the shadow Treasurer brings these amendments to the bill and seeks the support of the Independents to make sure taxpayers know where their money is going. I say to be people’s prince: now is the time to step up.

Mr FLETCHER (Bradfield) (10.56 am)—The amendments we are putting forward today are based upon an important principle: that the people of Australia have the right to know how their tax money is spent by government on their behalf and that as a modern, accountable government, we—all of us in this place, all of us in the people’s house—have a responsibility to do everything we can to make it as clear and simple and transparent as possible.

It is very hard for anybody to get their head around the fact that tax revenues four years ago were $278 billion and that tax revenues this year are budgeted to be $320 billion. Those are enormous numbers, but
when it is broken down—as we are proposing in this very sensible, user-friendly, customer-responsive amendment—into a proportion of the individual tax payment by an individual Australian then it makes it much easier for citizens to understand how their money is being spent and what purpose it is being put to.

I could give an example that might appeal to the Assistant Treasurer. If he thinks back to his days as a private schoolboy at the elite Xavier College in Melbourne, before he set out on his Labor-for-the-top-end-of-town career path, he might well reflect on how valuable it would have been for his parents—

The DEPUTY SPEAKER (Mr KJ Thomson)—The member for Bradfield will return to his amendments otherwise I will need to sit him down.

Mr FLETCHER—This is a very important analogy, Deputy Speaker. His parents, in paying the school fees, would have found it very useful to get a receipt every term which explained clearly how the money had been spent: how much of it went on the enormous, leafy playing fields, for example; how much went on the lavish buildings and so on. Similarly, an important principle for Australians is that they have the capacity to understand how their money is being spent. That is the substance of these amendments and I commend them to the House.

Ms O’DWYER (Higgins) (10.58 am)—Our amendments, the amendments that have been brought forward by the shadow Treasurer today, are about transparency and honesty in government. Julia Gillard said—and we cannot repeat it enough—when she was handed government by the Independents and by the Greens that she would draw open the curtains and ‘let the sun shine in’. We hold her to account on that, but her record is not that good. Her record on openness, accountability and transparency is not very good at all. That is why the Independents made the Labor Party sign an agreement in section 22 of annex A of the agreement to form government with Labor that they needed to take further steps to be an open and accountable government. This is the first big test for the Assistant Treasurer here today. He has the opportunity to allow taxpayers to know how their taxpayer dollars are going to be spent.

This government has a toxic record of secrecy. It has a record of secrecy in a number of things, the first of which is the NBN. It has been very secretive about the NBN. It will not do a cost-benefit analysis of the NBN because it does not want the people to know. This is despite the fact that the chairman of the Productivity Commission has called for it, the governor of the Reserve Bank has called for it. In fact the OECD reports have called for it. But, no, this government has a toxic level of secrecy. The pink batts issue is another example. This government has rejected a judicial inquiry into the $2.4 billion pink batts debacle. The mining tax as well. The government will not release the evidence on which its assumptions are predicated. And now we have the carbon tax, which this government promised it would not introduce before the last election and yet—surprise, surprise—it is introducing today.

It is important to reflect upon this promise, to reflect on the honesty of this government. I would like to quote the great Labor luminary Graham Richardson, because he has something to say on this matter. Graham Richardson, who lives by the philosophy ‘whatever it takes’ said this:

No weasel words, no amount of spin can alter the record; she promised solemnly there would be no carbon tax from a government she led. The words were strong. There was no wriggle room, no back door.

We do not wish there to be a back door on accountability in this government. We want
honesty in this government. We have seen fake Julia, we have seen real Julia, we have seen dishonest Julia; we want honest Julia. This amendment goes directly to honesty and transparency in this government. I urge the government to support these amendments.

Dr LEIGH (Fraser) (11.01 am)—Occasionally in this place you feel as though you have wandered from the nation’s parliament into one of those drunken brawls that takes place in a bar at about 11 o’clock at night.

Ms O’Dwyer—It’s terrible what they’ve done to you, Andrew!

The DEPUTY SPEAKER—The member for Higgins was heard in silence. She will accord other members the same courtesy.

Dr LEIGH—It is critical that those opposite acquaint themselves with a document which it is clear from this debate they have not seen. That document is called the budget. The budget sets out how Australian government expenditure is broken down. And that is all this amendment attempts to go to. But rather than try to present it in an overall way, setting out the overall spending, those opposite would like to have us break it down in some precise little dollar figure. As they know full well, were there to be an error in this it could easily prompt litigation. The evidence has been brought forward by the ATO that doing this—

Ms O’Dwyer—Why don’t you support it then?

Mr Fletcher interjecting—

The DEPUTY SPEAKER—Order! The members for Higgins and Bradfield will cease interjecting or I will suspend them for an hour!

Dr LEIGH—Mr Deputy Speaker, the less they have to say, the louder they shout it! This is simply another stunt from the opposition, another attempt to pretend that they themselves are the friends of transparency. Of course, as the House knows, the great transparency measures in Australian governance have come about under the Gillard government. The MySchool website: tomorrow we are going to see MySchool 2.0. I had the great pleasure today of being with the Prime Minister and the Minister for School Education in Turner public school—a terrific school in my electorate—where we focused on the great transparency initiatives. This was an initiative those opposite were happy to back. It is a bit like the tariff cuts: they were there cheering from the benches, but they were not the ones implementing the transparency reform. That is what they hate: they like to talk the talk on transparency but they are not the ones who walk the walk. The MyHospitals website provides Australians with more information than they have ever had before about the performance of their hospitals. The MyChild website has provided critical information to Australian parents choosing a childcare centre. These are the kinds of fundamental transparency reforms that the Gillard government has brought about—not stunts, not tricks, not ‘divide it by the number of taxpayers’ exercises, which is really all this amendment is, but new information.

I would suggest that those opposite might do well to spend more time looking at the budget papers and less time thinking about how they can come into this place as wreckers, playing stunts, pretending to be friends of transparency rather than standing up for new information coming into the public domain, as the Gillard government has done.

Mr BUCHHOLZ (Wright) (11.05 am)—I would like to talk briefly about the shadow Treasurer’s amendments. The intent of the amendments is to explicitly require the Australian Taxation Office to inform individual taxpayers where their taxpayer funds are being spent each year—for example how much
is spent on education, welfare—and also to inform individual taxpayers of the total Commonwealth net debt in aggregate and their individual share.

I want to go to the previous speaker, the member for Fraser’s, comment about the budget. This is a critical time, when the government of the day has the opportunity to adopt greater transparency and not just to oppose for the sake of opposing. In my business I realised that transparency went to the heart of efficiency, an efficiency brought about by encouraging people like my internal accountants, my business managers and staff to use openness and transparency in our business to find ways in delivering a stronger bottom line in conjunction with the reappropriation of capital funds—in my case trucks and equipment—to create greater efficiencies in the business. Why should government be any different to this?

As a new member of parliament, this amendment has no political hidden agenda other than you either want transparency or you do not want it. Now the government will argue that the information that these amendments speak to is already available in the budget. Let me tell the House that that information is in the budget, but that is also like saying that everyone in this House could play for the Wallabies. Well you could play for the Wallabies, but unless you have played rugby all your life and you understand the fundamentals of the game, unless you happen to play for a club that has a greater pick-up rate than other clubs, and unless you have a particular sporting skill set that allows you to play at an elite level of athleticism and your fitness levels are that of international athletes, then it is impossible that you could play for the Wallabies.

However, this amendment goes to the heart of transparency for those people who want to see transparency in this domain when it comes to understanding where their tax dollars are being spent. Here is your opportunity to do the right thing and let the sunshine in. The Independents have asked for more transparency, and as an opposition we are delivering that. We encourage the government not to oppose for the sake of opposing. I support the amendments to this bill.

Mr SHORTEN (Maribyrnong—Assistant Treasurer and Minister for Financial Services and Superannuation) (11.07 am)—It is with a heavy heart I have to inform the opposition that—whilst they have made valiant efforts—their arguments have failed to convince the government, in this case. Let us go to the heart of the issue of the amendments by the member for North Sydney and the member for Casey. The argument goes that if we provide tax receipts in the form outlined in this amendment we will have a fundamental change in the information available to taxpayers about where their tax dollars are being spent. There are a series of objections to this proposition. I was refreshing my memory, while listening to the opposition, about the evidence tendered by the Australian Taxation Office at the estimates hearing, and again by Treasury. I could summarise the problems with the amendments under six points. Firstly, there is its cost. These people opposite want to send information out to the taxpayer in the name of transparency, which will increase the cost of the tax system.

Mr Hockey—$2½ million a year!

Mr SHORTEN—The member for North Sydney says that millions of dollars per year are nothing. This goes to show his grasp of economics. Secondly, the information required would be misleading.

Mr Hockey interjecting—

The DEPUTY SPEAKER (Mr KJ Thomson)—The member for North Sydney
was heard in silence. He will cease interjecting.

Mr SHORTEN—The second objection we have to this proposition is that on face value it sounds very simple, like going down to the shop and buying a doughnut and getting a receipt for it. You know what you paid for and you have your receipt. The reality is that the information sent out would be misleading. It may surprise the members opposite but something like 4½ million Australians file their tax returns in the first two months of the tax system, and that is a good thing.

Mr Hockey—That is a good thing!

Mr SHORTEN—The member opposite says ‘That is a good thing.’ But the problem is that some of the information required under the opposition’s amendment does not become available, apparently, until September. Again, never let a detail or a fact get in the way of an opposition on a ‘no’ case.

Mr Hockey interjecting—

The DEPUTY SPEAKER (Mr KJ Thomson)—The member for North Sydney will cease interjecting or he will not be present for the vote.

Mr SHORTEN—The third objection to this ill-conceived opposition policy—as much as I feel that I am cheating by putting facts in front of the opposition, because that is not a standard they apply to themselves—is that this information is available. I am happy to introduce the opposition to the internet but they are not the biggest fans of the internet. That is why they are not supporting the National Broadband Network. Furthermore, I think their amendment is poorly drafted and has unintended consequences.

Mr Hockey—We changed the amendment!

Mr SHORTEN—I hear the mover of the amendment say ‘Oh, no—we changed our proposition. We heard what you said last time and we have updated the resolution.’ If you look at where this matter was debated in the estimates committee you see that the opposition failed to address a lot of the mechanical and really detailed issues with their amendment to our tax laws. The Australian Taxation Office takes a view on what would happen if this opposition amendment were to be passed. Mr Monaghan, the Deputy Commissioner of Taxation, was asked by a senator what he thought would happen if he implemented this receipt proposition. The question was a long one; I am paraphrasing. What would Mr Monaghan of the tax office know? He is only in the tax system—as opposed to the opposition, who theorise! Mr Monaghan said:

It is highly likely that some taxpayers will challenge an assessment process where they can.

If there is a challenge to a tax technical point, like whether or not you have the various assessments down properly, the tax office cannot take any recovery action until the court case is resolved.

As much as the opposition may wish that reality is not reality, if they are required to provide taxpayers with information in a personalised way it will affect the assessment process. They have not addressed the tax office evidence. Let us get to some of the real issues hiding behind this Tea Party-like proposition of the opposition. It bemuses me when I look at some of the contributions of the shadow Treasurer’s fan club, whose members come in loyally to back the shadow Treasurer. And why wouldn’t they? It is not an easy choice for some of them, the true believers, who believe that the Liberal Party should go back to being the Liberal Party. When I look at some of their contributions, the question occurs to me: how on earth is it that the coalition, when they went into oppo-
sition, had ideas that they never had in the 11 years they were in government? And, indeed, the member for Mackellar has been there for a lot longer than 11 years. I look at the CV of some of the speakers proposing their amendments—the member for Higgins worked for Treasurer Costello, the member for Casey worked for—(*Time expired*)

Question put:

That the motion (Mr Hockey’s) be agreed to.

The House divided. [11.17 am]

(The Speaker—Mr Harry Jenkins)

Ayes............ 70
Noes............ 74
Majority........ 4

AYES

NOES

Truss, W.E. Turnbull, M. Vasta, R. Wyatt, K.

AYES

NOES

* denotes teller

Bill agreed to.
Third Reading
Mr SHORTEN (Maribyrnong—Assistant Treasurer and Minister for Financial Services and Superannuation) (11.22 am)—by leave—I move:

That this bill be now read a third time.
Question agreed to.
Bill read a third time.

ELECTORAL AND REFERENDUM AMENDMENT (ENROLMENT AND PRISONER VOTING) BILL 2010

Second Reading
Debate resumed from 24 November 2010, on motion by Mr Gray:

That this bill be now read a second time.

Mrs BRONWYN BISHOP (Mackellar) (11.23 am)—The Electoral and Referendum Amendment (Enrolment and Prisoner Voting) Bill 2010 makes a number of undesirable changes to the electoral laws following the High Court judgments in relation to the timing of the closing of rolls and prisoner voting.

There are two minor non-controversial amendments which deal, firstly, with a prisoner being able to remain on the electoral roll, even if they are prevented from voting and, secondly, there is merely an insertion in the interpretive provision to ensure that references in the Electoral Act to an election for a division or similar expressions can operate in the event of a half-Senate election held independently from an election for the House of Representatives. The opposition has no problem with those two non-controversial amendments, but it certainly does have concerns with the two issues dealing with prisoner voting and with the closure of the rolls.

I will begin by talking about the closure of the rolls and how the assertions that are being made—that somehow people were excluded from voting to a worse extent than under the previous legislation—is simply not true. In 2006 the then government enacted legislation saying that the rolls would close for new enrolments at 8 pm on the day that the writs were issued, and, for changes in existing enrolments, three days after the issue of the writs. It did so because, notwithstanding the concerns regarding potential disenfranchisement with an early close of rolls, the government was concerned about the potential for electoral fraud associated with high levels of enrolment activity during the existing seven-day period.

The facts were these: in 2004 the number of transactions that the AEC had to deal with concerning enrolment and changing of addresses was 520,000. In 2007, after the change to close the electoral roll earlier, that number dropped to 263,000. This enabled the AEC to deal with those in a more efficient and accurate fashion. But it is important to note that together with the change in the legislation the government made money available so that the AEC could conduct a much more aggressive campaign to get people to enrol early and in a timely way. It is well to remember that under the existing legislation it is the obligation of an individual to enrol once they attain the age of 18 or become a citizen. That is an imperative, and it is thought of sufficiently seriously that it is a criminal offence not to do so.

So it is most important when we are talking about this issue to realise that it is not about the rush to try to get people on the roll at the last moment—where you can have integrity issues and you can have stacking out in marginal seats with people putting themselves onto the roll at the last minute—but about the fact that you have a prolonged campaign to see that people enrol in a proper time. When the number of transactions dropped to 263,000 that was the result of a 12-month campaign conducted by the Australian Electoral Office.
Even more important is this: in 2004, when there were an extra seven days for enrolling as a new enrollee, and an additional three days to get your address transferred, 168,394 people missed the deadline with that longer period. But with the shorter deadline—that is, when the writs are issued you have got to be on by eight o’clock that day if you are a new enrollee or you have got three days to change your address—we only had 100,370 people who missed the deadline. Not only did we see fewer transactions we actually saw a drop in the number of people who tried to enrol and were unsuccessful because they had missed the deadline. This is clearly because there was a strong campaign to get people back on the roll, and to get them enrolled in a timely fashion. In 2010—

Mr Danby—It is done in every election!

Mrs BRONWYN BISHOP—I hear an interjection from Mr Danby, who is one of those who said, ‘If we could just change the rules we would have won four more seats.’

The DEPUTY SPEAKER (Ms AE Burke)—Order! The member for Mackellar will refer to members by their appropriate titles.

Mrs BRONWYN BISHOP—if we look at the history of the Labor Party manipulating the methods of voting, then we see that there is a very political purpose in changing the rolls.

Mr Danby—In the 2004 election, that was right!

Mrs BRONWYN BISHOP—the easiest one to cite is when Neville Wran changed to optional preferential voting in New South Wales because he saw that by conducting three-cornered contests with compulsory preferences the Liberal and National parties were able to defeat Labor candidates. So Labor introduced optional preferential voting to prevent those three-cornered contests and, indeed, they were very successful—so much so that Queensland followed that model, and it worked for them. But now that the coalition in Queensland has become a single entity, Ms Bligh, who finds that the Green preferences are now working against her, is looking to change the legislation to go back to compulsory preferential because it will assist her politically. So when Mr Danby likes to interject and write his articles—

The DEPUTY SPEAKER—Order! The member for Mackellar will refer to individuals by their appropriate title.

Mrs BRONWYN BISHOP—the member for Melbourne Ports is in fact espousing a very political agenda, one that is well known. He is quite a good numbers man at that too. But if I go back to the point, the changes that were made in fact gave the roll more integrity. It enabled the AEC to deal more effectively with a reduced number of last-minute changes and therefore they were able to scrutinise them more thoroughly. And of course the number of people who were cut off was fewer than when there was a longer period. It is a bit like the deadline theory. When people are writing articles, as perhaps the member for Melbourne Ports and others do, if they have got a decent deadline they usually meet it but, if it is prolonged, they put it off and put it off. So the message that we sent out was one that was acceptable.

When we look at the High Court decisions that related to the question of the difference in the time made available and at the case of Rowe and the Commonwealth, we see that there were some strong decisions given by the dissenting judges. In the Rowe case, it was interesting that although there were seven judges sitting, there were only six judgments written. Three judgments were written that supported the plaintiff and the 2006 provisions were struck down, and there were three separate judgments written saying that they were valid enactments and should
stand. Interestingly, the two prevailing judgments that were very strong dissenting judgments in the Roach case were also very strong judgments in the Rowe case as well. The judges were Justice Hayne and Justice Heydon.

The arguments put forth as to why the time available was no longer satisfactory, in the case of the four judges who decided that way, were effectively answered by the dissenting judges. I might say that very often we do see, particularly in the High Court where the court is not bound by previous decisions, that the dissenting point of view can ultimately become the prevailing point of view. So I think that in the question of arguing the legal case, it has got some way to go.

I turn now to the question of prisoners and the situation where prisoners have been excluded from the vote both at the state level and at the Commonwealth level. If you look at the state situation, each state is different. In New South Wales, if you have a custodial sentence of one year or more, you are excluded. In Victoria, it is five years or more. In Queensland, any prison sentence will exclude you. In Western Australia, it is one year or more. South Australia has no restriction and, indeed, your address for voting can be the prison itself, and in Tasmania it is three years or more.

In the Commonwealth, it began as one year or more. It then rose to five years when the Labor Party changed it in 1983—presumably, they thought more prisoners would vote for them. In 1995 the language was changed slightly but it was still five years, and then in 2004 we went back to three years. In 2006, we said that anyone with a custodial sentence—and that does not mean anyone who has got a suspended sentence—should be excluded from the roll.

If you then look at the logic of the government wanting to return to the three-year period, it really does not have any strong constitutional connection to do so. I will certainly argue, and the opposition would certainly argue, that if you look at section 44 of the Constitution, which states that if one of us were to be convicted of a crime which had a one-year imprisonment attached to it, we would be out. It would seem to me that we should be making a connection and should be following that one-year period and, accordingly, when we get to the question of consideration in detail I will be moving some amendments to that effect.

I would like to return again to the question for a moment of the change in the closing of the rolls and what our attitude to it will be on this bill. We are not moving an amendment to this part of the bill but are reserving the right to look at it again when in government. In support of that, I would like to quote Justice Heydon’s judgment. I said that very often a dissenting judgment can become the prevailing point of view because judgments in the High Court are not binding. In answer to the question of an unconvincing distinction between the allegedly invalid and admittedly valid sections—that is: why is the 2004 provision for a number of days you have to enrol valid and the 2006 amendment not valid?—Justice Heydon said:

The first plaintiff’s argument was that the provisions in force before the 2006 Act that gave her five more working days to enrol than the impugned provisions introduced in 2006 were constitutionally valid … the second plaintiff’s argument was that the provisions in force before the 2006 Act giving him two more working days to transfer his enrolment than the impugned provisions … were constitutionally valid—but argued that the 2006 ones were not. Heydon said:

It is not possible to infer from the requirement in ss 7 and 24 of the Constitution that the Houses of
Parliament be “chosen by the people” that these temporal differences are of such crucial decisiveness as to mark the difference between validity and invalidity. Differences of this type are in a sense arbitrary, but they are characteristic of the choices which legislators make, and have to make. It is unlikely that the fundamental norms underlying the Constitution and reflected in its language would require the conclusion that one regime was constitutionally valid while the other was invalid.

He went on to say that the plaintiffs’ arguments do not remedy the problems that they said that the 2006 provisions caused. He said:

... they did not demonstrate that the difficulties of all or any of these classes would be overcome to any significant degree by extending for five working days the period of enrolment and for two working days the period for transferring enrolment.

That indeed is borne out by those figures I gave earlier that showed that fewer people were in fact denied enrolment under the 2006 provisions than under the 2004 provisions. Heydon said:

The plaintiffs say that the impugned provisions are void because they fix periods which cause a “substantial” number of persons to be disenfranchised.

Again, I would quote those figures: 186,000 in 2004 and only 100,000 in 2007. Heydon went on to say:

On the plaintiffs’ arguments, the disenfranchised only arises because a “substantial” number of people choose to disobey laws compelling them to claim or transfer enrolment, laws which the plaintiffs concede are valid.

The plaintiffs’ arguments could not work if it were only they who had disobeyed the laws, because two is not a sufficiently substantial number. The laws alleged to be invalid and the laws conceded to be valid are, however, part of a single integrated scheme. The constitutional validity of some laws in that scheme cannot turn on the number of people who choose to disobey other concededly valid laws enacted as part of that scheme. The validity of the impugned provisions cannot wane or wax as the number of persons who fail to comply with their statutory duties rises or falls. Substantial disobedience to laws validly enacted under a power to do so in the Constitution (in this instance s 51(xxxvi)) cannot render invalid other laws enacted under that power. So to hold would subvert not only the validly enacted laws, but also the Constitution under which they were validly enacted.

It is a pretty solid and persuasive judgment that Heydon has given. As I said, although the decision was seven judges and a 4-3 split, there were in fact only three judgments written in favour and three judgments written as dissenting judgments.

When we come to consideration in detail, I will be looking at the number of prisoners who were serving a sentence in June 2006 and at the question of just the sort of persons who would be entitled to vote under the changes that will be made by this legislation. I can say, to foreshadow the sorts of arguments I will be putting to support my amendments, that in 2006 there were 20,209 prisoners in Australian prisons who were serving a sentence and that 35 per cent of prisoners were serving a sentence of two years or less.

The sorts of people the government wants to vote include one person who has a two-year jail sentence for aggravated burglary, false imprisonment, armed robbery and theft. The victim of the attack was tied to a chair with an electrical cord, doused with kerosene, forced to eat dog food and hit over the head with a broom handle. The attacker stole a number of items from the man and forced him to disclose his ATM PIN before robbing his bank account of $300. Under the provisions introduced by the government in 2006 that man would be denied a vote. Under the amendments by the Labor Party that this bill brings in, that person is entitled to vote. Equally, a person who has a two-year sen-
tence for possessing, accessing and transmitting child pornography will be entitled to vote. This particular person was among 19 men arrested in Australia by the Australian Federal Police as part of a 12-month global child abuse investigation. The charges related to more than 10,000 images and 250 videos. Another is a man who was given a 2½-year sentence for indecent dealings with children under 14 years of age, a teacher who sexually abused three young boys at school on camping trips in Western Australia. A child was lured into an office block where they were physically and very badly abused. Another boy was assaulted in a tent on a camping trip during which the offender was the only adult. This is the sort of person who will be allowed to vote under the government’s legislation but would be deprived of a vote under the legislation that was passed in 2006.

It is important to note, I think, that when we go back to the High Court judgments, and we look at the sorts of arguments in both the majority judgments and the dissenting judgments, again and again the question comes up of whether or not there is an ability to make the case that a person who is entitled to be part of the community has committed an offence which marks them out as being, rightly, deprived of part of that community involvement—that is, having the right to vote. It was clearly marked out that taking away the right to vote was not an additional punishment imposed by federal law on top of the breach of a state law but rather a question of whether or not the offence that was committed was sufficient to justify a person losing that community involvement, being the right to vote.

In this entire question of changing the laws—and I note that there is a new bill being introduced this morning that will again change the rules with regard to provisional votes—one cannot help but see that at every move there is a political motive behind it rather than one which is concerned with the integrity of the roll. There are other questions that are coming up that are being discussed, with the New South Wales and Victorian governments moving to the position of having automatic enrolment. That will come from sources such as the RTA and other bodies of data which are held but not gathered together for the purpose of enrolment. The practice in New South Wales will be that the person or people will be automatically added to the roll and then they will be sent a letter. It will be the case not that if they respond, they will remain on the roll but that if they fail to respond, they will remain on the roll opening up, again, the question of the integrity of the roll and its abuse to a great extent.

I must say that this very morning we were having a hearing relating to these points and there was no satisfactory answer given as to why data collected for one purpose—and full of errors, which can be easily demonstrated—should be transferred and used to add people to the roll without them ever having to apply. Surely the right to vote is sufficiently important and sufficiently sacrosanct in the sense that it cannot be treated as a commodity; it must be treated as an individual applying to vote and complying with the laws as they are set out. So, as we move on this path, as I said, I will be moving amendments in the consideration in detail stage to the question of the term of imprisonment that should apply to mean that a prisoner is not able to vote. But we agree that the prisoner should remain on the roll.

With regard to the question of the earlier closure of the rolls, which was brought in in the 2006 legislation, I would simply say that the strong arguments put forward by Justices Hayne and Heydon in particular, which very distinctively counter the judgment that is put forward in the majority judgment of the court on the issue of Rowe, will make us able to
consider our position in government about that question.

I will conclude on the point regarding the one-year period. Even the majority judgment contained a statement on that. I go to the judgment of Gummow, Kirby and Crennan, dealing with section 44. They say:

The Commonwealth submits that whatever implication or principle may be evident in the grounds in s 44(ii) for disqualification of senators and members, and of candidates for election, s 44(ii) is disconnected from consideration of the validity of the denial by s 93(8AA) of the exercise of the franchise.

They then say:
That submission should be rejected as being too wide.

Not only must the Constitution be read as a whole, but an understanding of its text and structure may be assisted by reference to the systems of representative government with which the framers were most familiar as colonial politicians. These do not necessarily limit or control the evolution of the constitutional requirements to which reference has been made.

In other words, that says that we should be looking at constitutional issues as a whole. Therefore, it is perfectly reasonable for the opposition to say, as it does, that exclusion from the right to vote does have a connection to the exclusion of a candidate from being able to be elected or, once elected, sit. The provision of one year would be consistent and, in the eye of a reasonable man, would be an amendment that I would hope the government would look at in a favourable light because it does bring about a more holistic approach to when someone can or cannot be a member of this House, when someone can be elected to this House and when someone is entitled to vote for a member to come to this House—and the Senate.

Mr DANBY (Melbourne Ports) (11.51 am)—I wish the member for Mackellar’s arguments were as elegant as the way she is normally dressed when she comes into this House. They are not. What she describes as political, in my view, is clearly ethical. We have a compulsory voting system in Australia. The problem facing the Australian Electoral Commission and any democrat in Australia is the fact that 2.5 million Australians did not participate in the electoral system by not voting at the last election. That is an absolute scandal as far as democracy is concerned in this country, particularly given the fact that we have a compulsory voting system. Fewer and fewer Australians are participating in our democracy because of all of the kinds of traps that we have set deliberately and inadvertently for them which sees that they are excluded.

The integrity of the roll cited by the member for Mackellar is a code word for the determination of the opposition—the Liberal Party—to see that a non-evidence based proscription of people from voting excludes various categories of people. No evidence was adduced during the entire period from 1998 to 2006, when I was on the Joint Select Committee on Electoral Matters, that there was any substantial democratic violation of the integrity of the roll. The member for Mackellar referred to people enrolling in marginal seats. This is absolute piffle. Between 1990 and 2001, for instance, there were six electoral events—one of them a referendum and five elections. At those six events there was a total of 72 million votes recorded. The Australian Electoral Commission found that there were 72 proven cases of electoral fraud in that entire period of time—one per million. This is not the evidence on which to exclude large swathes of Australian people who are meant to be involved in a compulsory and democratic voting system—or attendance system it would be better referred to because you do not have to vote; you have to attend the elections and have your name crossed off.
The main purpose of this Electoral and Referendum Amendment (Enrolment and Prisoner Voting) Bill 2010 is to amend the Commonwealth Electoral Act 1918 and the Referendum (Machinery Provisions) Act 1984 as to fix the seventh day after the issuing of the writs as the date of the close of the roll, to reinstate the constitutionally mandated right for prisoners serving less than a three-year term of imprisonment while excluding those whose term of imprisonment is three years or longer and to provide that all prisoners otherwise eligible can remain on or join the electoral roll.

The basis of the government’s policy commitment stems in part from the recommendation on prisoner voting made by the Joint Select Committee on Electoral Matters in its June 2009 inquiry into the conduct of the 2007 election. The proposed changes in this bill regarding prisoner voting amends section 98AA of the Commonwealth Electoral Act 1918 so that it stipulates that prisoners serving a term of imprisonment for three years or more cannot vote in the House of Representatives and Senate elections. This provision would replace the current unconstitutional provision in which the legislation seeks to prevent anyone serving any term of imprisonment from voting.

Turning to the early closure of the roll, the member for Mackellar made a great deal of the fact that there were only 100,000 people at the 2007 election who missed out on getting their vote. The first principle is that we have a compulsory voting system. The fact that they missed out is the disgrace, not that there were only 100,000 of them. The reason for the drop was, of course, people had a much shorter time to apply; therefore, fewer of them did it. The advertising and the desire of the Australian Electoral Commission to efficiently enrol people has taken place at every election, including all of the elections between 1996 and 2007, at which the present opposition lost government. Worse, these categories of people that it sought to exclude in 2006 quite legitimately elected it previously.

The member for Mackellar is right: those of us who have a democratic ethos of including every possible Australian are going to be looking at issues of provisional voting and trying to include all of the people that were so unfairly excluded, including people whose names were on the electoral roll. That’s right! Thousands of people whose names were on the electoral roll were excluded from voting at the last elections by the mallevolent legislation introduced by the Liberal Party in 2006 for the 2007 election.

This bill seeks to overturn the unconstitutional legislation invalidated by the High Court and introduced by the coalition in 2006. It proposes to change the date for the close of the rolls from the third working day after the writs are issued to the seventh day after the writs are issued. The government remains committed to reversing the Howard government’s unfair changes to the Electoral Act, which close the rolls immediately after the issuing of the writs, which I have repeatedly pointed out particularly affects younger people—deliberately so in my view. Their legislation requires photo ID for people wishing to enrol, to change their details or to pass a provisional vote.

The thing that I find the most outrageous and egregious about these previous changes is that the previous government was elected at all of the elections between 1996 and 2004 on the previous system. With all of these votes they did not claim after any of those elections that this was undemocratic and that it should have not been elected because of these outrageous people who were enrolled under the very sensible provisions that we then had in the Electoral Act. The coalition was quite properly elected—although, as the
member for Mackellar pointed out, if the provisional voting changes that they made in 2006 had not been in effect Labor probably would have won four more seats at the 2007 election. This obviously would not have affected the overall result, as we won anyhow, but it just shows that changes to provisional voting can actually affect results in seats. I would argue that it was done deliberately so, perhaps not by the member for Mackellar, who was not behind all of this or aware of all of the nuances, but the categories of people that were excluded are identified by all of the psephologists as people who would vote either Labor or Green at a margin of 60 to 65 per cent. So you can understand that, if there was a political intent in these changes, it was designed deliberately to exclude categories of voters who might disproportionately vote for forces that were not part of the now opposition.

As a member of the Joint Committee on Electoral Matters from 1998 until 2010, I was astounded when, during an inquiry into the 2004 election, coalition members claimed that these changes were necessary to prevent false enrolments. This was despite the fact that the Australian Electoral Commission had testified that there was no problem with false enrolments in Australia. The measures introduced by the previous government to prevent and suppress voters, especially young voters, were undertaken on the basis of no evidence. It is outrageous to think that those on the other side of the aisle do not support legislation that seeks to amend the disenfranchisement of Australian citizens. It is shocking that for so long the coalition has been able to get away with denying Australian citizens the right to vote. The coalition’s atrocious legislation of 2006 has prevented young people in Australia and many others from having their say in who represents them in this chamber.

If we look at what occurred at the last election, in 2010, we will see that, as a result of this suppression of Australian citizens’ right to vote, there exists a democratic deficit in our electoral system. Looking at the statistics of those who did not cast a valid vote at the last election, 2.5 million Australians were affected. Even if the member for Mackellar were theoretically concerned about false enrolments—for which she cited no evidence, of which the Electoral Commission said there was no evidence and evidence of which she and her associates have not been able to produce in this House—she would at least, if she wanted to be taken seriously, have to balance it against the fact that 2½ million Australians did not participate in the last election. Surely that is the act of a responsible person in this parliament.

Of the 2.5 million Australians, 1.4 million were not enrolled, 729,000 were enrolled but did not show up, 400,000 cast informal ballots and 166,000 provisionals thought they had cast a valid vote but were excluded. Out of 15 million people of voting age, one in six Australians had no say at the last election. That is a disgrace. This legislation is the beginning of an attempt by this government to see that the majority of Australians are enfranchised. I am very pleased to see that the democratic ethos that informs our views on this has begun with these moves by the Special Minister of State. I strongly support them, I am sure the Australian people will support them and I know this House will support them.

Mr Morrison (Cook) (12.02 pm)—I thank the shadow special minister of state and member for Mackellar for her contribution to this debate at the outset. I note, as the member for Melbourne Ports leaves the chamber, that she is always elegant in her word, in her deed and, as I am sure all members agree, in her dress. A classier member of this parliament I think there is not.
Citizenship carries with it responsibilities. Those responsibilities, I think, are celebrated when we hold citizenship ceremonies—and we all in this place attend many of those ceremonies. Some time ago I made some remarks highlighting the need for us to continue to embrace this idea of affirmation ceremonies, where those of us who have become Australian by birth rather than by oath or affirmation have the opportunity to reassert our commitment to our responsibilities of citizenship with those who are taking it for the first time. I think there is an extraordinary commonality in that gesture which I would like to see us all celebrate more and more.

We do have responsibilities. We talk a lot about our rights as citizens, but we also have to talk about our responsibilities. Our citizenship ceremonies are a great opportunity to do that. These rights include, probably above all things, the franchise—the ability to cast our vote. As a country that some 100 years ago was in the minority of world experience in being a parliamentary democracy, we are increasing our numbers these days. As we look at events around the world we are hopeful that more countries will join that list of democracies where people have their say. This opportunity—this right; indeed, this obligation—to exercise that franchise is undoubtedly the thing which people prize most, and should prize most, as Australian citizens.

We have many other great rights and responsibilities, from freedom of religion to all other things, and we celebrate those through our citizenship.

The Electoral and Referendum Amendment (Enrolment and Prisoner Voting) Bill 2010 contains some changes to how these rights and responsibilities will operate when it comes to the franchise. I want to refer to some remarks I made in August 2009, when I was a member of the Joint Committee on Electoral Matters, around my analysis of the numbers of the previous election in terms of just how seriously many in this country are taking their right to vote. I said at that time:

… there was one central fact before the committee that we wrestled with, and that was the issue of those who do not vote because they did not enrol to vote, who did not show up to vote or who did not fulfil their responsibilities to vote properly on the day.

When you add up the people who fell into that category in that election in 2007, based on the information provided by the AEC, there were 2.4 million Australians—that is, 2.4 million Australians who would have otherwise been eligible to vote either did not enrol, did not show up or did not vote in accordance with our laws. My speech continued:

There were around 1.138 million who did not enrol to vote, 715,000 who did not show up although they were on the roll, and 510,000 who failed to complete their ballot properly. This is actually an improvement on the situation in 2004, but the fact that one in seven voters—at the 2007 election—in a system of compulsory voting in this country do not exercise their franchise because they have not chosen to, they did not get it right or they could not be bothered is, I think, a genuine issue of concern.

It is an issue of serious concern in a parliamentary democracy such as ours.

I support compulsory voting. I think compulsory voting has been good for this country. The polity of the voting systems that we see in other jurisdictions has a different character to it. I welcome the character of the polity of our system of compulsory voting. But compulsory voting should not be a licence for passive democracy. It should not be the opportunity for a lazy franchise. If anything, it should be a reassertion by citizens of their need to engage with their responsibility to vote. We have to be very careful in this place to not do things that say, ‘If
you cannot be bothered, if you do not make the effort, if you do not come along on the day, if you do not follow the rules of how to vote, you will be able to just somehow be let through the door anyway.’

We have rules around how democracy works, and rules around elections are incredibly important. People in this place have gone all over the world in times past and continue to do so today to observe the conduct of elections elsewhere. It is something we feel strongly about. It is something we commit our people to overseas to ensure that other countries can enjoy the same freedoms that we have in this country.

So why would we be contemplating lowering the bar on the obligations of our citizens who might otherwise seek a free pass when they will not take the steps that our laws require them to? This is what I think we risk here with the provision relating to the change to the close of rolls. The government has made this argument time and again—as have others outside this place, including various advocacy groups—and it was raised in the 2007 review of the election, and the numbers just do not support the argument. As the shadow minister said, in 2004, the AEC’s own submission to the Joint Standing Committee on Electoral Matters said that 168,394 people missed out on voting. In 2007, that number was 100,370. Australia’s democracy requires people to register to vote, as they should, by the time they turn 18 and to maintain their enrolment properly, as our law requires. If what was changed under the Howard government was such an assault on that right, then I would have expected to see those numbers showing the opposite, but they did not.

Mr Dreyfus—You disagree with the report, do you?

Mr MORRISON—It did not. It did not say that. What it said was that more people enrolled, particularly through the campaign run by the AEC in that year—and it was an outstanding campaign; it said to prize your vote, enrol to vote. And that would be my message to every Australian: enrol to vote. Do not enrol to vote just because you think an election might be coming up next week, next month or next year. You are a citizen of this country: enrol to vote. I am sure that in our electorate offices we all have enrolment forms available to people. We all talk about it when we go into our schools, and we should. But what we should not be saying is; even if you cannot be bothered, if you cannot go, if you are not interested, if it is something you do not really want to think about, we can somehow change the rules for you. I think we have to draw a line under these sorts of things.

There are clear laws and rules as to how our democracy operates. It is not an unreasonable requirement to ask any citizen of this country to take a form, fill it out properly and send it to the Australian Electoral Commission. I do not think this is an onerous requirement. I do not think it is burdensome. The fact that fewer people missed out on voting in 2007 than in 2004 demonstrates that the measures that were introduced by the Howard government in no way impeded that task. There was evidence given by the Australian Electoral Commission that the 2007 election gave them more administrative opportunities to focus on the integrity of the roll—which is a very important responsibility that they have in administering our electoral system. I think that having to deal with a rush of enrolments on the eve of an election because people, frankly, could not be bothered to do it earlier puts the AEC under unreasonable strain at a time when they are preparing to oversee and conduct the most important democratic event that takes place in this country on a regular basis.
That is why the coalition continue to keep faith with the provisions that we put forward previously—that is, to ensure that people take the opportunity to enrol to vote in the ordinary course of the year. When we were in government, we ensured that the AEC had funds available to them to be able to promote enrolment. I think that is appropriate because, if you are a citizen, that is your duty; it is your responsibility.

I note that, in one of the dissenting judgments of the High Court, the observation was made—in terms of whether this was a discriminatory matter—that the burden that would fall on a person under the previous provisions was no greater or less. So there was no issue about discrimination. There was no issue about deliberate disenfranchisement. It was simply saying, ‘Get your enrolment in by a particular time and you’ll be on the roll.’ Everyone can take that opportunity on any day of the week, and I strongly suggest they do so, because I do not think we can continue to celebrate the richness of our democracy when one in seven people are basically not fulfilling their obligations under the Electoral Act.

That is not a situation I would like to see continue, and I would hope all members of the House would agree with me on that. I think the way to improve those numbers is not by taking the low road of lowering standards, which is what we are seeing here with this bill, but by taking the high road of saying: ‘You’re a citizen; take up that responsibility, take up the pledge you’ve made, take up the birthright that you’ve inherited and enrol to vote. Do it properly and show up.’ That is the best way to celebrate democracy in this country.

The other section of the bill relates to voting by prisoners. I thought the shadow minister, the member for Mackellar, made her points very clearly in this area—very clearly indeed. Under the previous government, we took the view that a person who was serving a custodial sentence should be denied that franchise. Why? Because they had volunteered up that right through the actions that resulted in their custodial sentence and got them in there in the first place.

When you transgress against a society in this way, when you violate the rights of others in a country like this, you give up certain rights that you have. That is the consequence of your actions. The previous government had a strong view that the franchise should not be extended to people who violate the rights of our community and of our country. The High Court had some things to say about this matter. What they disputed was not the ability to limit the franchise but whether it could be done universally. The coalition has flagged that the limitation of the franchise for people with a custodial sentence should apply to those who have a sentence of one year or more, not three years as this bill suggests.

The member for Mackellar made some very good observations about the types of people who would be given the franchise under the Labor Party’s proposal—those who have violated the rights of the community in heinous ways. I am not going to get into a discussion of the sentencing practices of courts, because I think there is a widespread community view on most matters. But what is relevant here is: where are we going to set the bar for citizens, or others who are living in this country under a visa, to be given the right to vote?

Citizens of this country who have transgressed in such a heinous way are denied the vote—and the member for Mackellar mentioned everything from assault, to sexual assault and a range of other offences which all of us in this place would decry. This government is saying that those offences, those
actions against your fellow citizens, should not deny you the vote. Well, we disagree. If the government wants to argue that those who have done those things and have been sentenced for these things and sit in prisons today because of their own actions should still have the right to line up to vote—like every other citizen in this country who has not done these things or who has made amends for these things and is living freely in the community and doing their best to uphold the responsibilities of citizenship—then let the government make that case. Let the government put those who have done these things on an equal footing with other Australian citizens.

But the coalition will not do it. The coalition feels very strongly that this bill has some serious flaws. We will be addressing those flaws. We will be saying that Australians should uphold the responsibilities of citizenship by enrolling to vote. We should not have a lazy franchise in this country. We should not have a passive democracy. We should celebrate our democracy by upholding the standards and principles of our democratic system and expecting all citizens to celebrate them by living up to them.

Mr SYMON (Deakin) (12.17 pm)—I rise to speak in support of the Electoral and Referendum Amendment (Enrolment and Prisoner Voting) Bill 2010. The purpose of this bill is to amend the Commonwealth Electoral Act 1918 and the Referendum (Machinery Provisions) Act 1984 to implement two recent decisions of the High Court of Australia. The first of those High Court decisions is Rowe v Electoral Commissioner, as decided on 6 August 2010. The purpose of this bill is to amend the Commonwealth Electoral Act 1918 and the Referendum (Machinery Provisions) Act 1984 to implement two recent decisions of the High Court of Australia. The first of those High Court decisions is Rowe v Electoral Commissioner, as decided on 6 August 2010. This case relates to the period of time voters are allowed before the electoral roll closes to either ensure that they are on the electoral roll or update their details following the formal issue of a writ for an election. This case was a constitutional challenge to the validity of changes made to the Electoral Act by the Howard government. These amendments resulted in the electoral roll being closed to new or re-enrolling voters on the day on which the electoral writ is issued and three days after the writ is issued for voters updating their enrolment details. Previously, the electoral roll remained open for a period of seven days after the issue of the writ.

According to the AEC, the calling of an election will result in a significant number of persons enrolling or changing enrolment during the seven-day period, particularly young Australians—people who may not have been on the roll before. The seven-day period had enabled the AEC to advertise and promote enrolment and target particular groups with information campaigns, including Indigenous Australians and people experiencing homelessness.

As has been mentioned in this debate, at the 2004 federal election approximately 423,000 people enrolled, re-enrolled or updated their enrolment during the seven-day period. During the 2007 election 279,469 people enrolled or changed their enrolment in time for the election before the rolls closed. At least 144,000 fewer people were able to add themselves to the electoral roll in 2007 due to these changes. These changes have been proven in many studies to have taken away people’s ability to exercise their democratic right to vote. The proof of this is in the substantial number who did not get the opportunity to add themselves to the roll in 2007. Potentially hundreds of thousands of eligible voters missed out on being on the electoral roll due to this change by the previous, Liberal government.

