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**SITTING DAYS—2014**

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FORTY-FOURTH PARLIAMENT
FIRST SESSION—THIRD PERIOD

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

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

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

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

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

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

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<td>Gellibrand, VIC</td>
<td>ALP</td>
</tr>
<tr>
<td>Whiteley, Mr Brett David</td>
<td>Braddon, TAS</td>
<td>LP</td>
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<tr>
<td>Wicks, Mrs Lucy Elizabeth</td>
<td>Robertson, NSW</td>
<td>LP</td>
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<tr>
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<th>Division</th>
<th>Party</th>
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</thead>
<tbody>
<tr>
<td>Wilkie, Mr Andrew Damien</td>
<td>Denison, TAS</td>
<td>IND.</td>
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<tr>
<td>Williams, Mr Matthew</td>
<td>Hindmarsh, SA</td>
<td>LP</td>
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<tr>
<td>Wilson, Mr Richard James</td>
<td>O'Connor, WA</td>
<td>LP</td>
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<tr>
<td>Wood, Mr Jason Peter</td>
<td>La Trobe, VIC</td>
<td>LP</td>
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<tr>
<td>Wyatt, Mr Kenneth George AM</td>
<td>Hasluck, WA</td>
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<tr>
<td>Zappia, Mr Antonio</td>
<td>Makin, SA</td>
<td>ALP</td>
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- Clerk of the Senate—R Laing
- Clerk of the House of Representatives—D Elder
- Secretary, Department of Parliamentary Services—C Mills
- Parliamentary Budget Officer—P Bowen
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<td>Senator the Hon. Nigel Scullion</td>
</tr>
<tr>
<td>Minister Assisting the Prime Minister for the Public Service</td>
<td>Senator the Hon. Eric Abetz</td>
</tr>
<tr>
<td>Minister Assisting the Prime Minister for Women</td>
<td>Senator the Hon. Michaelia Cash</td>
</tr>
<tr>
<td>Parliamentary Secretary to the Prime Minister</td>
<td>The Hon. Josh Frydenberg MP</td>
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<tr>
<td>Parliamentary Secretary to the Prime Minister</td>
<td>The Hon. Alan Tudge MP</td>
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<tr>
<td><strong>Minister for Infrastructure and Regional Development</strong></td>
<td>The Hon. Warren Truss MP</td>
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<tr>
<td>(Deputy Prime Minister)</td>
<td>The Hon. Jamie Briggs MP</td>
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<tr>
<td>Assistant Minister for Infrastructure and Regional Development</td>
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<tr>
<td><strong>Minister for Foreign Affairs</strong></td>
<td>The Hon. Julie Bishop MP</td>
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<tr>
<td><strong>Minister for Trade and Investment</strong></td>
<td>The Hon. Andrew Robb AO MP</td>
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<tr>
<td>Parliamentary Secretary to the Minister for Foreign Affairs</td>
<td>Senator the Hon. Brett Mason</td>
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<td><strong>Minister for Employment</strong></td>
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<tr>
<td>(Deputy Leader of the House)</td>
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<tr>
<td><strong>Attorney-General</strong></td>
<td>Senator the Hon. George Brandis QC</td>
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<tr>
<td><strong>Minister for the Arts</strong></td>
<td>Senator the Hon. George Brandis QC</td>
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<tr>
<td>(Vice-President of the Executive Council)</td>
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<tr>
<td>(Deputy Leader of the Government in the Senate)</td>
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<tr>
<td>Minister for Justice</td>
<td>The Hon. Michael Keenan MP</td>
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<tr>
<td><strong>Treasurer</strong></td>
<td>The Hon. Joe Hockey MP</td>
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<tr>
<td><strong>Minister for Small Business</strong></td>
<td>The Hon. Bruce Billson MP</td>
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<tr>
<td>Acting Assistant Treasurer</td>
<td>Senator the Hon Mathias Cormann</td>
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<tr>
<td>Parliamentary Secretary to the Treasurer</td>
<td>The Hon. Steven Ciobo MP</td>
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<tr>
<td><strong>Minister for Agriculture</strong></td>
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<td><strong>Minister for Industry</strong></td>
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<tr>
<td>Parliamentary Secretary to the Minister for Industry</td>
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<tr>
<td><strong>Minister for Social Services</strong></td>
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<tr>
<td>Assistant Minister for Social Services</td>
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<tr>
<td>(Manager of Government Business in the Senate)</td>
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<tr>
<td>Minister for Human Services</td>
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<tr>
<td>Parliamentary Secretary to the Minister for Social Services</td>
<td>Senator the Hon. Concetta Fierravanti-Wells</td>
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<tr>
<td><strong>Minister for Communications</strong></td>
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<tr>
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<td>The Hon. Paul Fletcher MP</td>
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<td><strong>Minister for Health</strong></td>
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<td><strong>Minister for Sport</strong></td>
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<tr>
<td>Assistant Minister for Health</td>
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<td>Title</td>
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<tr>
<td><strong>Minister for Defence</strong></td>
<td>Senator the Hon. David Johnston</td>
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<tr>
<td>Minister for Veterans’ Affairs</td>
<td>Senator the Hon. Michael Ronaldson</td>
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<tr>
<td><em>Minister Assisting the Prime Minister for the Centenary of ANZAC</em></td>
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<tr>
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<td>The Hon. Stuart Robert MP</td>
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<tr>
<td><em>Parliamentary Secretary to the Minister for Defence</em></td>
<td>The Hon. Darren Chester MP</td>
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<tr>
<td><strong>Minister for the Environment</strong></td>
<td>The Hon. Greg Hunt MP</td>
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<tr>
<td><em>Parliamentary Secretary to the Minister for the Environment</em></td>
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<tr>
<td><strong>Minister for Immigration and Border Protection</strong></td>
<td>The Hon. Scott Morrison MP</td>
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<tr>
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<tr>
<td><strong>Minister for Finance</strong></td>
<td>Senator the Hon. Mathias Cormann</td>
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<tr>
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<td>Senator the Hon. Michael Ronaldson</td>
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<tr>
<td><em>Parliamentary Secretary to the Minister for Finance</em></td>
<td>The Hon. Michael McCormack MP</td>
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Each box represents a portfolio. **Cabinet Ministers are shown in bold type.** As a general rule, there is one department in each portfolio. However, there is a Department of Human Services in the Social Services portfolio and a Department of Veterans’ Affairs in the Defence portfolio. The title of a department does not necessarily reflect the title of a minister in all cases.
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<td>Hon Bill Shorten MP</td>
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<td>Senator the Hon Kim Carr</td>
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<td>Hon Bernie Ripoll MP</td>
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<tr>
<td>Shadow Parliamentary Secretary for Small Business</td>
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<tr>
<td>Shadow Cabinet Secretary</td>
<td>Senator the Hon Jacinta Collins</td>
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<tr>
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<td>Dr Jim Chalmers MP</td>
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<tr>
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<tr>
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<tr>
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<td>Senator Claire Moore</td>
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<tr>
<td>Manager of Opposition Business (Senate)</td>
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<tr>
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<td>Senator the Hon Don Farrell</td>
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<tr>
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<td>Hon Matt Thistlethwaite MP</td>
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<tr>
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<tr>
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<tr>
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<tr>
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The SPEAKER (Hon. Bronwyn Bishop) took the chair at 09:00, (Quorum formed), made an acknowledgement of country and read prayers.