On 6 August last year the High Court ruled that these Howard-era laws that closed the electoral rolls on the day the writs for an election are issued were invalid. That decision was probably overdue, but I am glad it...
happened at the time. The decision by the High Court, made in the early stages of last year’s election campaign, secured the ability of nearly 100,000 Australians to vote. Figures from the Australian Electoral Commission reveal that 57,732 voters enrolled and a further 40,408 voters updated their enrolment details after the High Court’s decision. The AEC ensured that those who submitted their changes within the seven-day time frame were now included on the electoral roll and thus given the right to vote.

As mentioned by the member for Melbourne Ports, there are currently 1.4 million Australians, or six per cent of the population, who are not enrolled to vote. But I prefer to put that figure in a form that relates directly to our electorates. All of our electorates are, on average, missing 9,000 voters. It is an indictment of our democratic process that there are people out there who should have a vote but, for whatever reason, do not. I do not think it should be a function of government to make it harder to vote. It should really be up to everyone in this House and in the Senate to encourage as many people as are eligible to vote to do so.

It is estimated that 70 per cent of these unenrolled voters are aged between 18 and 39, and one-third are in the 18- to 25-year-old cohort. We all live very busy lives and people do not always keep their details up to date on the electoral roll. It is usually not at the front of most people’s minds—although for people that live politics or work in this place, it may well be. It should not be expected that the AEC act in a draconian way to stop people updating their details or enrolling when they have fallen off the roll. We have to remember that many people are taken off the roll and do not know about it. They may move address and when checked by the AEC there is no response and they are removed from the roll. Usually the time they find that out is somewhere close to an election, when they are suddenly reminded: ‘I might have moved recently, but I have changed a lot of things—I’ve changed my utility providers’ addresses so my power and water bills come to me; I’ve contacted the bank and I’ve done all the other bits and pieces.’ But when events only come up every few years, sometimes that is not at the forefront of people’s minds. By keeping the rolls open for seven days people who are entitled to be on the roll have a reasonable amount of time to make the changes and enact their right to choose what will be, in effect, their own government, because if they miss out they of course do not have that right.

It would seem to me that any sensible person would say that amendments such as this, that make it easier for people to exercise a genuine vote, are sensible, needed and long overdue. I believe democracy should be inclusive, not exclusive. Everyone in this House would agree with a sentiment such as that.

Last year the government presented the Electoral and Referendum Amendment (Close of Rolls and Other Measures) Bill 2010, but of course that bill lapsed at the conclusion of the last parliament. It went through the House but not the Senate. That would have restored the rights of voters to update their details or re-enrol up to seven days after the close of rolls. It has been a genuine issue that has been on the go for the time that I have been in parliament. There are people out there who deserve to have the right to vote and should not be impeded by the actions of government.

I spoke in favour of the previous bill last time it was in the House in February 2010. Of course it was opposed by the Liberals and Nationals at the time. As we know, some of the changes that were put in in 2006 have now been ruled invalid by the High Court. The High Court ruling really highlighted the
unfairness of those changes. The 2006 changes disenfranchised nearly 100,000 voters in 2010. In 2007, 100,370 people missed the close of rolls deadline for enrolling or changing their enrolment details by providing an enrolment form between close of rolls and polling day—too late to be eligible for the election.

The Joint Standing Committee on Electoral Matters inquiry into the 2007 election noted that of particular concern to the committee was that 31 17-year-olds who would have turned 18 on or before polling day and 4,068 18-year-olds who would have exercised their franchise for the first time at the 2007 election were also denied the opportunity to do so because of the changed close of rolls arrangements. This bill is about fixing this problem and correcting what I can only call an injustice to those Australians who wanted to exercise their right to vote but were not enrolled for any number of reasons.

When we look at some of the historical reasons behind this, seven days may seem like a long time for many things that are done now—many application forms are done same day and you can do many things online. That is another argument to have in this area. But it is also part of a public education campaign. This one is a bit different and I think maybe as a parliament we need to remind people that it is a continuous requirement to keep up to date on the rolls, and maybe the AEC needs to do more outside of election campaign times.

Schedule 2 of the bill addresses the second High Court decision, Roach v Electoral Commissioner, which relates to the franchise for people who may be serving a sentence of imprisonment. The amendments would ensure that while prisoners serving a sentence of imprisonment of three years or longer will be disqualified from voting, they may during this period of disqualification remain on, or be added to, the electoral roll. Remaining on the electoral roll will ensure that a prisoner who has served their sentence does not have to enrol for a second time, and would make that step back into society, I would hope, just that little bit easier.

It is appropriate for the parliament to respond to these two decisions of the High Court of Australia to ensure that the Electoral Act reflects the current state of the law. Not only that, but this bill amends the situation imposed by the last Liberal government that disenfranchised people who wanted to vote—people who visited their local AEC office and were told that they were too late and could not vote in the election. This bill will amend the Electoral Act to restore the close of rolls period to seven days after the date of the writ for a federal election and will reinstate the previous disqualification for prisoners serving a sentence of three years or longer from voting at a federal election. I commend this bill to the House.

Ms GAMBARO (Brisbane) (12.28 pm)—I also rise to speak to the Electoral and Referendum Amendment (Enrolment and Prisoner Voting) Bill 2010. This bill is part of the government’s broader electoral reform agenda aimed at relaxing the electoral process. Lax enrolment procedures and processes may also lead to ambiguous voting activities and irregularities. This bill comes after a much-publicised campaign by the activist group Get Up! Claire Bongiorno of the Sydney Morning Herald on smh.com.au reported that:

The win by two young members of activist organisation Get Up! that overturned the Howard government’s amendments to the electoral enrolment laws is a great victory for democracy.

That was on 16 August 2010. But this is where I beg to differ. Democracy is about transparency. We talk about transparency in this House, across departments, and across
the parliamentary process day in and day out, and that is where GetUp! promotes itself as being independent and non-partisan. But let me outline some of the facts. Our colleague in the other chamber Senator Abetz has been contacted by various members of the GetUp! organisation concerned about their activities.

It was revealed on the morning of the poll that six progressive unions had poured more than a million dollars into GetUp!’s coffers in the previous three weeks. GetUp! outlined in the last federal election campaign that their strategy was to expose Tony Abbott as a radical conservative. Lachlan Harris is a founder and former member of GetUp! who then went on to become press secretary to Kevin Rudd. He once said:

… if you are a supporter of, like, conservative governments, GetUp.org.au is not for you.

They never once criticised Greens leader Senator Brown. Also, the ALP leader in waiting, Mr Bill Shorten, is a past board member.

Having a strong and transparent electoral system is designed to eliminate such ambiguous and misleading activity around election times, and this is paramount when we are ensuring that those voting are legitimate voters, that everything about voting has its legitimacy and that they are not engaged in dubious voting activities. Integrity is a key principle of our Australian electoral system. It is designed to preclude anyone from voting more than once and to preclude voting by persons not qualified to do so.

The ALP have resisted any changes to close loopholes in the act, and I feel that these loopholes can lead to and encourage electoral fraud. Allowing seven days after the issue of the writs for people to enrol seems to me like a great opportunity for potential fraud and threatens the integrity of our roll. The ability to adequately check information—and we know as members of parliament that the Australian Electoral Commission regularly checks enrolments—is, I think, compromised by having that short period for new enrolments during the election period. The AEC is unable to check that. Under the old scheme, to which Labor proposes to return, there were some 520,000 changes to enrolments or new enrolments submitted to the AEC. A return to the old scheme would make it relatively easy for those intent on any fraudulent voting activities to flourish. It just does not give the AEC enough time to check particular enrolments. The voting process is too important to allow loopholes for potential dodgy voting practices to occur.

Enrolment and voting in federal elections was voluntary from 1901, and permanent electoral rolls were established in 1908. Enrolment became compulsory in 1911. My home state of Queensland was the first state to introduce compulsory voting in 1915. Compulsory voting for federal elections was introduced in 1924 and first used in the 1925 elections, where 91 per cent of the electorate cast a vote. Since this time, we have had improved or increased scrutiny of the electoral roll to ensure that there is absolute integrity of the electoral roll.

It is our view also that, if you are serving a sentence of three years or longer, you are not entitled to enrol or vote. Once released from prison, you are entitled to enrol and vote, and of course we would support this part of the bill, but part of the punishment for a criminal sentenced to prison is to lose their right to vote.

Being able to vote is not only something that a law-abiding citizen is entitled to; it is also a civic duty. I attend so many citizenship ceremonies, as do many of us who are members of parliament, and people who are becoming Australian citizens cannot wait to vote. Yet we have our own citizens that have a responsibility to vote. The member for De-
akin said that young people are a bit lax and do not vote because they have other things and they have busy lives. But young people do register for things like youth allowance and Medicare. Why is the basic principle of enrolling to vote any less important than those things? It is much more important, and people have a civic duty.

Elections will produce good governments only if voters act out of the public or greater good and not merely in the hope of gaining an advantage at general expense. It is up to criminals to change their behaviour, not up to us to change our behaviour to modify their behaviour. I think the member for Cook also spoke about that. So it is not up to us to be responsive to their needs, and that is what this bill does. We are becoming responsive to their needs. They have a civic duty and a responsibility to behave in an appropriate manner that would give them a well-deserved vote. So we need to have no regret for that. We need to have no reform in any part of this bill that will give them that right. If that right were important to them, they would not have engaged in the activities that they have done. I think that they really have a civic duty, as all of us have in all areas. When they have repaid their debt to society by serving their particular time, I think they should be given a second chance, and they would be welcomed back and given that second chance. Those who have been detained on remand at home or in periodic detention should still be eligible to be enrolled to vote.

This bill is about the government attempting to relax the electoral process. It also opens it up to potential irregularities. The electoral process should be held in the highest regard by all citizens. For citizens to maintain this esteem, the process needs to maintain its integrity and it needs to maintain its transparency. Behaviours like those that I spoke about by the union-backed GetUp! during the last election do nothing to enhance the integrity or transparency of the electoral process. This bill also concentrates on being able to vote as something that a law-abiding citizen is entitled to do but also a civic duty. Voters should undertake their duty with their best interests and the wellbeing of the nation at heart. That we can vote gives us a right to choose a representative in this parliament and to influence how our country is governed. In return for these rights, all of us have an overriding duty to Australia. We should accept the principles and the civic values of our community.

Mr BANDT (Melbourne) (12.36 pm)—As we have seen recently in the Middle East and North Africa, the desire for democracy is a universal and fundamental value that people are willing to fight and die for. So it is important that we protect the basic democratic rights of all Australians. The most important of these is the right to vote. It gives me great pleasure to speak in favour of the Electoral and Referendum Amendment (Enrolment and Prisoner Voting) Bill 2010, which re-enfranchises the tens of thousands of Australians who were affected by the actions of the Howard coalition government.

We should not be having this debate, of course. The primary reason we are doing so is the lengths to which the Howard government went to massage the criteria for enrolment in such a way as to meet its own political ends. It comes as no surprise, then, that again today we have had the coalition approaching this bill with some rather spurious arguments. We should not be surprised that we are seeing on display the coalition’s dumping of its small ‘l’ liberal values in its argument against the restoration of democratic rights that it wrested from tens of thousands of mostly young Australians in the first place.

We have heard a lot recently about the morphing of the coalition into the dangerous
doppelganger of the ultraconservative Tea Party movement in the United States and how racism is eating away the coalition’s small ‘l’ liberal values. It is a reflection of how far the coalition has lurched to the right that the High Court, not itself a radical institution, has had to act to overturn these undemocratic laws.

Mr Morrison—Mr Deputy Speaker, on a point of order: I just ask that you draw the member back to the bill.

The DEPUTY SPEAKER (Mr S Sidebottom)—There is no point of order. There is fair latitude given in these debates, taken by both sides, and I will apply it in this case. But I would remind all members of the legislation before the House.

Mr Bandt—Methinks a certain member doth protest too much. Those High Court decisions reversed the amendments the coalition government made to the Electoral Act in 2006, in effect restoring the previous arrangements. The current government should be commended for moving to have Commonwealth law reflect those important decisions—and not, I add, a minute too soon.

I revisit for a moment the rationale used to justify the amendments made to the act in 2006 and focus on the decision to close rolls on the day of the writs being issued for new voters and three days after the writs were issued for voters updating their existing enrolment details. The then coalition government’s argument to close rolls early was threefold: apparently parliament needed to remove untenable administrative burdens on the AEC, needed to minimise the opportunity for electoral fraud and needed to close the rolls as early as possible to discourage voters from changing their details with the AEC at the last minute. All of these arguments amounted to political excuses that were and still are completely unsubstantiated. We all know the true rationale for the 2006 amendments to the Electoral Act; you do not have to be a psephologist to understand the effect on the two-party preferred vote created by disenfranchising tens of thousands of young voters.

At the 2004 election, 77,231 new electors, predominately young first-time voters, got on the electoral roll in the seven-day window after the election was called. At the 2010 election, 62,583 people joined the electoral roll during the same seven-day window. That amounts to 16 per cent of the total number of new enrolments since the last election. If it had not been for the GetUp initiated High Court action and the court’s last-minute decision, those 62,583 eligible voters would not have been able to vote on election day. It is no exaggeration to say that this decision could have had an important impact on the outcome of the election.

The truth about Australian federal elections is that they are never held on fixed dates and can be called unexpectedly. The Greens, of course, have said for some time that we would like to see that changed. But, until it is changed, early closure of the rolls impacts disproportionately on young people because first-time voters have the hurdle of enrolling themselves—which existing voters do not—and often have to predict that action with very little warning. Another reason early closure of the rolls impacts disproportionately on young people is that the living arrangements of younger Australians are more likely than those of other Australians to change from one election to the next. There is no clearer example of that than my electorate of Melbourne, which has a highly mobile population and the highest proportion of young people of any electorate in the country.

If other, similar democracies can cope with the administrative requirements of keeping rolls open after the election is called,
then we should be able to manage it too. The United Kingdom keeps its rolls open until 11 days before polling day. New Zealand keeps its rolls open until the day before polling day. Canada keeps its rolls open until polling day itself. Yet somehow Australia apparently could not cope with the administrative burden on its national electoral commission and needed to close its rolls as soon as the election was announced.

I suggest that, if anything, Australia could be looking at going further than the provisions in this bill and investigating measures by which maximum enfranchisement, including of first-time voters, could be achieved by closing rolls much closer to polling day itself. In my view, it is also time that the Australian Electoral Commission considered whether there is a secure way of facilitating enrolments which, if we could ensure the integrity of the roll, would help maximise enrolment, especially amongst young people.

In my own electorate of Melbourne in 2010, 1,616 voters that enrolled after the election was called were initially told that they could not vote. The vast majority of those 1,616 were young, first-time voters, many of them students. That is about 1½ per cent of the electoral roll in my seat. They were completely disenfranchised through the actions of the former coalition government, and I have never heard a defensible reason as to why those 1,616 young people ought not to have been on the roll. I certainly have not heard any today.

I thank the government for the introduction of this bill, and I thank GetUp and other individual campaigners for agitating on this issue. This bill will have the full support of the Greens at its second reading.

Mr CRAIG KELLY (Hughes) (12.43 pm)—I rise to speak on the Electoral and Referendum Amendment (Enrolment and Prisoner Voting) Bill 2010. I support the comments of the members for Mackellar and Brisbane and those of my very good friend and neighbour, the member for Cook. This bill proposes to make a number of very undesirable changes to our electoral laws. All Australians have rights and freedoms, which they can rightfully expect to have unhindered access to. These include freedom of speech, freedom of religion and freedom of movement along with the right to shelter, to food, to health care and, of course, the democratic right to vote for their representatives. These rights must be steadfastly defended at all times. They must be defended by laws, and sometimes they must even be defended at the point of a gun.

But for every right that we have in our society there is an equal and corresponding obligation. However, firstly, there are circumstances when this right to vote is forfeited, particularly in cases where one has broken the standards that a democratic society has agreed to live by. Secondly, we must balance the right to vote by ensuring the integrity of our electoral system and protecting it from the risk of fraud, as the integrity of the electoral system protects our democracy. Those who offend against the common good and those who have been sentenced to prison for one year or more have shown that they have no respect for the community and, therefore, they have forfeited their right to contribute to the governance of our society. The temporary suspension of the voting rights of criminals symbolises the community’s disgust for their acts. The temporary suspension sends a strong signal of the community’s revulsion at those who commit such crimes.

However, it is hardly surprising that, with Labor’s voter base in freefall, in a desperate attempt to enlist a few more voters, this government seeks to amend our electoral laws through this bill to give armed robbers, child pornographers, paedophiles and a variety of
villains and common criminals the right to vote. This is at a time when the public is concerned about the decline of community standards, our ineffective laws and the need for harsher sentences. The coalition amendment seeks to enshrine in our law that, when someone is found guilty of committing a serious crime against an individual or our community and they are sentenced to imprisonment for one year or more, further freedoms should be temporarily restricted—namely, the right to vote.

To protect the integrity of our electoral system we must have an orderly, transparent process under which citizens enrol to vote. Back in 2004, a report by the Joint Standing Committee on Electoral Matters noted:

… the current close of roll arrangements—which at the time was seven days after the issue of the writs—present an opportunity for those who seek to manipulate the roll to do so at a time where little opportunity exists for the AEC to undertake the thorough checking required ensuring roll integrity.

To the argument that there was no proof of electoral fraud sufficiently widespread to warrant any action, the joint standing committee said it ‘missed the point’ and that it was important that steps should be taken to prevent the opportunity for fraud. Therefore, following the recommendations of the joint standing committee and after a further recommendation of the Senate Finance and Public Administration Committee, amendments were effected to the Electoral Act that provide that a claim for enrolment made after 8 pm on the date of the writ for an election would not be considered until after the close of polling at the election. There are no legitimate reasons to change these provisions. The member for Melbourne referred to the High Court decision on this issue, but what he did not mention is that when this question came before the High Court it was deeply divided with a four-three split decision. The current provisions get the balance right between the right to vote and the protection of the integrity of our electoral system, and therefore they also protect our democracy.

The Electoral Act provides both a right and an obligation to all citizens. As with every right we have in our society, there is also a corresponding obligation. Section 101 of the Electoral Act provides an obligation on all citizens who are entitled to have his or her name placed on the roll to do so within 21 days. This bill seeks to give special allowance to those who have failed to comply with their obligations with regard to enrolment under the Electoral Act and it does so at the risk of undermining the integrity of our electoral system. Therefore, I cannot support this.

To ensure fair and free elections, we must have the integrity of our electoral roll and our electoral system. The intent behind the coalition amendments is to strengthen our democracy and our electoral process and to safeguard against electoral fraud. Our democracy is something we must never, ever take for granted. It is something that we must be ever vigilant to protect. Fair and competitive elections are the bedrock of democratic government. Fair and competitive elections are the essential mechanisms for providing public accountability, transparency and representation. Fair and competitive elections give ordinary citizens the opportunity to choose those who govern and to express their views on critical issues facing their community or nation. However, one of the greatest threats to democracy and fair and competitive elections is electoral fraud—conduct outside the spirit of electoral laws or in violation of the principles of democracy.

Acts of electoral fraud include the destruction or invalidation of ballots, vote buying,
gerrymandering, ballot rigging, misrecording of votes, the dissemination of false or misleading information designed to alter votes, illegal voter registration, voter intimidation and tampering with ballots. But all election fraud has one thing in common: it is designed to affect the outcome of an election by dishonesty. We must take all types of electoral fraud seriously as electoral fraud reduces voters’ confidence in our democracy. Even the perception of electoral fraud can be damaging as it makes people less inclined to accept election results and creates a distrust of politicians and the political process, and that undermines our democracy. That is why the coalition seeks to amend this bill.

In recent years we have seen examples of electoral fraud around the world, including in countries such as Nigeria, Iraq and Zimbabwe, where those in government use dishonest means to cling to power. However, I am very sad to say that the Australian nation now joins the sorry list of countries that have been victims of electoral fraud. On the eve of the last election, we had both the Prime Minister and the Treasurer disseminating false and misleading information on the carbon tax in order to affect the outcome of the election. Those 11 now infamous words uttered by the Prime Minister on the eve of the election, ‘There will be no carbon tax under the government I lead,’ will go down in history.

Mr Dreyfus—Mr Deputy Speaker, there has to be some attention to relevance.

The DEPUTY SPEAKER (Mr S Sidebottom)—There is no point of order.

Mr CRAIG KELLY—Bills such as the Electoral and Referendum Amendment (Enrolment and Prisoner Voting) Bill 2010 and the amendments proposed by the coalition are all but meaningless while we have a Prime Minister who is prepared to commit election fraud to retain power.

Mr Dreyfus—Mr Deputy Speaker, you have drawn the attention of the member to the need to achieve some level of relevance to the bill that is before the House. This bill...
clearly deals with two procedural amend-
ments—

The DEPUTY SPEAKER—So the point of order is on relevance?

Mr Dreyfus—It is.

The DEPUTY SPEAKER—Thank you. I would remind the member for Hughes, before I call him to continue his contribution, that I have asked people to be moderately relevant to what is in this bill in order to enlighten those who might be listening to or reading this debate. I have asked you if you would return to being a little bit more specific about the legislation before us. I will apply that on both sides. I do ask you again to take that into account.

Mr CRAIG KELLY—This bill proposes a number of undesirable changes to our electoral laws, and I oppose them.

Ms O’NEILL (Robertson) (12.56 pm)—I am very pleased to speak to the Electoral and Referendum Amendment (Enrolment and Prisoner Voting) Bill 2010, because the way we conduct our elections says a lot about how we are inclusive or seek to exclude people from participation in our nation. Australian political parties have for the most part through our history sensibly taken a bipartisan and inclusive approach to electoral matters. This bipartisan approach has given us a practical electoral system that has spared us the tyranny of hanging chads, recall elections and other electoral disasters. In fact, our compulsory voting system, which has been in place federally since 1924, has probably compelled us to value the franchise even more than those who live in other democracies around the world. I suspect that compulsory voting—which is as Australian to me as Anzac biscuits and billy tea—has led us to embrace innovations like absentee voting much earlier than many other democracies.

However, having done a few pub crawls in my area, I have to let you know that many of the young people I have met out there whom I have been trying to encourage to enrol to vote perhaps do not quite yet understand the great gift they have in their capacity to participate in our healthy democracy.

There is a lot that both sides of politics can be very proud of in this bipartisan tradition, and I am very happy to speak to these matters. The bill we addressing today has two aims. The first is to fix the seventh day after the issue of federal election writs as the date for the close of rolls. The second is to reinstate the constitutionally mandated right to vote for prisoners serving less than a three-year term of imprisonment. I know I started my contribution to this debate by praising the overall bipartisan and cooperative nature of our approach to electoral matters in our parliament, but I have to add a disclaimer. While our shared history has given us a robust democracy, our recent history has not been as happy. That is because, since 2007, we have seen the coalition turn its back on bipartisanship when it comes to electoral matters and deliberately diminish the basic right of all Australians to exercise their franchise. How did this happen?

As many here would remember, in 2006 the then Special Minister of State, Senator Eric Abetz, took advantage of the coalition’s control of the Senate to bring forward the date for the close of rolls. For those updating their details, for those turning 18 years of age between the issue of the writs and the polling day, and for those gaining citizenship between the issue of the writs and polling day, the coalition government changed the date for the closure of rolls from the seventh day after the issue of the federal election writs to the third working day after the issue of the writs. That was quite a disgraceful act, in my view as a citizen of this fine country.

For new enrolments and re-enrolments the date for the close of rolls also changed. It
changed from the seventh day after the issue of the writs to the actual day of the issue of the writs. As the Joint Committee on Electoral Matters has recorded, the result of these changes by the coalition saw more than 100,000 people miss out on the close of rolls deadline for the 2007 election. They missed out because they either failed to enrol or to change their enrolment details correctly.

The Joint Committee on Electoral Matters has reported extensively on this disenfranchisement in its inquiry into the 2007 election. The inquiry found that a total of half a million voters were unable to exercise their franchise in 2007. This was because they were either not on the roll in the first place or because they were on the roll with an incomplete or incorrect detail. Unforgivably, in my opinion, those who missed out in 2007 included more than 4,000 18-year-olds, who would have been voting for the first time, their first opportunity to exercise their franchise.

That statistic in history is one of which the opposition should be deeply ashamed. At the time of the 2006 changes, the opposition mounted a spurious argument that the integrity of the roll had to be protected from so-called voter fraud. Today they still hide behind the same spurious arguments. As the member for Melbourne Ports has pointed out in this House before, there have only been 71 proven cases of fraud in the period of an entire decade, which amounts to one in a million votes.

Disenfranchising half a million voters to catch 71 fraudulent voters in 10 years makes absolutely no sense. It lacks any sense of proportionality and reveals the incredible fraud that was perpetrated on the Australian people by those changes brought by those opposite. Then there is the alleged issue of multiple voting. I do not know that there would be many people in my electorate who would be chasing an opportunity to vote three or four times in a day.

The coalition like to speak of multiple voting as some kind of important issue, but the joint committee’s report on the conduct of the 2007 federal election and matters related thereto describes the phenomenon very aptly as ‘the multiple voting myth’. I am sure it applies even more in my region if the surf is up on that day. The report notes, that of those electors who admitted to multiple voting in 2007, 82 per cent cited confusion, poor comprehension or were aged; and, of those in the aged category, 98 per cent were aged 70 or over. Of the 10 cases of apparent multiple voting that were eventually referred to the Australian Federal Police, no further action was taken. The committee concluded: … it needs to be more widely recognised that fears about the effects of multiple voting are, and have been, overstated and should not be used to deny eligible electors the opportunity to meaningfully participate in the democratic process.

Here we have the words attached to those on the opposite side of this parliament at this time: the rising of fear, a litany of fear, teaching people to be frightened of a reality that does not exist and, through that, attempting to disenfranchise those who have at the very heart of this democracy every right to have a say about the way in which our democracy should move forward.

For the record, Labor has tried several times since winning office in 2007 to right the wrongs of the former coalition government. The measures in the current bill relating to the close of rolls are in fact the third set of proposed changes in this area of electoral law to be introduced by the federal Labor government. Unfortunately, Labor’s previous attempts to legislate to return the close of rolls to seven days, as it was before, lapsed with the conclusion of the last parliament. Despite the overwhelming evidence members on this side of the House have cited
about the mass disenfranchisement of voters in 2007, the coalition has resisted our attempts to reinstate the seven-day close-off every step of the way.

Today we try again in a legislative sense. But since last year there have been some welcome and significant developments towards restoring the franchise to the Australian voter. Regrettably, these developments have not been in the parliament where the government continues to face all manner of opposition obstruction. The developments in the positive frame of which I speak were in the High Court, which on 6 August 2010 recognised the fundamental injustice of the Howard government laws in its historic decision Rowe v Electoral Commissioner. The decision handed down by Chief Justice French and Justices Gummow, Bell and Crennan held that the provisions of that legislation contravened the requirement in sections 7 and 24 of the Constitution that members of both houses of the Commonwealth parliament be ‘directly chosen by the people’. The upshot is that today’s legislation will simply allow our legislation to catch up with that fair and valid decision of the High Court.

The second set of changes this bill aims to bring in also flows from a High Court decision to overturn a 2006 Howard government amendment to the Electoral Act. In this case the High Court decision was Roach v the Electoral Commissioner and it related to the franchise of a person serving a sentence of imprisonment. In 2006, the Howard government removed voting rights from prisoners serving any term of imprisonment. When that was tested in Roach v the Electoral Commissioner, the High Court found the change to be constitutionally invalid.

As a consequence of the decision, voting eligibility reverted to the pre-existing requirement where prisoners serving a sentence of imprisonment of three years or longer are disqualified from voting and cannot be retained on or added to the electoral roll. It is not lost on me that Vickie Roach of Roach v the Electoral Commissioner is an Aboriginal woman. Sadly, despite her contribution to the field of voters’ rights, Ms Roach was unable to convince the court to let her vote.

I am deeply worried about the kind of negative messages that were unspoken yet implicit in the coalition’s 2006 changes. Young people need a positive environment in which to grow. This is even more the case for our vulnerable, disenfranchised young people. I fear negative messages are often self-fulfilling. For example, the seat of Robertson is home to the Frank Baxter Juvenile Justice Centre. It is the largest juvenile justice centre in the state of New South Wales with a capacity for 120 young people. We also have the Mount Penang maximum security section adjacent to Frank Baxter. According to the details that I have at hand, the juvenile justice centre accommodates males aged 16 to 21 years, mostly on control orders.

I mention the centre because at last year’s federal election the declared institution results from the centre were very striking. They were striking in that there was a complete lack of result. No votes at all were recorded. Not a single vote was cast there, despite the age range of the inmates, who should have been participating. There may be some other explanation that I do not know about—and I hope we find that to be the case as we dig deeper and find out—but the bottom line is that not a single vote was cast at the state’s largest juvenile justice centre in the country’s most populous state.

I have spent a lot of my time promoting the concept of active citizenry. School classrooms and university classrooms, in which I have spent most of my time, are the places in
which we practise the discourse of our democracy, where we model and we enable young people to find ways to get on in a community where they are connected with one another and where each day they learn ways of being better citizens. We practise and learn how to be citizens in that construct.

In terms of active citizenry, turning 18 is a critical moment. It is the moment when you move in a very powerful symbolic way to participation by your eligibility for a vote in the Australian nation.

The current situation, as was put in place by the Howard government in 2006, is simply untenable. I would like to conclude by saying that we simply cannot continue to make it difficult for young Australians to access their basic democratic rights. All young people deserve a right to vote. I definitely welcome the changes incorporated in the bill that is before us today and I commend it to the House.

Mr CHRISTENSEN (Dawson) (1.09 pm)—While this Labor government is busy wanting to help convicted criminals and the generally apathetic retain their right to vote, people in my electorate are feeling a very deep sense of disenfranchisement from the electoral process. I rise to speak against the Electoral and Referendum Amendment (Enrolment and Prisoner Voting) Bill 2010. In looking at this bill, I have to say that it does appear that the government is more interested in the enfranchisement of prisoners and the apathetic, and that is why this legislation is before this parliament—to ensure that those people get the right to vote. So I am confused about the priorities of the government in relation to electoral reform.

There are some severe problems with this bill. I have a strong view that the High Court actually got it wrong. The Constitution is quite clear in section 44(ii), where it talks about members and senators in this place and the requirements they have to meet in terms of imprisonment and convictions. The disqualification criteria for those people really should align with what is required of voters. It is my firm belief that, if you cannot sit in this place because you have been sentenced for more than a year, you should not be able to vote. If you cannot stand for an election, why should you be able to have a voice, a say, in that election? Section 44(ii) of the Constitution states:

Any person who—

(ii) … has been convicted and is under sentence, or subject to be sentenced, for any offence punishable under the law of the Commonwealth or of a State by imprisonment for one year or longer …
shall be incapable of being chosen or of sitting as a senator or a member of the House of Representatives.

With respect to the second part of the bill that the government is putting forward, we on this side have a strong concern with the capacity for electoral fraud. That is something that goes on. It has been documented to have gone on. It is certainly associated with high levels of enrolment activity that occur in the time immediately after an election is called. Looking at our own situation in Dawson, there were literally hundreds of people whose addresses did not match their enrolled address in the electoral in Dawson. That is a concern—and that would be replicated around the nation. It had been a favourite Labor pastime, particularly in North Queensland, to enrol dead people in vacant blocks. This was proved by the Shepherdson inquiry and by investigative journalists such as Bob Bottom. This is something that does go on. To open up a new set of rules that allows that sort of electoral fraud to continue is certainly of concern to me and it would be of concern to many people in this nation.

For all of the talk of disenfranchisement of young people—and I am one of the youngest people in this parliament, along with the member for Longman, on this side—the AEC figures show that under the rules of the Howard government there was a 40 per cent reduction from 2004 to 2007 in the number of people who missed the deadline to enrol. That shows quite clearly that the Howard government legislation was not disenfranchising anyone; in fact, it was helping the situation.

Labor were unable to get that legislative change that they wanted prior to the 2010 federal election in this regard. However, immediately prior to the election, GetUp!—that Labor front masquerading as a political activist group—confected a series of deliberate late enrolments and then appealed to the High Court to have those laws ruled unconstitutional. It must be of major embarrassment for the Labor Party to be connected to this group GetUp!—they are very well financed, this grubby little left-wing group, and they have tentacles that stretch right into the heart of caucus. They should be morally and ethically bound to show where their finances come from, because they get involved in the electoral process. They were handing out GetUp! how-to-vote cards in my electorate, basically advocating that voters vote for Labor or the Greens. And they try to claim that they are completely impartial! Then they have the hide to run campaigns such as the one they are running in Brisbane at the moment where they put up a big billboard and claimed that women are being jailed because of abortion laws in Queensland. No woman has ever been jailed because of abortion laws in Queensland. So these are the kinds of people who are linked to the ALP and who basically pushed it on them to put this legislation up before the House. So that is GetUp! and that is their problem, I suppose.

But I really do want to speak on the real disenfranchisement on which the government should be legislating and which it should be addressing, to do with the community of interest issue that I talked about earlier. The situation in my electorate is akin to someone living in Werribee in the Prime Minister’s electorate of Lalor having their federal member living in Albury, New South Wales, 400 kilometres away. Electoral divisions in the north of Queensland are really that bizarre. How would the Prime Minister’s constituents feel if they were lumped together with the community of Albury in New South Wales? Maybe then we would be here debating a bill that gave greater access to representatives rather than a bill that makes sure prisoners retain their right to vote.

The people living in the southern suburbs of Mackay and Townsville feel as though
their new federal electorate boundaries have disenfranchised them—none more so than the former federal member for Herbert, Peter Lindsay, now my valued constituent in the electorate of Dawson, who said in this House in August 2009:

I happen to live in Annandale ... Where I live, in the new seat of Dawson, is two kilometres from my electorate office.

That is, the Herbert electorate office.

In fact, it is two minutes and 45 seconds away by car. How bizarre is that!

It certainly is bizarre, because Mr Lindsay lives 400 kilometres away from Mackay and would need to take an 800-kilometre round trip to visit the Dawson electorate office. In fact, there are people living 10 minutes from where I live in the centre of Mackay whose federal representative is a 3½ hour drive—a seven-hour round trip—from where they live. Yet, 4½ hours north, I still have residents in the seat of Dawson.

In his speech back then, Mr Lindsay pointed out that the creation of the federal seat of Flynn in 2007 had caused the seats of Capricornia, Dawson and Herbert to move north, Capricornia being pushed into the southern areas of Mackay in the seat of Dawson. Sarina and Mirani, whose community of interest is with Mackay—and, I would say, the Pioneer Valley as well—are now in the seat of Capricornia and are not being represented effectively. And that is a complaint that I get time and time again from those residents.

The seat of Dawson was pushed right into the southern suburbs of Townsville, where the community of interest is with Townsville, obviously, and not with Mackay. But the AEC, in their infinite wisdom, basically said they were not concerned with that. What they were concerned with was the inclusion of Lavarack Barracks in the Townsville seat of Herbert. They did that because they said there was an affinity and community of interest between these soldiers and those in the garrison city of Townsville. They must have Mr Squiggle employed there because—to cut that out, when suburbs right around it are in Dawson, and to cut the barracks out and put that in with Townsville—that is an interesting boundary! Mr Lindsay did point out that there are many soldiers—probably more soldiers—living in Annandale, which is in the seat of Dawson, than there are living at Lavarack Barracks. So the argument that the AEC put forward there defeats their argument in terms of the boundary alignments.

The situation is the same as in Mackay. I have seen those issues as a local government councillor in a previous life, prior to coming here. As I said, you have got areas of the Mackay region—Sarina, the Pioneer Valley, Walkerston, Plainland—which are just completely disempowered and disenfranchised. They are not represented adequately. They complain about it vigorously. And yet the government does nothing to strengthen the community of interest provisions in the Electoral Act. Instead, we are here talking about enfranchising and empowering criminals. We are talking about helping those who could not be bothered to enrol by giving them extra time to enrol, and allowing a whole heap of problems to happen in terms of electoral fraud. So I would call on the government to immediately legislate to make community of interest the guiding principle in all redistributions that happen from now on, and in fact to look at existing electoral boundaries and question whether they do fit with community of interest.

Labor should be legislating to improve the electoral laws, not trying to empower criminals beyond what is constitutionally required. What about law-abiding electors and their sense of disenfranchisement with the electoral process? How come Labor is not legislating for these people? Community of
interest provisions in the Electoral Act should be strengthened. And that should be the priority over and above any others right now.

Ms SAFFIN (Page) (1.21 pm)—I speak in support of this bill, the Electoral and Referendum Amendment (Enrolment and Prisoner Voting) Bill 2010, and I do so for two reasons. One is the general reason that anything that this parliament can do to enfranchise voters is something that we have to take seriously, to consider seriously and to do. It is not our role when we come into the parliament to disenfranchise voters. The right to vote is one of the rights that are in our Constitution, and it is something that we have to be very mindful of and give expression to. That is the general approach that we should adopt in how we do things, whether we are in government or whether we are in opposition. So it is very clear, I am talking about the parliament and our role as law makers and members of parliament.

When I went to the election in 2007, what disturbed me was that there had been provisions introduced to the act which had disenfranchised voters, particularly young people and others who were enrolling for the first time. We should be encouraging young people—we should be encouraging everybody—to exercise their democratic right to vote. There was that period where they had to get on the rolls and they had to register almost immediately, and by the time they realised that it had to be done it was over; they could not do it. That is going from the general to the particular.

The primary purpose of this amendment is to amend the Commonwealth Electoral Act 1918 and the Referendum (Machinery Provisions) Act 1984 to give effect to two decisions of the High Court of Australia. It pleases me to be able to talk to an amending bill that is giving effect to those two decisions. The previous speaker said a number of things, but he said that we should not be doing beyond what we are constitutionally bound to do. That is precisely what we are doing; the High Court made two decisions, and we are giving effect to those two decisions.

The first decision is Rowe v Electoral Commissioner, and it was decided on 6 August 2010. It concerned the process following the calling of an election through the formal issue of a writ and the period of time allowed for relevant voters to either ensure they are on the electoral roll or update their details. I can remember people coming to my office, trying to get forms faxed through to the Australian Electoral Commission. My staff stayed at work until eight o’clock that night trying to get them through, because the fax clogged up and nobody could get anything through. We were on deck to make sure that people were able to do that.

As to how they would vote, I did not have a clue, but they were my constituents and that was what they wanted to do. Some missed out because they went to the post office and the post office was closed. The post office actually could not get the forms through to the AEC. The AEC were sending them to my office; some got there. There was a whole range of things that were going on at that time. Even though that was all rather messy, what was pleasing was that there were people who really wanted to get on the roll and exercise their right to vote, so it is really important that we make these changes to the act.

The second decision was Roach v Electoral Commissioner, which was decided in August 2007. That concerned the franchise for relevant people who may be serving a sentence of imprisonment. I heard some contributions recently from someone in the coalition—I cannot remember who it was—
talking about the issue about prisoners, saying that we should not be giving them the right to vote. It is a longstanding philosophical view, but we should be giving the right to vote to people wherever they are without fear or favour. There are some constraints on it, but we should not just keep making it harder and harder for anybody to exercise that right to vote. In keeping with rule of law principles, the punishment is actually the sentence and the detention, so we do not have to further sentence through legislative sentences here. That is exactly what was being suggested by the other side. Legislative sentencing is a dangerous area to stray into.

If the bill is enacted, it will do a number of things. It will update the text of the Electoral Act to reflect the current legal position as declared by the High Court to restore the close of rolls period to seven days after the date of the writ for a federal election and reinstate the previous disqualification of prisoners serving a sentence of imprisonment of three years or longer from voting at a federal election. Consequential amendments to the referendum act would have to be made to ensure consistency between the two acts. The explanatory memorandum also deals with two other related matters that are also addressed by the bill.

In June 2009 the Joint Standing Committee on Electoral Matters delivered a report entitled, Report on the conduct of the 2007 federal election and matters related thereto. I will just stop and make a comment about the Joint Standing Committee on Electoral Matters. I have read a lot of its reports, and it has done some really fine work over the years. It behoves us to read those reports and use them as a guiding principle—not every report, but in general the committee has done some fine work, particularly over the last few years. The bill would implement the government’s response of 18 March 2010 to recommendation 47 of that report, and the amendments would ensure that, while prisoners serving a sentence of imprisonment of three years or longer will be disqualified from voting, they may remain on or be added to the electoral roll. The other related matter that would be addressed by the bill is an interpretive provision to ensure that certain references in the Electoral Act to an election for a division or similar expressions can operate in the event of a half-Senate election held independently from an election of the House of Representatives.

In closing, it pleases me to be able to talk on this bill. It pleases me that we are able to further franchise voters, voters who were disenfranchised by the previous government, the Howard coalition government, who one after another will be here today, seeking to continue that disenfranchisement. I commend the bill to the House.

Mr FLETCHER (Bradfield) (1.30 pm)—The bill before the house today, the Electoral and Referendum Amendment (Enrolment and Prisoner Voting) Bill 2010, has four provisions. The first deals with the status of a person serving a prison term of three years or longer from voting at a federal election. Consequential amendments to the referendum act would have to be made to ensure consistency between the two acts. The explanatory memorandum also deals with two other related matters that are also addressed by the bill.

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an election has been called, the argument that has been put in favour of extending that deadline, is an unpersuasive one. The position under the 2006 legislation, passed under the Howard government, was that on the day that writs were issued for an election, the deadline for enrolment was 8 pm that night. Further, the legislation meant that the rolls closed three days later and that 8 pm on that day was the deadline for changing an existing enrolment. What is now put is that the rolls should be closed seven days after the writs are issued. The argument in favour of that is that somehow the position in the 2006 legislation disenfranchised voters.

As is well known, this was the basis of proceedings brought before the High Court by the activist organisation GetUp!. The claims that were made, that the 2006 changes disenfranchised voters, are not persuasive. In his judgment, Mr Justice Heydon noted that no evidence had been put before the High Court in relation to the claim that many young electors rely on the existence of the seven-day period as a way to update their enrolment. A further point is that, quite frankly, you would have had to have had your head under a rock—if I can paraphrase the more measured judicial language of Mr Justice Heydon—not to know that there was a very high prospect of an election coming as at July 2010. A further point is that all of us, all citizens, are under an obligation to be on the electoral roll. That is one of the incidents of our responsibility as citizens.

Yet another point, which again highlights the logical inconsistencies that are contained in the argument in favour of the changes, is that if you accept the argument at its face value, then frankly you ought to take the argument to its logical conclusion—that is, the rolls ought be open until 6 pm on polling day because people might be disenfranchised because they have not had the opportunity to get on the roll at any time prior to 6 pm on polling day. The substantive point here is that a balance needs to be struck between, on the one hand, the importance of maximising enfranchisement—getting as many people as possible on the rolls able to exercise their right to vote—and, on the other hand, considerations of administrative efficiency and, very importantly, protection against the risk of electoral fraud. The arguments that are put in favour of changing from the position which applied under the 2006 bill are unpersuasive. They would not of themselves convince an objective observer that there is any need to change from the position as it stood under the law following the 2006 legislation.

But the second point we make on this side of the House about our position on this bill is that it is not simply a question of whether provisions maximise the capacity of people to get onto the roll; there is another important consideration which the parliament ought to have regard to as it assesses the merits of this proposed change—that is, the extent to which there is capacity for fraud on the electoral system, fraud on the Australian people, to be perpetrated. Is there a risk, if the Electoral Commission is required to process very large numbers of enrolments at a date very shortly before the polling day itself, that you expose the system to a greater risk of fraud? We say on this side of the House that there is a significant risk. That is not a risk to be taken lightly, that is not a risk to be dismissed, and that is a substantive reason why we are not attracted to the provision of this bill in relation to the deadline for enrolment.

The third point I wish to make is that the party bringing forward this change is, regrettably, a party which has form in bringing forward changes which are supposedly motivated by a high-minded concern for the public interest, but which are substantively due to a desire to achieve partisan political advantage. I am sorry to say we have seen that
kind of thing time after time, both at a federal and at a state level, in relation to reforms proposed by the Labor Party. For example, in New South Wales we have seen the Labor government change the rules in relation to political donations by banning the receipt of donations from certain categories of donors, including tobacco, alcohol and gaming after many years—almost 15 years—of enthusiastically hoovering up donations from those very sources. The hypocrisy is rank indeed.

We also saw, in the case of the Shepherdson royal commission in Queensland some years ago, the unedifying spectacle of a former State Secretary of the Australian Labor Party appearing before the royal commission to be asked about the address at which he was enrolled on the roll some years before when he was starting out in the pursuit of his political ambitions. He was reluctantly forced to concede in cross-examination that in fact he had never lived at that address. Apparently, it was an unfortunate administrative error. It was such an unfortunate administrative error that the consequence was, after taking a recess to consider his position, he abruptly resigned as a member of the Queensland parliament. That was a state secretary of the Labor Party in Queensland. This is the party which is putting forward this piece of legislation today. It causes me no pleasure to say it, but this is the party, regrettably, which has form in seeking to amend the electoral legislation for partisan political advantage.

We do not support this provision of the bill which is before this House today. We do not accept the arguments that people are in some way disenfranchised because they are unable to get on the roll throughout the period which is available to them to do so. We make the point that the risk of electoral fraud is a serious one and not to be dismissed lightly. With regret, we ask questions about the good faith of those who are putting forward this legislation. We do that, sadly, based upon an objective consideration of the track record of the party which is putting forward these provisions.

Mr MELHAM (Banks) (1.39 pm)—I rise to support the Electoral and Referendum Amendment (Enrolment and Prisoner Voting) Bill 2010. The bill will update the text of the Commonwealth Electoral Act 1918 to reflect the current constitutional position as declared by the High Court to (1) reinstate the previous disqualification for prisoners serving a sentence of imprisonment of three years or longer from voting in a federal election and (2) restore the close of rolls period to seven days after the date of the writ for a federal election.

The previous speaker, the member for Bradfield, talked about good faith. What more good faith can there be than to bring forward legislation that reflects a High Court decision—a majority decision—in two cases that is about enfranchising electors? In all my time here, the Labor Party, this side of the parliament, has been about enfranchising. That is what this debate is about.

I will quote from the High Court decision of Roach. It was a 4-2 majority with Chief Justice Gleeson in the majority. Justices Gummow, Kirby and Crennan gave a joint judgment with Justices Hayne and Heydon in the minority. It is worth reflecting what they say on the matter. Chief Justice Gleeson said, at paragraph 10:

What is the rationale for the exclusion of prisoners? Two possibilities may be dismissed. First, the mere fact of imprisonment is not of itself the basis of exclusion.

At paragraph 11, he said:
The rationale for the exclusion from the franchise of some prisoners, that is, those who have been
convicted and are serving sentences, either of a certain duration or of no particular minimum duration, must lie in the significance of the combined facts of offending and imprisonment, as related to the right to participate in political membership of the community.

In effect, he finished his judgment by saying, at paragraph 24:

The step that was taken by Parliament in 2006 of abandoning any attempt to identify prisoners who have committed serious crimes by reference to either the term of imprisonment imposed or the maximum penalty for the offence broke the rational connection necessary to reconcile the disenfranchisement with the constitutional imperative of choice by the people.

Justices Gummow, Kirby and Crennan had this to say in their judgment, at paragraph 85:

Is the disqualification for a ‘substantial’ reason? A reason will answer that description if it be reasonably appropriate and adapted to serve an end which is consistent or compatible with the maintenance of the constitutionally prescribed system of representative government.

When used here, the phrase ‘reasonably appropriate and adapted’ does not mean essential or unavoidable. Further on it says:

... in this context there is little difference between what is conveyed by that phrase and the notion of “proportionality”. What upon close scrutiny is disproportionate or arbitrary may not answer to the description reasonably appropriate and adapted for an end consistent or compatible with observance of the relevant constitutional restraint upon legislative power.

And then this is what they say at paragraph 95:

The legislative pursuit of an end which stigmatises offenders by imposing a civil disability during any term of imprisonment takes s 93(8AA) beyond what is reasonably appropriate and adapted (or “proportionate”) to the maintenance of representative government. The net of disqualification is cast too wide by s 93(8AA) ....

The result is that sections 93(8AA) and 208(2C) are invalid and question 1 in the amended special case should be answered accordingly.

That is why we are here today debating this piece of legislation. The High Court basically said that the former government went too far. They did the same thing when they cut back seven days as being the day when you can get on the roll from the time at which an election is called. The High Court in that case, which is known as Rowe’s case, had Chief Justice French in the majority, with Justices Gummow and Bell doing a joint judgment, and Justice Crennan, and in the minority Justices Hayne, Heydon and Kiefel. Again, it is about enfranchising. At paragraph 166:

In particular, the requirement in Roach of any disqualification be for a substantial reason cannot be answered simply by what may appear to have been legislative purpose. A legislative purpose of preventing such fraud before it is able to occur, where there has not been previous systemic fraud associated with the operation of the seven-day period before the changes are made by the 2006 act, does not supply a substantial reason for the practical operation of the 2006 act in disqualifying large numbers of electors. That practical operation goes beyond any advantage of preserving the integrity of the electoral process from a hazard which so far has not materialised to any significant degree.

Debate interrupted.

STATEMENTS BY MEMBERS

Swan River: Mosquitoes

Mr IRONS (Swan) (1.45 pm)—Today I rise to talk about an issue my electorate which I am sure is being felt right across Australia due to the extensive flooding throughout Australia over the summer. Believe it or not, the problem is still occurring in my electorate, even though we have not had a lot of rainfall in Western Australia. It is a mosquito problem, particularly in four sub-
The high tides in the Swan River are causing the baits that have been set down under the auspices of the Swan River Trust to drift away and disappear. The lack of baits in Australia—because of the requirement for baits all around Australia after the flooding, particularly in the eastern states—is not helping the issue.

On Monday I had a call from a constituent—a person who is dear to the hearts of a lot of people in this place—who was very concerned about this issue. I see some of the new members on the government benches are in here; they would not have had the pleasure of meeting or dealing with this person: Wilson Tuckey. Wilson made it quite plain to me that this is a real issue and something that needs to be dealt with—

Mr Lyons—Bring him back!

Mr IRONS—You’ve missed out; you should have been here! We need to get the councils in my electorate to band together and let the Swan River Trust know that fogging needs to be done. It is a health issue, and fogging needs to be done now, not in four weeks time. (Time expired)

**Royal Canberra Show**

Dr LEIGH (Fraser) (1.46 pm)—Last weekend I took the family to the territory’s one and only Royal Canberra Show. The show puts on display the best produce and livestock that the ACT and surrounding areas have on offer. Bolstered by the best growing season many producers ever seen, there was a diverse showcase of farm animals and agricultural and horticultural produce. As a boy who attended an agricultural high school, I greatly enjoyed watching the working dogs, seeing the cattle classing and checking out the fresh produce. We also witnessed the V6 HiLux team crash two utes in front of us, prompting my four-year-old to turn to me and say, ‘Daddy, was that meant to happen?’

The 134,000 people who attended were no doubt drawn by the furious show competition that can only be associated with a good agricultural event like the Royal Canberra Show. Congratulations should be afforded to winners like Hannah Power and her bull Recharge, who took home the senior champion ribbon; the Howe family with their stock-horse O’Brien’s Flauntette, who won Champion Australian Stock Horse Working Horse; Dan Dwyer, with his tablet and butternut pumpkins; and DE Thomas with the dog Maryheather Wolfman, who took out first in Australian Bred Working Dog Class.

The success of the Canberra Show tells me two things worth celebrating: Canberrans are proud of their city’s country roots; and the growing regions that surround Canberra—the Monaro, Upper Lachlan, Palerang and Yass Valley—are going strong.

**Honey Bees**

Mr BRUCE SCOTT (Maranoa) (1.48 pm)—The fate of the Australian honey bee industry is in serious doubt. The honey bee industry contributes around $80 million a year directly to the Australian economy through honey and related products. The pollination industry is responsible for some $4 billion of food production each year. Nearly two-thirds of every balanced diet includes food which is produced from pollination by bees.

The federal government is putting the Australian food industry at risk by refusing to fund a program for the eradication of the Asian bee. This bee displaces native bees from their natural habitats by competing with them for floral resources. In my electorate of Maranoa, this puts a number of food-producing regions at risk, including Stanthorpe, and Chinchilla, with its melon industry.

This is one of the most serious issues affecting the Australian food industry. Yet, in-
stead of doing something, the minister sits around like a drone, doing nothing while the busy worker bees on this side of the House are doing something to save this industry and the food resources of this nation. This is just another example of Labor’s ignorance of agriculture. I call on the minister to restore the funding to eradicate the Asian bee before it is too late. Otherwise, we will have another plague like we have seen with cane toads, which were never checked. I call on the minister not to act like a drone but to work like a worker bee. (Time expired)

Tan, Mr Shaun

Ms PARKE (Fremantle) (1.50 pm)—I want to take this opportunity to congratulate Shaun Tan for his achievement in winning an Oscar for best animated feature with *The Lost Thing*. Shaun was born and raised in Fremantle, and I am sure he would acknowledge the benefit of growing up in a place that values the arts; that values creativity; that is raffish, multicultural, outward-looking and comfortable in its own skin, all at the same time.

His wonderful book *The Arrival* refuses easy categorisation. You could call it a picture book, as it has no words. You could call it a children’s book, as it is easily understood by children. But it can also be accurately regarded as a piece of profound social comment for the way that it gets to the heart of the migrant experience, for the way that it makes a subtle, powerful argument for tolerance, compassion and multiculturalism. In that way, it is a very Fremantle piece of art.

Shaun Tan is a groundbreaking and distinctive Australian artist, and I am sure he would be the first to recognise that his special gift was nurtured in Fremantle by arts organisations like the Fremantle Children’s Literature Centre and the Spare Parts Puppet Theatre. I know that the Fremantle community is proud of Shaun, and again I congratulate him on his achievement in winning the Oscar and on the sum of his art to date. We look forward to seeing more of his wonderful, clear-sighted, brave and beautiful work in the future.

**Tasmanian Pulp Mill**

Mr WILKIE (Denison) (1.51 pm)—I rise today to express my disappointment at the Prime Minister’s evasive response last week to my question without notice about the proposed Tamar River pulp mill. My question was simple: would the Prime Minister rule out further federal financial assistance for the proposed Tamar River pulp mill, either directly or indirectly, including through the Export Finance and Insurance Corporation? While the PM’s response was convoluted, her meaning was clear. She would not rule out the government providing financial support despite this mill being so controversial and divisive, not just in Tasmania but throughout Australia.

The tortured story of this project includes a trail of broken promises and reads like a manual on how not to do business: a company used to getting its own way proposes a dirty pulp mill in an unpopular spot, using technology less than first promised, and a crash-through premier promises to abide by the decision of the independent umpire but then tears up the rule book and rams the project through state parliament, trashing proper process and public trust along the way.

Quite simply, a great many Tasmanians have concerns about this pulp mill, and in refusing to rule out further financial assistance the Prime Minister is ignoring the concerns of a great many Tasmanians. I call again on the Prime Minister to abandon this stinking mill.

Hughes, Mrs Jan

Mr LYONS (Bass) (1.52 pm)—I rise today to congratulate a passionate, hardworking and innovative lady in my electorate of...
Bass, Mrs Jan Hughes. Jan has recently been announced as the Tasmanian Rural Industries Research and Development Corporation Rural Women’s Award 2011 runner up.

A few weeks ago I was privileged to meet Jan on a tour of the north-east of Tasmania, and to taste her award-winning ‘Rhu Bru’, one of the rhubarb products that she produces. The Tasmanian Rural Industries Research and Development Corporation Rural Women’s Awards recognises and encourages rural women and their contribution to primary industries and research. Upon returning to the region from teaching in Tanzania, Jan and her husband, Olger, recognised that Scottsdale produced in excess of 500 tonnes of rhubarb each year, yet between 10 and 30 per cent was discarded as waste. Jan developed the refreshing non-alcoholic drink out of the blemished stalks which, may I say, is magnificent.

Jan’s ambition is ‘to facilitate and forge a stronger partnership between agriculture and tourism and establish a viable agritourism business sector to provide economic growth for the Dorset region.’ I believe that Jan is well on her way to reaching her ambition.

I would like to congratulate Jan on her success and also to wish her all the very best for the future. It is innovative and passionate people like Jan that keep regions like the north-east of Tasmania strong.

Queensland Floods

Ms GAMBARO (Brisbane) (1.54 pm)—Today I rise to say thank you to the New Farm Neighbourhood Centre and other associated groups for their organisation of the New Farm Recovers Festival last Sunday.

At the weekend we saw an array of businesses, organisations and associated groups coming together to share their stories about the flooding that devastated New Farm and also to plan for the future. It is wonderful that the centre is leading the way in community assistance—and now community recovery and planning—through the Under 1 Roof report A Silver lining: community development, crisis and belonging, which was launched at the event.

Sunday was a very important day for children to come together to play. There was a bike race around the magnificent rose gardens of New Farm Park and there were African drums, all organised by the centre. I want to pay tribute to the president, Michael Drummond and senior service manager, Fiona Hunt.

It was also wonderful to hear the New Farm State School and the Holy Spirit School lift our spirits through their choir. As they say, music washes away from the soul the dust of everyday life. Principals Virginia O’Neil and Nick Gallan should be very happy that the children did indeed help to wash away from our souls not the dust but the remnants of the biggest flood for over 30 years.

I want to acknowledge the businesses in the area that made it possible: Price Attack, Coles New Farm, Brisbane City Council, Brisbane Powerhouse, Feral Arts, New Farm Bikes, Merlo Coffee, Black Pearl Epicure, All About Fruit, Di Bella Coffee, Oblong Designers, Village News, Bonjour Patisserie, Zanda Adrian-Walla, Cakes Around Town, The Workstation and Teneriffe Realty. (Time expired)

Building the Education Revolution Program

Mr ZAPPIA (Makin) (1.56 pm)—Recently I attended the official opening of BER projects at Tea Tree Gully Primary School and Ridgehaven Primary School in my electorate of Makin.

At Tea Tree Gully Primary a new school gym was constructed and at Ridgehaven the funding was used to refurbish outdated classrooms. In both cases the respective princi-
pals, Grant Dolejs at Tea Tree Gully primary and Jean Perks at Ridgehaven primary, were very grateful for the federal government funding of those projects. Both were closely involved in the negotiations necessary for the works and both clearly believed that the projects represented good value for the money spent.

All of the students, teachers and parents whom I spoke with at the opening events shared the principals’ sentiments. In both cases the schools now have facilities that they have been waiting years for and which they may never have been able to construct without federal government funding. I also know of many local tradespeople who were kept in employment because of the federal government’s BER program.

The current 500-plus school children who attend both schools and the future students of those schools will now have facilities they desperately needed. They are facilities which will make their school lives so much better. It is these children, their families and their teachers whom the coalition would have turned their back on by blocking the BER funding, had they been able to do so.

Helensvale Golf Club

Mr ROBERT (Fadden) (1.57 pm)—
Recently, I met with Colin McBain from the local board of the Helensvale Golf Club. The golf club is facing a bleak future: due to waterlogging, the course has been unplayable for 373 days of the last three years. It is surrounded by flood plains which the Labor state government has oversight of, and there is insufficient drainage which has caused excess runoff to inundate the golf course rendering it unplayable for an average of 130 days a year.

Clearly, members are now not renewing their full-fee membership due to the course being useless for a third of the time. The Labor state government is using the golf course as part of its flood plain and is avoiding putting in sufficient drainage which would solve this problem for members of the Helensvale Golf Club.

The future of local jobs is in jeopardy. If flooding continues and the club becomes unsustainable then the community will lose a great local hub used by community groups, club members and locals. The Labor state government in Queensland is unnecessarily burdening the Helensvale Golf Club and the community by not adequately maintaining the state government land that they have a duty and, indeed, a responsibility to look after. The cost of the Labor state government’s inaction will be higher to the community than the cost and the implementation of the drainage.

On behalf of the Helensvale Golf Club I implore the Labor state government to live up to and realise their responsibility for the drainage of this property.

Parsons, Mr John Henry

Ms BIRD (Cunningham) (1.58 pm)—I take the opportunity today on behalf of myself and the member for Throsby to put on the record of the House the passing of Mr John Henry Parsons. John was a local gentleman—and I say that in the fullest meaning of the word—who ran the family business H Parson’s Funeral Directors in Wollongong, a long-established and well-known local business.

I knew John from an early funeral I attended in my role as the local member and, as with so many old Illawarra families, he said to me, ‘I am sure we are related,’ and I subsequently discovered we were. His funeral is today and, sadly, the member for Throsby and I are not able to join the family, but we extend our deep condolences to them. He will be sadly missed by many in our region.
He was, of course, somebody who many of us knew in the saddest of circumstances, but his smile, kindness and generosity to families in difficult circumstances will long be remembered. He was the beloved husband of Margaret; the loved, adored and cherished father and father-in-law of Julianne and David, Mark and Lisa, Alan and Michelle, Menita and Mark and Alison and Stewart, and much loved ‘Pa’ of his 15 grandchildren. The whole region wishes the family our deepest condolences.

LIBYA

Ms GILLARD (Lalor—Prime Minister) (2.00 pm)—On indulgence, I seek to give the House an update on events in Libya. The Australian government is greatly concerned about the deteriorating situation in Libya. The Gaddafi regime has lost all legitimacy, yet clings to power. Hundreds, perhaps thousands of brave Libyans have been killed. Colonel Gaddafi seems determined to plunge his country into civil war and chaos. The international community must do all it can to prevent further bloodshed.

Australia was one of the first countries to announce autonomous sanctions against Libya. These included travel bans and financial sanctions against Gaddafi and key members of his regime. On the weekend the United Nations Security Council acted swiftly and decisively against Gaddafi. Tough international sanctions were put in place, sanctions that every member of the UN is obliged to impose—travel bans, financial sanctions and an arms embargo—as well as a request for action by the International Criminal Court to ensure that Gaddafi and those around him are held accountable for their actions. Today the United Nations General Assembly voted to suspend Libya from the Human Rights Council. We welcome this decision, the first time the General Assembly has decided to suspend a country from the council. No other decision was conceivable.

Now we must keep the pressure up. Australia is calling for the Security Council to consider a no-fly zone over Libya. This would stop Gaddafi from launching his air force to attack protesters and the cities in which opposition forces have control. We urge the Security Council to consider this measure to protect the people of Libya.

Australia is also gravely concerned by the worsening humanitarian situation on Libya’s borders. More than 150,000 people, many of them migrant workers, have fled to these borders where they are camped with little shelter, food or water in bitterly cold conditions. The international community must respond quickly to help these people. Australia stands ready to assist and that is why we have made an immediate contribution of $1 million to the International Committee of the Red Cross. Australia will also provide an additional $5 million to UN agencies responding to this crisis including the United Nations High Commissioner for Refugees and the United Nations Children’s Fund. Australia will also provide a team of disaster relief experts to assist UN agencies to respond to the crisis.

Throughout this crisis, keeping Australians safe and helping them to leave Libya has been the government’s highest priority. I want to be frank with members: this has been extremely challenging. I can well understand the frustration and fear Australians caught in Libya would have felt. Our single representative in Tripoli, our Consul-General Tom Yates, has done a great job in extremely difficult circumstances and dangerous conditions a long way from home. I thank him for his efforts and I am sure the House would join me in that thanks. More than 100 Australians have departed Libya since the crisis began. On the weekend we made the difficult
decision to withdraw Mr Yates and two other officers who had been flown in from Egypt to help. We could no longer guarantee their safety. The United States, Canada, France and the United Kingdom have also withdrawn their diplomatic staff.

But we continue to remain in contact with the small number of Australians still in Libya. We are working closely with our consular partners to identify all evacuation options including ferries which are still departing. I would like to thank the governments of the United Kingdom, the United States and Canada for their offers of assistance to evacuate our diplomats and Australians from Libya. I would also like to thank the Egyptian, Jordanian and Turkish governments for their ongoing support on the ground in Tripoli. I am also very pleased to advise the House that two Australians who were detained in Tripoli have been released and both have now departed safely. The second Australian, who was released today, has departed with the assistance of the Turkish government who flew him to Turkey on a military aircraft. I would like to register the deep appreciation of the Australian government for Turkey's assistance to ensure his safe departure from Libya following his release. It is an enormous relief to his family and to the Australian government.

The international community has a simple, clear message for Colonel Gaddafi: it is time to go. It is time to stop the killing of your own people. It is time to stop the executions. It is time to stop the beatings, the torture, the violence and the terror. It is time, Mr Gaddafi, to listen to the voices of your people and to the voices of the world. It is time to go.

Honourable members—Hear, hear!

Mr ABBOTT (Warringah—Leader of the Opposition) (2.05 pm)—I rise to join with the Prime Minister in utterly condemning the Libyan government for its violence against its own people and in comprehensively condemning the Libyan leader, Colonel Gaddafi, who has totally lost any right to rule. I say on behalf of the coalition that we support strong measures against the regime including the consideration of a UN authorised no-fly zone and a referral of Libya’s conduct to the International Criminal Court. I should also say that we welcome the measures the Prime Minister has just announced and we welcome and are grateful for the assistance that has been given to Australian citizens by Britain, America and Canada and by other countries. We also welcome the leadership that our foreign minister, Mr Rudd, has been providing in the Middle East in organising international action against this rogue regime.

QUESTIONS WITHOUT NOTICE

Carbon Pricing

Mr ABBOTT (2.07 pm)—My question is to the Prime Minister. I refer the Prime Minister to John Fragopoulos, who runs FishCo in Belconnen and who is already paying $3,000 a month for electricity to keep his small business going. How much will his power costs rise under the Prime Minister’s carbon tax? And if her answer is that she has not announced the details yet, what can be more uncertain than a tax she cannot explain?

Ms GILLARD—I thank the Leader of the Opposition for his question. What I would recommend to the Leader of the Opposition is the words of the member for Groom, who was very, very frank about the question of electricity prices before the last election and his words still ring true today. What he said was that the enormous investment needed across Australia to expand electricity supplies will double power prices during the next five to seven years, regardless of who wins government. He went on to say, ‘Power prices are set to double over the next five to
Mr Abbott—Mr Speaker, I rise on a point of order on direct relevance: how much more will prices rise because of the Prime Minister’s carbon tax?

The SPEAKER—There are a number of parts to the question. I will listen carefully to the Prime Minister’s response. She understands that she needs to be directly relevant. The Prime Minister has the call.

Ms GILLARD—Thank you very much, Mr Speaker. The member for Groom went on to say, ‘Lack of planning has led to an investment drought.’ What that means, and what the Leader of the Opposition ought to acknowledge, is that we are in a situation where electricity prices are rising, where there has been insufficient investment in the sector and, in part, that insufficient investment has occurred because of uncertainty about a carbon price. So for the small business person that the Leader of the Opposition refers to, there are basically two futures: one of rising electricity prices, with no action on carbon pollution, no investment certainty because there is no carbon price, and a continued lack of investment in electricity generation and distribution with all of the stresses and strains that implies for prices; or the alternative future, the future that the government would advocate for and which we announced when we announced the carbon pricing mechanism last week—a future where we fix a price for carbon, there is certainty for those who would invest that will enable investment in energy, in renewable energy, in electricity generation that will expand capacity that is important for small businesses, for big businesses and for households and, because we are a Labor government, there is fair and generous assistance to households. They are the two alternatives. On being clear about the alternatives, I think the Leader of the Opposition should acknowledge that his alternative is one where he takes $20 billion of taxpayers’ money, uses it to buy international credits because it is the only way he can reach the bipartisan targets for carbon pollution reduction and then spends $10.5 billion on ineffective direct action measures, a total of $30 billion spent in all, so—

The SPEAKER—Order! The Prime Minister will not debate the question.

Ms GILLARD—an additional tax burden of $720 per year for Australian families. What the Leader of the Opposition stands for is imposing that additional $720 whilst electricity prices rise, whilst households go without compensation or assistance.

We stand for a different future: pricing carbon, certainty of investment, fair and generous assistance to households. That is what our scheme is all about. I would say to the Leader of the Opposition: it is time to put the politics aside and do something in the national interest. That is what we intend to do.

Mr Pyne interjecting—

The SPEAKER—The member for Sturt will withdraw.

Mr Pyne—I withdraw, Mr Speaker.

Carbon Pricing

Ms SAFFIN (2.12 pm)—My question is to the Prime Minister. Prime Minister, why is setting a price on carbon the best way to assist business to take up cleaner sources of energy and to help—

Opposition members interjecting—

The SPEAKER—Order! The member for Page has the call.

Ms SAFFIN—Prime Minister, I will start at the beginning. Why is setting a price on carbon the best way to assist business to take
up cleaner sources of energy and to help families with the rising costs of living?

Ms GILLARD—I thank the member for Page for her question. She understands the benefits of tackling climate change. She understands the benefits of pricing carbon. She is someone who has worked with her local farming and agricultural industry to discuss the benefits of carbon farming and measures for agriculture to benefit from programs like our Carbon Farming Initiative, which was launched in her electorate.

We have a responsibility to price carbon in the national interest. I do not want Australia to be amongst the highest carbon pollution emitters in the world. I do not want to experience an energy shock in fossil fuel prices and a fossil fuel constrained future. I do not want future generations to be saddled with the costs of our delay. I do not want our economy to be left behind. I do not want our confident nation to be let down. I do not want a debate that is ruled by fear instead of facts. That is why we need to act now and we need to have a national debate that is ruled by facts, not fear.

A carbon price will make polluters pay, and that price signal will mean that businesses innovate and find lower pollution ways of doing things. It has happened before. To take an example of how pricing pollution works, let us look at the endeavours in the United States to remove the problem of acid rain. A price was put on sulfur emissions from power stations and people said, ‘They’ll install scrubbers to deal with the stripping of sulfur. That will be very expensive. How will everybody cope?’ In truth, what happened was that they innovated, so they switched to coal with lower sulfur. They innovated and, yes, they did install those scrubbers, but because power stations were demanding the scrubbers in large numbers there was innovation and volume that brought the price down. What we should learn from this example is very clear: a price signal sends a message to business to innovate and to reduce pollution. When businesses started reducing pollution they worked out how to generate what they needed to with less pollution and they increased demand for alternative technologies and that in and of itself brought the price down.

Former Prime Minister Mr Howard recognised these economic realities. He recognised that there would be transitional costs, but he recognised that there could be a new, lower pollution future when he said:

Significantly reducing emissions will mean higher costs for businesses and households, there is no escaping that and anyone who pretends to do otherwise is not a serious participant in this hugely important public policy debate. On this side of the House we are serious about this enormously important public policy debate. It is why we are being frank with the Australian people about the need to price carbon. It is why we are being frank with the Australian people about price effects. It is why we are being frank with the Australian people about how this will change and transform our economy to a clean energy future. What we are not doing is trying to hide the cost, the way the Leader of the Opposition is—desperately trying to hide his $30 billion impost on Australian families and his extra tax bill of $720 a year. We will continue being frank and working this debate through with Australians. We would expect the Leader of the Opposition to come clean about the costs of his scheme too.

DISTINGUISHED VISITORS

The SPEAKER (2.16 pm)—I inform the House that we have present in the gallery this afternoon members of a parliamentary delegation from the State of Kuwait. On be-
CHAMBER

half of the House, I extend a very warm welcome to our visitors.

Honourable members—Hear, hear!

QUESTIONS WITHOUT NOTICE
Carbon Pricing

Mrs GASH (2.17 pm)—My question is to the Prime Minister. I refer the Prime Minister to these electricity bills from Mr and Mrs Hancock, constituents of mine in Nowra, which have skyrocketed from 2009 to 2010. My constituents are already struggling to pay their electricity bills. How much more will their bills rise as result of the Prime Minister’s carbon tax?

Government members interjecting—

Mrs GASH—Listen to the rest of the question! If the answer is that she does not know the tax rate yet, what can be more uncertain than the Prime Minister of Australia not being able to explain the tax rate?

Honourable members interjecting—

The SPEAKER—Order! The House will come to order.

Ms GILLARD—I thank the member for Gilmore for her question. To the member for Gilmore I would say this: I am concerned about the cost of living pressures being experienced by the constituents she names. I am concerned about the cost of living pressures being experienced by Australians. But I would also say to the member for Gilmore that when she is discussing cost of living pressures with these constituents or anyone else in her electorate what she needs to explain to them is the following: electricity prices are rising. That is true. In the future we will have further rises in electricity. That will happen under any scenario. If she is in any doubt about that she should discuss the matter with the member for Groom, who has been very forthright about that publicly.

Under Labor’s plan, what will happen for her constituents is that we will price carbon. We will give her constituents fair and generous household assistance. As a Labor government we will provide fair and generous household assistance. What would happen under the alternative plan being advocated by the Leader of the Opposition is that power prices would go up, there would be no household assistance and the Leader of the Opposition would impose on constituents, like the ones that the member for Gilmore names, an additional tax bill of $720 per year.

Mr Pyne—Mr Speaker, I rise on a point of order. How can this answer be directly relevant when the Prime Minister is engaging in political fantasy?

The SPEAKER—Order! That is not a point of order. I invite the Manager of Opposition Business, if he has concerns about the response, to look at the question again, especially the latter part, which widened the ability for any response to be directly relevant.

Ms GILLARD—I understand that the opposition wants to do anything to distract from this simple truth, but the simple truth is that the plan being advocated by the Leader of the Opposition will mean an additional impost on families of $720. It is simple maths. The Leader of the Opposition is committed to reducing carbon pollution by five per cent by the year 2020. With his direct action measures it will increase by 17 per cent. He will need to buy permits for the difference from the international market. That will cost $20 billion. He is also committed to spending $10 billion on ineffective carbon pollution measures, on ineffective direct action measures. So $30 billion has to be found from somewhere, and it will be found by putting an additional impost of $720 on Australian families. So the member for Gilmore, concerned as she is about the cost of living and money in the pockets of her constituents and Australian families, may
want to speak to the Leader of the Opposition about whether her constituents want to pay that extra $720 for his scheme.

**Economy**

Ms SMYTH (2.22 pm)—My question is to the Treasurer. Will the Treasurer update the House on today's national account numbers and what they say about the performance of our economy.

Mr SWAN—I thank the member for La Trobe for her question because the Australian economy grew by a solid 0.7 per cent in the December quarter and by 2.7 per cent through the year. This is further confirmation that the economic fundamentals in the Australian economy are strong despite some soft spots in the economy and, of course, recent natural disasters.

Today’s figures are underpinned by a very strong export performance. Exports contributed 0.7 per cent to the quarterly outcome despite wet weather in December. Inventory growth contributed to today’s outcome as well reflecting a large build-up in agricultural production. We also saw strong growth in machinery and equipment investment, which increased by 4.7 per cent—the first quarterly increase since the small business and general tax break ended in 2009.

If we look past the lumpiness in engineering construction, the fact remains that engineering construction is 12.4 per cent higher over the year. This confirms that there is a surge in engineering construction underway. This builds on the very strong capex figures that we have seen in recent days. There is something like $129 billion planned in capital expenditure for 2010-11 and, of course, more for 2011-12.

So today’s outcome is a good outcome for Australia. It should be welcomed by those opposite, but of course it is not because, as we know, they are economically illiterate and they are simply not interested in some of the basic facts about our economy. When we look—

Opposition members interjecting—

**The SPEAKER**—Order! The Treasurer has the call.

Mr SWAN—I would have thought those opposite should be interested in the national accounts. It goes to the core of our prosperity, it goes to the core of our capacity to create jobs, it goes to the core of dealing with the natural disasters that have so affected so many of our communities, it goes to our future prosperity—and I would have thought that those on that side of the House might have had some interest in these basic facts.

One of the impacts of the natural disasters is that they will be felt particularly hard in the March quarter. They are going to reduce output by something like $7 billion in the March quarter. That is a challenge for our economy, but it is a challenge we are up for. It is a challenge we can deal with because of the way in which we have built strength in our economy over recent years, the way in which the government responded to the global recession, the way in which we supported small businesses, the way in which we supported employment and the way in which we supported confidence in our economy. The consequences of that are an unemployment rate of five per cent and the creation in Australia over the last year of 330,000 jobs—a job creation effort the envy of the developed world. That means there are more Australians taking pay packets home, more Australians supporting their families, more Australians living in greater security because we got the economic decisions right—the fundamental economic decisions for the future of this country.

Because we are in a strong position, we can handle the savage impact of these national disasters, particularly as it will be felt in the March quarter, so we can rebuild for
those people in Queensland, rebuild for those people in northern New South Wales and rebuild for those people in Victoria because we have got a responsible attitude to dealing with the fiscal challenges, to adhering to our strict fiscal discipline and to supporting our communities. (Time expired)

Carbon Pricing

Mr HOCKEY (2.26 pm)—My question is to the Treasurer. Treasurer, how many jobs will be created and how many jobs will be lost as a result of the government’s carbon tax?

Mr SWAN—The shadow Treasurer has had many positions on climate change.

Opposition members interjecting—

The SPEAKER—Order! The Treasurer has the call.

Mr SWAN—He claims to be principled. He believed in climate change and a market based approach only over a year ago. He no longer believes in it. For all of the reasons that the shadow Treasurer believed in a market approach to climate change, this government believes in a market approach to climate change.

Opposition members interjecting—

The SPEAKER—Order! The Treasurer will come to the question.

Mr SWAN—What we know is that, if we are going to create the jobs of the future, if we are going to drive investment—

Opposition members interjecting—

The SPEAKER—Order! The Treasurer will respond to the question. The words that he had uttered before the member for Mackellar got to her feet to approach the dispatch box with her point of order were actually two reports relevant to the question. I then was listening to make sure that he was quoting from those reports something relevant to the question—a very pre-emptive point of order. The Treasurer has the call. He understands the necessity for him to be directly relevant to the question. He had a very long preamble that was not helpful, but he is now responding to the question.

Mr SWAN—Introducing an emissions trading scheme is all about creating the jobs of the future, all about investment in renewable energy and the jobs that come with it. It is all about jobs—because, if we do not deal with carbon emissions, we will reduce jobs in our communities. We will smash our future prosperity if we do not put in place the right price signals in our economy. So having an emissions trading scheme is all about job creation and facing up to the challenge of
carbon emissions so we do not pass on to our children and our grandchildren an unsustainable debt and an unsustainable burden. This is all about jobs for the future. And where could they be? I will just quote some modelling from the Climate Institute on renewable energy: in New South Wales, up to 7,000 new power sector jobs; in Queensland, close to 6,300 new power sector jobs; in Victoria, 6,800 new power sector jobs; and so on.

What we are doing here is making our economy more efficient, and we do it by charging the polluters and by assisting households and industry. We are driving investment into renewable energy and into more and better technologies. They all create the jobs of the future. But those opposite do not understand this, because when it comes to climate change the Leader of the Opposition is a flat-earther. He is a climate change sceptic—

The SPEAKER—Order! The Treasurer will not debate the question.

Mr SWAN—He has turned his back on the future. On this side of the House we understand the great challenge of the 21st century, which is to drive investment in renewable energy to prepare our industries and our people for a carbon constrained future. By driving investment in that way we create the jobs of the future. We will not, like those opposite, turn our backs on the future.

Mr HOCKEY (2.32 pm)—Mr President, I ask a supplementary question. Can the Treasurer confirm that the report that he just referred to by the Climate Institute did its modelling based on a carbon price of $45 a tonne?

Opposition members interjecting—

The SPEAKER—Order! Order! Order!

The SPEAKER—Order!

DISTINGUISHED VISITORS

The SPEAKER (2.34 pm)—I inform the House that we have present in the gallery this afternoon the Hon. David Buffett, Chief Minister of Norfolk Island; the Hon. Craig Anderson, the Norfolk Island Minister for Finance and the Attorney-General; and the Hon. Peter Collier, the Western Australian Minister for Energy, Minister for Employment and Training and Minister for Indigenous Affairs. On behalf of the House, I extend to them all a very warm welcome—hopefully, not as warm as it is for me in the chair!

Honourable members—Hear, hear!

QUESTIONS WITHOUT NOTICE

Honey Bees

Mr WINDSOR (2.34 pm)—My question is to the Minister representing the Minister for Agriculture, Fisheries and Forestry. The
minister would be aware of the extraordinary contribution that the honey bee makes in terms of the honey industry and pollination services to agriculture generally. The minister would also be aware of the incursion into Australia of the Asian bee, which could become the cane toad of the insect world. Minister, the government is currently intending to withdraw funding for the Asian bee eradication program based on tenuous scientific advice. Could you use your good offices to review, delay or cancel this decision in the interests of not only food security but also biodiversity in Australia?

Opposition members—Hear, hear!

Mr BURKE—I thank the member for New England for the question. I acknowledge the significance of the biosecurity issue that he raises—and the chorus of support from some of those opposite, seemingly ignorant of the fact that the Asian bee was found when they were in office and no program to do anything about it was put in place until we came to office. There was no program at all. The Asian bee was found in Queensland in May 2007, when Peter McGauran was the minister, and nothing was done.

The member for New England also referred to the fact that this is much bigger than the honey industry. The pollination services that are provided by bees go to a whole series of industries and make a massive difference to the productivity of those industries. There are a number of things that need to be put on the table and understood here. First of all, no other country has ever managed to eradicate Asian bees once they have arrived.

Opposition members interjecting—

Mr BURKE—The one who did not try was Peter McGauran. He was one of yours, okay? He is the one who did not try. Secondly, since the first detection of Asian honey bees in Queensland in May 2007, the Australian government—since we came to office—has worked closely with the Queensland government, the states and territories and the Honey Bee Industry Council to prevent the establishment and spread of the pest. Thirdly, the Asian Honey Bee National Management Group is an independent science based group which comprises federal, state and territory government officers, representatives of Plant Health Australia and representatives of the Honey Bee Industry Council.

In addition, the decision the member for New England referred to was based on a number of scientific factors from the national management group. It was not a decision of government. That decision of the national management group was based on scientific factors, including the breeding rate of the bees, their tendency to swarm and their ability to cover extraordinarily long distances when they swarm, which has created significant difficulties in locating all of the nests and destroying them. The decision that that management group has made reflects the scientific assessment of the feasibility of eradication but does not amount to a decision that there will not be continued engagement in other areas other than eradication in terms of control.

As I said, funding prior to us coming to government amounted to zero dollars. Funding decisions since then, through a series of ministerial council decisions, have involved continued extension of the eradication programs. At the November 2010 meeting—the last time the Primary Industries Ministerial Council considered this—they decided to extend funding until 31 March this year. Further funding approval beyond that is a decision yet to be made by the ministerial council, but the decision that the member for New England has raised is a decision of the scientific committee. Obviously, the concerns that
he has raised will be passed on directly to the Minister for Agriculture, Fisheries and Forestry.

**DISTINGUISHED VISITORS**

The SPEAKER (2.39 pm)—I inform the House that we have present in the gallery this afternoon members of a parliamentary delegation from the Kingdom of Bhutan. On behalf of the House, I extend a very warm welcome to our visitors.

Honourable members—Hear, hear!

**QUESTIONS WITHOUT NOTICE**

**Carbon Pricing**

Mr MITCHELL (2.39 pm)—My question is to the Minister for Climate Change and Energy Efficiency. Why is it important that policies to tackle climate change are fiscally responsible and what threat is posed to the national and household budgets by some non-market-based mechanisms?

Mr COMBET—I thank the member for McEwen for his question. The government has set out a plan to tackle climate change by establishing a carbon price through a market mechanism. Of course, a carbon price through a market mechanism is going to be the most economically efficient way of cutting pollution and driving investment in clean energy.

On the other side of the chamber, we have the so-called direct action policy. What we know from scrutinising that policy is that it demonstrates that it would cost over $30 billion rather than the claimed $10.5 billion, which would mean that the average Australian family would be $720 a year worse off under the Leader of the Opposition’s direct action policy. Furthermore, under that policy—a direct cost to the budget—there will not be a single dollar of assistance for households to meet those costs.

Under direct action any future government is going to face a $30 billion budget black hole. That $30 billion is going to need to be met through higher taxes or cuts in expenditure and cuts to services. Without that expenditure, the opposition has no hope of achieving its stated target of a five per cent cut in emissions by the year 2020. It is bad economics and it is bad for the environment. Interestingly enough, the shadow minister, the member for Flinders, has not in the course of the day—and I have been watching—effectively attempted to deny their figures. He does not deny the $30 billion black hole and he does not deny the $720 cost to families. Instead, the problem is to be solved with the magic bullet of soil carbon.

Not only are there significant questions about the science of sequestering carbon through the soil but there are also agreed international rules that prevent us counting soil carbon as abatement for our pollution reduction targets. The member for Flinders seems to be implying that it is all going to be okay because he is going to change the international accounting rules. He is going to go to the UN and convince 190-odd countries to change the international accounting rules. I cannot see it happening in a hurry.

The opposition have run out all sorts of interference today. They have likened the Prime Minister and other government ministers to Colonel Gaddafi and all sorts of ridiculous things, but they have not effectively answered this question about their own policy. They will not stand up for market principles. Their policy is a farce. The shadow Treasurer has been pretty vocal about this issue. He is well and truly on the record as a man of market principles. Only some months ago, in the book by Lenore Taylor and David Uren, he said:

I was acting industry minister in 2002 when Peter Costello, David Kemp and I argued, unsuccessfully at that stage, in the Howard cabinet that we should have an ETS.
He went on to say:

I believe the market mechanism is the best way to price a commodity. I am a true believer in markets.

Why don’t you act on it?

The SPEAKER—Order! The minister will direct his remarks through the chair.

Mr COMBET—Ditch this silly direct action policy and embrace the economically responsible approach.

Carbon Pricing

Mr HOCKEY (2.44 pm)—My question is to the Treasurer. Has the Treasurer seen the report by Verso Economics in the United Kingdom which finds that, for every job created in the UK in renewable energy, 3.7 other jobs are lost? It states:

Research in Spain, Germany and by the EU suggests that net employment effects are negative, with the likely opportunity costs or costs associated with higher energy prices outstripping the creation of green jobs.

Treasurer, how does this fit with your claim that a carbon tax would create additional jobs?

Mr SWAN—I thank the shadow Treasurer for his question. What we know is that an emissions trading scheme is the cheapest, most cost-effective way of dealing with carbon pollution and driving the creation of jobs, particularly in renewable energy. That is a fact. Whether you go back to the Stern report in the UK, a report of much higher standing than any that could have been quoted by the shadow Treasurer, or the Treasury modelling that was conducted here recently or indeed most of the reputable work around the world, it all points to the fact that a price on carbon is the cheapest way to drive investment and jobs. It is the cheapest and most efficient way of making your economy more competitive for the long term.

There is a very clear difference between this side of the House and those on the other side. We on this side of the House want to charge polluters because they should not be allowed to pollute for free.

The SPEAKER—Order! The Treasurer will return to the question.

Mr SWAN—We want to use the revenue to assist households that may be impacted upon, as well as industries that may be impacted upon.

Mr Hockey—Mr Speaker, I rise on a point of order that goes to relevance. I asked the Treasurer how he comes to his claim that the carbon tax would create additional jobs.

The SPEAKER—The member for North Sydney will resume his seat. Again, because of the level of conversation and interjections it is very difficult for me to be able to listen to every word that the Treasurer is saying. I had invited him to return to the question moments before the point of order. The Treasurer will be directly relevant to the question.

Mr SWAN—Nothing could be more relevant than having an emissions trading scheme, which is the cheapest and most-efficient way to reduce carbon pollution and drive investment in the jobs of the future. There is a very clear contrast between our approach and that of those opposite. What they want to do is use a direct action policy which taxes families to hand money to polluters. That is inefficient and it is not sustainable. As the modelling which has been published today shows, their direct action model will cost $30 billion, or $720 for every family, when it is fully operational. There is a very clear contrast.

The SPEAKER—The Treasurer will relate his material to the question.

Mr SWAN—We on this side of the House want to charge polluters and assist industry
and households. Those on the other side of the House want to put an unsustainable bill of $30 billion on the public purse, which will be paid for by average families, and give that money to polluters. That is the alternative that we are debating here. No wonder they are so rabid when the contrast is put in that way.

The SPEAKER—Order! The Treasurer will bring his answer to a close.

Mr SWAN—Their policy is not efficient, and the member for Wentworth has already pointed this out. Consider for a moment what $30 billion is equivalent to.