COMMITTEES
Corporations and Financial Services Committee
Membership
The SPEAKER (09:03): I have received a message from the Senate informing the House that Senator O’Neill has been appointed a member of the Parliamentary Joint Committee on Corporations and Financial Services.

BILLS
Labor 2013-14 Budget Savings (Measures No. 1) Bill 2014
First Reading
Bill and explanatory memorandum presented by Mr Hockey.
Bill read a first time.

Second Reading
Mr HOCKEY (North Sydney—The Treasurer) (09:04): I move:
That this bill be now read a second time.
The Labor 2013-14 Budget Savings (Measures No. 1) Bill 2014 repeals the second round of carbon tax-related personal income tax cuts that are due to start on 1 July 2015 because that is what the Labor Party promised prior to the last election as a budget savings measure to help to repair the budget; but since the election they have failed to keep their promise to the Australian people. We are now introducing legislation to allow the Labor Party to keep its promise to the Australian people to fix the budget.

This measure has been introduced to the parliament twice under the Clean Energy (Income Tax Rates and Other Amendments) Bill 2013 as part of the package of carbon tax repeal bills.

The Senate has now twice voted down this budget repair measure put forward by the Labor Party prior to the last election as part of their so-called budget repair strategy. But since coming into opposition, the Labor Party is not only voting against the coalition keeping its election commitments—the Labor Party is voting against its own election commitments. We want them to keep their election commitments. We want the Labor Party to stick with what they promised to the Australian people before the last election.

In its final budget handed down on 14 May last year, the former government deferred a second round of personal income tax cuts, resulting in a $1.5 billion saving over the then forward estimates.

But the former government never followed through by unwinding legislation they put through the parliament that implemented those tax changes.

The 1 July 2015 round of tax changes were originally introduced to provide additional assistance to households following an expected increase in the carbon price from a fixed price of $25.40 in this financial year to a floating price of $29 next financial year.
In their final budget, the former Labor government revised their carbon price estimates for the next financial year to around $12—less than half of what was originally expected.

Subsequently they announced they would defer the second round of personal income tax cuts due to take effect on 1 July 2015, banking $1.5 billion to the budget bottom line over the then forward estimates. So what they were doing is making announcements and putting them into the budget as a savings measure—claiming it was necessary to repair the budget—but they actually never introduced the legislation. They never actually did it. So they promised to do it, and they took it to the election as a promise to do it; now, after the election, the Labor Party is opposing not only their last budget, but they are opposing the promises they took to the last election.

This bill facilitates the Labor Party keeping their election promises. That is what we are doing. We are giving them the opportunity to keep their election promise, because they did not reverse the decision to defer the second round of personal income tax cuts in the 2013 Economic Statement or in their document outlining their costings for the 2013 federal election. Since the election, they have been saying—claiming, incorrectly—that we have deepened the budget deficit. In fact, they are the ones—by their own actions they are deepening the budget deficit. There is no sense of embarrassment about it. They are just opposing what they took to the last election.

This is important because since coming to opposition, they have now twice voted against legislation which implements this particular budget repair measure, without outlining an alternative plan for the measure they are now choosing to keep.

The cost to the budget for the second round of personal income tax cuts has increased from $1.5 billion to $2.2 billion over the current forward estimates period to 30 June 2018.

The government inherited an unsustainable budget position from the previous Labor government.

The deficits inherited from the former government that were outlined in the 2013-14 MYEFO totalled $123 billion.

Government debt, if left unchecked would increase to $667 billion at the end of the medium term.

Without action, the budget outlook is deficits and rising debt for at least another decade. The budget would never get to surplus and the debt would never start to be repaid. Of course, the interest bill on that debt would rise to $3 billion a month. That is the equivalent of the construction of three brand-new teaching hospitals in Australia every month, and we are just spending it on interest unless we address this issue.

Of course, 70 per cent of that interest goes overseas, because the people we are borrowing money from to fund the current deficit and to fund Labor's debt have lent it to us from overseas. So we have to pay interest to them overseas because Australia fails to fund itself.

So it is hugely important to fix the budget so that we can get to the point where the government lives within its means. There have been a number of authorities on that. The financial systems inquiry, the Murray review, released the initial report yesterday and identified that, if we continue with budget deficits, it weakens our ability to respond to a potential financial crisis. If there is a bank that, God forbid, is in distress or a financial...
institution is in distress, our ability to respond is weakened if the fiscal position of the Commonwealth is in a disadvantaged and weakened state.

Therefore, if our banks, which rely overwhelmingly on domestic deposits but also wholesale international funding, are in a position where there is some risk, that risk is automatically transferred to the Commonwealth balance sheet, because we are as a nation a net importer of capital. So the stronger the Commonwealth government balance sheet the stronger the credit rating we have and the better the Australian economy will perform. There is no doubt about that because as a nation we import money. We have to bring in money from the rest of the world to fund our growth.

There are many nations that have much greater government debt, but they fund it from within their own economy, because they have a huge pool of domestic savings—Japan being a classic example where the government has an enormous debt as a percentage of GDP, but it is the Japanese families, the Japanese housewives, as they were previously called years ago, who saved the money and they can fund government debt. They can fund it within their economy. Even Italy has the capacity to fund its own needs, and it is an exporter of capital.

But Australia is not an exporter of capital; Australia is an importer of capital. Therefore it is so important, as an importer of capital, that we have a government that lives within its means, so that money becomes more accessible and more affordable for the private sector, which then uses that capital to develop the big projects in the big land that helped to drive our economy.

I do not have any great insight into the thinking of the Labor Party—I suspect that would be a task well beyond the capacity of any individual—but I do refer to the former Treasurer and Deputy Prime Minister, the member for Lilley. In his budget speech in 2011 he said:

… meandering back to surplus—would compound the pressures in our economy and push up the cost of living for pensioners and working people.