The SPEAKER—Order! The Treasurer will bring his response to an end.

Mr SWAN—It is equivalent to the entire education budget. It is equivalent to our support for pharmaceutical benefits for three years.

The SPEAKER—The Treasurer will resume his seat.

CARBON PRICING

Suspension of Standing and Sessional Orders

Mr ABBOTT (Warringah—Leader of the Opposition) (2.49 pm)—I move:

That so much of the standing and sessional orders be suspended as would prevent the Member for Warringah moving immediately—

That so much of the standing and sessional orders be suspended as would prevent the Member for Warringah moving immediately—That this House suspend proceedings so that the Prime Minister can honestly address the concerns of everyday Australians about the impact of the carbon tax on jobs, grocery prices, the cost of fuel and our nation’s standard of living and in particular that the Prime Minister explain how:

1) introducing another tax that rips at the heart of job security and our manufacturing sector by sending jobs and emissions overseas is good for Australia;

2) hitting working families with another tax when rising costs of living have them struggling to make ends meet is good for Australia;

3) belting small business with another Labor tax, the 13th new or increased tax in three years, is good for Australia when many of them can barely stay afloat;

4) inflicting pensioners with another new tax when they have no savings they could make, unlike this profligate Government, is good for Australia; and

5) the carbon tax will affect everyday Australians, jobs and our economy because what can be more uncertain than a tax the Government can’t explain.

There is a surreal quality to the debate in question time today because the Prime Minister repeatedly talks about the need for a carbon price but the one thing she cannot say is what that carbon price will be. We have the minister for the environment standing up talking about a plan. The plan is a blank piece of paper except for the fact that every household in this country will be hit with a great big new carbon tax. How can this Prime Minister claim to be a real leader of our country when she cannot say what she is leading us to, when she cannot say what the content will be of her plan to price carbon? She cannot tell us the rate of the carbon tax. She cannot tell us how long the carbon tax will last. She cannot say who will pay the carbon tax. She cannot say what the compensation will be for the carbon tax. She cannot tell us anything at all about the tax. The only hard fact that can be adduced so far today in the parliament is a list of dodgy jobs that was read out by the Treasurer based on a—

The SPEAKER—The Leader of the Opposition will resume his seat. The Leader of the House.
Mr Albanese—Now having read the suspension, we are happy to support the suspension and the Prime Minister will address those questions.

The SPEAKER—At the moment I do not have a motion, because it has not been completed and seconded. At the moment the Leader of the Opposition is moving a suspension of standing or sessional orders to allow something to happen and at the end of that speech I will ask for a seconder and then there will be a proposal before the House. At the moment I do not have a proposal before the House.

Mr Albanese—I am indicating to the House that—if he is serious about this; he has moved a motion—we will support it. Get on with it.

The SPEAKER—The Leader of the Opposition.

Mr Abbott—This is a Prime Minister desperate to tell us that she is a strong leader but she cannot tell us what she is strong for. Strong for what? Is it a $26 a tonne carbon price; is it a $45 a tonne carbon price? If this Prime Minister is to have any leadership credentials whatsoever, she needs to tell us exactly what she wants. She needs to tell us exactly what she proposes. She needs to explain clearly and succinctly what she actually has in mind to the Australian people. Otherwise, if she cannot do it, last week’s horrifically confused and muddled press conference—when the Greens and others hijacked the Prime Ministerial courtyard, hijacked the leadership of the nation—will be the start of a long period of uncertainty for the businesses, workers and households of Australia.

Let us be absolutely crystal clear about what the Prime Minister is promising. It did not go to cabinet or caucus, because if it had gone to cabinet or to caucus her colleagues would have said, ‘Don’t make an announcement until you have something to announce,’ because all she has to announce at the moment is a great big new tax and she cannot tell us anything about that tax. Why did this happen? This happened because this Prime Minister is not in charge of her own government. Remember her words, ‘There will be no carbon tax under a government I lead.’ Well there is a carbon tax—there certainly is a carbon tax coming. We know there is a carbon tax coming, because we know that this government is really led by the leader of the Greens, Senator Brown. The real leader of this government is Senator Brown. Labor is in office, but the Greens are in power.

We know that the jobs that the Treasurer read out are based on a $45 a tonne carbon price. We know that the modelling that the Treasury used for the emissions trading scheme was based on a $26 a tonne carbon price. The Greens did not like that. They rejected that scheme because the $26 a tonne carbon price was too low. They said the price had to be higher. But even at $26 a tonne that is a $300 a year hit to families’ electricity bills if the Australian Industry Group is right. It is a $500 a year hit on families’ electricity bills, if the New South Wales government Independent Pricing and Regulatory Tribunal is right; and it is a 6.5 per cent a litre hit on petrol bills, if the Australian Institute of Petroleum is right. A carbon price of $26 a tonne will cost 126,000 jobs in regional Australia, if access Economics is right; it will close down 16 coal mines and cost 10,000 jobs in coal, if ACIL is right; it will cost 24,000 jobs in mining generally, if Concept Economics is right; and it will cost 45,000 jobs in the energy intensive sector, if Frontier Economics is right—and that is on $26 a tonne, not the $45 a tonne that the Treasurer let out of the bag today with his claims about extra jobs in renewable energy that would be created under this tax.

If $26 a tonne is not right, if $45 a tonne is not right, well, Prime Minister, tell us what it
is. The nation is pregnant with anticipation. The nation wants to know exactly what this threat to our prosperity really is. And if the Prime Minister cannot tell us what it is, take it off the table. Do not threaten us with something until you know exactly what you want to threaten us with. What is crystal clear is that this carbon tax is designed to put up prices—it is designed to make it too expensive for people to turn on their air-conditioners and too expensive for people to drive their cars. It is designed to change our economy. It is designed to put the coal industry out of business. That is precisely what it is meant to do. And if it is not, Prime Minister, tell us what it is meant to do, because if you cannot explain it, obviously it is there to stop people turning on their air-conditioners, to stop people driving their cars and to put the great Australian coal industry out of business. It is economic vandalism. It is designed to destroy the manufacturing sector of this country. You tell us, Prime Minister, about your plan. Stop hallucinating and fantasising about the perfectly good plan that the coalition took to the last election, which will boost jobs and which will cut carbon emissions.

The SPEAKER—Is the motion seconded? The member for North Sydney.

Mr HOCKEY (North Sydney) (2.59 pm)—I thought to myself as the Treasurer was speaking—

The SPEAKER—Order! The member for North Sydney will resume his seat. The Leader of the House on a point of order.

Mr Albanese—We would be happy to facilitate the carriage—

Mr Pyne—Vote for the suspension then!

The SPEAKER—Order! The Leader of the House has the call on a point of order.

Mr Albanese—of this motion, and then for the Prime Minister to respond. If we do not facilitate the carriage of this motion, then Prime Minister’s response will be to the suspension resolution. That is the way that it works.

Honourable members interjecting—

The SPEAKER—Order! The member for North Sydney has the call.

Mr HOCKEY—That’s right. The Leader of the House is playing a tricky tactic, Mr Speaker. Vote for the motion. We call on you to vote for the suspension and then we will have a full debate.

Mr Speaker, I would have thought, as the Treasurer was trying to answer questions today, that he would have had a little experience in dealing with taxes. After all, since 2007 Labor has announced and introduced new and increased taxes on 13 different occasions. But on the 13th occasion the Treasurer broke new ground: he would not tell the Australian people how much the tax was going to raise. He would not tell the Australian people—

The SPEAKER—Order! The member for North Sydney will resume his seat. The Chief Government Whip on a point of order.

Mr Fitzgibbon—Mr Speaker, the shadow Treasurer has made it clear it is his wish to have a debate on the suspension motion. That being the case, he should stick to the suspension motion.

The SPEAKER—The Chief Government Whip has a point, but over the past few days we seem to have had wider debates than the reasons for the suspension of standing and sessional orders. The member for North Sydney has the call.

Mr HOCKEY—and because the Treasurer has failed to answer questions in this House about the most basic issues relating to the tax, that is why we are seeking to suspend standing orders. We asked the Treasurer a simple question: how does he back up his
rhetoric about the creation of new jobs? That was a simple question, and the Treasurer grabbed the nearest report he could and he claimed that the Climate Institute report proved his case that it would create more jobs. The only thing is the Climate Institute report is modelled on $45 a tonne. What we know, according to previous Treasury modelling, is at $26 a tonne electricity prices will go up $300 a year and petrol will go up 6½c a litre. So there was the Treasurer today, in order to justify his inflated rhetoric on job creation, against the view of Verso Economics. There was the Treasurer today saying that he was relying on a report at $45 dollars a tonne.

If that is the basis for the Treasurer’s calculation for jobs, the Prime Minister can now come clean. The Prime Minister can come clean to the Australian people about just how much petrol prices will go up, how much electricity will go up, how much food will go up, how much the cost of living will go up. The Prime Minister said this is part and parcel of their program. Prices will go up; be honest with the Australian people, Prime Minister. I know we are breaking new ground, but I want you to be honest with the Australian people. Your Treasurer said $45 a tonne. Now is the chance, before the Australian people in this House today, to explain the details of your new tax.

The Treasurer said a little bit before, ‘This is an emissions trading scheme.’ I thought he tapped Kevin Rudd on the shoulder to get rid of an emissions trading scheme. Hang on! Now he is redefining it as an emissions trading scheme. What happened to the carbon tax that was announced? Oh, yes, you were cow-ering under the desk. I know that is right.

Mr HOCKEY—It just so happens that he is the deputy chairman of the committee that recommended a carbon tax, yet he did not want to be there. But do not be too hard on the committee. The committee was made up of seven people, four of whom were either chairs or deputy chairs. Everyone got a job except the Treasurer. The job that he had was to explain a tax to the Australian people, and the Treasurer went missing.

Well now we have a suspension of standing orders that allows the Prime Minister not to talk about what happened yesterday, not to talk about what happened previously, but to back up her announcement from last week that she is introducing a carbon tax that will harm every Australian family.

Ms GILLARD (Lalor—Prime Minister) (3.04 pm)—I thank the Leader of the Opposition for giving me this opportunity to speak to the House on a day of amazing inconsistency by the opposition. We have offered to vote for their suspension and to give me the opportunity to address the parliament, and they have said no. What curious people they are. They come into the parliament and move a motion they do not want carried. But that curiosity is nothing compared with the curiosity of their approach today. For days and days and days the Leader of the Opposition has been at a petrol pump saying to Australians that the government’s carbon price will cost them 6½c a litre. He has been in shops sympathising with small business people saying that he knows the government’s carbon price is going to increase their electricity bills by $1,500. He and his spokespeople have said variably that they know for sure that this is going to cost Australian families $1,100, $300 or $400. They were out there actually saying to the Australian people that they knew what it was going to cost the Australian people and they were campaigning against it.
Indeed, so certain was the Leader of the Opposition about this campaign he curiously and inappropriately called for a people’s revolt on it. And then today he comes into the parliament as if all of that has not happened, as if every representation he has made to the Australian people has not occurred. Today he goes on a completely different tack and says, ‘Actually the flaw in the government’s scheme is there is not enough details yet to know what it’s going to cost.’ That is the Leader of the Opposition, out of his own mouth, acknowledging to the Australian people that every representation he has made about the price of petrol, every representation he has made about electricity prices, every representation he has made about cost to families has been made up. His criticism of me today is that there is not enough information in the public domain to know what this is going to cost. Well to the Leader of the Opposition I say: ‘How do you explain the conversation at the petrol pump? How do you explain the conversation in the fruit shop? How do you explain every representation you’ve made on television about the costs to Australian families, except to acknowledge that you made that those figures up?’

The best thing that is going to come out of today is that, whenever someone in the opposition uses a figure again about carbon pricing we will point to this day and we will point to this debate and we will say that that figure is made up because the Leader of the Opposition himself came into the Australian parliament and said there was not enough detail to know what this was. His fear campaign on dollars and cents ends today because he himself has acknowledged there is not enough information to know what the price is.

I say to the Leader of the Opposition: others might be amused or even concerned about his inconsistency—I am not. The only thing consistent about the Leader of the Opposition is his inconsistency. Today, they have gone down this track of pretending that they are genuinely interested in information for the first time. The Leader of the Opposition, having sent out his backbenchers and frontbenchers to say the most inappropriate things today, realised during the morning that he had gone too far. Because he knew he had gone too far—he sent out his frontbenchers to say the most inappropriate things—today, for the first time, he is pretending he is genuinely interested in information. A very interesting thing has happened today. We finally found the Leader of the Opposition’s shame threshold. We have had to dig pretty deep to find it—it was not easy. He could shamelessly go out and give misinformation to the Australian people. He could shamelessly run around name-calling. We finally hit his shame level today when he realised that, by sending out people like the member for Indi to say highly inappropriate things, it was a moment for shame.

That is the reason the Leader of the Opposition today has moved to saying there is not enough information about carbon pricing. Let me explain it all to the Leader of the Opposition. I know that he has had so many positions about carbon pricing it must be quite hard for him to keep it straight in his head. When you wake up one day and say, ‘The science is real,’ when you wake up another day and say, ‘The science is nonsense,’ when you wake up one day saying you want to vote for a carbon pollution reduction scheme, when you wake up another day and say you want to vote against it, when you wake up one day saying that you believe in a carbon tax and it is the simplest way, and when you start running a fear campaign against a carbon tax, it probably is quite complicated when you are engaged in that inconsistency day after day, weather vane act.
by weather vane act to keep the simple principles in your mind.

But let me remind the Leader of the Opposition about these simple principles and they are really very clear. Climate change is happening. It is caused by human activity. It is caused by carbon pollution. I believe that. I know the Leader of the Opposition generally struggles to believe it, but I believe it. Consequently, if we want the next generation of Australians to be in an economy with clean energy jobs, to be in an economy—

**Government members interjecting—**

**Mr Pyne**—Mr Speaker, on a point of order: surely it is disrespectful for the backbenchers to be waving at the galleries during the Prime Minister’s—

**The SPEAKER**—The member for Sturt will resume his seat.

**Mr Simpkins interjecting—**

**The SPEAKER**—Order! The member for Cowan is warned. The Prime Minister has the call.

**Ms GILLARD**—Let me keep explaining it to the Leader of the Opposition. If we want the next generation of Australians to have a clean energy economy and the jobs that come with it, if we want the next generation of Australians to have an environment that can sustain them, then we need to cut carbon pollution. How do you do that? By putting a price on it. What does putting a price on it do? It means that businesses that have to pay that price—

**Opposition members interjecting—**

**The SPEAKER**—Order! The member for Herbert is warned.

**Ms GILLARD**—will need to innovate and change the way that they do business. It has happened before with pollution. It happened before with sulphur pollution, causing acid rain. It will happen again. Businesses will innovate. Yes, there will be price impacts—there is no doubt about that. I have been upfront about that. As a result of there being price impacts, and because we are a Labor government, we will provide fair and generous household assistance. I know the Leader of the Opposition struggles to understand what that would mean. He said, ‘Oh, it is just a big merry-go-round.’

The Leader of the Opposition needs to understand this: by providing fair and generous household assistance we will have people with dollars in their pocket, but when they go to the shops there will be price signals about goods that have more carbon pollution imbedded in them than goods with less carbon pollution. People with a dollar in their pocket from household assistance could still choose to buy the high pollution commodities, but of course people rationally respond to the price signals and they will buy the lower pollution commodities. Anybody who has ever seen the mechanics of a sale understands that. If you reduce a price comparatively, more people will buy it. That is what will happen as a result of the price signals from carbon pollution.

What is the alternative to this? What is the alternative to accepting the science? It is climate change denial and taking the risk that the overwhelming majority of scientists are wrong. We should not take that risk. What is the alternative to pricing carbon through a market mechanism? It is the inefficiency and fiscal recklessness that the member for Wentworth pointed to about the Leader of the Opposition’s plan. What is the alternative to providing household assistance? It is providing no assistance, and that is what the Leader of the Opposition wants to do. What is the alternative? It is ripping money out of the purses and wallets of Australians, which is what the Leader of the Opposition wants to do—$720 a year in order to pay for his inefficient direct action measures. The Leader of the Opposition might opportunistically
change his attack on the government. He knows the figures—oh, no, actually he does not know the figures. We do not mind facing a new attack every day because we will patiently, calmly and methodically argue for this. It is in the national interest. We are going to act in the national interest. We will leave the Leader of the Opposition to stew in his politics. (Time expired)

Question put:
That the motion (Mr Abbott’s) be agreed to.

The House divided. [3.19 pm]
(The Speaker—Mr Harry Jenkins)

Ayes…………… 71
Noes…………… 73
Majority………  2

AYES
Abbott, A.J. Alexander, J.
Andrews, K. Andrews, K.J.
Baldwin, R.C. Billson, B.F.
Bishop, B.K. Bishop, J.I.
Briggs, J.E. Broadbent, R.
Buchholz, S. Chester, D.
Christensen, G. Ciobo, S.M.
Cobb, J.K. Coulton, M. *
Crook, T. Dutton, P.C.
Entsch, W. Fletcher, P.
Forrest, J.A. Frydenberg, J.
Gamboro, T. Gash, J.
Griggs, N. Haase, B.W.
Hartley, L. Hawke, A.
Hockey, J.B. Hunt, G.A.
Irons, S.J. Jensen, D.
Jones, E. Kelly, C.
Laming, A. Ley, S.P.
Macfarlane, I.E. Marino, N.B.
Markus, L.E. Matheson, R.
McCormack, M. Mirabella, S.
Morrison, S.J. Moylan, J.E.
Neville, P.C. O’Dowd, K.
O’Dwyer, K. Prentice, J.
Pyne, C. Ramsey, R.
Randall, D.J. Robb, A.
Robert, S.R. Roy, Wyatt
Ruddock, P.M. Scott, B.C.
Secker, P.D. * Simpkins, L.
Slipper, P.N. Smith, A.D.H.
Somlyay, A.M. Southcott, A.J.
Stone, S.N. Teale, D.
Truss, W.E. Tudge, A.
Turnbull, M. Van Manen, B.
Vasta, R. Washer, M.J.
Wyatt, K.

NOES
Adams, D.G.H. Albanese, A.N.
Bandt, A. Bird, S.
Bowen, C. Bradbury, D.J.
Brodtmann, G. Burke, A.E.
Byrne, A.M. Butler, M.C.
Cheeseman, D.L. Champion, N.
Collins, J.M. Clare, J.D.
Crean, S.F. Combet, G.
Danby, M. D’Ath, Y.M.
Elliot, J. Dreyfus, M.A.
Emerson, C.A. Ellis, K.
Ferguson, M.J. Ferguson, L.D.T.
Garrett, P. Fitzgibbon, J.A.
Gibbons, S.W. Georgas, S.
Gray, G. Gillard, J.E.
Griffin, A.P. Grierson, S.J.
Hayes, C.P. Hall, J.G. *
Jones, S. Husic, E.
King, C.F. Kelly, M.J.
Livermore, K.F. Leigh, A.
Macklin, J.L. Lyons, G.
McClelland, R.B. Marles, R.D.
Mitchell, R. Melhams, D.
O’Connor, B.P. Neumann, S.K.
Oakeshott, R.J.M. O’Neill, D.
Parke, M. Owens, J.
Plibersek, T. Perrett, G.D.
Rishworth, A.L. Ripoll, B.F.
Roxon, N.L. Rowland, M.
Shorten, W.R. Saffin, J.A.
Smith, S.F. Sidebottom, S.
Snowdon, W.E. Smyth, L.
Symon, M. Swan, W.M.
Thomson, K.J. Thomson, C.
Wilkie, A. Vanvakinou, M.
Zappia, A. Windsor, A.H.C.

PAIRS
Schultz, A. Rudd, K.M.
Keenan, M. Murphy, J.

* denotes teller
Question negatived.
Ms Gillard—Mr Speaker, I ask that further questions be placed on the Notice Paper.

QUESTIONS TO THE SPEAKER
Questions in Writing
Mr BRIGGS (Mayo) (3.22 pm)—Mr Speaker, under standing order 105(b), I draw your attention to the fact that numerous questions in writing have been on the Notice Paper for over 60 days. I seek leave to table a report containing details of the questions in writing and I request that you write to the various ministers seeking reasons for the delays in responding.

The SPEAKER—This is a most unusual way to do it.

Mr BRIGGS—Mr Speaker, it was the advice I received from the Table Office.

The questions are: question 131 to the Prime Minister; question 133 to the Minister representing the Minister for Broadband, Communications and the Digital Economy; question 134 to the Minister for Regional Australia, Regional Development and Local Government; question 135 to the Minister for the Arts; question 136 to the Minister for Foreign Affairs; question 139 to the Minister for Infrastructure and Transport; question 140 to the Minister for Health and Ageing; question 141 to the Minister for Families, Housing, Community Services and Indigenous Affairs; question 142 to the Minister for Sustainability, Environment, Water, Population and Communities; question 143 to the Minister for School Education, Early Childhood and Youth; question 145 to the Attorney-General; question 147 to the Minister for Resources and Energy; question 148 to the Minister for Tourism; question 149 to the Minister for Trade; question 150 to the Minister for Climate Change and Energy Efficiency; question 151 to the Minister for Social Inclusion; question 153 to the Minister for Privacy and Freedom of Information; question 154 to the Minister for Home Affairs; question 155 to the Minister for Justice; question 156 to the Minister for Employment Participation and Childcare; question 157 to the Minister for the Status of Women; question 158 to the Minister representing the Minister for Sport; question 159 to the Minister representing the Minister for Indigenous Employment and Economic Development; question 160 to the Minister representing the Minister for Social Housing and Homelessness; question 162 to the Minister for Veterans’ Affairs; questions 164 and 167 to the Minister for Health and Ageing; question 168 to the Special Minister of State for the Public Service and Integrity; question 170 to the Minister representing the Minister for Tertiary Education, Skills, Jobs and Workplace Relations; and, finally, question 171 to the Minister representing the Minister for Tertiary Education, Skills, Jobs and Workplace Relations.

Opposition members interjecting—

The SPEAKER—Order! I will write to the ministers as required by the standing orders.

PERSONAL EXPLANATIONS
Mr HUNT (Flinders) (3.24 pm)—Mr Speaker, I wish to make a personal explanation.

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

Mr HUNT—Yes.

The SPEAKER—Please proceed.

Mr HUNT—During question time today the Minister for Climate Change and Energy Efficiency made the curious claim that I had not responded to the article in today’s papers in relation to the direct action policy. Indeed, I was out on the doors this morning at 8.15 am and I also addressed the issue on Sky television with the Leader of the House. Very briefly I stated:
Overnight, I see they’ve wheeled out the dodgy document again. A year ago we warned about a dodgy document when we launched the direct action policy. Within 24 hours we caught, and I specifically caught, one of Senator Wong’s senior staffers hawking around a two-page dodgy document from officials.

The transcript goes on:

The minister was wrong.

I seek leave to table the transcript.

Leave not granted.

COMMITTEES
Selection Committee
Report No. 16

The SPEAKER (3.25 pm)—I present the Selection Committee’s report No. 16 relating to the consideration of committee and delegation business and private Members’ business on Monday, 21 March 2011. The report will be printed in today’s Hansard and the committee’s determinations will appear on tomorrow’s Notice Paper. Copies of the report have been placed on the Table.

The report read as follows—

Report relating to the consideration of private Members’ business
1. The committee met in private session on Tuesday, 1 March 2011.
2. The committee determined the order of precedence and times to be allotted for consideration of committee and delegation business and private Members’ business on Monday, 21 March 2011, as follows:

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

   COMMITTEE AND DELEGATION BUSINESS

   Presentation and statements

   1 Standing Committee on Social Policy and Legal Affairs

   Statement concerning the Inquiry into the regulation of billboard and outdoor advertising.

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

   Speech time limits—

   Mrs Moylan—5 minutes.

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

   2 Standing Committee on Infrastructure and Communications

   Statements concerning the Inquiry into Smart Infrastructure.

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

   Speech time limits—

   Ms Bird—5 minutes.

   Other Member—5 minutes

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

   PRIVATE MEMBERS’ BUSINESS

   Notices

   1 MR HUNT: To present a Bill for an Act to establish a Commission of Inquiry into the Home Insulation Program, and for related purposes. (Home Insulation Program (Commission of Inquiry) Bill 2011) (Notice given 1 March 2011.)

   Presenter may speak for a period not exceeding 10 minutes—pursuant to standing order 41.

   Orders of the Day

   1 AUDITOR-GENERAL AMENDMENT BILL 2011 (Mr Oakeshott)—Second reading (from 28 February 2011).

   Time allotted—20 minutes.

   Speech time limits—

   Mr Oakeshott—5 minutes.

   Other Member—5 minutes each.

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

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

   2 ENVIRONMENT PROTECTION AND BIODIVERSITY CONSERVATION (ABOLITION OF ALPINE GRAZING) BILL
2011 (Mr Bandt): Second reading (from 28 February 2011).

Time allotted—30 minutes.

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

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

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


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

Speech time limits—
  Mrs B. K. Bishop—10 minutes.
  Next Member speaking—10 minutes.
  Other Member—5 minutes each.

[Minimum number of proposed Members speaking = 2 x 10 mins + 3 x 5 mins]

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

Items for House of Representatives Chamber (8 to 9.30 pm)

PRIVATE MEMBERS’ BUSINESS Notices

2 MR S. P. JONES: To move:

That this House:

(1) agrees that putting a price on carbon is an essential step in reducing carbon pollution and transforming our economy to achieve a clean energy future;

(2) notes that in many manufacturing regions in Australia, business, unions, government and community organisations are already working to develop green jobs and clean energy production processes; and

(3) agrees that governments must work with the manufacturing industry and communities to assist their transformation to meet the challenge of a carbon constrained future. (Notice given 1 March 2011.)

Time allotted—45 minutes.

Speech time limits—
  Mr S. P. Jones—10 minutes.
  Next Member speaking—10 minutes.
  Other Member—5 minutes each.

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

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

3 MR COBB: To move:

That this House:

(1) notes with concern the impact on the dairy industry of the Coles milk pricing strategy, and that:

(a) dairy farmers around the country are today seriously questioning their future, having suffered through one of the worst decades in memory including droughts, floods, price cuts and the rising cost of inputs such as energy and feed;

(b) unsustainable retail milk prices will, over time, compel processors to renegotiate contracts with dairy farmers and the prospect that these contracts will be below the cost of production may force many to leave the industry;

(c) for many dairy farmers, the fact that supermarkets are now selling milk cheaper than many varieties of bottled water will be the straw that finally breaks the camel’s back; and

(d) the risk of other potential impacts include:

(i) decreased competition as name brands are forced from the shelves; and

(ii) the possible loss of fresh milk supplies to some parts of the country as local fresh milk industries become unviable; and

(2) calls on the government to:

(a) ask the ACCC to immediately undertake an investigation into the big supermar-
kets and milk wholesalers after recent price cuts to ensure they do not have too much market power and are not anti-competitive in their behaviour; and

(b) support the new Senate inquiry into the ongoing milk price war between the country’s major supermarket chains.

(Notice given 1 March 2011.)

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

Speech time limits—

Mr Cobb—10 minutes.

Next Member speaking—10 minutes.

Other Member—5 minutes each.

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

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

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

PRIVATE MEMBERS’ BUSINESS

Notices

1 MR ENTSCH: To move:

That this House:

(1) notes the severe flooding effects taking place in the outer islands of the Torres Strait and the dire conditions the Torres Strait Islander people find themselves in each year;

(2) recognises that:

(a) the Torres Strait Islander people deserve the same rights as the people in flooded South-East Queensland;

(b) discrimination should not exist in one particular area of the nation;

(c) the Torres Strait Islander people have been experiencing flood devastation for the past four years with no help from government; and

(d) sea wall infrastructure at six low lying islands is inadequate and in urgent need of repair; and

(3) in light of the evidence of continued flooding on the outer islands due to king tidal surges, calls on the government to commit to restore and rebuild the damaged sea walls on the outer islands of the Torres Strait to protect the island communities from further devastation. (Notice given 1 March 2011.)

Time allotted—50 minutes.

Speech time limits—

Mr Entsch—10 minutes.

Next 3 Members speaking—10 minutes each.

Other Member—5 minutes each.

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

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

2 MS SAFFIN: To move:

That this House:

(1) notes:

(a) that the Commonwealth is responsible for regulating the export of live animals, and for negotiating the arrangements and conditions that apply to the export of both live animals and chilled or frozen meat;

(b) that the current tariff barriers that apply in some countries to chilled or frozen meat exports mean that there is not a level playing field between the two forms of export;

(c) that the Commonwealth has consistently campaigned for a reduction in tariffs on all agricultural exports;

(d) the national and international concerns about the welfare of animals transported under the live animal export trade, both during transportation and at their destination, have been raised and substantiated in campaigns by organisations and individuals including the World Society for the Protection of Animals, Stop Live Exports, Princess Alia of Jordan, the RSPCA and the Barristers Animal Welfare Panel; and

(e) that Australia is one of few countries that consistently treats animals humanely during slaughter and that Australian chilled or frozen meat has gained wide acceptance in the Middle East for
its quality and observance of halal and kosher standards;

(2) acknowledges the opposition of the Australasian Meat Industry Employees Union and the local meat processors to the live export trade on the grounds that the live export trade has a detrimental effect on the local meat processing industry, affecting jobs and the Australian economy;

(3) calls for renewed consideration of a planned and supported transition in the medium term away from live exports and towards an expanded frozen and chilled meat export industry; and

(4) asks that Austrade be encouraged to be involved in negotiations to increase exports in frozen and chilled meat. (Notice given 1 March 2011.)

Time allotted—50 minutes.

Speech time limits—
Ms Saffin—5 minutes.
Other Member—5 minutes each.

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

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

3 MR HAYES: To move:

That this House:

(1) notes that:

(a) the importance of high school completion in equipping young people with the skills and education levels to translate into paid employment or further education opportunities;

(b) the national rate of unemployment for persons aged 15 to 19 looking for full-time work was 24.2 per cent in January 2010; and

(c) the current rate for Fairfield-Liverpool region is 33.5 per cent;

(2) acknowledges that:

(a) education and high school retention play a crucial part in improving youth employment opportunity;

(b) in 2009, the Year 10 to 12 apparent national retention rate was 76.7 per cent; and

(c) in South West Sydney the current retention rate is: 72.6 per cent;

(3) calls on:

(a) the government to continue its efforts to ensure an above 90 per cent high school retention rate nationwide by 2015 in order to reduce the youth unemployment rate; and

(b) local businesses to give, where possible, priority to the local youth searching for employment. (Notice given 28 February 2011.)

Time allotted—30 minutes.

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

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

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

4 MS ROWLAND: To move:

That this House:

(1) notes that National Youth Week is:

(a) the largest celebration of young people in Australia and will take place on Friday 1 to Sunday 10 April 2011, with the theme ‘Own It’; and

(b) organised and run by young people aged between 12 and 25 from around Australia;

(2) acknowledges and commits itself to addressing the significant public policy and social challenges faced by young Australians including the:

(a) unacceptably high incidence of suicide amongst young people;

(b) prevalence of bullying and social stigmatisation, particularly in the form of cyberbullying; and

(c) estimated tens of thousands of young people around Australia who are homeless on any given night;
applauds the outstanding contributions made by young people to a wide range of causes and volunteerism in their local communities and beyond, particularly a renewed emphasis on online participation in volunteering; and

affirms its belief that a quality education remains a key determinant of opportunity and inclusiveness for young people. (Notice given 23 February 2011.)

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

Speech time limits—
Ms Rowland—5 minutes.
Other Member—5 minutes each.

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

Items for Main Committee (approx 6.30 to 9 pm)

PRIVATE MEMBERS’ BUSINESS

That this House:

notes that:

(a) this year marks the two hundred and fiftieth anniversary of veterinary education with the establishment of the first veterinary school in Lyon, France, in 1761; and

(b) around the world, 2011 is being designated World Veterinary Year to honour the contribution and achievements of the veterinary profession in the community to animal health and production, public health, animal welfare, food safety and biosecurity;

recognises that:

(a) in Australia, 2011 marks the one hundred and twentieth anniversary of the first class of graduates from the inaugurated Melbourne Veterinary College;

(b) seven schools of veterinary medicine are now established in Victoria, NSW, Queensland, WA and SA;

c) veterinarians:

(i) are dedicated to preserving the bond between humans and animals by practising and promoting the highest standards of science-based, ethical animal welfare with all animals, large and small;

(ii) are on the front line maintaining Australia’s status as free from exotic diseases which threaten the environment, human and animal health, providing extensive pro bono services annually through ethical treatment of unowned animals and wildlife;

(iii) are vital to ensuring the high quality of Australia’s commercial herds and flocks and security of our food supply; and

(iv) provide a valuable public health service through preventative medicine, control of zoonotic disease and scientific research;

(d) significant contributions and achievements have been made by many individual members of the Australian veterinary profession including:

(i) Nobel Prize winner and Australian of the Year, Dr Peter C. Doherty, who achieved major breakthroughs in the field of immunology which were vital in understanding the body’s rejection of incompatible tissues in transplantation, and in fighting meningitis viruses;

(ii) Professor Mary Barton, a leading veterinary bacteriologist with a distinguished career in government and in veterinary public health, who has a strong research background in bacterial infections of animals and in antibiotic resistance in animal and human health; and

(iii) Dr Reg Pascoe, a renowned equine surgeon and dermatologist and leader in his profession for more than 50 years, who published 70 research papers and many texts while
earning a doctorate and running a busy practice in Oakey, and dedicated years to the National Veterinary Examination and the Veterinary Surgeons’ Board of Queensland; and

(3) recognises:
   (a) that 2011 is World Veterinary Year;
   (b) the valuable and diverse roles veterinarians perform in the Australian community; and
   (c) the veterinary profession as it celebrates the past and continuing contribution by veterinarians. (Notice given 1 March 2011.)

Time allotted—50 minutes.

Speech time limits—
   Mr Cobb—10 minutes.
   Next 3 Members speaking—10 minutes each.
   Other Member—5 minutes each.

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

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

6 MR GEORGANAS: To move:
That this House acknowledges that:
   (1) a strong biosecurity and quarantine system is critical to Australia’s rural and regional industries, jobs, consumers and our natural heritage;
   (2) Australian law protects Australia from pests and diseases carried by overseas animals, plants and their products; and
   (3) the application of Australian law will continue to be rigorously applied in Australia and defended against external challenge.
   (Notice given 24 February 2011)

Time allotted—30 minutes.

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

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

7 MR L. D. T. FERGUSON: To move:
That this House:
   (1) recognises that 24 March is World Tuberculosis Day, in observance of a disease that still claims the lives of 1.7 million people every year, and which:
      (a) is currently the leading killer of people living with HIV and the third leading killer of women;
      (b) has the highest growth in the South-East Asian region, which accounted for the largest number of new tuberculosis cases in 2008; and
      (c) could be dramatically reduced by improved detection and diagnosis;
   (2) recognises that the Global Fund to Fight AIDS, Tuberculosis and Malaria (Global Fund) currently provides more than two thirds of the global funding to combat tuberculosis, and that:
      (a) Australia could supplement its recent pledge to the Global Fund to ensure that the resources for tuberculosis as well as AIDS and malaria are sufficient to achieve the goal of significantly reducing the number of people suffering from these diseases; and
      (b) action by Australia to supplement its pledge would influence other donor countries to increase their pledges;
   (3) acknowledges that the widespread adoption of the new Xpert diagnostic tool, which cuts the time for diagnosis from several weeks to two hours, would lead to significant improvements in the detection and treatment of tuberculosis; and
   (4) requests the government facilitate the adoption of Xpert in South-East Asia. (Notice given 1 March 2011.)

Time allotted—40 minutes.

Speech time limits—
   Mr L. D. T. Ferguson—10 minutes.
   Next Member speaking—10 minutes.
   Other Member—5 minutes each.
The Committee determined that consideration of this should continue on a future day.

8 MS PARKE: To move:
That this House:

(1) recognises that:
(a) there are 650 million people living with disabilities worldwide and that approximately 80 per cent of those people live in developing countries, with 82 per cent of those living below the poverty line on an income of less than US$1.25 per day;
(b) children and young people can often be the hardest hit by disability, whether because a child has a disability or is caring for an adult with a disability; and
(c) UNESCO has found that 90 per cent of children with disabilities in developing countries do not attend school;

(2) notes that the Australian government is:
(a) committed to implementing changes in Australia’s development assistance designed to deliver better outcomes for people with disabilities, as outlined in the strategy Development for All: towards a disability-inclusive Australian aid program; and
(b) already held in high esteem internationally for its leadership in this field and in particular for the human rights-based approach taken to forming the strategy, in accordance with its adoption of the United Nations Convention on the Rights of Persons with Disabilities; and

(3) calls on the Australian government to consider:
(a) including the active participation of people with disabilities in its aid policy formulation, as well as incorporating monitoring mechanisms within aid funding to ensure that disability inclusive development is effectively measured; and

(b) any further ways in which AusAID and the Department of Foreign Affairs, Defence and Trade can continue their engagement with Disability-Inclusive Development policy to further strengthen Australia’s commitment to this important cause. (Notice given 1 March 2011.)

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

Speech time limits—
Ms Parke—10 minutes.
Next Member speaking—10 minutes.
Other Member—5 minutes each.

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

3. The committee recommends that the following items of private Members’ business listed in the day’s Notice Paper be voted on:

Orders of the Day
House of Representatives Chamber
20 – Multiculturalism in Australia–Motion of Mr LDT Ferguson
21 – Assisting the Victims of Overseas Terrorism Bill 2010–Mr Abbott

Main Committee
1–Workforce participation of people with a disability–Motion of Mrs Moylan
3–Loss of the Malu Sara–Motion of Mr Entsch
5–Climate change and a carbon price–Motion of Mr S.P. Jones
6–Community hospitals in South Australia–Motion of Mr Secker

DOCUMENTS
Mr ALBANESE (Grayndler—Leader of the House) (3.26 pm)–Documents are presented as listed in the schedule circulated to honourable members. Details of the documents will be recorded in the Votes and Proceedings.

Opposition members interjecting—
The SPEAKER—Order! Now that we have got the birthday greetings over and done with, congratulations to those members of the class of ’96 on their 15th anniversary. Two of them have been very excited today during question time, but congratulations on 15 years.

MATTERS OF PUBLIC IMPORTANCE
Carbon Pricing

The SPEAKER—I have received a letter from the honourable member for Wide Bay proposing that a definite matter of public importance be submitted to the House for discussion, namely:

The impact of a carbon tax on Australia’s food industry.

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

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

Mr TRUSS (Wide Bay—Leader of the Nationals) (3.27 pm)—The government wants us to believe that its great big new carbon tax is just a tax on big corporations and on big polluters; on the ugly people who produce our electricity and the ugly people who create our manufacturing industries and our export income. The government wants us to believe that it will actually have no effect on ordinary people; that this is something benign for them and will do nothing to affect their cost of living. The reality, of course, is that that is not true.

This is a tax that will affect every household in Australia. It will affect them every time they go to the shop, it will affect them on the way to the shop and it will affect them on the way home. Everything that they do will be taxed again and again. The price on every item on every shelf in every store will go up and up as a result of this tax. This is not a one-off tax like a GST that is refunded in various elements through the process. This tax cascades; it is there again and again and again. And all Australians will pay.

If you wanted any confirmation, the front page of the Daily Telegraph on the day after this was announced read, ‘Carbon-fuelled food prices. The price of food will go up as a result of Labor’s carbon tax’. And it is not just that there will be increases in the cost of producing the food but there will also be increases in the cost of selling and transporting the food. A national survey of more than 500 food and grocery retailers said that 83 per cent intend to pass on the cost of their carbon tax by way of higher prices. Frankly, I wonder where the other 17 per cent are. But the reality is that grocery retailers intend to pass on the cost. In the same survey of 525 members, 78 per cent said that this will affect the number of jobs in their shops and the number of hours that people will work.

Even today it goes a step further. The Coca-Cola Amatil chief Terry Davis said:

Australia is in danger of becoming entirely dependent upon imported food—

and he continued:

… the federal government’s proposed carbon tax would further undermine the competitiveness of Australian manufacturers.

He went on to say that he is concerned about the survival—the very survival—of Australia’s food manufacturers ‘if the government were to push ahead with plans to tax carbon emissions’. He added:

I’m really worried about the competitiveness of food and beverage manufacturers in Australia.

And why wouldn’t he be concerned? Australian food and beverage manufacturers are going to have to pay taxes that their competitors around the world will not have to pay. If we import our food and our processed vegetables from overseas there will be no tax but, if we in fact process and preserve and pack-
age Australian food and vegetables, they will indeed be taxed under Labor’s scheme.

The Prime Minister has said that agriculture will be exempt from her proposed carbon tax. But who would believe her? Those words are coming out of the same mouth, the same lips, which said on 16 August 2010: There will be no carbon tax under the government I lead.

She said in August that there would be no carbon tax under her government and she made it even more emphatic a couple of days later when she said:

I rule out a carbon tax.

The same lips are now saying that we will exempt agriculture. Who would believe her? Who believes anything she says? Indeed, the Minister for Climate Change and Energy Efficiency at the table threw doubt on the validity of this whole commitment on ABC Rural on 28 February when he said:

… it’s too early to tell how a carbon price will affect farmers’ costs.

So you have the minister in charge of implementing this scheme not sure how much it is going to cost. He does not even know what the impact will be on farmers and he is not even prepared to recommit to the promise that this tax will not affect farmers.

But let us make it absolutely clear. Could any farmer go to the bank manager and plead with the bank manager for some carrying-on finance and be confident of success? The bank manager would ask him, ‘Have you made any provision in your budget for the effect of the carbon tax?’ The farmer would probably say. ‘Oh, no, Julia has told me that I won’t have to pay the tax.’ Do you think the bank manager will believe that? This is the Prime Minister who said that we were not going to have the tax in the first place, so why would anybody believe her now when she says that farmers will be exempt?

Farmers are not exempt. She is only proposing to exempt farmers from the tax on carbon emissions—and for how long, who knows? They have made it clear that the only reason they are introducing that exemption is because they cannot measure emissions. It is also true of course that under Labor’s proposed rules they would not allow farmers’ sequestration of carbon in the soil to be credited. They will not allow carbon exported in grain or other farm products to be counted. They will not allow carbon in pastures, or in most trees even, to be counted. So in effect, they do not have a system in place, otherwise, there is no doubt that the tax would also apply to the farming sector.

Professor Garnaut advocates the inclusion of agriculture, and he is their major guru in this area. This is the same guy who actually suggested that farmers should give up farming cattle and sheep, and grow kangaroos. Kangaroos are what we should have in the country and they should be the future of farming in this nation. The Financial Review editorial, that gives a lot of advice to everybody, also thinks that farmers should be included. So I can understand why farmers are anxious that the promise made by the Prime Minister that they will be exempt will in fact be like all the other promises—not worth a cracker. It will not be honoured, like her word in so many other areas.

This does have a significant impact. ABARE in its modelling in August 2009 said:

… these additional charges—
the effect of a carbon tax—
would cut beef cash incomes by 13.6 per cent,
dairying by 9.7 per cent, sheep by 11.4 per cent,
wheat and other crops by 8.5 per cent.

And that is not all. The impact of this tax will flow through into the food processing sector. The government has not said that it will be exempt so when food is being pack-
aged, when the food is being processed, when the sugar is being crushed, and when the milk is being processed, will those processes be exempt from the tax? The reality is that that is highly unlikely. So these costs will indeed be passed on to consumers.

These costs will make our food more expensive and this will be a price that consumers will have to bear. The dairy industry has calculated that a carbon tax of $26 a tonne would add $7,500 a year to the cost of an average dairy farm. The reality is that Labor does not care. Labor is quite happy to import the food from other countries that do not have a carbon tax and have no plans to have a carbon tax, because they have no commitment to ensuring the food security of Australians.

The other thing that we have been asked to believe is that there will be compensation paid to the low-income families who will have to bear this higher cost. Again I say: this is a promise that has come from the same lips as those that said, ‘There will be no carbon tax.’ Why should families believe that they will ever get that compensation, or that it will be adequate, or that it will last for more than a day after the next election, or that it will be paid to people in a way that is meaningful? The clear facts are that the government cannot be counted upon to honour its word in that regard.

Today the Prime Minister even went further. She said that the assistance is going to be ‘fair and generous’, and the Leader of the Opposition made the very valid point that if people are going to get so much compensation why would they change their behaviour? Why turn out the light bulb if you are being paid compensation for the extra cost of electricity? In reality, this scheme will not even work, because the people who are supposed to be changing their behaviour are going to be given additional compensation. But we know that there are many people—most people in the chain—who will indeed be worse off and it will be a cost that they have to pass on to consumers.

If this tax is $26 a tonne, we are told that the top 200 companies will pay $3.3 billion in tax. That leaves at least $9 billion in the first year to be paid by small business, to be paid by families, to be paid by people who must wear that cost and who cannot pass it on. The reality is that this is a government that cannot be trusted to deliver compensation. It cannot be trusted to guarantee a clean and reliable food distribution system in this country. It is a government that has slashed every year into important rural research and development projects. It has slashed expenditure on quarantine that is to make sure our industry is able to protect itself from pests and diseases in other parts of the world. It has no sympathy for those who produce our nation’s food.

The other quite curious argument the government is using is that we must have this tax so that we can deliver certainty. Well, last week we had plenty of certainty. The coalition had said there would be no tax. The Labor Party had said there would be no tax. There were no doubts whatsoever. Indeed, another survey has said that over 80 per cent of businesses believed the Prime Minister and had not factored a carbon tax into their future business operations. So the Labor Party are not delivering certainty. They are in fact delivering uncertainty. They have announced a tax and all they are able to tell us about it is that it is going to start on 1 July 2012. We do not know how much it is going to be. We do not know how long the rate will stay at that amount. We do not know who is going to pay. We do not know how much prices are going to go up. We do not know who is going to be compensated. We do not know any of those fundamental issues. How has that delivered certainty to the Australian...
people? It has delivered uncertainty in massive doses.

That point has also been picked up time and time again by business commentators on this issue. Adding to the uncertainty that is provided in a difficult economic environment by changing economic circumstances around the world, Australia now has a new layer of investment uncertainty. We have the threat of a great big new tax called the carbon tax that this government intends to impose and we have a greater level of uncertainty. There is an uncertainty in the business community. There is an uncertainty amongst Australian families because they do not know what impact it is going to have on them. There is an uncertainty in the workplace because we do not know which jobs Labor are going to sacrifice on the altar of the carbon tax.

We do know that for every one job created—and most of those jobs will be subsidised jobs—over three will be lost in other sectors. That was the clear evidence of the questions put to the government today, to which they could not respond. There will be jobs lost and there will be further uncertainty in households because of the certain knowledge that everything they buy will be more expensive. It will cost more to go to the stores. It will cost more to travel. It will cost more to do the things people want to do.

What the government are doing is creating uncertainty. They have taken away the bipartisan position that both parties went to the election on: the clear commitment that there would be no carbon tax. Only one party promised a carbon tax, and that was the Greens. So whose word should we be taking on this tax? Is the Prime Minister’s word worth anything when she makes a promise with her own lips—’there will be no such tax’—and then is elbowed out of the way by Senator Brown in her own courtyard to announce the biggest tax that Australia has seen in decades? Those are the people we need to watch, and they have no commitment to excluding agriculture from the carbon tax. They have got no commitment to compensation. They have got no commitment to helping struggling Australian families. You cannot impose a tax that collects $12 billion in its first year, and even more year after year after year, without that having a significant impact on all Australians. Families will find the cost of living so much more difficult to manage as their electricity costs go up, their food costs go up, their jobs are threatened and their lifestyles are threatened by a tax that we do not have to have.

There is a better way. We can reduce CO2 emissions by positive, direct action. Labor always turns to punitive measures—more taxes, more revenue so they can waste more, spend more and deliver less—and Australian families are so much worse off. We need a strong, reliable, secure system, which this government will never deliver. It will only deliver more and more and more taxes.

Dr Emerson (Rankin—Minister for Trade) (3.42 pm)—What an astonishing turnaround today from the coalition. It comes in day after day saying that it knows the impact of the emissions trading scheme and the fixed-price permit on households. That is its central proposition. We have had shadow minister after shadow minister coming in and making claims as to the impact that this will have on households. The proposition is that there is all this uncertainty, that the price is unknown, and therefore this is bad. Well, you can make that proposition if you want in a democracy, but you cannot reconcile it with the other proposition, which is that they know the impact of the price of carbon on households. You can have one, you can have the other, but you cannot have both—and that is what they have said today.
They have said there are two problems: they do not know what the price is, but on the other hand they do know what the price is because they tell everyone every day what the impact will be. In fact, what they have told the Australian people about this impact varies day by day, week by week, month by month and shadow minister by shadow minister. The shadow environment minister, about whom I will have a lot to say in my allotted time today, last year said it will be $1,100. That was on 6 January. This year, on 25 February, just a few days ago, he said it will be $300. But then they have gone on to say it will be $1,000 and then they have gone on to say it will be $500. So: just pick a day, just pick a number. They know the impact of a carbon price which they complain has not yet been determined. You cannot have it both ways, but this coalition always does want to have it both ways.

The coalition have said that the fact that the price has not been determined at this point will create uncertainty. There is no more guaranteed way of creating uncertainty in relation to the efforts of an Australian government to limit carbon emissions than to declare that you will roll the program back. That is what the coalition have declared—that if a carbon price is introduced and an emissions trading system is designed to be implemented then we will get what the previous Treasurer of this country used to describe as ‘roll-back’. Remember the Treasurer, at this dispatch box, saying how bad it would be for the Labor Party, on the GST, to implement ‘roll-back’? Well, here they are, the kings of roll-back, because they would roll back the entire emissions trading scheme and replace it with what? They would replace it with the most expensive dog’s breakfast that this country has ever seen—a $30 billion slug on Australian taxpayers made up of $10½ billion of the order of magnitude of the black hole identified by the Department of Finance and Deregulation and the Department of the Treasury in the coalition’s costings of its commitments, all unrepudiated and all unrepealed, going into the last election. They are the official estimates of the size of the coalition black hole, which happens also to be the estimated cost of their direct action plan—that is, $10½ billion.

Where does the balance of $20 billion come from? I can tell the people of Australia what would happen. The coalition are saying that they too will sign up to the target of reducing unconditionally Australia’s emissions by five per cent to make them comparable with 2000 levels by 2020. That is the same unconditional target that the Australian Labor Party has embraced. The coalition say they are embracing the same target, a five per cent reduction. The problem is that the Department of Climate Change and Energy Efficiency estimates that the $10½ billion direct action plan will only do a quarter of the job. Therefore, three-quarters of the job needs to be done through the purchase of international permits. Therefore, the coalition’s $10 billion black hole becomes a $30 billion black hole. The Leader of the National Party says, ‘This MPI is about the impact on households.’ What about the impact of $30 billion in extra taxation on Australian households? That is a gigantic impact. It is equivalent to some of the biggest budgets—the health budget, the education budget—of this country. They say that they will whack a $30 billion tax on Australian households. They say the coalition are for low taxes.

Dr Emerson—There we go again: ‘We’re for low taxes.’ I had this discussion yesterday with the shadow health minister on Sky television. The shadow health minister invited me to prove that, in fact, the previous coalition government was the highest taxing government in Australia’s history. I am very
happy to do that within this chamber of the Australian parliament today. It is clear from Budget Paper No. 1 2010-11, page 10-7, that taxation as a share of GDP was the highest in Australia’s history under the coalition, not once, not twice, not three times but in 2000-01, in 2001-02, in 2002-03, in 2003-04, in 2004-05, in 2005-06 and in 2006-07. That is about eight gold medals for the champion taxers of Australia! The shadow health minister said yesterday, ‘Oh, but not as a share of GDP!’

Mr Dutton—It’s not!

Dr Emerson—It is here. It is in the document. This guy used to occupy the position of Assistant Treasurer and he cannot read a budget. No wonder they have come up with a $30 billion slug on Australian families. They did it before and they will do it again. They were the world champion taxers before; they will be the world champion taxers again. We absolutely know that they have now not an $11 billion black hole but a $30 billion black hole. That would be the biggest tax increase that the Australian people have ever seen, because of the ineptitude of the coalition.

They might have to walk away from their five per cent unconditional target. Who knows—it is only Wednesday and we still have another day of sitting tomorrow. It could well be that the Leader of the Opposition will walk in and reaffirm his undertaking, his fundamental belief that climate change is absolute crap. If he truly believes that climate change is absolute crap—and I am sure that that is one honest statement from the opposition leader; he does believe that climate change is absolute crap—then he can abandon his five per cent emissions reduction target, the bipartisan position. But if he does not abandon the target then he has a $30 billion problem. Worse, the Australian people have a $30 billion problem.

The Leader of the National Party said, ‘Look, the government said that this is a tax on big polluters and it will have no effect on consumers.’ We have indicated that it will have an effect on consumers. We have said that. But we have also said that all of the proceeds of the fixed price permit would go to compensating consumers and to assisting businesses to make the transition to a low-carbon economy. We have indicated that they will be compensated.

There is a champion of pollution taxes in this parliament. I have done a PhD thesis, but the thesis of this champion has to be seen to be believed. I would give it about 9½ out of 10, if you can find it. I am not sure that the shadow environment minister can find it, but we have been able to find it. Here it is: the thesis of the shadow environment minister. It says, amongst other things:

The market system is the preferable regime as it better ensures that the polluter bears full responsibility for the cost of his or her conduct.

We would give 10 out of 10 for that! It is just a goldmine of learned observations. It includes this:

There is also a strong consensus that even if some of the Liberals’ constituents do respond negatively—

that is an understatement—a pollution tax does need to be introduced to properly serve the public interest.

Ten out of 10 for the shadow environment minister—good on him. Where is he? He is probably watching on the monitor and saying, ‘Gee, Emo is going through my entire thesis.’ You bet your sweet bippy I am going through his entire thesis because he goes on to say:

Business’s greatest concern, according to the Liberal Party, is the need to have a certainty which would enable them to plan for the long term.

With that, I also agree. This thesis led to the inspiration of a very learned opinion piece in
the *Sunday Age*. Again, I have to agree with so many of the statements in this learned thesis from the shadow environment minister. He said:

We should now consider the alternative of pollution taxes. Pollution taxes imposed on the lowest level of emission and increases the amount of waste produced increases. Pollution taxes encourage companies to decrease discharges of pollutants.

He went on to say:

Despite an initial protest from industries taxed not only have they survived but many have flourished because the cleaner industry has often proved to be more efficient.

He talks about the benefits of putting a price on pollution. That is what we are doing—putting a price on carbon pollution. But this man, the shadow environment minister, is under the thumb of the Leader of the Opposition, who says in the party room: ‘Look, I know most of you actually believe in climate change. I know you think this is a real problem, but we have got an opportunity—in fact I, Tony Abbott, have an opportunity—to shut up, keep your heads down and we will go the government over this and we might end up being in government.’

With that address to the party room, the opposition leader shows that he will say anything, do anything and take any opportunity to prevail over people like the member for Wentworth, the member for Flinders and very many members of the coalition and say: ‘Put your philosophy, put your principles and put your values aside because I could be Prime Minister. If you do not, there will be trouble.’

Yesterday we saw the beginning of very inappropriate usage of comparisons. I have got very broad shoulders. I play a bit of rugby, even these days—not all that convincingly—

Mr Truss—We heard about that.

Dr Emerson—Let us hear about this. You would think that the coalition would backtrack on this a little bit because we know that the member for Indi, another shadow cabinet minister, this morning on the doors made a similar comparison to the one that the shadow health minister made in respect of me and Colonel Gaddafi yesterday. This morning, the shadow minister for industry and innovation, the member for Indi, made the comparison between the Prime Minister and Colonel Gaddafi.

The Leader of the Opposition was asked about this and he said, ‘It is not the sort of language I would use.’ The interviewer asked, ‘Will you have a talk to the member for Indi?’ and he said, ‘Oh, we’ll have a talk to the member for Indi.’ You would think, having declared that he would have a bit of a chat to the member for Indi, that the last thing that she would do after that time had elapsed is put out another press release—this is beyond going on the doors this morning—where she said, ‘If Ms Gillard believes that under her carbon tax Australian jobs and manufacturing will be better off, she, the Prime Minister, is as deluded as Colonel “My people love me” Gaddafi.’

The comparison was also made by Senator Abetz, who in my memory is the coalition opposition leader in the Senate. This is a pattern. You see this pattern with the opposition leader where he says, ‘It was not me; they might have gone a little bit too far,’ but in fact he is behind it. This comes out of central casting, the opposition leader’s office, but he does not have the basic guts to say, ‘Yeah, that’s me; I am quite happy to stand by that,’ because he lacks courage.

Mr Truss—Mr Deputy Speaker, on a point of order: the matter of public importance is about food prices and I do not think the ravings of the minister have any relevance.
The DEPUTY SPEAKER (Hon. Peter Slipper)—It is a wide-ranging debate. There is no point of order. The honourable member will resume his seat. I call the Minister for Trade.

Dr EMERSON—You know they have lost the argument when they take silly points of order like that and when they make stupid comparisons like they have been. You would think they would have some consistency in their modelling and in their thinking, but there is no consistency. The only consistency from the opposition leader is that he wants to be Prime Minister and he does not care what he needs to do or what he needs to say to become Prime Minister. I will make this prediction: this man will never be the Prime Minister of Australia because he has no principles and he is completely without courage on this and all other matters.

Mr JOHN COBB (Calare) (3.57 pm)—This carbon tax will quite obviously be a disaster for our economy, especially for agriculture and the food industry. Today we found out that it is not $26 a tonne but $45 a tonne. It has been a tumultuous time in agriculture in recent years. In recent years agriculture has faced every possible disaster. It has had 10 years of drought, it has had locust plagues and in recent times it has had floods, it has had fire and it has had enormously fluctuating commodity prices, not to mention probably the highest dollar we have seen in many years—all of which are not to our advantage.

Over the last two, three or four years other countries have, quite rightly, focused on food security. They have focused on the fact that the world population is growing. Those in the know are talking about climate change and world food supplies. They are looking to tighten up. Other countries and global companies have been investing in food security. In the last three years, there has been 10 times the investment in Australian agriculture, particularly in agribusiness. That should send a message. You would think that in this climate we would have a renewed focus on agriculture by the federal government. But the opposite has happened. The government do not understand and they do not care what agriculture has to deal with or how. The government gained power on the back of rural Independents abandoning agriculture, and they are doing it with alarming regularity. Let us remember that we are talking about the sector of Australian industry that produces all the food.

In the last two weeks, the minister for agriculture and his predecessor, Minister Burke, supported Coles over the dairy farms. That is a great understanding of agriculture! Then we have the Minister for Trade, who is sitting at the table right now, skiting before he even starts negotiations with the Japanese on the free trade agreement that he would take no notice of—

Dr Emerson—Mr Deputy Speaker, on a point of order: the member would know that I have corrected that. I have never made that statement, not once. It was reported and it has been clarified.

The DEPUTY SPEAKER (Hon. Peter Slipper)—There is no point of order, and, as the minister would be aware, there are forums of the House that he could use if he wants to correct the record.

Mr JOHN COBB—The record shows that the trade minister made the statement that he was not going to take agriculture into account when he dealt with the Japanese on free trade agreement negotiations.

Dr Emerson—I told you: I did not make that statement.

Mr JOHN COBB—You would think that ex-union officials would know how to bargain! Can you imagine them saying, ‘We want a wage rise but we’re not really all that
fussed about it'? The apple industry have been devastated—and we are talking about food prices here—by the decision that New Zealand apples will be able to come into Australia, and then they see their Prime Minister standing in the New Zealand Parliament celebrating that fact with the New Zealanders. This is a fire blight situation. You would not go to the New Zealand Parliament and celebrate, saying, ‘You can bring them in.’

Dr Mike Kelly interjecting—

The DEPUTY SPEAKER—The Parliamentary Secretary for Agriculture, Fisheries and Forestry ought not to interject from outside his seat. You can if you return to where you belong.

Mr JOHN COBB—If fire blight comes to this country, we will not have an apple industry in this country. Is that something to celebrate? I think it is poor form, and it shows contempt for our own apple industry.

The DEPUTY SPEAKER—The member for Calare will resume his seat. The Minister for Trade, on a point of order—which I will be listening to very carefully.

Dr Emerson—Mr Deputy Speaker, it will be a better founded point of order—that is, that this is an MPI about carbon pollution. What this fellow is talking about has absolutely nothing to do with—

The DEPUTY SPEAKER—The minister will resume his seat. By definition, matters of public importance are wide-ranging debates. There is no substance to the point of order. I call the member for Calare.

Mr JOHN COBB—With the carbon tax that Labor are so proud of and that the Minister for Trade cannot wait to impose, Australian farmers are more exposed than almost any other industry. Whether or not they wear it themselves, they will wear its effects like no others. Electricity, fuel, fertiliser and transport, it does not matter where you go; we all know, with a carbon tax of $45 a tonne, just how expensive it will be—well, we will if the government ever work it out. Let us look at the example of the impact of the carbon tax on milk prices. We all know that, irrespective of whether or not agriculture is included, all those things will become much dearer for dairy farmers. It remains to be seen, with the minister for agriculture backing Coles and Wesfarmers over dairy farmers, if milk will be included or not—if there is even anyone left to produce it. When dairy farmers need to buy in feed, new breeding stock or new machinery, they will be slugged by the prices as badly as anyone in the economy. With the recent milk price war, we can all see—everybody, with the exception of Australia’s own agriculture minister and his predecessor, Minister Burke, who have virtually stated that Coles were in the right—the impact that this is going to have. The Australian dairy industry estimates that this will cost an extra $7,500 per year, but that was with the carbon price at $26 per tonne. At $45—

Dr Emerson interjecting—

Mr JOHN COBB—Your own Treasurer quoted from a $45 a tonne paper today. So the average dairy farm is going to be out of pocket by about $13,000 or $14,000, simply for electricity. That is just for electricity. That is not transport. That is not fertiliser. It would be nice if those dairy farmers were able to recoup that money, but we are price takers, not price setters. The price cut in milk might be good for consumers in the short term but not in the long term: given that their house prices are going to fly up and given that we are talking about a carbon tax at $45 a tonne, they are going to have to pay $600-odd or more for their domestic electricity use.

The Prime Minister and the Labor government claim that Australian agriculture will be excluded from the carbon tax. Given
that the Prime Minister stated a day or days before the election that we would not have a carbon tax at all, I actually think Paul Keating would roll over in his grave with jealousy—

Dr Emerson—He’s still alive!

Mr JOHN COBB—because this is a bigger lie than the L-A-W law tax. It puts that one in the shade. If the Prime Minister has already broken her promise to Senator Bob Brown over this carbon tax, let us face it: they are going to include agriculture. Bob Brown and agriculture? They are about as compatible as flame and ice-cream.

The government have, in three short years, already devastated the agricultural sector by draining resources and exposing our borders, as well as our domestic and export industries, to exotic pests and noxious diseases. The government have slashed R&D. Let me tell you that R&D is the only thing that the agricultural industry in Australia believe can get them through to the productivity levels they need anyway—let alone the productivity levels which the minister for agriculture apparently, in the last couple of days, told ABARE that farmers would need to gain to get over the recent floods et cetera. That is one way of doing it! It is better than any government assistance, obviously! R&D is critical to productivity but has been slashed, the industry is not going to get any help with the floods or whatever it is and the government has decided there are no more exceptional circumstances with regard to drought. That is fine, I guess. But, if you put a carbon tax for agriculture on top of all that, there are not too many places for farmers to go. The government has totally ignored agriculture in the recent floods and rains. The drought has been taken over by floods, so everything has to go.

It has occurred to me that there might be something very cunning going on. With regard to the jobs the Treasurer could not explain, they could put people to work catching Asian bees, which the government are not going to do anything—(Time expired)

Dr Emerson—Mr Deputy Speaker, I rise on a point of order. During the debate the Leader of the Nationals again made a comparison between me and Colonel Gaddafi, and I want it withdrawn.

The DEPUTY SPEAKER (Hon. Peter Slipper)—I do not believe there is a point of order. Could the shadow minister clarify what he said?

Mr Truss—The situation was that the minister was calling points of order in this debate about food. I made the point that my contribution was about food and that his ravings about Colonel Gaddafi were not relevant to the subject.

The DEPUTY SPEAKER—If that is in fact what the Leader of the Nationals said, there is no point of order. Were he to have accused the Minister for Trade of being like Colonel Gaddafi then that, of course, would have to be withdrawn. There is no point of order on this occasion.

Ms LIVERMORE (Capricornia) (4.08 pm)—Another day and another MPI based on fear not facts, politics not principles and now slur not science. Will the opposition ever take their responsibilities as parliamentarians seriously? Will they ever engage in a sensible and rational debate over policies like this one on climate change that are fundamental to our nation’s future? On the evidence so far, the answer is clearly no. We are not even a week into this debate and the desperation of Liberal-National Party members is plumbing new depths. We have seen them reach almost hysterical levels in their attempt to mislead Australians about the effects of a carbon price. Let us look at some of the statements by opposition members about
this. Last year Greg Hunt said it would be $1,100 per year—

The DEPUTY SPEAKER (Hon. Peter Slipper) — ‘The member for Flinders’ is the correct means of description.

Ms LIVERMORE — I beg your pardon, Mr Deputy Speaker. The member for Flinders this year was saying it would be $300. Apparently, the member for Goldstein has another way of calculating it and he is saying it will be $1,000. The Leader of the Opposition in New South Wales was saying just the other day it would be $500. So in their desperation to whip up fear they are really just making this stuff up, and today’s MPI is no different.

Usually they use electricity prices as the basis of their daily fear campaign. They come in here quoting price rises that have nothing to do with any carbon price. We do not have a carbon price. We on this side know all about the price rises that we have experienced in this country over the last three to five years. There have been price rises in the order of 40 per cent over that time. We also know the causes of that: underinvestment in generation infrastructure and underinvestment in transmission infrastructure. This has been acknowledged by the electricity sector and by industry. They have acknowledged that this underinvestment will not be addressed without certainty around a carbon price.

Today the scare campaign has shifted to food. Again, there are no facts in this; there is just fear. There is no basis for the claims that members opposite are making. Again, if you turn to the facts, you will see in the modelling around the CPRS last year that the estimates were for about a one per cent price rise. But people in the industry are telling us that it is too early to make these claims with any certainty. A spokesperson for Woolworths on 1 March said that they could not forecast potential price impacts until more details of the scheme were released. The National Retail Association agreed with that, saying it is a little too early to tell what will happen with a carbon tax and what the implications are likely to be for prices.

The opposition will not let any facts slow them down in their fear campaign. The facts are that agriculture is exempt from the carbon-pricing mechanism that has been announced. Farmers will not pay any carbon price on their production. In fact, farmers will be able to benefit from the Carbon Farming Initiative that will provide new opportunities to participate in lucrative international markets for carbon credits. Under the Carbon Farming Initiative we will legislate clear rules for the recognition of carbon credits that could then be sold in national and international markets.

In his review of his 2008 report on climate change, Professor Garnaut described this as a historic opportunity for rural areas to cash in on the international push to reduce carbon emissions. He said:

It is potentially transformative in the Australian rural economy. We are in a good position with our large interest in biosequestration to put things in place to create opportunities for our rural community which can then be taken up by the rest of the world.

This is great news for farmers. The Carbon Farming Initiative is just one program that demonstrates this government’s commitment to addressing climate change in real and practical ways that give our important industries the incentive to innovate and embrace new opportunities.

We have said consistently that we will take steps to reduce Australia’s carbon emissions and to transition and transform our economy to one based on clean energy where future growth is not dependent on ever-increasing production of carbon. With the
highest emissions per capita in the developed world—higher even than in the United States—Australia’s households and businesses are at risk of being left behind in a global economy that is already moving to cut pollution. If we just ignore that shift in the international marketplace, we risk hurting our economy and losing jobs.

In at least the last two elections the Labor Party advocated putting a price on carbon and doing that through an emissions trading scheme. In at least one of those elections—the one in 2007—the opposition was advocating exactly the same thing. After years of neglect and inaction, then Prime Minister Howard was finally dragged into the 21st century by the member for Wentworth and others in the Liberal Party and convinced that Australia could no longer ignore climate change. What was John Howard’s answer at that time? His answer was pricing carbon through an emissions trading scheme. So the scheme announced by the Prime Minister two weeks ago reflects the economic consensus and previous political consensus that the most efficient and low-cost way to reduce carbon emissions in Australia is through a market based emissions trading scheme.

Our two-stage plan for a carbon price mechanism will start with a fixed price for three to five years before transitioning to an emissions trading scheme. A carbon price is a price on pollution. It is the cheapest and fairest way to cut pollution and build a clean-energy economy. The best way to stop businesses from polluting and get them to invest in clean energy is to charge them when they pollute. The money raised through the carbon permit scheme will be used by the government to assist households and industry. Every cent raised from the carbon price will assist families with household bills and help businesses make the transition to a clean energy economy.

We will stick with the facts in this debate and we will stick with the job of economic reform. We on this side understand that the facts are hard for the Liberals to face up to—the fact that an emissions trading scheme was Liberal Party policy; the fact that, back in 2009, those among the opposition caucus room voted to support the emissions trading scheme negotiated by the members for Groom and Wentworth; and the fact that an emissions trading scheme is the most efficient and lowest cost way to reduce carbon emissions. I do not expect those opposite to take my word for it. They should listen to their colleague the member for Wentworth, who has said repeatedly that he wants to see a market based solution and that the economic market consensus is around an emissions trading scheme as the most efficient and effective way of reducing carbon.

It appears that the opposition have no answer to those facts, so instead they are resorting to a scare campaign. But perhaps that is not altogether true. It seems that they do have an answer: direct action. How does direct action work? It seems that they do not like to talk much about that anymore, and now we know why. When you look at the figures that have been released by the Department of Climate Change today it is very obvious the opposition want to stick to their scare campaign and not talk about their so-called plan to reduce carbon emissions in any way in this debate. The figures from the Department of Climate Change say that the coalition’s direct action policy would cost over $30 billion, rather than the claimed $10½ billion. Even the $10½ billion was coming off the budget bottom line and out of taxpayers’ pockets. Under these figures the Australian average family would be $720 worse off under the direct action policy.

For all that hurt and pain for households, for all that cost to the budget and to taxpayers—and there is no assistance package in
Mr RAMSEY (Grey) (4.18 pm)—It is fascinating to watch the Labor Party debate a subject they know nothing about. The last two speakers—the Minister for Trade and the member for Capricornia—have collectively mentioned the word ‘food’ only twice. I might just repeat what the matter of public importance is: ‘The impact of carbon tax on the Australian food industry’. While the member for Capricornia mentioned the word ‘food’ twice, I do not think I heard the word ‘agriculture’ come out of either of their mouths through the whole debate. As I said, that is what you get when people talk about something they know nothing about. One of the great issues for Australia and one of the great challenges for our farmers is that the party that is ruling Australia at the moment knows nothing at all about agriculture, its importance to the nation and its importance to the world as the industry that will feed a population which will double by 2050.

One thing I do welcome from the government is its recent announcements that it has decided to exclude agriculture—that was the one time they mentioned agriculture—from the carbon tax arrangements. I concur with this. I must say that it defies common sense that people do not understand that agriculture is a closed circuit when it comes to carbon. Basically, when it rains, plants grow; plants take carbon out of the atmosphere; cows come along and eat the grass and it turns into grain; we ship the grain off to people to eat; those people eat the grain; it turns back into carbon, which turns into energy and heat, and some of it turns into some pretty unmentionable product that goes down the toilet; and the cycle begins again. It is a cycle of about two years.

I welcome the fact that the government say they are going to leave agriculture out of the picture. The only stumbling block is that they say a lot of things. It was only 10 months ago that the now Prime Minister said she believed in an ETS. Two months later she did not believe in an ETS. Leading up to the election we were never going to have a carbon tax, but here we are six months later and we have a carbon tax. So I hope they stick to their word on agriculture at least. But a carbon tax only makes sense—and I am sure that those on the other side would concur with this—if it alters people’s behaviour. That is why an understanding of agriculture is so important. Agriculture is worth around $45 billion a year to the Australian economy and it is largely an export industry. It also feeds our nation, and I hope to get back to that later in this MPI.

Let us have a look at the export industry. Anyone who understands agriculture knows that farmers are price takers: when we put our commodity on the market it does not really matter what cost we put on it in Australia; we will take what the market has to give us. If someone is producing that com-
modity somewhere else in the world cheaper, we have to come down and meet that market point.

On the point about changing behaviour, if we put up the price of fuel—and Australian farmers use about two billion litres of fuel a year in production—by around 6½c a litre it will make no difference, farmers have no choice: they will still use the same amount of fuel. Already we are the most modern and efficient industry in the world. We use the best tractors in the world with the latest motors. The latest harvesters cost in the range of $800,000. It is not as if this is old technology. We are using satellite guidance. Our farmers have reduced farming to a one-pass operation. We use the least possible fuel, for good reason: it costs a fortune. One of the things we try to avoid using on farms is fuel. We could double the price of fuel and the net result would be the same: if you want food—and the world needs food—you are going to have to burn the same litres to get the product.

One of our great advances in farming is no-till farming. It and the use of chemicals has rescued Australian soils from degradation. It gets the tractors out of the paddock. We use much lighter implements. We go out and we spray the weeds. We do not work the earth anymore. We do not push it down the rivers. That is what modern farming is about. It is a wonder to go onto a modern farm, Mr Deputy Speaker, because you are looking at some of the most technologically advanced industries in the world. There is this picture in urban Australia, which we must repaint, that farmers are wandering around with the seats out of their pants and a hayseed hanging out the back of their hats. It is not like that at all. These are very modern, technologically advanced industries, and they have worked out how to cut their inputs to a minimum.

One of the biggest inputs for any farmer is the fertiliser bill. Not every farm size in Australia is the same, so I generalise, but I will talk about farmers that come from my part of the world. Typically they will be spending $100,000 a year on fertiliser. Fertiliser is a little bit like aluminium. We talk about aluminium being ‘solid electricity’. Fertiliser is not quite as bad but my understanding is that it is around 30 to 40 per cent responsive to the price of the energy that goes into it. So if we raise the price of energy, the price of fertilisers will inevitably go up by a considerable amount. You cannot farm without fertiliser. It is already the most expensive thing on our agenda. We would be farming with as little fertiliser as we possibly can. Artificially pumping up the price of fertiliser will not change behaviour and if it does not change behaviour then the carbon tax will not do what the government says it will do.

I said I would try to return to domestic food production, because it is very important. There is not an enormous amount of domestic food production in my electorate—after, of course, the production of meat. One of the great concerns of not only Australian farmers but the community at large is that they see an increasing amount of foodstuffs coming into Australia from overseas. We are feeling fearful for our future and our ability to make sure that Australia is self-sufficient in food. Sure, we will always have surpluses of wheat, we will always have too much wool and of course we will have too much beef. But in many of the other product lines we are beginning to wonder. For instance, one product that has been discussed here today and quite a lot recently is milk. But if you walk down the supermarket aisle you are exposed to a disturbing truth: there is an increasing amount of food coming in from overseas.
Labouring extra costs onto Australian farmers, Australian food, Australian agriculture—those things that those people on the other side of House do not want to talk about—will not increase the price of products coming in from overseas. It will just make them more competitive with our farmers. We have already lost something like 17 per cent of the Australian farming workforce between 1996 and 2006. We are waiting for the results of the latest census, but I do not expect that figure to have changed too much. Seventeen per cent of our workforce, or 54,000 people, have been forced out of agriculture in those 10 years. It is not because they all got rich or retired and decided to head off to Bali to live for the rest of their lives; these people have been forced out because of the tough economic times and the tough realities of competing in world markets.

People talk about droughts and floods and all the rest of it. I care about that stuff and it is a reality, but at the end of the day it is the strength of the business model that will support Australian agriculture. If those businesses cannot make money, we are out of the show. In a world that is going to double its population by 2050, where we are losing prime urban land not just in Australia but all around the world, where there is land degradation and we are losing water supplies, the challenge is out to agriculture to grow more than it has ever done before. This carbon tax will disadvantage Australian farmers with the rest of the world and threatening to drive them to the wall. The margins in farming are very slim. A farmer is lucky if he is making three to four per cent on capital a year. Who else would invest in an industry like that? If this government throws another cost onto them, that margin disappears. *(Time expired)*

**Mr ADAMS** (Lyons) (4.28 pm)—There is no doubt that the National Party are full of gloom and doom. There is never a positive position for the rural sector. Like Hanrahan, it is always, ‘We’ll all be rooned.’ The position that carbon is not a problem and that we do not have to deal with it is not reality. The reality is that carbon is there, we are going to have to deal with it, the world is going to deal with it, Australia needs to deal with it and we need to deal with it right across our economy. That is the point and that is what this government is doing. The Liberal position has changed from John Howard, to Mr Turnbull to the position that they have now. It is an unsustainable position. They know that but they are trying to find something in a political sense.

The previous speaker, the member for Mallee, dealt with a couple of matters. Of course we have to use fertiliser, but there are people who are working hard at farming with a lot less fertiliser, a lot less sprays. There are people out there doing it. That cost is not going away, whether there is a price on carbon or not. That price is still going to be there and is still going to increase. We know that and those opposite know that, so it is a false argument to bring that into this debate. No-till farming, harvesting moisture—of course they are doing that. And the smarties out there are really into that in a positive way. Mechanical agriculture: more use of that is going to continue to help meet costs. Being able to produce more with less: we have seen farmers do that with water and there are a lot of people out there—a lot of very good farmers—doing that in a positive way. The member talked about the workforce. There was no bigger change in the workforce than when tractors replaced horses. If you want to look at statistics those are the biggest statistics to look for in agricultural change.

We really need to come to grips with getting a price for carbon. Calling it a carbon tax is probably a bit misleading at this stage. We really need to work on a carbon price
that can be in place by 2012; we need to get legislation passed through this parliament so that can occur. A carbon price would be a market mechanism. It is incredible for me, from where I come from, to stand in this parliament and say the Labor Party is going to use a market mechanism to achieve an outcome, while the other side, the Liberal Party, is opposing that and have an idea that they are going to win government on it. I do not know where Menzies’ philosophy would fit into that thinking. It is a really interesting thing to stand in this parliament and think about that. But that is the position the Liberal Party are in in their political manoeuvrings. It is really quite a strange thing to have occurred.

Following getting a fixed price on carbon, there is clear intent that there would be a smooth transition to an emissions trading scheme. That is the government’s position; that is what we should be moving towards and that is what we are moving towards. Detailed issues including the starting price, the length of the fixed price period, and assistance arrangements for households, communities and industry will be addressed as we go through this debate. We need to have a debate based on facts, not fear. We need to get on to the facts about this issue that our country needs to deal with. We need to have a calm and rational conversation about what is best for Australia and how to tackle climate change and build a clean energy economy. We have certainly seen some of the worst aspects of the Liberal Party on the television today from the doorstops this morning.

The Leader of the Opposition should really be having a conversation where he is putting out his party’s position based on the facts of this debate and not about fear. The coalition’s direct action policy will cost $30 billion and ensure that taxpayers, rather than those putting out carbon, are the ones who pay. That is what the Liberal Party’s and the National Party’s positions are. They say that those that are polluting do not have to pay, but the ordinary taxpayers of Australia will pay $30 billion. Now when we start talking about who is going to get hit under what policy, it is their policy that will take the hit. Government rather than markets will pick the winners. It is really astounding that the Liberal Party has a position like that. There will be no investment certainty provided for industry. That is what industry tells me they want. A lot of industry leaders know the world is going to have a carbon price. There is going to be carbon. We are going to reduce carbon in the atmosphere and we are going to reduce what is producing carbon. Industry leaders want certainty so that they can get on with their decision-making and their industry-planning and their investments. Much needed economic reform will be ignored and replaced with this stop-gap political solution. Households will not receive any assistance to cope with the cost-of-living issues; I understand they will be slugged about $720 on their tax bills because of the Liberal and National parties’ policy position.

Under the Gillard government’s policy position, the people who produce the carbon will be the ones who pay. The market will pick the winners. We will sort out where we are going to go in the new world of reducing carbon. Industry gets investment certainty; households will receive assistance to help them with their household bills. We will look after communities and households. And the national economy will undergo significant change as we move to a clean energy future with certainty and a means of doing so.

Agriculture, which is being used by the National Party in this debate, is exempt from a carbon price, as has been repeatedly stated by the federal government. So their arguments are false; the argument on which this debate is based today is a false argument. Of
course we went around looking at what carbon meant. In a report brought down by the House committee, *Farming the future*, we certainly went into some of those things. There was certainly one thing that came out of that report—that is, healthy soil, healthy food. That is certainly something that we need to get to our heads around.

No doubt, when a carbon price is worked out and we move to an emissions trading scheme, the agricultural industry may benefit from going down that path. In the report of that committee we certainly looked at those issues and the adaptation prospects and impacts of climate variability and climate change on agriculture. There could be a lot of positive things in that area. There could be a lot of opportunities into the future, especially for the farm-forestry area. We took evidence from Mr David Matthews, a farmer at Kilcoy, Queensland, who described its importance. He said:

… soil organic carbon is the building block for all vegetation.

Of course, he is exactly right.

This is an argument based on fear. The falseness of the debate will come back and really work against the Liberal-National Party, who are trying to have a debate on a political point. They will not win on that because this is too big an issue to just have a political position on. A carbon price will cut pollution and drive investment in clean energy. A carbon price is the cheapest and fairest way to reduce pollution and invest in clean energy. This Labor government we will always support those who need help to meet an increase in their cost of living—especially pensioners and the most vulnerable. *(Time expired)*

Debate interrupted.

**MINISTERIAL STATEMENTS**

**United Nations Universal Periodic Review**

Mr McCLELLAND (Barton—Attorney-General) (4.39 pm)—by leave—Before I present a copy of the draft report of the working group on the Universal Periodic Review I would like to make a relatively short statement giving some context to that document.

I am pleased to have the opportunity to update the House on Australia’s appearance at the United Nations Human Rights Council in Geneva for its first Universal Periodic Review on 27 January 2011. The Universal Periodic Review was established in 2006 to create a regular process of review for all countries who are members of the UN to ensure they comply with their international human rights obligations.

This government firmly believes that a nation that respects fundamental human rights is a nation that is safer, more resilient, productive and stable. Australia was an active participant in the negotiations of the Universal Declaration of Human Rights, the foundation for the standards of human rights and freedoms around the world. Since then, Australia has engaged actively in the development of international human rights treaties. Australia’s first appearance under the Universal Periodic Review marks another significant moment in Australia’s history of promoting human rights at the international level.

The Australian delegation was led by Senator the Hon. Kate Lundy, Parliamentary Secretary to the Prime Minister and included Australia’s Permanent Representative to the United Nations, Mr Peter Woolcott, as well as senior Australian government officials. I had hoped to lead the Australian delegation, but was unable to do so due to my responsibilities for emergency management and the unprecedented floods crisis across Australia.
Australia’s appearance at the Human Rights Council was an excellent opportunity to discuss our strong human rights record. Since the Labor government was elected in 2007, we have taken significant action on human rights, including:

- becoming a party to the Convention on the Rights of Persons with Disabilities and its Optional Protocol;
- acceding the Optional Protocol to the Convention on the Elimination of all forms of Discrimination against Women;
- signing the Optional Protocol to the Convention against Torture;
- giving support to the Declaration on the Rights of Indigenous Peoples; and
- issuing a standing invitation to Special Procedures of the United Nations Human Rights Council to visit Australia.

We have also taken steps to implement our obligations in legislation such as recent amendments passed by the parliament to introduce a specific Commonwealth offence of torture and to prevent the death penalty from being introduced anywhere in Australia in the future. The Australian delegation was also able to inform the council of key elements of Australia’s Human Rights Framework, which I launched last year. These elements include:

- legislation currently before the Senate to improve parliamentary scrutiny of human rights considerations in new legislation, including the establishment of a new Joint Parliamentary Committee on Human Rights;
- consolidating federal anti-discrimination laws into a single act;
- investing more than $12 million into a comprehensive suite of education initiatives to promote a greater understanding of human rights across the community; and
- creating an annual NGO Human Rights Forum—of which the inaugural forum has already been held—to enable comprehensive engagement with non-government organisations.

A number of countries at the Human Rights Council made the specific point of praising the government’s Human Rights Framework initiatives. During the interactive session, 53 countries asked questions of and made recommendations to Australia. Australia received 145 recommendations. Issues raised included international human rights treaties, domestic implementation of our human rights obligations, the rights of Indigenous peoples, the rights of asylum seekers, refugees and migrants, our counterterrorism laws, the rights of persons with disabilities and the rights of women and children.

The Universal Periodic Review is an important opportunity to reflect on progress we have made and to renew our determination that in the fields of human rights, equality and opportunity, we can always achieve more. During the review, we announced a number of new commitments in the area of human rights, including:

- funding to restore a separate full-time Race Discrimination Commissioner in the Australian Human Rights Commission, in addition to funding recently committed to a full-time Age Discrimination Commissioner. This will significantly increase the commission’s capacity, providing six full time commissioners in total; and
- providing $2.35 million to the UN Office of the High Commissioner for Human Rights through AusAID’s Human Rights Fund to help promote human rights, particularly in the Asia-Pacific region, in addition to $650,000 for the
Asia Pacific Forum to help establish and strengthen human rights institutions in the region.

We also committed to increasing Australia’s monitoring of our international human rights obligations domestically by:

- tabling in parliament all concluding observations made by UN treaty bodies to Australia, as well as recommendations made to Australia in the Universal Periodic Review;

- establishing a systematic process for the regular review of Australia’s reservations to international human rights treaties;

- establishing a publicly accessible, online database of recommendations from the UN human rights system, including recommendations made by UN human rights treaty bodies to Australia as well as recommendations made to Australia in the Universal Periodic Review; and

- using the recommendations made during the Universal Periodic Review and accepted by Australia to inform the development of Australia’s new National Human Rights Action Plan.

If honourable members desire more information on Australia’s appearance and these measures, they can be found at http://www.ag.gov.au/upr. This government is committed to a fairer and more inclusive Australia where everyone has the opportunity to participate fully in the economic, political and social life of our nation. The government welcomes the opportunity to engage with the international community on these important issues.

The draft report of the Working Group on the Universal Periodic Review of Australia includes the 145 recommendations made by the Working Group of the Human Rights Council. In consultation with states and territories, the Australian Human Rights Commission and non-government organisations, the government will give consideration to the range of recommendations made and respond to the council in the coming months. I present:


I ask leave of the House to move a motion to enable the member for Curtin to speak for a period of seven minutes.

Leave granted.

Mr McCLELLAND—I move:

That so much of the standing and sessional orders be suspended as would prevent Ms J Bishop (Deputy Leader of the Opposition) speaking for a period not exceeding seven minutes.

Question agreed to.

Ms JULIE BISHOP (Curtin—Deputy Leader of the Opposition) (4.48 pm)—The coalition has always been a strong supporter of human rights and the Universal Declaration of Human Rights, believing that those who live in freedom should defend and advance the human rights of those who do not live in freedom. The Universal Periodic Review is one of the important processes that come with membership of the United Nations, and I welcome this update on Australia’s participation in that process.

I remind the House that one of the Howard government’s significant foreign policy achievements was the establishment in 1998 of a ministerial-level human rights dialogue with China, after Prime Minister Howard proposed such a dialogue on a visit to China in 1997. The issues raised in the ministerial dialogue include: freedom of assembly, of speech and of religion; human rights in Tibet; treatment of ethnic minorities; the death penalty; and the treatment of prisoners, including political prisoners. This remains the only ministerial-level human rights dialogue
China has established with another country, which I believe reflects a high level of respect for Australia’s approach to human rights. Australia has also held regular human rights dialogues with Vietnam, and I was pleased to attend the most recent dialogue, held in Canberra on 18 February. The discussion was constructive, with both sides willing to have an open debate on matters of some sensitivity.

While I welcome the update on the Universal Periodic Review from the Attorney-General, I am disappointed he did not voice any concerns at all about the operation of the United Nations Human Rights Council. While no nation can claim a perfect record on human rights, it is somewhat hypocritical for the Islamic Republic of Iran, a country known for its increasing repression of civil society, to raise concerns about Australia’s alleged:

... systematic discrimination on the basis of race in particular against women of certain vulnerable groups ...