That is what he said. At this dispatch box, in the budget speech in 2011, the member for Lilley said:

… meandering back to surplus—would compound the pressures in our economy and push up the cost of living for pensioners and working people.

So why on God's earth don't the Labor Party in opposition heed the words that at this dispatch box they promulgated in government? The problem is they are inconsistent. They have no fundamental principles.

It was not a one-off in a budget speech. On 8 May 2012, the member for Lilley also said:

… importantly by coming back to surplus we give the Reserve Bank maximum flexibility to cut interest rates, should they decide to do so independently of the Government.

… coming back to surplus is about making sure we help those people sitting around the kitchen table when they're figuring out how they will make ends meet.

That was the member for Lilley.

The opposition, the Labor Party, have 25 senators—and the Greens are part of the opposition; they do not believe in anything—and the Greens have another 10 senators. They might not agree with our budget measures. They might not agree with what I announced on behalf of the government at this dispatch box only a few weeks ago, but surely they agree with themselves from a year ago. Don't agree with me today but, I say to the Labor Party,
agree with yourselves a year ago. I do not want to go too far. I do not want to put too great a burden on your shoulders that are already weighed down by the great burden of opposition, but I would say to the Labor Party: if you truly believe that Australia should live within its means as you did just 12 months ago, as you did nine months ago, as even the member for McMahon went out and said at the doors today—"We are about fiscal responsibility." I mean, seriously; if the Labor Party truly believed it at one point in time, I would beg them to put in place actions that back their words just on this one occasion.

We are facilitating in this bill the chance for Labor simply to keep faith with what it said a year ago, simply to keep faith with what it promised the Australian people to do. There are $5 billion of savings that Labor announced prior to the election in order to fix the budget that they are now opposing. They developed the policies. They came up with these proposals. They went out and campaigned for these savings initiatives. This is what they did before the election, and we are just giving them the opportunity to keep their word with the Australian people. That is all. I am not introducing this bill again in order to facilitate my budget; I am asking them to facilitate their budget. That is all I am asking them to do.

They had a pretty ordinary record in relation to budget management. We know that. We know that the former Treasurer stood up and said, 'Tonight I announce four years of surpluses.' I have been looking everywhere. I must say I looked in the dispatch box—"Where's that surplus?" I looked under the table! We have been looking everywhere. We cannot find those surpluses. They do not exist. They never did. And the Leader of the Opposition too said, 'We've delivered a surplus.' In fact they all went out and told their electorates at expense to the Australian taxpayer that they had delivered a surplus. The problem was they never did.

You know what? They knew it was important to have a surplus. They knew it was important to fix the budget. That is why they wanted to convince the Australian people. That is why they wanted to convince you that they were getting on with the job of fixing the budget. They were getting on with the job of delivering a surplus. They went out there and they said to you to your face, 'We are fixing the budget,' and that is why we have measures like the one I am bringing before the House today. We have got to make these decisions, and they are difficult decisions. We are doing this because we have to fix the budget. That is what they said to you, and now the Labor Party has completely changed its tune.

So I want to remind them that it is important that we fix the budget and fix it now. And why? There is Governor Stevens, the head of the Reserve Bank of Australia, who served the opposition when they were in government, served us previously in government and serves us in government again. He warned just a few days ago in Hobart, Tasmania:

... the fact that the real issues with public finances are medium-term ones is not a reason to put off taking decisions to address them. On the contrary, as experience in so many other countries demonstrates, by the time these sorts of problems have gone from being out on the horizon to on our doorstep, they have usually become a lot more difficult to tackle. Early, measured actions that have effects that build up over time are a much better approach than the much tougher response that might be required if decisions were delayed.

That is the Governor of the Reserve Bank.

The Labor Party boasts how it was there during the GFC. If there is a single lesson to be learned out of the global financial crisis it must be this: do not delay decisions about repairing government budgets until it is too late. Go and ask the Greeks and the Italians and the
Spaniards; go and ask a whole range of different countries and governments whether they would like to wind back the clock to pre-GFC days and try and undertake that fiscal repair. Australia was able to come through the global financial crisis because we had a strong budget going into it. That was because in 1996, when we inherited $96 billion of debt—a lot of money in those days—we actually took the remedial action in 1996 to fix the budget to inoculate us, so far as we could, for the dark days ahead—and there were dark days. There was the Asian financial crisis, when seven out of our top 10 trading partners were in recession or depression. We came through that. We came through the tech boom and bust. We came through an Aussie dollar that was sub 50c to the US dollar which created enormous dislocation in our economy. We came through all those things and we came through the global financial crisis because we had the financial capacity to do it.