I note that Iran has also called for Australia to:

Take effective legal measures to prohibit the use of excessive force and “Tasers” by the police against various groups of peoples ...

Given Iran’s repeated brutal and violent crackdowns on peaceful protests, please forgive me if I find this particular recommendation somewhat galling. There were others, and I am surprised the Attorney-General took no issue with Iran’s stance. This feeds into broader concerns about the operation of the United Nations Human Rights Council, which, for the purposes of the periodic review, included Cuba and Libya. While I welcome the decision to suspend Libya from the council due to the appalling events in Libya in recent days, I have concerns about how Libya came to be on the council in the first place, given that, through membership on the council, countries should be held to the highest standards of the council’s mandate.

Problems associated with the United Nations’ approach came to a head at the 2001 Durban Review Conference on racism, which had Libya as chair of the preparatory committee and Iranian President Ahmadinejad as a keynote speaker. Delegates from numerous nations, including Australia, walked out of the conference in protest at his speech, the key theme of which was anti-Semitism. Eight years later, the United Nations appeared to have learned little from the 2001 experience. A draft working paper for the Durban II conference was circulated, with an almost exclusive focus on alleged human rights abuses by Israel and with a strong undercurrent of anti-Semitism. Some nations announced they would boycott the conference while others urged a radical re-draft of the document. The final version of the document was more acceptable, but concerns remained about the conduct of the conference.

At the time I urged the then Rudd government to show moral leadership and announce a boycott of the conference, which it finally agreed to do but only at the very last moment. My fears were well grounded as Iranian President Ahmadinejad was keynote speaker and launched into an extraordinary but predictable tirade against the United States, Israel and numerous other Western nations. Once more, his speech triggered a mass walkout of delegates. If regimes with scant regard for human rights are allowed to use the United Nations Human Rights Council as a global platform from which to air their repugnant views it will cause serious damage to the reputation and credibility of the council itself.

I note that the Human Rights Council replaced the UN Commission on Human Rights in 2006 after the commission had
been discredited because of highly politi-
cised bloc voting patterns that allowed pariah
states to gain membership and thereby effec-
tively avoid criticism. A 2009 background
paper by the US based Council on Foreign
Relations stated:

Despite a high-profile effort to reform the world’s
top human rights panel, the new UN Human
Rights Council continues to face the same criti-
cisms that plagued its predecessor, the Commissi-
on on Human Rights … bloc voting, loose
membership standards, and bias against Israel are
keeping the two-year-old council from living up
to expectations as a responsible watchdog over
global human rights norms.

There is a clear need for ongoing reform of
the council. It is reported that more than 70
non-government organisations have written
to the United Nation’s Secretary-General
raising concerns about voting practices that
undermine the intended work of the council.

I can understand the motivation of re-
gimes that abuse human rights for wanting to
dominate the council, thereby seeking to
claim some form of moral equivalence with
countries that consistently embrace basic
freedoms and human rights and thus diverting
attention away from themselves and
avoiding scrutiny. However, it is the respon-
sibility of those nations which genuinely
support universal human rights to prevent
those regimes from achieving their goals.

The coalition strongly supports the work
of the United Nations in promoting and ad-
vancing human rights globally. We urge the
United Nations to reform its processes to
ensure that it protects the integrity of bodies
such as the Human Rights Council. It is not
in our national interests, nor in the interests
of the oppressed peoples of the world for this
work to be subverted by those with ignoble
intentions.

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**TELECOMMUNICATIONS**
**INTERCEPTION AND INTELLIGENCE**
**SERVICES LEGISLATION**
**AMENDMENT BILL 2010**

**Consideration of Senate Message**

Bill returned from the Senate with an
amendment.

Ordered that the amendment be consid-
ered immediately.

*Senate’s amendment—*

1 Page 33 (after line 5), at the end of the Bill,
add:

**Schedule 8—Membership of Parliamentary**
**Joint Committee on Intelligence and Secu-
**rity**

**Intelligence Services Act 2001**

1 Subsection 28(2)
Repeal the subsection, substitute:

(2) The Committee is to consist of 11
members, 5 of whom must be Senators
and 6 of whom must be members of the
House of Representatives.

2 Paragraph 8(1)(b) of Schedule 1
Repeal the paragraph, substitute:

(b) either of the following happens be-
fore the Committee reports on the
matter:

(i) the Committee as so constituted
ceases to exist;

(ii) the constitution of the Committee
changes;

3 Paragraph 18(1)(a) of Schedule 1
Omit “5”, substitute “6”.

4 Transitional—existing appointments
not
affected

The amendments made by this Sched-
ule do not affect an appointment, made
before the commencement of this item,
of a Senator or member of the House of
Representatives as a member of the
Parliamentary Joint Committee on In-
telligence and Security.
Mr McCLELLAND (Barton—Attorney-General) (4.55 pm)—I move:
That the amendment be agreed to.

Briefly, the government proposes to amend this bill by including an additional schedule 8, which will expand the membership of the Parliamentary Joint Committee on Intelligence and Security from nine to 11 members, and to increase a quorum of the committee from five to six members.

The amendments also clarify that the committee may continue to use evidence taken by or produced to it by the same or another parliament, even where the committee ceases to exist or its membership changes. A transitional provision is also included to ensure the amendments do not affect the appointment of members to the committee before the commencement of these amendments.

The committee provides an important role in the scrutiny of the administration and expenditure of Australia’s security and intelligence organisations and I recommend the amendments to the House.

Question agreed to.

GOVERNOR-GENERAL’S SPEECH
Address-in-Reply

The SPEAKER (4.56 pm)—I understand it is the wish of the House to adjourn in order that I may present the address-in-reply to Her Excellency the Governor-General at Government House. I shall be glad if the members for Robertson and Bass together with other honourable members will accompany me to present the address.

Mr McCLELLAND (Barton—Attorney-General) (4.57 pm)—I move:
That the House do now adjourn.

Question agreed to.

House adjourned at 4.57 pm

NOTICES

The following notices were given:

Ms Roxon to present a Bill for an Act to amend the law relating to midwife professional indemnity, and for related purposes.

Ms Roxon to present a Bill for an Act to amend the National Health and Hospitals Network Act 2011, and for other purposes.

Mr Robert to move—That this House:

(1) notes that:
(a) military service is unique and comes with inherent risks not applicable to other public service jobs;
(b) Australia’s service personnel, past and present, after giving so much to their nation, deserve to live out their lives in the knowledge that they have financial security; and
(c) approximately 56 000 retired military personnel who are members of the Defence Force Retirement and Deaths Benefits (DFRDB) scheme and the Defence Forces Retirement Benefits (DFRB) scheme have their military pensions indexed only to movements in the Consumer Price Index (CPI); and

(2) calls on all Members to support the:
(a) concept of the unique nature of military service; and
(b) Coalition’s policy to index the military pensions to members of the DFRDB and DFRB schemes who are aged 55 and over, to the higher movements in the CPI, Male Total Average Weekly Earnings or the Pensioner Beneficiary Living Cost Index.
The DEPUTY SPEAKER (Hon. Peter Slipper) took the chair at 9.30 am.

CONSTITUENCY STATEMENTS

Bonner Electorate: Volunteers

Mr VASTA (Bonner) (9.30 am)—It is with pleasure that I rise today to acknowledge the wonderful work of the many volunteers in the bayside suburbs of my electorate of Bonner. In particular, I would like to pay tribute to those who so tirelessly assist the Wynnum and Districts Chamber of Commerce and the Manly Chamber of Commerce.

The Wynnum and Districts Chamber of Commerce was established in 1951 and, as the chamber itself states:

From humble beginnings the Chamber is now a fully-fledged service provider to the business community.

I believe this should read that the chamber is ‘an invaluable provider to and supporter of the business community’. The chamber is ably represented by its general manager, Pete Baines, and its president, Phil Saunders. Pete is an incredibly hardworking individual who has been committed for so many years to ensuring that business in the area has a voice and is supported. Phil, as a local business owner, knows what it takes to make a small business successful and is taking the lead in the chamber to assist other businesses to thrive. All the chamber’s functions are inevitably extremely well facilitated by Ian Hill and his wife, Di. They are community leaders and have always tirelessly volunteered their time in support of others.

Acknowledgement is also due to David Farley, the President of the Manly Chamber of Commerce, and to Floranel Budziosz. David makes an incredible contribution to the community, and I thank him for all he has done for business and tourism in the Manly precinct. Floranel is also an integral member of both the Manly Chamber of Commerce secretariat and the Wynnum Manly Tourism and Visitor Information Centre. She is recognised as a tireless and wonderful contributor to her local community. In my experience, Floranel is an all-round lovely person. I know that the chamber is particularly grateful to Floranel for all her efforts and that each year she exceeds the chamber’s expectations. The chamber certainly believes that she deserves the thanks of every trader and property owner in her area as well as the thanks of the whole Manly community. I join them in those thanks.

All these people contribute so much to their local community, and it is only fitting that they receive acknowledgement. I know that my thanks are shared by all those that they assist.

Lindsay Electorate: Make Poverty History Campaign

Millennium Development Goals

Mr BRADBURY (Lindsay—Parliamentary Secretary to the Treasurer) (9.33 am)—I rise to acknowledge the work of local residents from the Lindsay electorate involved in the Make Poverty History campaign. I had the pleasure of attending a Survive Past Five event at St Marys Baptist church recently. I would like to acknowledge the organisers of this event, Carolyn Greenhalgh, Anna Dohnt and Rhonda Lever; World Vision guest speaker Peter Archer; Pastor Ken Hall; and the more than 120 people who attended, including representatives from...
the St Marys Baptist, Hillsong St Marys, Emu Plains Baptist, ImagineNations, Westview Baptist and Penrith Baptist churches.

The event celebrated the birthdays of all of the children in developing countries who have lived to the age of five. To those of us living in Australia, this might not seem all that remarkable; but the reality for children in the poorest nations of the world is starkly different. In 2008, 8.8 million children throughout the world died before reaching their fifth birthday. Many of these children—400,000 of them, in fact—were from countries within our own region. This figure is all the more staggering because most of these deaths were from diseases that could have been prevented by things we take for granted here in Australia: immunisation, nutritious food and clean water. The most common causes of child deaths globally are tetanus, diarrhoea, pneumonia and measles.

The sheer size of the global poverty challenge often makes it seem insurmountable, but the Millennium Development Goals, which Australia signed up to in 2000, represent collective global action to halve poverty by 2015. Millennium Development Goals 4 and 5 set out the commitment to reduce infant and maternal mortality. According to a report into the progress of the MDGs published last year by UNICEF, we can see how infant mortality rates have dropped—in many cases halved—over the past 20 years. In 1990, 12.6 million children died before celebrating their fifth birthday. In our region in 1990, Indonesia had 86 infant deaths for every 1,000 live births. This rate dropped to 41 in every 1,000 in 2008. While there are improvements, we are obviously still seeing the worst rates in Africa, with a country like Sierra Leone going from 278 infant deaths for every 1,000 live births in 1990 to 194 in 2008. To put all of these figures in perspective, Australia had nine infant deaths for every 1,000 live births in 1990 and six in 2008. Along with other nations in the world, Australia has put its shoulder to the wheel. Australia has committed to increase its aid contribution to 0.5 per cent of our gross national income by 2015.

But there is still much to do to achieve the MDGs, and we seek to do it with the support of the Australian people. I would like to pay particular tribute to the local residents who are involved in the Micah Challenge and the Make Poverty History campaign, with whom I have now had a long association. I would like to congratulate all of these people for their dedication to a worthy cause and for their commitment to the principle that no-one, especially children, should have to live in abject poverty.

**Cowper Electorate: Camphor Laurel Trees**

Mr HARTSUYKER (Cowper) (9.33 am)—I would like to place on record the concerns of many residents in the Bellingen community regarding a Bellingen Shire Council proposal to remove three large camphor laurel trees from Church St, Bellingen. The council proposes to remove trees which are over 100 years old. It is doing this with the assistance of a $1.4 million Australian government grant as part of an upgrade to the main streets of Bellingen, Dorrigo and Urunga. Whilst the camphor laurel is technically regarded as a toxic weed, the reality is that these mature trees define the character of Church Street and add to the ambience of the town. The removal of any of these trees will change the local streetscape and destroy a natural piece of community infrastructure. The trees provide shade for the retail shopping strip and, whilst replacement trees can be planted, it will be difficult to replicate the benefits of 100-year-old trees on the streetscape.
Recently I met with a number of concerned residents about this issue. The meeting was organised by local resident Ziggy Konigseder. The residents believe that the council has not genuinely consulted with the community about the removal of the trees. They believe that the council has not been transparent in this process, although the plans were on public display, and there is a great deal of community angst that the loss of these trees will mean a substantial loss of character. Certainly it is my belief and the belief of many others that the old trees can be accommodated within the plan for the upgrade of the street, and that removing those trees would be a retrograde step.

The council maintains that it must proceed with the tree removal in order to meet the Commonwealth’s funding deadline of completing the works by 30 June this year. It also disputes that many in the community do not want the trees removed. Based on the number of representations I receive in relation to these trees, there is very strong community opposition to the proposal to remove them. The community feels that a better outcome could be achieved, and a better result would be to retain the existing trees and to work those existing trees into the proposed upgrade. At a time when government funding is scarce and the Gillard government is introducing new taxes to fund the flood recovery, it is hard to understand that taxpayers’ money is being used on a project that so many people in the community are opposed to.

The council is being very stubborn on this matter and is refusing to back down. It is resisting calls from the community to retain the trees. It is a very important community issue. These trees should be retained, and that would be a better outcome.

Kingston Electorate: Building the Education Revolution Program

Ms RISHWORTH (Kingston) (9.39 am)—I rise today to inform the House of some of the great Building the Education Revolution projects being completed in my electorate. I cannot talk about them all because I have over 60 schools in my electorate but I would like to update the House on a number of important projects that I have had the pleasure to visit recently. A couple of weeks ago I attended the opening of Woodcroft Primary School’s new gym facilities and their refurbished performing arts space. This is a particularly exciting project. When I walked into the new performing arts space, I saw something that I had never seen before at the school—year 3s in pairs in this performing arts space working on wireless laptop computers making very creative movies. It was a dynamic learning environment. This performing arts space has facilitated that opportunity. Woodcroft Primary School is a growing primary school with 800 to 900 students, from reception to year 7. The gym is a much bigger gym and more appropriate for the school. Everyone at the school was very excited and I certainly shared in that.

I was also pleased to go to a much smaller school, Old Noarlunga Primary School, which has a very close-knit school community, where I was able to open a new multipurpose hall. This hall has enabled all the primary school children and the community to meet in one place for the first time. This has been particularly important for the local school community. I was also very pleased to visit the Seaford 6-12 School and see their new performing arts space and refurbished classrooms, which will really enhance their learning environment. I was also pleased to travel to Tatachilla Lutheran College, where they have opened a new multipurpose gym, which will strengthen the delivery of education programs.
These are just a few of the schools I have visited, but these projects have not only delivered wonderful facilities but also supported jobs in our local community. The Woodcroft Primary School project supported 100 jobs in our local community; Old Noarlunga Primary School supported 20 workers in the local area; and the project at Seaford 6-12 School supported 30 workers. This is a very important thing. These projects were good projects that the schools wanted. They were value-for-money projects, were important and will have a long-lasting effect on the local school communities. I would like to congratulate everyone involved in these projects and wish them the best for the future. (Time expired)

Casey Electorate: Montrose Recreational Reserve

Mr ANTHONY SMITH (Casey) (9.42 am)—I have spoken before in this House about the wonderful community contribution of so many people in Montrose in the electorate of Casey, particularly those involved in the redevelopment of the Montrose Recreational Reserve. I have spoken of how, with local, state and federal funding, the community was able to partner with so many businesses and individuals to redevelop that recreation reserve with sporting facilities and a state-of-the-art children’s playground. Without the incredible work and contribution of so many local volunteers and so many local businesses that donated their time, it would not have been possible for this reserve to be redeveloped in the way it was. When the reserve was opened back in 2009, some 450 volunteers led by coordinator Julie McDonald from Montrose had worked 1,200 shifts over five days to assemble the playground. You can imagine, and I know all members of parliament will agree with me, the shock and disappointment last weekend when it was discovered that part of the playground had been torched on Friday evening by vandals. This obviously is an incredible disappointment not only to all of those who worked so hard on the project but also to the many local Montrose kids and those in the surrounding area who enjoy this state-of-the-art project.

Unfortunately, 400 volunteers worked many community hours to create the project and in just a few senseless minutes irresponsible people—the police do not know whether they are from the area or from outside the area—torched part of the playground. I agree absolutely with the local police, who called on those responsible to come forward. The spirit of the Montrose community is so strong that they will of course recover from this and rebuild, but I ask those who have committed this senseless, pointless act to think of the effect they have had on the children who helped to create the playground, to reflect on the fact that the damage they have done is pointless and to come forward, as the police have asked.

Lyne Electorate: Higher Education

Mr OAKESHOTT (Lyne) (9.45 am)—I rise today to talk about a very successful event from last weekend, when the University of Newcastle held its first graduation ceremony in Port Macquarie, on the mid-North Coast. This was the result of a lot of combined work by a lot of people in the region to engage the tertiary education sector better than we have done in the past.

When I was first elected in 2008 I was quite surprised to see that around our region the secondary education providers, the vocational providers and the universities, both public and private, did not talk to each other, so we pulled together the Port Macquarie-Hastings Education and Skills Forum, which now has 20 people who meet regularly. They are driving improvements in regional pathways for aspiring students from our area quite strongly, and we are starting to bear fruit. The graduation on the weekend saw the 100th nursing student gradu-
ate in their home town, having done the course entirely on their home patch. We saw the first business-law and arts graduates go through, having studied in their home town of Port Macquarie. The cherry on the cake was that a regional student learning by distance was successful in receiving the university medal. This was an important occasion. The acting chancellor, the vice-chancellor and many others from the University of Newcastle made the bus trip up the coast to participate in the graduation ceremony.

This is the start of an education and skills strategy for our regional area. We have put a lot of work into it. It is now a coordinated strategy with links across the vocational and tertiary sectors and the public and private sectors. It is timely in providing answers for many universities that are grappling with how to better engage regional areas on the back of the Bradley review. We believe we have taken ourselves from an area that was a follower in education, with an uptake of students going on to higher and tertiary education of only 12 per cent, to one that is now a proud regional leader in providing pathways. This work will continue.

Climate Change

Mr SIMPKINS (Cowan) (9.48 am)—On 28 February in question time Minister Combet spent some time paying out the Leader of the Opposition when he said that in November 2009 the Leader of the Opposition had said that in November 2009 the Leader of the Opposition had said that in the northern part of Britain, up against Hadrian’s Wall, grapes had been grown, that in medieval times crops had been grown in Greenland and that even in the 1700s they had had ice fairs on the Thames. The minister suggested that the only authority for that was One Nation. Clearly I am better read on this than the minister. When the minister was referring to Google that day, maybe he should have done a little bit of googling as well, because the InfoBritain website currently says:

In Roman Britain the weather was warmer than it is now, and by 1086 when the Domesday survey was carried out there were thirty nine vineyards officially recorded in England, although the actual figure may have been much higher. Temperatures began to drop in the second half of the sixteenth century causing a retreat of vine growing from the north and east of Europe.

Historical artefacts throughout Britain have pointed to locally grown wine, which was grown throughout the Roman occupation because, as is consistently reported throughout all sources, it was warmer then than it is now.

The Thames frost fairs are referred to in many historical records as well, and English artist Thomas Wyke painted a picture of the 1683–84 frost fair when the Thames was frozen for two months. Publications include Appleby’s 1980 *Epidemics and Famine in the Little Ice Age* and Gordon Manley’s 1975 work called *1684: The Coldest Winter in the English Instrumental Record*. There are plenty of records and it is all on open source.

Finally, on the matter of crops being grown in Greenland in the medieval period: again, this is well known to anyone interested in finding out the facts. I cannot believe that even the *Oxford Companion to Food* by Alan Davidson shows that the minister is poorly informed: it states that the Vikings grew barley in the 11th, 12th and parts of the 13th century when it was warmer than it is now. God forbid should I ever stand here and have my words refuted by a cookbook, but it has happened to the minister.

If the minister had googled this information or looked at Wikipedia or any other internet source, he would have found hundreds of sources that back up what the Leader of the Opposition said. My summary is that either the minister is so poorly read that we should all question whether he is fit to hold this portfolio or whether the department is so woefully inadequate in
the most basic research capacities that they cannot be relied upon to do their job. What worries me is that one day soon possibly the minister and his department may have control of a lot of money and that this pathetic failure on this matter is indicative of a glacier of failures that this government stands by. The Prime Minister should bring this carbon issue to an election. (Time expired)

The DEPUTY SPEAKER (Hon. Peter Slipper)—The honourable member’s time has expired. I am sure all honourable members will thank the member for Cowan for the history lesson.

Isaacs Electorate: Macdonald, Aaron

Mr DREYFUS (Isaacs—Cabinet Secretary and Parliamentary Secretary for Climate Change and Energy Efficiency) (9.51 am)—I rise to speak about Aaron Macdonald, a remarkable 16-year-old who lives in my electorate. Aaron received a certificate of commendation from Ambulance Victoria in October of last year. Aaron’s reward was received in recognition of his quick thinking and calm temperament in averting disaster when his father, Cameron, lost consciousness while driving Aaron to school.

In peak hour traffic, Cameron lost consciousness at the wheel. Making matters worse, Cameron’s foot slipped onto the accelerator significantly increasing the speed of the vehicle. Instinctively, Aaron lunged to the driver’s side of the vehicle and frantically attempted to remove his father’s foot from the accelerator while trying to divert the car away from other vehicles and pedestrians.

Aaron managed to escape colliding with several vehicles but, given the traffic, it was inevitable that a collision would occur. The car collided with several others over a stretch of 200 metres. In total, three cars were written off and four others sustained considerable damage. One car was shunted over a railway intersection but, miraculously, nobody was seriously injured.

When their car eventually came to a stop, Aaron thought that his dad was dead as he was not able to find his pulse or see any obvious vital signs. Aaron managed to get out of the car after kicking open the door and signalling bystanders to call an ambulance. Throughout this ordeal, his concern was for the wellbeing of his father and of others involved in the accident. Aaron’s father was rushed to hospital where it was discovered that his heart had failed. Cameron is, happily, now recovering.

If it were not for the bravery and courage shown by Aaron during this terrifying ordeal, the damage and injuries suffered on this early morning trip to school could have been far greater. Aaron happens to be the son of my electorate office staff member Claudette Macdonald, who is rightly extremely proud of her son. Claudette also advises me that Aaron is a national athlete and a good student who topped a couple of his subjects last year.

Aaron joins the more than 700 Victorians who have now been commended by Ambulance Victoria since the program began in 2001. The aim of the commendation process is to provide recognition for members of the public who provide valuable assistance to patients and to paramedics while also increasing awareness of first aid and CPR and to encourage other people to learn lifesaving skills.

The certificate of commendation presented to Aaron is well deserved and indeed a program in which this sort of certificate, this sort of recognition, through commendation by organisa-
tions like Ambulance Victoria is the sort of program that should be encouraged and continued because it is the sort of program that encourages all members of the community to act in the way that Aaron so commendably has. (Time expired)

The DEPUTY SPEAKER (Hon. Peter Slipper)—I am sure all honourable members would join the member for Isaacs in commending Aaron Macdonald for his actions.

Swan Electorate: Aircraft Noise Report

Mr IRONS (Swan) (9.55 am)—Today I rise to speak about the Labor government’s response to the Senate Rural and Regional Affairs and Transport References Committee inquiry report, The effectiveness of Airservices Australia’s management of aircraft noise. It is not a history lesson—it is not about cookbooks either, as suggested by the previous speaker, the member for Cowan. There are some areas in that report very pertinent to my electorate. There are two issues I would like to raise today. The first and most important issue is contained in recommendation 8, which recommends a noise amelioration scheme compensating residents affected by aircraft noise. This recommendation was rejected by the minister and the minister’s department. The government’s response notes recommendation 8 and then states:

This Government has shown leadership in implementing a range of new measures to address aircraft noise, including banning older, noisier jets …

The jets that the government banned had not landed in Perth for 15 months. So it was just another headline, which is typical of this government—headline after headline. Imagine banning something that had not landed in Western Australia for 15 months? It is just typical. The government’s response to recommendation 8 went on to state:

… putting into place better mechanisms for community consultation …

They had to do that because the reason for this inquiry was due to the lack of community consultation by Airservices Australia. The government glossed over this fact and was dragged kicking and screaming to the inquiry. The Senate members of the government did not vote on holding the inquiry. The government did not want to go down this road.

The government’s response to recommendation 8 further stated that these are:

… important steps in balancing the interest of the local economy and the effective use of airports with the preservation of the amenity and safety of surround communities.

During the inquiry, one thing the CEO of Airservices Australia said was that the noise problem in Perth was a perception. The people in my community and the people in the electorate of Hasluck will tell you that it is not a perception; it is a reality. These communities, as well as those in the electorate of Pearce, will be extremely disappointed by the response from this government.

When the minister was in opposition he fought for a noise amelioration scheme in Sydney and the Howard government introduced one. Last week I visited the member for Hindmarsh’s electorate and went through a house there. In that area near the airport they have implemented an insulation scheme—again, a scheme introduced by the Howard government. The minister fought long and hard during his period of time in opposition for his electorate and for the people who face noise problems near Sydney airport. But now he is totally ignoring the people of Perth and Western Australian industry. As with everything they do, like the GST, the focus of this government is eastern-state-centric.
Mr BYRNE (Holt) (9.58 am)—Today I want to acknowledge the work of the Hampton Park Progress Association subcommittee of the Australia Day committee in organising the Day of Nations Australia Day celebration—the first of two venues for the Holt Australia Day awards. The turnout for this event was incredible, with many hundreds of people turning out for a free hot breakfast and entertainment, including multicultural dancers, bagpipe performances, rides for the kids and much more. The strong turnout and extraordinary atmosphere is a testament to the dedicated work by president, Tony O’Hara, and the rest of the organising committee, including Warren Calder, Vanessa Gerdes and Erica Mallik. To these community minded people, I say: thank you for that fantastic event.

I would also like to acknowledge the Doveton Eumemmerring Neighbourhood Renewal, who in partnership with the Doveton Neighbourhood Learning Centre organised the Doveton Actively Diverse Australia Day celebration, the second venue for the Holt Australia Day awards. This was held in Autumn Place in Doveton. It should be noted the state government funded the Doveton Eumemmerring Neighbourhood Renewal, and it will be completing its eighth and final term this financial year. Despite the fact that the team is now wrapping up this project, it is clear that the work that this committee has done has left a substantial legacy in the community, evidenced by long-lasting outcomes and successful programs, and numerous stakeholders that have taken on the programs.

Apart from the events that the program has helped establish, including the Australia Day celebrations, the annual Doveton show and the monthly open mic night, the project is also responsible for a range of other achievements in the community. Just some of the supported programs and successes include: more than 380 residents have undertaken training in skills shortage areas, such as childcare, aged care, hospitality, asset maintenance, transport logistics, construction and metal fabrication; and more than 90 residents have gained employment. Further to these achievements, the following successes have also occurred: more than 600 significant internal and external upgrades and enhancements to Office of Housing houses undertaken in the community; establishment of the quarterly newsletter ‘3177 News’, which is now distributed to every household in the Doveton-Eumemmerring community; the establishment of a fresh food market that operates every Thursday from Myuna Farm; the establishment of a community tool shed, operating at the Doveton Neighbourhood Learning Centre; the establishment of the Brotherhood of St Laurence Centre for Work and Learning; and the establishment of the Doveton-Eumemmerring Township Committee, driven by residents to advocate on behalf of the community.

As the team members near the completion of the program, I would like this chamber to know of the difference they have made in the Doveton-Eumemmerring community, including the positive effects on community pride and participation levels. To the current staff of Tammy Osborne, Sarah Northey, Sue Hamilton, Anna-Marija Zika, Catherine Naylor and Cheryl Majhrovski, and the former staff, including Anita Francis, Terri Fellows, Kerri Elso, Cameron Price and Dina Jaballah I say: thank you for your work in the project and making the Doveton community an even better and safer place to live. (Time expired)

The DEPUTY SPEAKER (Hon. Peter Slipper)—Order! In accordance with standing order 193 the time for constituency statements has concluded.
APPROPRIATION BILL (No. 3) 2010-2011

Cognate bills:

APPROPRIATION BILL (No. 4) 2010-2011

Second Reading

Debate resumed from 1 March, on motion by Mr Gray:

That this bill be now read a second time.

upon which Mr Pyne moved by way of amendment:

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 call on the Government to bring forward its timetable for resolving the inequity it has created in independent youth allowance payments for inner regional students, and in particular ensure that:

(1) the review is completed by 1 July 2011;
(2) the current eligibility criteria for independent youth allowance for persons whose homes are located in Outer Regional Australia, Remote Australia and Very Remote Australia according to the Remoteness Structure defined in subsection 1067A(10F) of the Social Security Act 1991 also apply to those with homes in Inner Regional Australia from 1 July 2011;
(3) all students who had a gap year in 2010 (ie, 2009 year 12 school-leavers) and who meet the relevant criteria qualify for the payment; and
(4) this bill be appropriated with the necessary funds to pay for this measure.

Mr WYATT (Hasluck) (10.01 am)—I rise to talk on Appropriation Bill (No. 3) 2010-2011 and cognate bill. I want to cover some key aspects that go to the appropriation process for the seat of Hasluck. Over a period of time I have not seen some significant developments that have needed to occur with respect to both infrastructure and the level of funding to organisations within my electorate.

I first want to turn to two election commitments given by the Prime Minister when she was campaigning in Western Australia. The first commitment was $450,000 for the Str8 Talk’n program in Thornlie and Langford. This is a program developed and managed by the City of Gosnells. The underpinning ethos of the program is for a youth forum that tackles and discusses issues that are very particular to the youth in that area. There is also a focus on reducing crime through the active participation of young people in determining some of the key issues that are of importance to them and using that forum to influence the way in which the City of Gosnells provides programs and services and considers the needs of young people. The program also has the capacity to reach into other youth forums. It would be a pity to see such a constructive model of engagement for young people diminished by a lack of funding.

The second commitment was $1.2 million for a road link between Kalamunda Road and the proposed Elmore Way in High Wycombe. It is essential work that is enabling traffic flow within High Wycombe between Kalamunda Road and the streets surrounding that shopping centre. It is important for the growth of that suburb, and it was a funding commitment that we on this side also matched during the election campaign. The shire of Kalamunda are undertaking the work but they are basing their planning around the fact that the appropriation and the handing down of the budget will see that commitment being honoured. In addition to that, there are a number of other key elements within Hasluck that have not been considered, although they are extremely important.
I now turn to the Kalamunda Districts Rugby Union Club. The club had a long involvement with the two previous members for Hasluck. They have developed a strategy for an eastern zone for the development of rugby union that engages young people and families. I was astounded to go down to their oval and see 200 young children playing and training for their rugby union games. The expansion takes in an area from Midland through to Armadale. What they want to do is to upgrade both the grounds and the facilities to enable the growth of the sport based around the families in the area. It covers the flat area—what they call the foothills region—and the team is very effective in winning finals within the competition. They have also included women in their rugby club. The women participate in both netball and rugby union. The facilities they have were developed and built out of their own funds. Their fund-raising was then matched not only by the shire of Kalamunda but also by a major mining company, who also sponsored some of the work. They have a shortfall of about $1.8 million for their expansion. The expansion of that club will give some strength to the families involved right throughout Hasluck.

Another initiative that funding was sought for was the Machinery Preservation Club. It is based on the old Midland Railway Workshops, where men who trained and worked there for a period of time have come back together to restore old machines and bring them back to working condition. In the process, they teach skills that have been lost. They have a vision to have a stand-alone purpose-built facility in which they can continue to restore machinery that is part of the heritage of Western Australia. They have an engine from HMAS Sydney that was left on the wharf at Fremantle. They have restored that and they have got it back into working condition. They take the machines that they have repaired to local shows so that children can see the types of machines that were once part of the standard stock of equipment and vehicles that operated within WA over the last five or six decades. They have to move out of the location where they are, so they are seeking government support to enable them to continue the valuable work that they do.

The key initiative that requires significant funding is the Perth to Darwin highway. The mining sector to the north of Perth relies very heavily on the existing roads, and the amount of heavy equipment that is taken from Perth out of Forrestfield and out of Kewdale either comes in by ship or is freighted to Western Australia, assembled and then taken north. Among the equipment they take are the dumpsters that are used in the mining sites. When they move them it requires a considerable amount of the road. At the moment, if you are coming down through the Swan Valley, you are often held up because of the size of the dumpsters on the back of the trucks.

It is proposed that the road from Midland through to Muchea be widened to become a new highway that will take the new dumpsters to be imported into Western Australia, which are much bigger and wider than the current dumpsters. The new ones require the total width of a road, which will impede and inhibit the flow of traffic. It is a $480 million infrastructure need but it will be significant because it is the roadway that supports the mining sector of Western Australia, which, more importantly, is a sector that adds to the coffers of the Commonwealth from the taxes that it pays. If the Leader of the Australian Greens, Mr Bob Brown, is successful in the Senate in leveraging, in the manner that he is, Labor Party support for the mining tax then certainly I would expect to see funding allocated to that highway.

MAIN COMMITTEE
Another one is the Lloyd Street underpass, a road that will connect the Midland town site and the regions to the east of Midland to the new Midland campus hospital. At the moment there are boom gates there. The proposal of the City of Swan is to sink that road to enable, in particular, emergency vehicles to get through without being delayed by trains, which are quite long. All the freight that comes by rail passes through Midland, and the length of the trains, in an emergency situation, could delay an ambulance. The proposal has been on the drawing board for some time, and I know that representatives of the city have visited Canberra a number of times to lobby for funding to complete the underpass, which will both enable a smoother flow of traffic under the rail line and, more importantly, prevent delays to people requiring emergency services at the new Midland Health Campus.

Another significant infrastructure need in the seat of Hasluck is the Hazelmere rail realignment. If you live in the suburb of Guildford, which is on the edge of Midland, you know there is a significant curve in the rail line to enable the train to come through Midland and then branch out to Forrestfield-Kewdale. The impact of metal wheels on rail because of the tightness of the curve creates an irritating high-pitched noise. Also, if there were a derailment, it is likely that there would be spillage of chemicals into the Helena River, eventually flowing into the Swan River. So there are environmental factors that have to be considered. There are proposals in the long term to realign the line out of Midland and through Hazelmere, which would take it through an industrial area, into both Kewdale and Forrestfield, thereby reducing the danger of chemical spillage, which would be detrimental to people’s health and the environment.

The final thing I want to mention is the Italian club in my electorate. Over the last 32 years the Italian community have been progressively building a facility in which to come together. They are from the Abruzzo region in Italy. They decided they would purchase land and build a facility that would allow the continuation of their culture among the younger people. Over a period they have contributed to the building of the facility but it is still very much incomplete. On two occasions they sought funding for the club through the previous member for Hasluck.

When it is completed they will have a facility that will enable to the community in proximity to hire the facility to use it. They want to build a soccer ground that would give younger people in the area a recreational area in which they can play. They want it to be a social hub for the older Italians who are now starting to slow down through age. Historically, they contributed to the timber industry of Western Australia, to the southwest of Pemberton, and to the agricultural industry that was established post World War Two. Each of these people came out alone and eventually brought their families with them. To me it seems a travesty that we have not supported an initiative like this given the contribution that they have made to the economy of Western Australia and, more importantly, to the economy of Australia.

It has been interesting being elected to the seat of Hasluck because it is a diverse region. Its infrastructure needs are significant and those needs have not been met through subsequent budgets. I would hope to see, at a minimum, the two election commitments that were made included within the appropriation bills when the budget is delivered. Plans also need to be included for some significant infrastructure work around the top end of Midlands for the rail realignment because it is particularly important to the Western Australian economy and ultimately for our capacity as a country to be competitive in the industries associated with mining.
The work that is sometimes done offshore can be done within Western Australia to enable businesses around the Kewdale, Forestfield and Kenwick-Gosnells area to expand and provide the support that the mining and petroleum sectors will need. Those industries will build the capacities of young Australians and provide the pool of workers needed not only in Western Australia but across this nation as mining and resource initiatives continue to expand.

I am very keen to see that we give serious consideration to that end. As I said in my maiden speech, one of the things that I like about our democracy is that the ministers are ministers for all Australians, regardless of which party they belong to. Their work needs to encompass the enhanced opportunities that come from industries associated within these types of infrastructure. I certainly promote the concept that we have to build Australian industries to strengthen them and enable them to be competitive and grow within any economic climate. If we do not we will stifle the opportunities for the young people who come long after us. They will need to work in competitive industries that are supported by the type of infrastructure that is conducive to quality social and economic life.

Mr EWEN JONES (Herbert) (10.18 am)—I rise to speak on the Appropriation Bill (No. 3) 2010-2011 and highlight some of the needs in my seat of Herbert, which includes the City of Townsville, Magnetic Island and the community of Palm Island. I have spoken a number of times about the need for North Queensland to have a PET-CT scanner. I have spoken about this in my maiden speech and in other speeches in this House, and I will continue to speak on this issue until we get one. A PET scanner is a positron emissions tomographer. It is the best technology we have to detect tumours and cancerous growths in people.

Currently, to get a PET scan after a doctor has said they need to get a photograph of what is inside, a person has to go to Brisbane to have that scan done. It is bad enough when a doctor says to you, ‘I think we need to get something done here’ but it is even worse to get sent down while you are undergoing radiation treatment. Quite often as soon as you have had your radiation treatment you must go back down to have another PET scan. It is an 1¾ hour flight to Brisbane and you must stay at least overnight while you are having it done.

A lot of these times people who have had radiation treatment are barely conscious. Their immune system is very weak. They are sick. They must travel with someone else. So the costs are huge. Currently, we have between 500 and 700 people from North Queensland travelling to Brisbane each year to have PET scans done. The cost of a PET scanner is around $9 million. There are plans to bring a PET scanner to the Townsville General Hospital for the new radiology section, with the upgrade of the hospital, but that is by the end of 2012. The coalition, coming up to the election, gave the promise of a PET scanner in a public-private partnership with Queensland X-ray to install a PET scanner at the Wesley Hospital in Hermit Park. That building is already built; all they need is the go-ahead from government and the PET scanner will be there within six months. So the PET scans needed in North Queensland would be there today—the building is already there; it is ready to go—and the cost to government would have been $2.5 million. Given that a PET scanner is essentially an outpatient service, there is no need to have it at the hospital. Yes, they do want them at the hospital—it is about the government wanting to centralise absolutely everything so they can control it. The other thing with doing it with a public-private partnership is that Queensland X-ray would be able to do up to 15 scans per day, whereas, at the Townsville General Hospital and the Royal Bris-
The Australian Institute of Tropical Health and Medicine at James Cook University campuses in Townsville and in Cairns. James Cook University is the most significant tropical university in the world. There was to be $40 million to secure the facility. To do it properly we need $120 million. I do not think we should ever lose sight of how much we actually need to get this thing up and running. The people who live in the tropical belts of the world have a higher infant mortality and a lower life expectancy than those who live in temperate zones.

Townsville is closer to Port Moresby than it is to Brisbane. That is a fact: the nearest capital city to Townsville is in another country. That is how big the northern part of Australia is. So, when there is a cholera outbreak in Papua New Guinea, it simply should not happen—we should be able to mobilise and do things. Australia’s first people, our Aboriginal people, were the most susceptible to the H1N1 virus, or swine flu virus. We should be making sure that those things are tackled at a tropical level. If we are to turn the western plains of North Queensland into Australia’s food bowl into the future we need to make sure that the diseases which are endemic in the ground are taken care of and that we have a plan to combat them. The Australian Institute of Tropical Health and Medicine must be established. Even today the Thursday Island hospital has cases of drug resistant malaria and Japanese encephalitis—in the hospital now. We must be prepared for that as the movement of people from Papua New Guinea, across the Torres Strait into northern Australia becomes more and more prevalent. People put pigs, birds and other animals into their boats, and away they come—because they are very close.

Thirdly, I would like to talk about the Magnetic Island walkway. This was promised by both sides of the parliament, both major parties, in the lead-up to the election, but it would appear that the government has walked away from another election promise—a cost of $4.5 million only, to take a walkway around the front of the hills from Nelly Bay all the way around to Arcadia. This would be one of the great walks in the world. It would also link into the World Heritage forest walks and bush walks over the hills. Currently, to get across to Arcadia you must go over the hill. The verges are very narrow; it is a dangerous road. I actually tried to get the walkway put up through ‘black spot’ legislation, but not enough people have been killed. Magnetic Island is a great place for backpackers and lots of backpackers go there. They will try to save money wherever possible, so they will walk there. It is a pleasant walk—if you do not get run over. Recently we had a series of bus strikes on Magnetic Island which forced backpackers with large suitcases and big backpacks to walk over this hill. The edge of the road is the drop-off zone of the cliff. There will be someone killed there one day, and let us just hope it is not because of this. It will be one of the great walks and, at a cost of $4.5 million, I just do not see why we cannot do it and why the government has walked away.

Again, both sides of this House came to the party with the convention centre in Townsville, at a cost of $47.67 million, and both sides are holding true to their promise. I thank the government for that. I think the government does need some credit for this because it is visionary.
to have a convention centre in Townsville. But I would ask that not only do we promise the $47.67 million but we get $2 million straight away to the Townsville City Council to come up with concept drawings and design, and get the formation of the whole plan together.

A net economic benefit of $100 million per year is projected to come out of this convention centre, and that is not taking into account the added development which will go with this. Townsville does not have the tourism market that other places do. Our visitors are mainly there for business. What we do with our tourism is to get people there—say, for a convention—and then find we are a nice bunch of people to spend time with and it is a great place for families. We have people crying out to come to a convention space, because our entertainment centre is basically a glorified basketball court and can hold fully-blown break-out areas for a full convention facility of only 150 to 200 people. So we need a proper convention centre in our city. The one bone of contention I would like to note is that the state government is yet to commit to the convention centre, even though they stood there on their digs and said that, if the Townsville City Council did not pony up for Berth 10, the ocean terminal, the state government would not be helping out with the convention centre. I now call on the state government to help out with that as well.

Blakeys Crossing used to be the Bruce Highway. It used to be the main road into North Queensland, into Townsville from Ingham. But it goes under in a sunshower, and has done since I have been in Townsville, which is 17 years, and had gone under in a sunshower for years before that. It is an absolute disgrace that that was the Bruce Highway, the major highway in and out of Townsville. We now have Woolcock Street. That meant that the stretch of Ingham Road which is commonly called Blakeys Crossing was gifted back to the Townsville City Council. So what used to be a federal road is now a local road taking pressure off a state road. This is an important link between the industrial suburbs of Garbutt and the Bohle. When I first got to Townsville, the Bohle was the end of the world; you would not go there for a holiday. It is now a massive industrial park. The state government has brought in over $100 million in land tax alone, and yet Blakeys Crossing continues to be a road which goes under every year, and does so more and more. We have had a terrible year with it this year. And what happens when Blakeys Crossing goes under is that you have to use Mather Street, and that clogs the Mather Street roundabout. It becomes almost impassable. There is a level crossing for trains, ungated, on Mather Street, and sooner or later someone is going to get run over there through being stuck in traffic. If Blakeys Crossing goes under, that is the only way, from the Bohle, to get to the airport or the hospital without having to go back out of town and all the way around on the ring-road. It is obscene that we have to do this. There is talk of a flyover at the Mather Street roundabout, but that will only shift the problem from the Mather Street roundabout to the Duckworth Street roundabout, and then to the Pilkington Street roundabout. At a cost of $26 million to fix Blakeys Crossing and make it weatherproof—flood-proof—for the whole year will save governments of all persuasions at all levels over $70 million by not having to do flyovers at other roundabouts. It is simple, it makes sense and we should have to do it.

It went under this weekend, and I was receiving phone calls while I was in Canberra from people all over Townsville, complaining about it. I have launched a petition, which I will be tabling in the House, to get this brought along. I am not throwing slings and arrows at the government here, because they did not make the promise coming into the election. We made
the promise at the election but we are not in government. The government should look at this as part of its overall flood mitigation strategy.

The final point I would like to talk about is Palm Island. Housing on Palm Island is an absolute disgrace and has been for an awfully long time. We have a situation at the moment where QBuild, the state government builders of property, are erecting buildings on Palm Island not much bigger than a garden shed and at a cost of over $300,000. In many cases, the floor of the dwelling is below the sewerage line. To anyone’s imagining, you cannot do that. You cannot flush the toilet and expect it to go uphill.

Mr Slipper—What’s their excuse?

Mr EWEN JONES—They do not have one. What they want to do is put in a pump. But we know that the pump is only ever going to fail on Good Friday or Christmas Eve. That is the only time that pumps like that fail. The Palm Island Council has repeatedly asked them to come in and raise the levels of these buildings but they will not do it, so these houses are empty. The other problem with the housing is that there is no local employment or engagement at any level. There are registered builders on Palm Island, there are registered plumbers and electricians and labourers.

Mr Slipper interjecting—

The DEPUTY SPEAKER (Mr S Sidebottom)—Order! Remarks will be through the chair.

Mr EWEN JONES—What we have to do is get these things done. We have a program which will design housing for Palm Island which will be hardy, cyclone proof and at a fraction of the cost. I have a plan in at Palm Island Council at the moment to do a test case on one of these houses. It will see no outside labour come in; it will be a totally local build, totally local engagement, and a product that the people on Palm Island will want.

In 2007 we had a plan for 46 houses to be built in a subdivision on Palm Island. None of those houses have been built, not one. Over $700 million is sitting there, waiting to go into Indigenous housing, and nothing can be built on Palm Island. It is an absolute disgrace and it must be known. The government is just sitting on its hands, going from committee to committee, and it just does not happen. It should happen. We have a plan to make it happen with 46 houses. The next census this year will show a marked increase in the population of Palm Island. We have to look after this thing. We have up to 20 people living in these houses all over the place.

We have a situation on Palm Island where education is just going out the window. There are more problems in a square foot of Palm Island than there are in every other Indigenous community in Australia. It is a tough place, but it is one of the most beautiful places in the world. The people there have the mood for change; the people there are trying to change. The government should make every effort to facilitate that change and bring them on board. Those are my thoughts on this issue. We always have defence needs, health needs and all that sort of thing in Townsville, but those are the key areas that I believe should be addressed.

Mr SLIPPER (Fisher) (10.33 am)—This debate on Appropriation Bill (No. 3) 2010-2011 and Appropriation Bill (No. 4) 2010-2011 is one of those golden opportunities that honourable members have to talk about issues of importance to their electorates. Today I want to raise the issue of the Asian honeybee. Members would have seen bee producers demonstrating
in a very civilised and orderly way outside Parliament House to highlight the importance of the need to eradicate the Asian honeybee, which does threaten the honey industry in Australia.

The presence of the bee was discerned some five years ago. It is believed that the bees arrived in the hollow mast of ship and were first found and identified in 2005, while the ship was docked and undergoing repairs in Cairns in tropical North Queensland. Another hive of the bees was found two years later, in 2007, in a drum not far away from the first location. Asian bees are highly dominant, and the fear is that they will take over the habitats of local native bees and cause great damage to local bee populations. Asian bees also carry disease. They are a hardy intruder and attempts to eradicate them in other countries have not been successful.

The beekeeping industry in Australia believes it can eradicate the problem in this country with the correct support and enough government funding. Beekeepers across Australia, including in my electorate of Fisher—I have been discussing this matter with Dr Max Whitten, a beekeeper—are greatly concerned because this menace has the potential to impact on their industry and affect not only honey production but also the natural and vital pollination of other crops, fruits, vegetables and other plants. Bees are not only about honey; in fact, that is a relatively small part of what they do. They are a key part of the ecological network and play a vital role in the reproduction of plants everywhere. They need to be supported and assisted to ensure their population survives and thrives. Without our bees our agriculture and horticulture industries would be much worse off and probably would risk complete collapse, and much of the pollination of our native plants would not occur.

A government funding program designed to address the issue has come to its end, unfortunately, and apiarists are campaigning for the government to launch a new campaign to continue the fight against this exotic intruder. Beekeepers are visiting Canberra this week to draw attention to the issue and have met with the Minister for Agriculture, Fisheries and Forestry and the honourable member for Calare. I recognise the concerns of those who are dependent on bees and also the difficulties in devising a program that will effectively address the issue of the Asian bee invasion. I ask the government to do all that it can through the Department of Agriculture, Fisheries and Forestry to support ongoing attempts to eradicate the Asian bee from Australia.

I now turn to the plight of a cooperative in Maleny in the Sunshine Coast hinterland and the shameful waste of money by the Queensland Labor government’s health department. A small yet thriving store, Maple Street Co-operative on the Sunshine Coast was recently taken to court over the sale of unpasteurised milk allegedly for human consumption. The raw milk was actually being sold as bath milk—known as ‘Cleopatra’s milk’—and was clearly labelled as unsuitable for drinking. After a complaint from a resident, a plainclothes Queensland Health officer entered the store and found that the unpasteurised milk was displayed in the same fridge as their organic pasteurised milk. The sale of unpasteurised, or raw, milk is prohibited under the Food Production (Safety) Act 2000 of Queensland; however, this milk was being sold for cosmetic or bathing purposes only. Queensland Health and Queensland Health’s computer system saw lots of Queensland Health workers either not being paid, being underpaid or being overpaid, and this has gone on for months and months. They have got their priorities wrong in a battle with this locally owned Sunshine Coast cooperative. Due to the investigation, the co-op has decided to no longer stock this product.
After two years, on 22 October 2010 the magistrate in the prosecution launched by Queensland Health announced its decision. Unfortunately, the Maple Street Co-operative was fined $2,500 plus $71.50 for court fees, payable within four months.

Mr Bruce Scott—That is outrageous.

Mr SLIPPER—It is outrageous, as the Second Deputy Speaker points out. All this could have been avoided. The Maple Street Co-operative has always cooperated with all regulatory bodies and often invited officers to bring their staff up to date on current compliance and regulations. Therefore, had the opportunity been given, they would have been open to discussing the problems relating to unpasteurised milk instead of being dragged to court. The Queensland Health department must have spent tens of thousands of dollars in court appearances. There were 12 Queensland Health officers there to persecute the Maple Street Co-operative. It would have been much more sensible for them not to sell the milk or to put it in a separate fridge. It is disappointing that Queensland Health sought to be so vindictive at a time when they simply were not able to pay their own health workers. Queensland has lots of health problems as a state. The hospital system, of course, needs infusions of money, and we find a situation where Queensland Health is prosecuting in a Nazi-like way a local co-op. That is entirely unacceptable to the local community. It is unacceptable to the health workers who were not being paid. Frankly, it is government gone mad. It is a waste of taxpayers’ dollars. It is a criminal misuse of the public money to persecute and prosecute a small local co-op that does such a wonderful job of producing wholesome food and other healthy products for use by the local community.

Frankly, if someone wants to buy Cleopatra’s Bath Milk, or for that matter any sort of raw milk for cosmetic purposes, that should be a matter for the purchaser. If that person chooses to use it in another way then that is a matter, of course, for that person as well. I think it was wrong for Queensland Health to act in the absolutely disgraceful way it did in this situation. I call on the Queensland health minister to resign over this persecution of the local co-op.

Still referring to milk, I would like to draw to the attention of the House the plight of local Sunshine Coast milk producers, who have been disadvantaged by the decision by Coles and Woolworths to cut the price of milk to an unsustainable level, which will make it very difficult for dairy farmers to continue to produce in the long term the wonderful product that is so healthy and good for people to consume. I can understand that consumers are pleased to be able to walk into Coles and Woolworths and buy cheap milk—and, in fact, I understand that, in a country town not far from the Sunshine Coast hinterland, two litres of milk is now being sold for $1.87, as a loss leader as well—but it is unfortunate when producers are disadvantaged.

It will be only a matter of time, despite what Coles and Woolworths are saying, until dairy farmers are asked to subsidise this price war. It is important to recognise that dairy farmers are very important members of our community. They contribute to their local community. It is unfortunate when they are the victims of this kind of pricing, because, ultimately, our health as a community will be much reduced if we do not have a viable dairy industry. My concern is that the artificial price of milk in Coles and Woolworths will in the longer term, despite what Coles and Woolworths say, ultimately push down the price being received by milk producers to an unsustainable level and many milk producers will be unable to remain in that industry.
and our community as a whole will be poorer for the fact that we will not have local producers producing milk for their communities.

On the Sunshine Coast we have a number of local milk producers and obviously there are many dairy farmers. Ross Hopper and Maleny Dairies do a wonderful job of producing very high-quality milk. People are prepared to pay a good price because of the very high quality that Maleny Dairies produce. So, while I can understand that consumers enjoy being able to buy milk at the prices currently offered by Coles and Woolworths, I have a concern that in the long term dairy farmers will be made to pay the price for this price war. If we are going to lose dairy farmers from the industry, then I do not believe this is an appropriate way to go.

I now turn to the need for major infrastructure on the Sunshine Coast, particularly the need to accelerate the building of the Sunshine Coast University Hospital, which has been delayed by the Queensland Labor government. There is growth in this community. The state Labor government has now taken out of the hands of the Sunshine Coast Council planning authority for the Caloundra South development, which will have more than 40,000 new people, and the Palmview development, which will have something like 16,000 new people. Clearly, if we are going to have this dramatically increased population on the Sunshine Coast, we need vital infrastructure, including the Sunshine Coast University Hospital and an upgrade of the Bruce Highway to six lanes all the way from Caboolture to the Sunshine Coast.

When we were in government we were able to obtain funding from the Howard government to upgrade the Bruce Highway to six lanes from Brisbane to the Sunshine Coast, and that removed the worst bottleneck at the time between Brisbane and the Sunshine Coast. Mr Deputy Speaker Georganas, given that you regularly visit the Sunshine Coast, you would be aware that over the years the volume of traffic on the Bruce Highway has continued to grow and the amount of time it takes to get from the capital city to the Sunshine Coast has become increasingly unacceptable.

We need to make sure that construction of the Sunshine Coast University Hospital is accelerated. Given that many people move from southern parts of Australia to the Sunshine Coast at a stage in their lives when they have increasing health needs, it is important to make sure that the Sunshine Coast University Hospital is built as quickly as possible so that people who do need medical and hospital services are able to access those services on the Sunshine Coast rather than travelling to Brisbane to the large hospitals there. The Nambour Hospital is a wonderful hospital. The Caloundra hospital is very good. But, ultimately, with the growth in our population, the facilities we have are simply not enough to meet the needs of a growing population.

It is important that a medical precinct and a technology precinct be located in the area around where the Sunshine Coast University Hospital is to be constructed. Those precincts will add to the presence of the university hospital as well as creating employment. Employment is one of the major problems we have on the Sunshine Coast. While we have lots of young families in addition to lots of retirees, unfortunately when young people leave school or tertiary education there are not anywhere near enough jobs on the Sunshine Coast. The university hospital, a technology precinct and a medical precinct—all high-tech industries, in much the same way as can be seen in some parts of Taiwan—would greatly advantage the local community and local young people, and would benefit the state of Queensland as a whole.
I think it is really important that the federal government look at supporting the Queensland government with respect to the Sunshine Coast University Hospital. People are sick and tired of the blame game and the buck being passed back and forth. The sooner we have the Sunshine Coast University Hospital constructed, the better our community will be. That will also remove the pressure on people who have to travel from the Sunshine Coast to Brisbane. It will reduce pressure on facilities in Brisbane because people on the Sunshine Coast will be able to be treated locally rather than having to travel to the capital city.

The final point I make is that I would like to see the government accelerate the upgrading of the Bruce Highway from four lanes to six lanes all the way from Caboolture to the Sunshine Coast. I was very concerned when I read that the government intended to cut funding from the Bruce Highway upgrade to enable the government to make part of its contribution towards flood reconstruction. While everyone supports flood reconstruction, it ought not to be at the cost of upgrading the Bruce Highway. If the government were a sound economic manager, it would not need the levy. It would have the money for the restoration after the floods and, also, it would have the money to upgrade the Bruce Highway to six lanes. So I call on the government to urgently upgrade the highway to six lanes from Caboolture to the Sunshine Coast.

Mr BRUCE SCOTT (Maranoa) (10.48 am)—I welcome this opportunity to speak on the Appropriation Bill (No. 3) 2010-2011. As part of my address, I call on this Labor government to address the anomalies in the criteria for inner regional and outer regional students applying for youth allowance. It was the Labor Party in the last parliament that changed the rules for access to independent youth allowance and that has had a detrimental effect on students who come from rural areas who have to leave home to gain access to postsecondary education.

This debate is about fairness and equity between city and country and about assisting the regional students to have the same opportunities for postsecondary education as those students who live in capital cities. This government claims to be one for regional Australia. We heard that when the Prime Minister took the office of Prime Minister when she was given the support of the Independents and crossbenchers to form government. She said it would be a government for regional Australia. We are still waiting to hear where the policy direction or shift from the Labor Party is going to be to make it a party supportive of and friendly to regional Australia. But I can assure you, Mr Deputy Speaker, that Labor’s claims have rung hollow thus far since the Prime Minister became Prime Minister.

This Prime Minister and this Labor government have ignored concerns about the financial and emotional burden that their youth allowance criteria are having on the students who live in what is called ‘inner regional’ Australia. It is a concern for those students and it is also a concern for their parents. But the government made a commitment to Independents to bring forward the review. What we would like to see, after 12 months of pressure from the opposition and the private members’ bills that we have passed in the upper house and now in the lower house, is this process being fast-tracked so that the changes that were approved by both houses of parliament come into effect on 1 July this year. The Liberal National Party want to see those changes put in place from 1 July this year.

If Labor do make changes after this review—and a review is what they are talking about; they can accept the umpire’s decision from the two houses of parliament, but we do not need another review—it will be too late. If they conduct a review and start to implement changes as
of 1 January next year, it will be too late for the inner regional students who left school in 2009, had a gap year in 2010—last year—and are now still required to work 30 hours a week and defer for up to two years before going on to postsecondary education. Had the coalition’s bill passed by now, they would now be relieved of this unfair criterion. Last year’s school leavers are also left in limbo whilst we wait for the government to act.

The work test used to determine eligibility for youth allowance is just nonsensical for students who live in rural and regional Australia. They would have to leave home to gain access to postsecondary education. This is particularly so in my federal electorate of Maranoa. Under this city-centric Labor government approach, young people in inner regional Australia—areas such as Dalby, Kingaroy and Warwick on the inner Darling Downs in my electorate—are now forced to work 30 hours per week to be eligible for independent youth allowance, whereas those in outer regional Australia, under changes that we were able to achieve in the last parliament, have to work only 15 hours per week, which was the rule for inner and outer regional areas when we were in government. There were not arbitrary lines drawn on maps. The 15-hour rule also applied for those students who lived in our capital cities.

To give you some idea of just how ridiculous these lines on maps are, there is a town called Kaimkillenbun just north of Dalby in my electorate. It is a little village. About 100 people live there. There are 30 students at a wonderful little state school, which a few years ago celebrated its centenary. It is a wonderful school and a wonderful community. It was once serviced by a railway line that came from Dalby out to Kaimkillenbun. When you cross that line now and head up to Cooyar on the way to Kingaroy, on one side of that railway line the criterion is 15 hours per week for access to independent youth allowance; on the other side of the railway line students have to work 30 hours per week. This is just crazy. This is a little community with a local store, hotels, a school, a few houses and a couple of small manufacturing businesses.

It is a classic example. If you are on the wrong side of the tracks in Kaimkillenbun, your children who want to gain access to post-secondary education will be disadvantaged. Many students could have been at the same school, perhaps at high school in Dalby, and caught the bus in and out every day. Because some of them happen to live on one side of the tracks in Kaimkillenbun, they will be subject to the 15-hour work test. On the other side of the tracks, in a community of fewer than 100 people, they will have to work 30 hours per week to gain access to the independent youth allowance. That is how stupid these rules are.

Other towns in my electorate are similarly affected. Millmerran, in the Toowoomba Regional Council area, will be under the 15-hour rule, and that is great. Blackbutt, in the South Burnett region, is also exempt. But Nanango, which is within 15 minutes drive of Blackbutt, is under the 30-hour rule. It is just nonsensical. So students might attend the same high school but, because they happen to live in a different town 15 kilometres away or, in the case of Kaimkillenbun, just on the other side of the railway tracks, they will have a different work test. Under this government’s approach to financial assistance, that is how students from regional and rural Australia gain access to the independent youth allowance.

The other thing that is important is that students who live in rural and regional Australia do not have a choice: they have to leave home to gain access to university or other postsecondary education. They are not privileged like the children who live in our capital cities—and good luck to them all—who also have access to subsidised urban transport to get from
their family homes to university. Students in the bush do not have that. They pay full price to
get down there on the bus and take up a flat, and the parents have to find the money for the
flat so they can live away from home. A town like Dalby is more than 200 kilometres away
from Brisbane. Imagine being a student who was living at home there and had to drive to
Brisbane daily to gain access to post-secondary education. They would be required to work 30
hours a week, the same as a student living in the city, to gain access to independent youth al-
lowance. In Kingaroy, another town in my electorate, they are in a similar situation.

The recent natural disasters have closed most of those roads, and the Blackbutt Range
crossing, on the D’Aguilar Highway between Kingaroy and Brisbane, has been closed for
several weeks. It has been progressively reopened, but you can only cross Blackbutt Range on
the D’Aguilar Highway on the half-hour. There is a common lane used for coming north-west
and for heading to Brisbane, so you can only go on the half-hour. Imagine if students have to
travel from Kingaroy to Brisbane to gain access to post-secondary education. It is nonsensi-
cal. Recently, I drove from Brisbane to Dalby and it took four hours, just to drive one way. Yet
students there have the same work test as students who live in the capital city.

The other great anomaly in this practice of drawing lines on maps is that the cities of
Townsville and Cairns are considered ‘outer regional Australia’. They have universities in
those cities. They have international airports. We do not have an international airport at
Dalby; we do not have a university. We do not have one at Warwick, nor do we have one at
Kingaroy. But those students are subject to the 15-hour work test. It is just nonsensical.

We need to encourage students from rural and regional Australia to go on to post-secondary
education and take up the professions that we so desperately need in our rural and regional
areas, like doctors, veterinarians and pharmacists. Students from rural Australia are the most
likely to go back home once they complete their university studies, because they are from the
bush, their families are there, they grew up there, they love it. But if they cannot get access to
education, to that opportunity to study, that is another loss to rural and regional Australia, be-
cause the students in many regional towns—such as Dalby, Warwick and Kingaroy—will now
have to work 30 hours a week.

And why would an employer hire someone for 30 hours per week for up to two years so
they can gain access to independent youth allowance to become a student? An employer
would say, ‘Well, why would we employ them in the first place if we are going to lose them in
two years?’ The other situation that is manifesting itself is that, if these young people do start
to work 30 hours a week, they might then think, ‘Why would I go on to university? I’ve got a
job. I’m enjoying the money.’ They might not only defer; they might not go on to post-
secondary education at all. They have a job. They are living at home. They will lose the op-
portunity of post-secondary education because of this government’s policy, its failure to ad-
dress the needs of students from rural and regional Australia and these ridiculous, arbitrary
lines on maps.

I will now touch on the issue raised by the member for Fisher in relation to the milk-pricing
regime of Coles and now Woolworths of selling fresh milk at $1 a litre as a loss leader. This is
doing enormous damage not only to the dairy industry potentially down the track but also to
small businesses—corner stores and convenience stores. Businesses in my electorate have
rung me since Coles started this very aggressive approach to marketing milk at $1 a litre. The
corner stores and after-hours stores used to sell 14 or 15 crates of milk a week; they are now
selling one or two crates a week and they are also losing sales of other products—Weet-Bix and other grocery items that they would normally sell.

It is not just the milk issue that I find offensive in the actions of Coles and now Woolworths, it is also their unconscionable conduct in relation to a trade practice that is going to impact on small businesses, especially family owned small businesses. It looks like their approach is to use milk, in this case, as a loss leader. It has implications down the track as to how it will affect the dairy industry. I really wonder whether they think of families—family dairy farmers and other people they compete against. Small businesses—those corner stores and convenience stores—are quite happy to compete, but let us do it on a fair and equitable basis.

Milk vendors are coming to me now—the people who sell to restaurants and coffee shops. They have small businesses and they have families. What is happening to their businesses? The coffee shops say, ‘It’s cheaper to go across the road to Coles and buy milk for $1 a litre than to buy it from you, a milk vendor.’ These are other small businesses that are affected by the actions of Coles.

I call on this government to take this issue up with the ACCC. There is going to be a Senate inquiry into it, but I do not believe we can wait that long. We want the senior people from Coles and Woolworths to come when that Senate inquiry is being conducted, but I also believe we should get the ACCC, if it has any teeth at all, to urgently look at this matter and start its process. I find the trade practices being used to bring increased traffic through the doors of the giant supermarkets unconscionable. Whilst they may do a great job, they are also going to destroy in time the livelihoods of many small dairy farmers everywhere.

Dairy farms are usually family owned. The farmers are out of bed at four o’clock in the morning milking to provide this wonderful source of protein to the nation—not only milk but also other dairy products. They will be affected, as will small convenience stores and milk vendors. I am on their side and I am also on the side of fairness. This is just not fair; it is unconscionable conduct and I hope that the minister will at least call in the ACCC to see what they can do quickly, because while they wait and procrastinate damage is being done. (Time expired)

Mr SECKER (Barker) (11.03 am)—May I say from the outset that I am quite astonished that for the first time in my history as a parliamentarian—and it would be interesting to look at the history of parliament since Federation—I see the opposition with far more contributions on an appropriations bill than the government has. The government members usually get up and extol all the virtues of what the appropriations bills are going to do for their electorates and what a great job the government is doing, but where are they? We outnumber them by a dozen. Where are they? It is quite astonishing. It would be really interesting to look at the history of the appropriation bills to see if this is indeed a first since Federation.

The bills before us today, Appropriation Bill (No. 3) 2010-2011 and Appropriation Bill (No. 4) 2010-2011, relate to government funding decisions. I have some real concerns about some of those decisions. I have just come from a hearing of the Standing Committee on Regional Australia. The National Water Commission—the chair of which, Ken Matthews, recently retired or resigned, whichever way you want to look at it—employs about 58 people at a cost of about $12 million per year. All this money being spent is basically duplicating the work of the Murray-Darling Basin Authority. So there is some money that the government
could save straightaway—by looking at duplication in areas such as water management in Australia. The committee found it very frustrating trying to get answers out of the National Water Commission. They are supposed to have a blueprint to deal with overallocation and other issues, but they did not have a figure for it and they could not give us an answer—-it was quite astonishing.

I have other real concerns about this government’s funding policies. I raise the issue of the Keith hospital again. I know that you, Mr Deputy Speaker Georganas, made a brave attempt to support both your federal and state governments on that issue. In its budget last year, the South Australian Labor government announced that it would cut funding to regional hospitals, including Keith, Ardrossan and Moonta. In Keith, in my electorate, the funding cut is about 60 per cent, or nearly $400,000. The Keith hospital will close its doors in April this year without this funding, despite the state Labor minister, John Hill, saying yesterday that it is all a bluff and that the hospital will not close. The state government claims to have found some savings the hospital can make to enable it to keep running. I will come back to those recommendations because they are very questionable—bordering on illegal, I believe.

When the Keith hospital closes in April—and the clock is ticking very loudly—the next closest hospitals will be Bordertown, Naracoorte and Murray Bridge. On top of forcing residents to attend already overbooked hospitals such as those, this will leave large stretches of a notoriously dangerous highway without a hospital—nearly 200 kilometres of the Dukes Highway from Bordertown to Murray Bridge and 240 kilometres from Naracoorte to Murray Bridge. These are two of the busiest stretches of road in Australia and they have some of the highest fatality rates and accident levels in South Australia, and the hospital in the middle of that region will disappear.

Surely the state and federal governments must realise how important the Keith hospital is. My motion in parliament on Monday—which we will probably not get to vote on until 24 March—said that the Keith hospital should be funded for $600,000 and that the federal government should reduce the South Australian government’s national health care specific purpose payment by the same amount. By doing that we would actually save both the federal government and the state government money. It would not cost the Australian taxpayer one cent but would save money for both the federal and state governments. The state government has applied a completely stupid economic silo rationale to come up with what it thinks are savings without realising that those savings will probably end up creating extra costs of five times that amount. The state government’s policy is really quite ridiculous, but apparently—as shown by the speeches on Monday night—the federal government is going to let it happen.

There is some history on this. Ten years ago the state government was funding Keith and District Hospital to the amount of 35 per cent of its total costs. The other 65 per cent, of course, was from the local community. This was a very significant saving to both the federal and state taxpayers. But since that 10-year figure of 35 per cent it has been whittled down gradually to about 25 per cent of the total costs now. Seventy-five per cent is paid by the community. This is already unsustainable, and these further cuts will bring it down to not much more than 10 per cent of the funding for a community hospital with 90 per cent paid by the community. That is unsustainable when you compare that to other regional hospitals that get virtually 100 per cent of their funding via the state and federal taxpayers.
So you are cutting your nose off to spite your face. It is really the most ridiculous governance that I have ever seen or heard put forward by any government in Australia. This is a hospital, I might add, that has received over $1 million in capital infrastructure funding from both the Howard government and the Rudd government. So they thought it was pretty important to relocate the doctors' surgery out of the hospital and convert part of it into an aged-care setup. That is how a lot of country hospitals work these days. The federal government approved of the 10-year plan of the Keith and District Hospital with funding from both sides of parliament. When this closes you will lose 18 aged-care beds. Where are they going to go? We already have shortages in rural area, so you are basically going to put them out on the street. Try to find a place for them. How are you going to do that overnight? It just will not happen.

For example, the St John Ambulance service will close as a volunteer group. The local community will not support taking patients to hospitals 180 kilometres away or 100 kilometres away. They will have to put in a paid St John Ambulance—again an extra cost to the Australian taxpayers. I think it is very interesting—

_A division having been called in the House of Representatives—_

_Sitting suspended from 11.13 am to 11.25 am_

_Mr SECKER—Before the suspension, I was about to raise an issue concerning the questionable methods recommended by the state government for the Keith hospital. In a public meeting at Keith last night, hospital chairman, James De Barro, said that Country Health SA had advised the hospital to use aged-care bonds and staff entitlements as cash flows during a business restructure. This is dodgy, to say the least. Mr De Barro said that the advice would expose the hospital to legal penalties and was potentially in breach of federal and state laws, particularly given it was on the brink of insolvency. He said:

_At the end of the day, the (staff) provisions are the staff’s hard-earned capital and the board cannot and will not knowingly break any law, social or moral, with respect to other people’s money. The board finds it difficult to understand—_

And I find it extraordinarily difficult to understand—

that the State Government would suggest breaching a federal or state Act or dismissing basic moral standards was a satisfactory means of dealing with a reduction in State Government funding support.

He said that the state government had advocated using accommodation bonds and retention amounts—which are required by law to be refunded, as we all know, if needed—as operating capital. He said that the move would have provided the hospital with about $470,000 in operating capital to assist in trading out of the current problems, but it would have exposed it to legal ramifications. He said:

If, in the event the hospital were to become insolvent and the accommodation bonds had been expended, it would create significant problems to the families … as well as significant penalties, with possible legal implications to the board.

I have to say that this is the most questionable advice I have ever heard from any government anywhere in Australia. This is banana republic stuff. This is what a tyrant would do—suggest breaking its own laws. The Labor state health minister should look at this very seriously. In fact, I believe there should be an inquiry at least at state government level, if not at federal government level, on the suggestion. This is an absolute disgrace.
On another matter, I received a response from the Minister for Broadband, Communications and the Digital Economy, Senator Conroy, to an inquiry from some of my constituents in the south-east of my electorate regarding digital TV. Residents in Mount Gambier and Kingston and other areas in the south-east have felt ripped off since the digital switch-over due to ongoing problems with reception or channel availability. I took the liberty to write to the minister to seek some answers, and I have to say I was extremely disappointed to receive a letter back that insulted the intelligence of those residents. The correspondence from the minister suggested these residents have not installed their equipment properly, or basically blamed it on everything other than Labor themselves. This is a lovely bit of blame game!

These residents do not need a blame game; they need the transmitters upgraded like the government promised. Why did Labor make this region switch to digital TV if the infrastructure was not sufficiently upgraded in time? It is not good enough to say, ‘It will be upgraded, we think maybe some time in 2011, maybe next year.’ These residents were switched over in 2010. Now they have to wait a full year or more before they can even get decent reception and have access to the full suite of channels.

Of course, on the subject of youth allowance I support the amendment that has been moved by the member for Sturt. Regional students will be disappointed to learn that the government’s proposed changes to independent youth allowance next year may not mean students in the inner regional zones will be subject to the same criteria as other regional areas. Certainly, the coalition has been pushing for the government to make the criteria fairer and more equal.

The current maps used are ridiculous and do not reflect the difficulties students from many areas have in getting to university. For example, in Mount Gambier if you live inside the city boundary, you are treated differently than if you live across the road outside the boundary. We have this really ridiculous set-up where you have two classes of students depending on where you live in the country. It is crazy; it is based on the wrong criteria and it should be changed. Certainly, Minister Evans admitted that changing the criteria for the inner regional zones was not necessarily going to happen. The current legislation is unfair and needs to be fixed. (Time expired)

Mr ROBERT (Fadden) (11.31 am)—I rise to lend some brief comments on the amendment to the second reading of the Appropriation Bill (No. 3) 2010-2011 and related bill. I note the opening words of the amendment:

Whilst not declining to give the bill a second reading,—

the House call on the Government to bring forward its timetable for resolving the inequity … in independent youth allowance payments for inner regional students …

The amendment goes on to say, ensure that there is a review, criteria are addressed, all students who had a gap year in 2010 and meet the relevant criteria qualify and, of course, it be appropriated. The issue is the word ‘inequity’. The amendment calls on the government to address the fundamental issue of inequity. One group is being given a greater benefit over another.

One of the great things about the Australian culture and the Australian way of life; one of the great things about all people integrating and accepting our values and way of life is that we actually believe in the common vernacular term of the ‘fair go’. We are quite happy that a
rising tide raises all ships. We are quite happy that when it is tough, it is tough for everyone. What we are not happy about is when a government deliberately legislates inequity, when it favours one group over another, one constituency over another. What we are not happy about is when a Labor government governs for minorities rather than governing for the majority of the country and seeking to ensure minorities and the marginalised are not impacted.

What the amendment calls on the government to do is to stop governing for minorities and to start governing for the nation whilst realising its responsibilities to the hurt, the downtrodden and the poor but not to ensure inequity is enshrined in legislation. There are so many other areas where inequity is being pushed either in legislation or by the absence of legislation. It would have been nice if, in the appropriation bill, the government had realised its responsibilities to those DFRDB recipients who had served 20 years or more and are over the age of 55 in the now closed scheme and had sought to appropriate and to change provisions so that pensions would be indexed not only by CPI but by the male total average weekly earnings, MTAWE, 27.5 per cent thereof or the new living cost index. This would have removed another inequity. In 2007 government indicated that it would seek to remove this inequity. The government’s election promise stated that it would seek to install justice, all of which has fallen on deaf ears.

In 2010, the coalition made an election promise that we would index DFRDB and DFRB pensions for those aged over 55, of which there are 56,000 recipients, the same way as age pensions—through CPI, MTAWE or the PBLCI, whichever was greater. In honour of that election commitment, we have introduced a private member’s bill in the Senate, which is sponsored by the Hon. Senator Ronaldson and seeks both the removal of that inequity and to look at the issue of justice for those DFRDB recipients, those fighting men and women whose DFRDB pensions are not keeping pace with the cost of living. That is another area where the coalition has chosen to step up and deal with inequity, whereas the government continues to legislate for inequity. That is what the bill in the Senate seeks to address.

We look forward to the government supporting in the Senate the DFRDB bill to remove inequity. We look forward to the Greens honouring their stated election commitment, which was published on their website and is still there, that they agree with the coalition’s premise on the indexation of the defence pensions. These pensions are received by our fighting men and women, who have sacrificed so much—not only those who have served overseas but those in uniform who have moved around at the command of their government. They have sacrificed so much blood, sweat, tears and time for the government and the people of this nation. In their stated policy, the Greens have agreed that they would support the coalition on this. I look forward to the Greens honouring their promise, and I am sure that they will.

In the House of Representatives I look forward to not only the government but also the Independents, who hold the balance of power, supporting the DFRDB private member’s bill if and when it comes down from the Senate. The Independents have previously stated categorically that they would support the coalition on this. Indeed, the member for Lyne passed a motion in this place calling for this inequity to be removed. The majority of those Independents looked their retired military personnel—their veterans—in the eye during the election campaign and said, ‘We will join the coalition in standing and seeking for this inequity to be removed.’ I am sure the Independents are men of honour, and I am sure that if the bill comes to the House of Representatives they will honour the decisions they made last year and in previ-
ous years. They will honour the motions they have put forward and seek to remove this inequity.

Unfortunately, the concept of inequity that the DFRDB private member’s bill seeks to address and to remove permeates many other areas of government policy. I have been inundated for the last two days by communications on the carbon tax. The people of Fadden, on the northern Gold Coast, are genuinely and sincerely disappointed in the Treasurer and especially in the Prime Minister, the holder of the highest office and leader of leaders in the nation. Two weeks out from an election, the Prime Minister said, ‘The government I lead will not have a carbon tax.’ A more categorical statement could not have been made. The Treasurer made the point that the opposition was using the introduction of a carbon tax as an issue and completely and utterly rejected it. The word ‘reject’ is a strong, active verb. Yet having scraped through the election, fingernails left largely unintact, and having formed government with the support of the Independents, the Prime Minister and the Treasurer have now said, ‘I’m sorry; we’re going to do it anyway.’ That will put a whole range of further inequity into the nation.

The government needs to realise its responsibility and govern for all the nation. It seems that a phrase that started with the member for Griffith and has continued with the current Prime Minister—‘we will govern for all Australians’—has simply been seen as a platitude. It has become a hollow phrase with no meaning. It is a phrase that continues to be draped in the raiment of inequity, of governing for minorities rather than for the whole. In fact, in the 50 to 60 communications I have had to my office on the carbon tax, the word ‘inequity’ comes up constantly. Of these 50 to 60 I have only had two that support the government’s position. That is it—just two out of 60 of the communications my office has received on the carbon tax support what the government is bringing forward.

This is what people are sincerely disappointed with. They are not angry per se; they are probably not even astonished—but they are disappointed that their Prime Minister would do it. Symptomatic of some of the communications I have had is ‘We voted for the Labor Party, we voted for the current Prime Minister, Ms Gillard, and we are so disappointed that she would treat our vote with such contempt, that she would seek such an inequitable way of addressing the risk of climate change.’ Yet dealing with things in an equitable way is the theme that this government continues to put forward.

The coalition went to the election with a very firm commitment for direct action to deal with the risk of climate change—no different to the way any other company deals with risk. When something may or may not occur, you put in a range of measures that mitigate the risk. But, while you are putting in place those mitigation measures, you should be cognisant that if the risk you are mitigating occurs, will what you put in place deal with it and, if it does not, will what you put in place have a tangible benefit subsequent to the fact? In the totality of that discussion the coalition came to the point that a direct action plan best meets those risk options. If indeed the risk of climate change comes to fruition, then a direct action plan will address the five per cent reduction on 2000 levels, which is ostensibly a 28 per cent reduction from current levels—it is not insubstantial—but, more importantly, if the risk does not turn out as catastrophically as some expect, the direct action measures will make a tangible and real and permanent and lasting difference to the fabric of our nation: it will improve air quality, it will improve green space, it will provide a larger number of trees and it will increase the
yield of crops as we seek to sequester carbon in soil and increase the nutrients of that soil. The whole world recognises it is disappointing that there is only one nation in the world—one—that right now has more trees than it did 100 years ago, and that is Israel.

The issue of inequity is creeping in through so much of the government’s legislation. The amendment being put forward seeks to address this inequity. I urge the government to heed common sense and to support the opposition’s amendment so that youth allowance can be provided for all deserving Australians, not just the small and limited number that the government’s bill provides for.

Mr GRAY (Brand—Special Minister of State and Special Minister of State for the Public Service and Integrity) (11.43 am)—I rise to bring the debate on Appropriation Bill (No. 3) 2010-2011 and Appropriation Bill (No. 4) 2010-2011 to a close, and I thank those members who have made a contribution. These additional estimates bills seek appropriation authority from parliament for the additional expenditure of money from the Consolidated Revenue Fund in order to meet requirements that have arisen since the last budget. The total additional appropriation being sought through additional estimates bills Nos 3 and 4 this year is a little over $2.3 billion.

I would like to take this opportunity to clarify some measures proposed in these bills. The opposition has claimed that the $152.8 million in capital funding for immigration detention facilities is a new measure. This is not the case. These funds were previously announced, namely $97.8 million in the 2010-11 Economic Statement and $54.9 million in the 2010-11 Mid-Year Economic and Fiscal Outlook.

While the government has made a decision to retain the Federal Magistrate’s Court, other plans to restructure the federal courts will proceed as announced in the 2009-10 budget. An amount of $22.1 million will be provided to the Federal Magistrate’s Court in appropriation bill No. 1 and be offset by reductions in funding for the Federal Court and Family Court.

The Department of Broadband, Communications and the Digital Economy will be provided with $12.7 million for the digital switchover Viewer Access Satellite Television service and the digital switchover communications campaign. The $11.8 million referred to in the second reading speech was one component of this re-appropriation.

In concluding this debate, there are a couple of points I would like to focus on in respect of these bills. The first is the delivery of our election commitments and I would like to raise a few of these. The first is $14.6 million to double the capacity of the Connecting People with Jobs Relocation Assistance Pilot program, which includes assisting eligible unemployed Australians to relocate to Queensland to take up employment in flood affected areas.

As flood affected areas begin the recovery, there will be a demand for labour that may not always be readily met locally. Reflecting this reality the government has expanded the Connecting People with Jobs relocation initiative and broadened the eligibility to allow for more job seekers to make use of this pilot. That pilot began on 1 January 2011. Assistance through the Connecting People with Jobs initiative could include but is not limited to a wage subsidy of $2,500 for employers, removal costs, mentoring, post-placement support, health support services, accommodation and community engagement costs, such as purchasing school uniforms.
THE GOVERNMENT IS PROVIDING $22.4 MILLION TO ASSIST TASMANIAN FORESTRY CONTRACTORS AND EMPLOYEES RESPOND TO THE CHALLENGES FACING THE TASMANIAN NATIVE FOREST INDUSTRY. THE DEPARTMENT OF AGRICULTURE, FISHERIES AND FORESTRY WILL RECEIVE $14.6 MILLION, IN APPROPRIATION BILL (NO. 3) TO PROVIDE EXIT ASSISTANCE IN THE FORM OF GRANTS TO ELIGIBLE CONTRACTING BUSINESSES, AS WELL AS ASSISTANCE TO HELP ENSURE THAT EMPLOYEES RECEIVE THEIR FULL ENTITLEMENTS. THE BALANCE OF THE FUNDING IS BEING MET FROM OTHER SOURCES. THE GOVERNMENT HAS DELIVERED ON ITS PROMISE TO MAKE OFFERS TO SUCCESSFUL APPLICANTS BY CHRISTMAS. THIS WAS IMPORTANT TO PROVIDE CERTAINTY FOR FAMILIES. INDIVIDUALS WILL NOW BE ABLE TO MAKE DECISIONS ABOUT THEIR FUTURES WITH DIGNITY.

THE NEW DEPARTMENT OF REGIONAL AUSTRALIA, REGIONAL DEVELOPMENT AND LOCAL GOVERNMENT WILL BE PROVIDED WITH $5.9 MILLION TO STRENGTHEN LOCAL ENGAGEMENT AND IMPROVE WHOLE-OF-GOVERNMENT POLICY COORDINATION FOR REGIONAL AUSTRALIA. THIS FUNDING IS IN ADDITION TO THE RESOURCES THAT HAVE ALREADY BEEN TRANSFERRED FROM OTHER DEPARTMENTS. AS A RECENTLY ESTABLISHED DEPARTMENT IT IS GROWING BY THE DAY AND IS A DEDICATED AGENCY WITH RESPONSIBILITY FOR REGIONAL POLICY AND OVERSEEING THE ROLLOUT OF INITIATIVES ACROSS OTHER DEPARTMENTS.

AS THESE MEASURES MAKE CLEAR, THE GOVERNMENT ARE GETTING ON WITH THE TASK OF DELIVERING ON OUR COMMITMENTS. IN ADDITION, I WOULD ALSO LIKE TO POINT OUT THE $120.7 MILLION IN ASSISTANCE BEING PROVIDED TO THE PEOPLE OF QUEENSLAND, NEW SOUTH WALES, VICTORIA, SOUTH AUSTRALIA AND THOSE IN MY HOME STATE OF WESTERN AUSTRALIA WHO WERE AFFECTED BY THE RECENT FLOODS. THIS PAYMENT WAS ACTIVATED TO ASSIST EMPLOYEES, SMALL BUSINESS PERSONS AND FARMERS WHO HAVE SUFFERED A LOSS OF INCOME AS A DIRECT RESULT OF THE FLOODING AND SEVERE WEATHER THAT BEGAN IN LATE NOVEMBER 2010 AND THAT CONTINUED IN FEBRUARY 2011 IN QUEENSLAND, NEW SOUTH WALES, VICTORIA, SOUTH AUSTRALIA AND MY HOME STATE OF WESTERN AUSTRALIA.

IN CONCLUSION, THESE BILLS SUPPORT THE GOVERNMENT’S BUDGET INITIATIVES, INCLUDING A NUMBER OF ELECTION COMMITMENTS, AND DESERVE WIDESPREAD SUPPORT. I COMMEND THE BILLS TO THE HOUSE.

The Deputy Speaker (Ms S Bird)—The original question was that Appropriation Bill (No. 3) be now read a second time. To this the honourable member for Sturt has moved an amendment that all words after ‘That’ be omitted with a view to substituting other words. The immediate question now is that the words proposed to be omitted stand part of the question.

Question unresolved. The Deputy Speaker—As it is necessary to resolve this question to enable further questions to be considered in relation to this bill, in accordance with standing order 195 the bill will be returned to the House for further consideration.
Wednesday, 2 March 2011

HEALTH INSURANCE AMENDMENT (COMPLIANCE) BILL 2010

Second Reading

Debate resumed from 17 November 2010, on motion by Ms Roxon:

That this bill be now read a second time.

Mr DUTTON (Dickson) (11.50 am)—I rise today to speak on the Health Insurance Amendment (Compliance) Bill 2010 which, for a variety of reasons, has been subject to much debate in the previous parliament. The bill implements the increased Medicare compliance audits measure from the 2008-09 budget. This measure proposed to increase Medicare compliance audits from 500 to 2,500 per year and increase powers to secure documents from doctors to substantiate Medicare claims.

The Department of Health and Ageing has highlighted the considerable growth of the MBS over recent times. From 2004-05 to 2008-09 the number of MBS items grew by 23 per cent, the number of providers grew by 15 per cent, MBS transactions grew by 17 per cent and there was a 43 per cent increase in the value of MBS claims. With $15 billion of taxpayers’ money spent on Medicare each year and clearly growing rapidly, it is appropriate that there are robust mechanisms to investigate and discourage incorrect or false claims. Separate to investigating clinical issues, as is the case with the Professional Services Review, the compliance process focuses on inappropriate billing and claiming.

The government claims that 20 per cent of practitioners do not respond in relation to compliance audits or refuse to cooperate with requests to substantiate benefits paid. And they further argue that Medicare does not currently have the power to make medical and health practitioners comply with requests. Based on this information, there is a case to make legislative changes. However, the documents required to substantiate claims may contain patient clinical information, which is why we rightly need to approach this matter with caution.

The bill was first released as an exposure draft in April 2009 and referred to the Senate Community Affairs Committee for inquiry. The exposure draft generated a strong response. The main concerns were with respect to third parties viewing patient clinical information and the impact this may have on the practitioner-patient relationship. The majority report also raised questions about Medicare staff qualifications and capacity to interpret and make judgments regarding clinical records.

An important point, made in evidence to the committee, is that the MBS is indeed complex and a significant proportion of incorrect claims appear not to be deliberate. There are large demands on health practitioners and their offices and there will inevitably be some administrative errors from time to time. It is important, though, to stress in this debate that incorrect claims are not necessarily the result of fraudulent activity.

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There is a continuing role for government to simplify the MBS and to provide sufficient education and guidance regarding its interpretation. These common-sense measures do improve compliance, without patient privacy issues resulting from using patient records as part of an audit process.

In balancing the needs of patient privacy and the proper use of taxpayers’ funds, the coalition proposed a number of amendments to enhance safeguards in this legislation. The government has largely included these amendments in the bill presented to this parliament. As a result of the coalition’s amendments, Medicare must consult with relevant professional bodies.
about the types of documents that contain information relevant to ascertaining whether payments should indeed have been made; requests for information and documents must now be made in writing; notice must include the reason for the CEO’s concern about the payment and must explain the factual issue that the person is required to substantiate; notice to produce documents will not include requests for information about whether a particular service was clinically relevant; and a person may provide Medicare with additional information to substantiate an amount.

Other amendments to this bill were approved by the Senate at the time but rejected by the Minister for Health and Ageing. These amendments to the Health Insurance Act would have allowed the parliament to disallow items on the General Medical Services Table and for the previous items and associated rebates to be revived. The amendments were instigated by the minister’s arbitrary halving of rebates for cataract surgery.

Unfortunately, at the time, and as is so often the case, the minister refused to negotiate with the patient and doctor groups or allow for greater parliamentary scrutiny of changes to the General Medical Services Table and blocked the amendments in this chamber.

The minister’s refusal to support the Senate’s amendments prevented the original bill passing the previous parliament. Eventually the minister was forced into a backflip, was forced to negotiate with patient groups and ultimately doctors and arrived at a compromise position. This of course should have been the process from the outset, but instead many patients were left substantially out of pocket because of the minister’s unreasonable delay to negotiations.

The legislation before us provides that the Medicare CEO must have a reasonable concern that a benefit paid for a service exceeds the amount that should have been paid. It is important to note that Medicare cannot conduct random compliance audits. The audits are only to ascertain that a service claimed was actually undertaken and under section 129AAD, subsection (9), clinical relevance of the service can not be taken into account.

The CEO must also take advice from a medical practitioner employed by Medicare on what types of documents may be requested for the purposes of this bill. Section 129AAD, subsection (6), stipulates that any documents that contain clinical information do not have to be produced to anyone other than an employee of Medicare Australia who is a medical practitioner.

Under this legislation Medicare can only compel the production of relevant documents if the person has been given a reasonable opportunity to respond to a written request to produce relevant documents. The bill does not stipulate a record-keeping requirement. However, under section 129 AAD, the notice to produce documents must specify details of each professional service for which documentary evidence is required; the reasons for the concern that an amount paid may exceed the amount that should have been paid; the information relevant to ascertaining whether amounts paid should have been paid; how the document, extract or copy is to be produced; and, finally, the period within which and place at which the document, extract or copy is to be produced.

It is appropriate that there is clarity for health professionals as to what needs to be provided and the reasons for it. The explanatory memorandum does specify that Medicare is working with the AMAs and other stakeholders to develop guidelines about the types of information that may be required to substantiate claims. It is stated that the guidelines will emphasise that patient records and clinical information should only be provided where absolutely necessary.
The coalition does emphasise the importance of this point and the need to carefully monitor and scrutinise the use of clinical information once this measure is implemented. The confidentiality of the doctor-patient relationship should remain paramount.

Another change this bill makes is to introduce penalties for debts that exceed $2,500. This threshold is justified in the explanatory memorandum on the basis that it reflects the point at which mistaken claims may become routine, reflective of poor administration or decision making. Section 129AEA, subsection (1)(d), does allow for a higher threshold to be specified by regulation. As Medicare rebates grow, it is important that the threshold is reviewed so that it does, as accurately as possible, reflect a point where incorrect claims are more than incidental or the result of isolated administrative mistakes. The penalty is to be 20 per cent of the debt.

The financial penalties in this bill are intended to encourage early and voluntary identification and repayment of incorrect claims. Where a person voluntarily contacts Medicare to inform that an incorrect payment or claim has been made, the penalty is reduced in full. If the person voluntarily informs Medicare after being contacted, but before notice is given to produce documents, the penalty is reduced by 50 per cent. Finally, if the person voluntarily informs Medicare after notice is given, but before the end of the period specified in the notice, the base penalty is reduced by 25 per cent.

In addition, to improve compliance and reduce recidivism, there are circumstances where the base penalty can be increased. If a practitioner does not respond to a notice, the full amount of the services identified becomes repayable and the penalty is increased by 25 per cent. Similarly, if a practitioner has been unable to substantiate an amount paid for other services in the previous 24 months and the total amount repaid exceeded $30,000, the penalty for the current amount is increased by 50 per cent.

Whilst the government may be focused on the compliance of health practitioners, when it comes to Medicare claims they are, as we now know, less forthcoming with transparency in their own actions and proposals. In fact, the government has directly undermined not only medical practitioners in relation to Medicare but also the fundamental principles on which Medicare has been built. Under the government’s first version of health reform last year, GP surgeries would have lost $58 million in Medicare practice incentive payments for after-hours patient care. The then President of the Royal Australian College of General Practitioners, Dr Chris Mitchell, was reported as saying on 15 July 2010 that the removal of Medicare incentive payment will have ‘enormous implications for the role of the GP’ and ‘has the potential to have an impact on the viability of general practice to deliver the services outside normal opening hours’. In fact, Dr Mitchell went further and said it would:

… jeopardise the availability of after-hours services in some areas and potentially increase the burden on ambulance callouts and emergency department presentations.

Furthermore, at a press conference on 22 February 2011, the Prime Minister stated that Medicare Locals will be ‘fund-holding organisations’. The government has refused at every turn to specify the services for which Medicare Locals will have fund-holding responsibility. This is a significant departure from the existing model of fee-for-service and, indeed, patient choice and creates enormous uncertainty for doctors and patients.

The Prime Minister also implied that Medicare Locals will provide coordinated care and address the issue of patients having to provide records to different health professionals. It is
unclear from this comment whether Medicare Locals will have access to patient records, have copies of patient records or be able to compel doctors to provide patient records. Given that the so-called legal entities will be staffed by teams of bureaucrats, it does again give rise to concerns about the use of clinical information without consent by people other than medical practitioners.

The intent of this bill is to ensure that taxpayers’ funds are used appropriately. This is from a minister that allocated $29½ million to advertising a health reform proposal that was never delivered. This is from a minister that has spent hundreds of millions of dollars on so-called superclinics that are still not operational and in many cases will erode the viability of existing services. This is from a government that has wasted billions of dollars on putting pink batts into people’s rooves and taking them out again. This is from a government that will spend over $20 billion in interest payments on its debt over the next four years alone. Incredibly, this government’s unprecedented waste and mismanagement make the $70.3 million saving from this measure look like a simple rounding error.

Whilst the government today is trying to apply scrutiny to doctors and those on the front-line, it has to be said that it is the Gillard government and Minister Roxon herself who are more deserving of intense scrutiny for their array of policy failures and unimaginable waste.

A number of amendments have been adopted addressing key concerns with the original version of this bill. The coalition does not oppose the bill before us today, but we will continue to scrutinise its implementation and the government’s actions in relation to Medicare which undermine patient privacy and choice and, as importantly, give rise to waste.

Ms PLIBERSEK (Sydney—Minister for Human Services and Minister for Social Inclusion) (12.03 pm)—I rise to support the Health Insurance Amendment (Compliance) Bill 2010. This bill represents a major step forward for the compliance and auditing functions of Medicare Australia. It delivers essential new powers for the enforcement of Medicare’s audit processes, while protecting patient privacy and the integrity of clinical information.

Commonwealth spending under the Medicare program is currently around $15 billion a year—a $4 billion increase since Labor’s election in 2007. Under the previous government, Medicare was left to stagnate, health funding was slashed and bulk billing rates declined. Australia’s universal healthcare system became weaker and less fair. Since 2007, this government has restored fairness and growth to Medicare. Rebates have increased, bulk billing is up, and more Australians are receiving assistance with their healthcare needs than ever before. Medicare has also been extended to a range of new allied healthcare providers and to additional dentistry services. Last year, more than 101,000 health professionals provided over 308 million services, claimed against nearly 6,000 Medicare item numbers.

Coupled with this expansion of services is the need for a strong compliance function that protects the Commonwealth’s investment. Medicare Australia already operates a rigorous system of auditing and investigation, acting on tip-offs and its own investigations, to identify incorrect claims. Audits check that the practitioner and the patient were eligible for Medicare benefits and that the service was actually provided. These are strict questions of fact. Medicare audits do not examine clinical decision making or the appropriateness of services provided but only whether they were legitimately charged for and actually delivered.
In 2008 this government provided funding for Medicare Australia to audit around four per cent of providers—up from one per cent under the coalition. In 2009-10 Medicare completed 3,600 audits and identified more than $10 million in incorrect claims. Some 159 formal investigations were completed and involved 21 medical practitioners, seven pharmacists and 131 members of the public. In one case, a medical practitioner was ordered to repay $180,000 after bulk-billing patients for procedures not discussed during patient visits.

Medicare’s audit team is regarded in the healthcare industry as highly professional and fair. A 2010 survey of 200 Australian health professionals found that 93 per cent agreed or strongly agreed that they were treated in a professional manner during the audit, and three-quarters found the information provided to them to be helpful in correctly interpreting the MBS.

However, under laws inherited from the previous government, health professionals are not required to assist with Medicare audits and can simply refuse to produce documents that substantiate their claims. Up to 20 per cent of health professionals refuse to co-operate with Medicare auditors. This refusal can jeopardise audit outcomes. Unless Medicare Australia can identify and interview the patients of these practitioners directly, it can be unable to complete the audit or determine whether Commonwealth funds have been correctly claimed.

The bill before the House addresses this deficiency in compliance procedures. Under the bill, Medicare Australia may issue notices to practitioners requiring the production of documents to substantiate Medicare claims. Failure to respond may result in a debt to the Commonwealth of the audited amount plus a penalty of up to 20 per cent. Where a practitioner was also unable to substantiate amounts paid for other services in the previous two years, and the total they repaid was more than $30,000, the penalty for the current amount being recovered is increased by 50 per cent. To encourage voluntary compliance, penalties may be reduced if an incorrect payment is identified early by the practitioner and directly refunded. The bill also creates an internal review process so that health professionals can have audit outcomes re-examined in case of dispute.

The government has worked closely with medical stakeholders and professional bodies in developing this bill to ensure that its provisions are fair to practitioners. Under the bill, Medicare must establish a ‘reasonable concern’ in relation to the services being audited and communicate this to the health professional. Medicare must also take the advice of an internal medical adviser about the types of documents it may seek for auditing purposes and regularly consult with a relevant professional body on the issue. Notices to produce documents may only relate to services that were rendered in the two-year period immediately prior to the notice being issued. Where clinical documents are required to be produced, a health practitioner may elect to forward these to a Medicare medical adviser, who will themselves be a qualified health professional.

As my colleague the Minister for Health and Ageing has already outlined, the bill does not introduce any new record-keeping requirements for health professionals or their practice staff. It will be up to the person who receives the audit notice to decide what documents they have available to substantiate the services for which they have claimed.

The bill also has strong regard for patient privacy and was developed in consultation with the Office of the Privacy Commissioner and with healthcare consumer organisations. A comprehensive privacy impact assessment was conducted in 2008, and this assessment was exam-
Amendments have been made to the bill to strengthen privacy controls. Risks to patient privacy have been mitigated through the requirement that clinical information need only be provided when it is strictly necessary to substantiate a claim and by enabling health professionals to elect to provide this information directly to Medicare medical advisers. The actions of Medicare Australia in conducting its audits are also subject to the secrecy provisions set out in the Health Insurance Act as well as the information privacy principles set out in the Privacy Act 1988.

A strong compliance regime is an essential part of Labor’s approach to Medicare and to government spending generally. This bill delivers that stronger compliance but balances it with practitioner safeguards and privacy protections for patients. It is the product of exhaustive consultation with healthcare stakeholders, consumers and privacy advocates and it has broad support across the health and medical community. Every dollar saved by the prevention of incorrect claims is a dollar that can be reinvested in government services and service delivery. The vast majority of health professionals are honest and accurate in their Medicare claims, as are the vast majority of patients. This bill will ensure that the minority of incorrect claims are identified and swiftly repaid.

I commend the bill to the House.

Ms HALL (Shortland) (12.10 pm)—The legislation that we have before the House today will give effect to two components of the increased MBS compliance audit initiative, which was announced by the government in the 2008-09 budget. In fact, this bill is largely identical to a bill that was introduced in the 42nd Parliament, and I believe I spoke on that bill when it was before the parliament then.

The Health Insurance Amendment (Compliance) Bill 2010 enables Medicare Australia to give a notice requiring the production of documents to a practitioner, or another person who controls the documents, to substantiate a Medicare benefit paid in respect of their professional services. Practitioners may be liable for financial penalties where the amount paid in respect of the service cannot be substantiated—and that largely depends on the amount that cannot be substantiated.

Though this is not the type of legislation that is going to be highlighted on the nightly news, it is important legislation because it is about the integrity of Medicare, about enhancing the current audit requirements and about delivering on the government’s commitment to financial responsibility and good economic management. It is also about transparency and accountability and the long-term future viability of our Medicare system—a system that I believe is second to none in the world. It is about ensuring that here in Australia we continue to have one of the best health systems available to any person.

The legislation has been subject to widespread consultation. It has taken into account the thoughts and opinions of stakeholders and consumers. Out of that consultation and the fine work that has been done by the department we have come up with legislation that is very workable and will make an enormous contribution to the long-term viability of Medicare.

Members may know that in 2009-10 the Medicare benefits scheme was $15 billion and has grown by more than $1 billion per annum over the last three years. Significant government
finances are being spent on MBS payments; therefore it is very important that there be a level of accountability. When the current compliance audits are conducted, on average 20 per cent of practitioners contacted by Medicare Australia do not respond or refuse to cooperate—that is, 20 per cent are not accountable. The MBS benefit is paid to them through Medicare, so I see it as very important that they, like all other players within the system, are in some way accountable. Without that accountability there is no way to confirm that the medical benefits that have been paid are correct. This legislation will address that deficiency.

Also, one of the difficulties with this bill was balancing the public interest to ensure the integrity of public expenditure on the MBS and to protect medical services with privacy concerns. Whenever we are looking at doctors' records, we have to be very mindful of the fact that there could be some privacy issues involved. The Senate Community Affairs Legislation Committee inquiry into Medicare compliance audits recommended that patients' clinical records only be accessed where necessary. The bill provides that documents containing clinical details do not have to be produced unless they are necessary to substantiate the Medicare benefit. Instead of the doctor having to provide these documents to an administrative auditor in the system, they can choose to provide them to a medical practitioner employed by Medicare. I think that that should allay fears to some degree because it will be viewed by someone who has some understanding of the clinical issues associated with the service provided.

Before a notice to produce a document can be issued, the CEO must fulfil several conditions: the CEO must have a reasonable concern that Medicare benefits paid for a service may exceed the amount that they should be paid; the CEO must take advice from a medical practitioner employed by Medicare on the types of documents that a practitioner would need to produce so that they can substantiate the Medicare claim; the CEO must take reasonable steps to consult with a relevant professional body—if there is concern with a doctor employed by Medicare then they consult with professional bodies; and the CEO must give the person a reasonable opportunity to respond to a written request to voluntarily provide documents. This bill does not introduce any bookkeeping requirements; it is about compliance and checking, and ensuring the integrity of Medicare and that the right payments are made.

Medicare Australia has been working with the AMA and other stakeholders in developing the guidelines. The degree of consultation in relation to this piece of legislation has been quite extraordinary. It is because of that consultation that stakeholders are quite happy with the legislation we are debating today. The fact that the Senate committee also considered this particular piece of legislation should give all a degree of certainty that this is the appropriate legislation to cover this area.

At present, if an amount paid for a service cannot be substantiated, the practitioner is required to repay that amount. This will continue to occur. However, this bill introduces a financial penalty for certain practitioners who cannot substantiate the amount paid for the service. The financial penalty will only apply to debts over $2,500—and I alluded to the fact that there was a financial limit earlier.

The bill provides for a regulation-making power to enable this threshold to be increased and for adjustments to occur. A penalty base of 20 per cent will be paid on all debts over $2,500. If a practitioner tells Medicare Australia that an incorrect amount has been paid for a service prior to being contacted by the CEO the penalty will be reduced by 100 per cent; before the notice to produce the documents is issued, by 50 per cent; and after the notice to pro-
duce documents, by 25 per cent. The medical practitioner has the opportunity to correct the record and provide the correct information early in the piece.

Mistakes are made—for example, with bookkeeping. The majority of medical practitioners always do the right thing. Some medical practitioners may have a little problem with their bookkeeping—and it is accidental. A very miniscule number do the wrong thing. This legislation will ensure that that does not continue to happen. I urge members to support this legislation. It is about ensuring the ongoing viability of Medicare. It is about putting in place not only a system that provides the best services—in what is, I think, the best health system in the world—but also compliance requirements that will ensure the ongoing viability of the system.

Dr LEIGH (Fraser) (12.20 pm)—Medicare is a central component of Australia’s universal healthcare system. It is a system that provides affordable treatment for Australians by the dedicated health professionals in our public health system. Introduced in 1975 by the Whitlam government, Medibank—as it was then—allowed for the subsidisation of medical treatment in public hospitals that has made health care more accessible and affordable and has added to the quality of the lives of Australians over the last 35 years. I want to place on record the role played in creating Medibank by Dick Klugman, member for Prospect from 1969 to 1990, who passed away just recently, on 21 February. In 1984, Medibank was renamed Medicare by the Hawke government, who returned it to the original model to reflect the great traditions of equity, fairness and dignity for all Australians—which are characterised by us in the Labor Party. The Health Insurance Amendment (Compliance) Bill 2010 adds to the history of responsible Labor governments by balancing the public interests of confidentiality and privacy with ensuring that public funds are spent appropriately and responsibly.

As part of the governments responsible economic management policy agenda, the Health Insurance Amendment (Compliance) Bill 2010 proposes to amend the Health Insurance Act 1973 to implement the increased Medicare compliance audits initiative announced in the 2008-09 budget. With expenditure on the Medicare benefits scheme over $15 billion in 2009-10, it has grown by more than $1 billion per annum over the last three years. This bill will put in place a system of compliance audits—checks that make sure that the services that are delivered meet Medicare item requirements. We are doing this in order to ensure that taxpayers’ money is spent appropriately, as taxpayers, I am sure, would wish to be the case.

Presently, medical practitioners are not required to produce documentation during a compliance audit conducted by Medicare Australia, and Medicare Australia does not have the authority to require compliance with the request. As a result, around 20 per cent of practitioners either do not respond or else refuse to cooperate with an audit request. This bill addresses that problem.

The bill enables the Chief Executive Officer of Medicare Australia to give notice of the production of documents to a practitioner to substantiate a Medicare benefit paid for a service. To address concerns of due process raised by key stakeholders in the process, the government has put in place four safeguards. Before a notice to produce documents can be issued, the CEO must first have a reasonable concern that the Medicare benefit paid for a service may exceed the amount that should have been paid. This means that Medicare Australia cannot conduct random compliance audits under the provisions of this bill. Secondly, the CEO must take advice from a medical practitioner employed by Medicare Australia on the kinds of documents a practitioner may need to provide in order to substantiate that kind of benefit.
Thirdly, the CEO must take reasonable steps to consult with a relevant professional body about the types of documents required to substantiate a benefit before commencing a compliance audit; and, fourthly, the practitioner must be given a reasonable opportunity to respond to a written request to voluntarily provide relevant documents.

As a result, this bill does not add to the workload and record-keeping requirements of already busy practitioners. Provisions for the protection of sensitive information ensure that only information relevant to the purpose of substantiating benefits is produced. No clinical or private details will be required unless they pertain to the substantiation of the benefit payment.

Medicare Australia is also working with the Australian Medical Association and other stakeholders to develop guidelines for practitioners on the kinds of information that may be used to substantiate particular services or groups of services. In accordance with this bill, practitioners must be given 28 days in which to seek an internal review of an audit decision before a debt notice is issued. During this time a practitioner may provide additional material to the CEO to substantiate a Medicare benefit.

The Health Insurance Amendment (Compliance) Bill 2010 will provide savings of around $148 million over four years, and it is expected that the provisions contained in the bill will generate further savings of at least $132 million during this time. Protecting the integrity of Medicare and enhancing Medicare Australia’s current audit program is a crucial element in ensuring that the Australian people know their public funds are spent appropriately and responsibly in the provision of the health services they rely on. The Gillard government is committed to responsible economic management and delivering the world-class services that Australians are entitled to expect—all this in the great traditions of the Labor Party, the originators of Medicare. I commend this bill to the House.

Ms ROXON (Gellibrand—Minister for Health and Ageing) (12.27 pm)—in reply—It gives me great pleasure to speak on the Health Insurance Amendment (Compliance) Bill 2010 and to thank the members who have made contributions to this debate. Sometimes these sorts of bills can seem very technical but everyone in this House—and certainly on our side of the House—does not underestimate the importance of Medicare and making sure that it is used in a way that is transparent, accountable and to the benefit of patients. This bill is about making sure that the transparency and accountability at the core of our broader health reforms are also able to be applied within the Medicare system itself.

We on the government side make no apologies for wanting to be very transparent about the way that we spend taxpayers’ money and how we account for all healthcare services, whether they are delivered in public hospitals, in the community or through general practice, pathology, diagnostic imaging and the many other ways that we pay for health services that people need.

This bill, as I have said, ensures that transparency and accountability from healthcare practitioners is achieved if they want to provide Medicare funded services. The bill is a reintroduction of a largely identical bill that was introduced into the 42nd Parliament, but this version incorporated parliamentary amendments that had been agreed to or moved by the government during the parliamentary debate in the previous parliament.
The reason that it is necessary for this bill to be passed—and I am pleased that the opposition have indicated they now support this bill—is that 20 per cent of practitioners contacted by Medicare do not respond to or refuse to cooperate with a request to substantiate a Medicare benefit that is paid for a service. When this occurs, Medicare currently does not have the authority to require a practitioner to comply with this request. This means there is no way to confirm that the Medicare benefit was correct and that public money is being spent appropriately.

I want to emphasise, as I know many colleagues from the AMA and other professional organisations did want us to make clear, that the vast majority of practitioners do comply with those requests, and the bill will not have any effect when people comply with those requests and make clear that the claims they are putting forward can be properly substantiated.

This bill, not surprisingly, has had significant debate, a lot of stakeholder consultation, a full inquiry by the Senate Community Affairs Legislation Committee and now a range of amendments that I think address all of those significant issues that have been raised. The amendments acknowledge the need for Medicare to take advice from medical professionals from within the organisation and to use the profession to assist doctors in responding to an audit. Of course, when we use that 20 per cent figure, many of those claims can be justified and the practitioners are appropriately claiming and using taxpayer funds. For the small number that are not, it is important that we give Medicare the authority that it needs.

I want to also emphasise that the bill does not introduce any record-keeping requirements that do not otherwise already exist. It will be up to the person who receives the notice to decide what documents they have available to substantiate the service. This bill is not retrospective and will only apply to Medicare services provided after the commencement of the bill.

So there is no reason why the parliament should not consider this legislation. We believe it marks another important opportunity for greater transparency in the health system and to make sure that taxpayers’ money is being spent appropriately on the healthcare services they expect. I would like to thank not just all the members who contributed to this debate but all the people who participated in the earlier Senate committee inquiry. I again thank the opposition for now supporting this important legislative change. I commend the bill to the House.

Question agreed to.

Bill read a second time.

Ordered that the bill be reported to the House without amendment.

CORPORATIONS AND OTHER LEGISLATION AMENDMENT (TRUSTEE COMPANIES AND OTHER MEASURES) BILL 2011

Second Reading

Debate resumed from 23 February, on motion by Mr Shorten:

That this bill be now read a second time.

Mr ANTHONY SMITH (Casey) (12.32 pm)—The Corporations and Other Legislation Amendment (Trustee Companies and Other Measures) Bill 2011 was introduced during the last sitting of the House on 23 February. It amends the trustee company provisions in chapter 5D of the Corporations Act 2001 to provide for some further improvements and refinements flowing from the 2009 reforms in the regulation of trustee corporations. On a separate issue,
the bill gives a general exemption to part IV of the Competition and Consumer Act—formerly the Trade Practices Act—for participants in the ATM industry because of the interlinked nature of our payments system, which, of course, means that companies that would otherwise be competitors also have to rely on strong cooperative linkages to make the system friendly for consumers. Notwithstanding their competitive nature, the system, for obvious reasons, requires all of those companies to have some linkages, and that is why the exemption is required.

As I said, the changes in this bill—these amendments—flow from those reforms to trustee laws in 2009. That created the national regulation of trustee companies in addition to the system of regulation at a state and territory level, and the coalition, back in 2009, strongly supported those reforms. They have helped trustee companies that have needed to operate in multiple jurisdictions. At the time, the shadow minister for financial services, superannuation and corporate law, Chris Pearce, the former member for Aston, said that the reforms were an example of good and targeted reforms, and we in the coalition maintain that position. Consequently we support these amendments, which flow from those original reforms. They are amendments which respond to industry and stakeholder consultation.

Trustee corporations are required by law to always put the interests of clients first, and they owe fiduciary duties to the beneficiaries of the assets they administer. They offer high degrees of protection to clients. The coalition has long advocated the fiduciary duty of financial advisers, and we of course support the current fiduciary duties that exist in the financial services sector.

On a product level, I think that if people choose to have stronger fiduciary duties then they should, of course, be free to do so. A trustee company is one way of structuring a fund to ensure that the duty to put the interests of clients first always remains. There are only 11 licensed private trustee companies in Australia, but they play an important part in the financial services system. It is hoped that, with a national system and these subsequent reforms embodied within this bill, more trustee companies will voluntarily come under the federal system, which offers protections similar to those under state and territory regulatory regimes such as the Trustee Companies Act 1968 in Queensland and the Trustee Companies Act 1964 in New South Wales.

This bill is an example—I must, unfortunately, say a rare example—of the government listening to industry stakeholders: specifically, in this case, the Trustee Corporations Association of Australia, which is the peak body representing trustee corporations in Australia. It is a shame that government listening to stakeholders is the exception rather than the rule, but on the rare occasion that it does occur I think it is fair enough to highlight it as a welcome, albeit very rare, Halley’s-comet-like experience here in the House with this government.

The bill contains a number of specific measures, as I mentioned at the outset, to provide for some further refinements and maybe to correct some oversights and unintended consequences flowing from the original reforms. I say that not in a negative way. That is always the case when there are complex reforms in an area that requires follow-up, and that is what this bill does.

Specifically, the measures include a change which will now allow licensed trustee companies to apply to ASIC in order to transfer estate assets and liabilities from another ASIC-licensed trustee which was previously licensed under state or territory law. It will give ASIC
the power to determine whether there is to be a transfer of estate assets and liabilities from a
trust company which has had its licence cancelled to a public trustee of a state or territory. It
will allow the establishment of a formal procedure under which prospective licensees will be
able to apply to the government in order to be listed as a licensed trustee company. It will re-
quire trustee companies to hold an Australian financial services licence and prohibit them
from holding themselves out to be a trustee company without one. It will also replace the term
‘authorised trustee corporation’ within the Corporations (Aboriginal and Torres Strait Is-
lander) Act 2006 with the term ‘licensed trustee company in accordance with the meaning of
Chapter 5D of the Corporations Act or the Public Trustee of a State or Territory’.

The bill also deals with amendments to the operation of common funds, drawing down an
imposition of fees. This section allows a management fee to be drawn from the fund for its
management and administration. However, in the spirit of openness and transparency, the fee
must not give a financial benefit unless such a benefit would be as a reasonable arm’s-length
transaction. These are all outlined, of course, in the minister’s tabling speech and the explana-
tory memorandum. I am advised that this requirement had existed under the Corporations
Regulations 2001, but adding it to chapter 5D of the Corporations Act is a welcome move that
is likely to encourage better prudential regulation.

As I said at the outset, the bill also amends the payment system to allow for a general ex-
emption from part 4 of the Competition and Consumer Act, the former Trade Practices Act. It
is simply a measure for the regulatory change that has been in place since 2006 and which
was implemented under the Howard government. The interlinked nature of our payment sys-
ystem means that often there have to be cooperative arrangements and it is desirable to have
cooperaive arrangements between participants. They are otherwise solely competitors in the
ATM sector. These arrangements have the potential on a black-letter reading to contravene the
competition laws we have in place; therefore the ATM industry needs a general exemption
from the competition laws in order to carry out regular everyday business. In order to protect
consumers and the system, the RBA currently runs and administers ATM regulations through
the ATM access regime and of course it is in the best interests of consumers that an efficient
and stable payments system exist.

The regulations exempting the sector from the Competition and Consumer Act have to be
reviewed every two years. The current regulatory clause expires right now, in March 2011.
Given that the structure of our ATM system relies on these relationships, it is unlikely that the
renewal of these regulations will become unnecessary. We therefore support a legislative
change. The fact that the payments system is incredibly interlinked is a welcome feature. It
requires a special form of oversight, currently done through the payment system board of the
Reserve Bank of Australia.

The opposition have been supportive of the reforms in the ATM sector. Lastly, this bill has
responded to stakeholder concerns outlined by the industry—concerns that have come for-
ward flowing from those original reforms. It is welcome that the government on this rare oc-
casion has listened and I have no hesitation or problem in saying that we supported the re-
forms in 2009 and we support the refinement to the reforms embodied within this bill. This
bill has the opposition’s full support.

Ms ROWLAND (Greenway) (12.42 pm)—I also rise to speak in support of the Corpora-
tions and Other Legislation Amendment (Trustee Companies and Other Measures) Bill 2011
and I know the member for Casey could not resist a dig. He knows he holds a very special place in my heart for being the author of the coalition’s telecommunications policy, and I thank him very much for that today.

This is a significant piece of legislation that builds on the reforms introduced in 2009 and which took effect last year with the establishment of chapter 5D of the Corporations Act. Those reforms created a single national regulatory regime for private trustee companies in Australia and, in the process, eliminated the inconsistencies between the then state and territory based trustee companies’ legislation. The various public trustee entities also had the ability to opt in to the new regime with the consent of their respective state or territory government.

In a moment I will elaborate on some important aspects of the bill, in particular the provision of a mechanism for trustee companies to consolidate their existing state based operations into one licence—this, of course, was in response to industry calls for such a mechanism—as well as clarifying some aspects of the operation of chapter 5D of the Corporations Act. Before I do so, I would like to bring to the attention of this place some very interesting statistics regarding trustee companies in Australia to underscore the importance of the reforms associated with this bill.

The Trustee Corporations Association of Australia, the peak industry body for trustee companies, notes that trustee companies employ over 3,600 staff in more than 80 offices around the country. These trustee companies have over $500 billion of assets under administration or management. Members of the Trustee Corporations Association of Australia include many household names in the industry, including ANZ Trustees, Equity Trustees, National Australia Trustees, Perpetual, and The Trust Company.

Almost two million Australians have wills recorded with trustee companies. Each year, trustee companies write approximately 60,000 wills and powers of attorney, administer about 9,000 deceased estates, manage assets under agency agreement or court orders for about 44,000 people and prepare about 42,000 tax returns.

These statistics serve to highlight the important role played by trustee companies in the financial services sector in Australia. They clearly have a proud tradition within the sector and I congratulate them on their contribution. I know that many of the constituents in my own electorate of Greenway benefit from the services provided by both public and private trustee companies.

The move towards a national framework for the regulation and operation of trustee companies was brought about by the government as a response to a number of issues with the former state-based system for the authorisation and regulation of trustee companies. Previously, trustee companies that wished to operate in more than one jurisdiction were required to comply with differing and often inconsistent authorisation and reporting requirements imposed under respective state and territory legislation. The previous regime also imposed unjustifiable barriers to entry for trustee companies, as well as unnecessary compliance costs and burdens.

It was these issues and others that led to the introduction and passage of the Corporations Legislation Amendment (Financial Services Modernisation) Act in 2009. A key feature of that act was the introduction of chapter 5D into the Corporations Act. The new regime put in place under chapter 5D provides for Commonwealth regulation of the "traditional trustee company
services’. This term covers several personal trust and deceased estate administration services, such as: acting as a trustee of a trust, applying for probate of a will, acting as executor of a deceased estate, acting as a financial guardian of the estate of a minor, or acting as a manager or administrator of an estate of an individual who lacks capacity.

Under the new Commonwealth system, there is now a single licensing regime administered by a single regulator—the Australian Securities and Investments Commission. It is anticipated that these changes will ultimately lead to a national market for trustee company services and significant efficiencies and savings.

The traditional services of trustee companies are also now deemed to be financial services for the purposes of chapter 7 of the Corporations Act. This means that such services are now covered by the consumer protection and disclosure requirements of the Corporations Act and also the ASIC Act. This ensures that, in providing those services, trustee companies are bound by the financial product disclosure, licensing, conduct, advice and dispute resolution provisions of those acts.

For consumers of trustee services this was a positive development. It now means that the relevant trustee company as service provider is providing services that are efficient, honest and fair; that the trustee company has adequate resources to carry out its function; that it provides cost-effective dispute resolution; and that it has adequate compensation arrangements as required under chapter 7 of the Corporations Act. Although some state systems met some of these criteria, others did not.

I would now like to turn to some specific aspects of schedule 1 of the bill before us and why I see it as an important step forward in supporting the activities of trustee companies in Australia. I do not propose to comment on the amendments in schedule 2 of the bill relating to the payments system industry.

When introducing this bill to the House, the Assistant Treasurer and Minister for Financial Services and Superannuation noted that since the introduction of a national regime for the regulation of trustee companies the government has received representations from the industry, in particular from the Trustee Corporations Association of Australia, which, as I said, acts as the peak representative industry association for trustee companies. The government also received representations from state and territory governments. Those representations suggested that the new regime under chapter 5D could be enhanced by some refinements to the legislation.

It is against this backdrop that the government has been prompt to respond with the introduction of this bill. Prior to the introduction of chapter 5D, many trustee companies operated in corporate groups with multiple operating subsidiaries in order to comply with the former state and territory regimes. The industry has long been frustrated by this inefficiency and it has called for a realistic and cost-effective process to allow for the consolidation of their subsidiaries into one national licensed entity. It has also made it clear to the government that industry would prefer an administrative as opposed to a judicial mechanism for this consolidation to take place.

Amongst other things, schedule 1 of the bill provides an administrative process for the voluntary transfer of estate assets and liabilities from a transferring entity, typically a trustee.
company previously authorised under state or territory legislation, to a trustee company prescribed by the Corporations Regulations 2001.

As I mentioned, under the former regime many corporate groups operating across various states and territories operated multiple subsidiaries whose purpose was to hold a trustee company authorisation in a particular jurisdiction. It is therefore not surprising that, following the introduction of a national licensing regime, many corporate groups wish to transfer the traditional business of these subsidiaries—that is, the management of trusts and estates—to a single Australian financial services licensee with a trustee company authorisation.

The government supports the rationalisation of the trustee companies industry as an important way of reducing compliance and administration costs. To adopt the words of the Trustee Corporations Association of Australia, as set out in the explanatory memorandum for the bill, the industry is seeking an administrative process to:

… allow existing trustee companies to expeditiously, and at minimum cost, rationalise their operations by transferring all estate management functions to one licensed trustee company.

At present, chapter 5D of the Corporations Act provides for compulsory, but not voluntary, transfers of business. The change foreshadowed under the bill is to extend the existing compulsory transfer provisions in chapter 5D to include voluntary transfers.

Another enhancement, which features in schedule 1 of the bill, relates to the proposed introduction of a formal procedure under which a prospective licensee applies to the government to be listed as a licensed trustee company. This is important because it increases transparency, certainty and accountability in the licensing process. Under the amendments being proposed, a prospective licensee will need to write to the minister responsible for administering chapter 5D explaining how it satisfies certain criteria before the Governor-General is able to make a regulation listing the applicant as a licensed trustee company.

Governments very early on realised that trustee companies could provide greater expertise, resources and reliability than an individual in the management of an estate. Trustee companies in Australia have come a long way from their original charter as solely an executor or administrator of a deceased estate. Indeed, in the present day, many of our trustee companies in Australia have expanded their activities beyond traditional services and into diverse areas of financial services such as wealth creation, wealth management and custody.

The government recognised the merits of moving towards a uniform national regime for regulating trustee companies by introducing specific legislation in 2009. We have responded to more recent industry calls to further enhance the regime. There is a lot to be said for the government’s ongoing commitment to consultation with key stakeholders in this area and its desire to continue to improve on the design of regulatory regimes. This is critical in many sectors of the Australian economy, and the financial services sector in which trustee companies operate is certainly no different. I commend the bill to the House.

Ms BRODTMANN (Canberra) (12.52 pm)—I rise today in support of the Corporations and Other Legislation Amendment (Trustee Companies and Other Measures) Bill 2011, which continues this government’s commitment to ensuring that business in this country operates, as much as possible, under one regulatory regime. This bill amends the trustee company provisions in chapter 5D of the Corporations Act to make them more effective by facilitating the consolidation of the industry through voluntary transfers. There are currently 11 such trustee

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companies in Australia that provide a range of services, such as estate planning, administering deceased estates, managing the financial affairs of people unable to look after their own interests and managing charitable trusts and foundations.

Chapter 5D took effect in May last year following a decision by COAG to create a national system for the regulation of trustee companies. However, this has created a need to allow organisations with multiple trustee subsidiaries to transfer into one licensed entity. This bill provides for an administrative process to achieve this end. The bill also improves the so-called compulsory transfer regime by specifying the criteria that must be considered when assessing a trustee company application, and it makes it an offence to falsely represent oneself as a licensed trustee company.

As a former small business owner, I have always been surprised that, while we have been a nation for well over a century now, there still exist up to eight systems regulating the conduct of business in Australia. Just one example is that, if you want to register as a business, you have to register in each state. I had my business operating here in the ACT and I registered in the ACT, but, if I had then wanted to operate in New South Wales, I would have had to go and register there too. You have all this overlay for business—it is $100 a time just to register your business and it is also an unnecessarily burdensome process. It is, I think, essentially just a hangover from the early days of interstate rivalry and different rail gauges.

I am in strong support of the Minister for Infrastructure and Transport when he said in an opinion piece in the *Canberra Times*:

> It is 110 years since Federation and Australians now enjoy one of the most prosperous and stable nations on earth. Yet have a look in the statute books of the states and territories and on some issues it’s as if Federation is as elusive as it was for Henry Parkes.

Wise words by the minister. While the minister was speaking about the myriad laws and regulations governing transport, I believe it goes further than that to other industries, particularly business—and I gave you an example of my experience. These differences in regulation and the problems they cause for a seamless national economy are a great burden on business. I believe they cost the economy millions if not billions of dollars in lost productivity and waste in the administration of red tape. There are also the opportunity costs involved when you have your own business, because the time you spend on admin issues and running around paying bills could be spent making some money. It has also led to higher costs for consumers and less competition. It is not an uncommon experience for me to hear concerns from constituents in my electorate about the regulatory burden on individuals and business caused by differences in state regulation. It is of particular importance to the people of Canberra as we are surrounded on all sides by New South Wales. A short trip in any direction and a business person in the ACT will find themselves in another jurisdiction.

I have spoken before in this place on my experiences in India and about seeing what occurs when there is a constant battle between state, territory and national governments. I have seen firsthand the effect of overregulation. I have seen firsthand how economies and innovation can be stifled by too much compliance, red tape and disparity between states and territories. I believe that government and this parliament have a dual role—that is, not only to reduce the regulatory burden on business and the community but also to ensure Australians get the right outcome from its regulations. In 2008, an OECD economic survey of Australia noted:

> Although product regulation is competition friendly overall, the functioning of markets could be improved, particularly by reducing their segmentation arising from different regulations across the states.
While the bill before us only deals with a limited aspect of regulation, I was nonetheless pleased when the former minister in this area, Senator Sherry, announced at COAG:

… the end of multiple, often contradictory, state-based regulations totalling about 300 pages and their replacement with one clear, standard, national regime.

This bill is another step in the process following on from the initial agreement by COAG for one national trustee company regime. This bill is a response to representations from industry, and I am further pleased that this government responds to the needs of Australian business. This is a responsive government, committed to listening to the Australian community and doing what needs to be done to ensure the continued prosperity of our economy and our society going forward, particularly through business. I commend the bill to the House.

Mr SHORTEN (Maribyrnong—Assistant Treasurer and Minister for Financial Services and Superannuation) (12.58 pm)—in reply—I thank honourable members for their contribution to the debate on this bill. The purpose of the Corporations and Other Legislation Amendment (Trustee Companies and Other Measures) Bill 2011 is to improve the operation of chapter 5D of the Corporations Act 2001. As mentioned in my second reading speech, the bill provides for voluntary transfers of trustee business between entities. Prior to the commencement of chapter 5D, many corporate groups operated multiple subsidiaries in order to comply with former state and territory regimes. This bill, along with the appropriate state and territory legislation, will provide industry with a process for consolidating the business of these subsidiaries into one Commonwealth licensed entity.

The bill also allows for compulsory transfers of trustee company business from a failing licensed trustee company to a state or territory public trustee. Further, the bill provides for a formal procedure under which the prospective licensee applies to the government to be listed as a licensed trustee corporation, and prohibits an entity from holding itself out as a licensed trustee company unless it holds an AFSL with a trustee company authorisation.

Finally, the bill will also amend the Payment Systems (Regulation) Act 1998 to protect participants in the automatic teller machine system from prosecution under the Competition and Consumer Act 2010 and allow them to continue to comply with the Reserve Bank of Australia’s ATM reform. In summary, this bill is the outcome of ongoing consultation with stakeholders such as the Trustee Corporations Association of Australia and state and territory governments with a view to ensuring that the policy objectives and outcomes are being met, and continuing to review and improve the regulatory regime underlying chapter 5D of the Corporations Act 2001. I commend this bill to the House.

Question agreed to.

Bill read a second time.

Ordered that this bill be reported to the House without amendment.

BUSINESS

Mr STEPHEN JONES (Throsby) (1.01 pm)—I move:

That further proceedings on orders of the day Nos 9, 11, 15 and 17, private Members’ business, be conducted in the House.

Question agreed to.

Main Committee adjourned at 1.01 pm
QUESTIONS IN WRITING

The Lodge: Official Entertainment
(Question No. 130)

Mr Briggs asked the Prime Minister, in writing, on 25 November 2010:

1. What was the total cost of expenses for entertainment, including all catering, provided for events at The Lodge in 2010 during (a) September, (b) October, and (c) November.

2. On what specific dates was each event held during the timeframe in part (1), for what purpose, and at what cost.

3. How many guests attended each event, at which events was the Prime Minister absent, and what was the cost of each event that she did not attend.

Ms Gillard—The answer to the honourable member’s question is as follows:

In keeping with past practice (including that of previous governments) the costs for individual private functions held at The Lodge are not generally disclosed. Details for official events are attached.

FUNCTIONS HELD AT THE LODGE.
1 September to 30 November 2010

<table>
<thead>
<tr>
<th>Date</th>
<th>Description</th>
<th>Prime Minister attendance</th>
<th>Function</th>
<th>Guest Numbers</th>
<th>Total Cost</th>
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<tbody>
<tr>
<td>25 October 2010</td>
<td>Pink Ribbon Morning Tea</td>
<td>No</td>
<td>Morning Tea</td>
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<td>$1,942.74</td>
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<tr>
<td>25 November 2010</td>
<td>Prime Minister’s Reception for members of the Parliamentary Press Gallery</td>
<td>Yes</td>
<td>Reception</td>
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<td>26 November 2010</td>
<td>Prime Minister’s Reception for Senior Executive Officers of the Australian Public Service</td>
<td>Yes</td>
<td>Reception</td>
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<td>$11,563.61</td>
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<tr>
<td>29 November 2010</td>
<td>Prime Minister’s Reception for Senior Executive Officers of the Department of the Prime Minister and Cabinet</td>
<td>Yes</td>
<td>Reception</td>
<td>127</td>
<td>$10,564.58</td>
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