As I learnt as a child, and as many other people here who have worked in small business would know, when you have money in your pocket you have choices, but when you do not have money in your pocket, when you are totally beholden to someone that lends you money, there are no choices—they call the shots. From our perspective it is hugely important that a strong, independent, vibrant Australian economy can stand on its own two feet and not only withstand the pressures that come from domestic change but, importantly, withstand the pressures that come from global change. For a nation that imports money from the rest of the world it is vitally important that we do everything we can to strengthen ourselves rather than to weaken ourselves.

It was not just Dr Stevens; it was Dr Parkinson, the Secretary to the Treasury. Dr Parkinson, who served the Labor Party loyally in government, said—and I did not put him up to it; he said this in a speech only a few days ago as well:

…it is quite another thing to exhort vague notions of fairness to oppose any form of reform. If you do that, if you use such an argument to defend what is an unsustainable status quo, what you are doing is consigning Australia to a deteriorating future. Labor's argument publicly is that we need to fix the budget—that is what they say and that is what they have been saying—but their actions are: 'She'll be right, you don't need to do anything.' Well, 'she'll be right' is unacceptable in the 21st century. 'She'll be right' is unacceptable in a world where commerce occurs in the flick of a second and at the touch of a computer. 'She'll be right' is unacceptable with the movement of money around global capital markets on a scale the world has never seen and where governments can be beholden to markets on a scale that has never previously occurred. 'She'll be right' is unacceptable.

If it isn't Governor Glenn Stevens, if it isn't the Secretary to the Treasury, then go to Phil Bowen, the Parliamentary Budget Officer, who said:

It is time to start coming out [of debt and deficit], otherwise the longer you leave it the more exposed you become and the harder it is to wind it back ...

Sure we're currently at a very low level relative to the rest of the developed world, but frankly we don't want to find ourselves where the rest of the world is ...

You've got to have a buffer. One of the reasons we came through the global financial crisis so well was because we started with assets ...

If the rate of the increase [in debt], if allowed to go unchecked, would mean that net debt would increase quite rapidly to the point where that fiscal buffer ... would not be available.
That is the independent Parliamentary Budget Officer. So we have the Governor of the Reserve Bank, the Secretary of the Treasury and the independent Parliamentary Budget Officer. There is also Angel Gurria, the head of the OECD, where there are former Labor staffers. In fact, a former Labor minister, David Bradbury, now works at the OECD, so maybe Angel Gurria spoke to the former Assistant Treasurer in the Labor Party. These are the people that held values in opposition, in government and now in opposition again. Angel Gurria said: We have seen with very great interest, and I think really with great expectations, that they are dealing very directly and decisively with the budget deficit.

So when we go to the G20 and say we need to fix our budget, we are doing it ourselves. Why? Because we want a world with more jobs. We want an Australia with more jobs and greater prosperity. We want a stronger economy where families have choices and where families have job security.

The only way to do that is to undertake the necessary budget repair. We do not do it out of any ideological satisfaction, I can tell you. We do it because we know it is right—that if the government lives within its means, families have the capacity to live within their means. But if the government does not live within its means, then it comes with a baseball bat in the middle of the night and hits families for more and more. It hits their budgets for more and more. It creates an unpredictable government—and God, we have had six years of that unpredictable government.

Those days are over. We promised the Australian people we would fix the budget and we will. We will because we must. That is the solemn commitment we gave the Australian people at the last election. There will be individual members of the House of Representatives and individual members of the Senate who will not agree with individual initiatives. That is fine, but I thought there was a collective approach—a collective approach that understands we need to have fiscal repair; that the pensioners of Australia and the families of Australia will be worse off—as Wayne Swan said in the budget speech—if we do not fix the budget. He was right. They will be worse off if we do not fix the budget.

So now is the time to fix it. Now is the time. You plough the fields and you sow the seeds before the heavy rains come, and when you do that—and if you are ready—then you will get the benefit down the track. But as it stands we are saying: 'Let's get on with the job of fixing the budget.' Let us do it now. We have put on the table the best policy options for the medium and long term. We have put them on the table. We have offered them to the Australian people.

The critics will always be there. I say to those critics: give us an alternative. Tell us what you would do. If you have no alternative to what we are offering the Australian people, then at least stick with what you said you would put down as an alternative in the past. So what we are going to do with every single initiative that the Labor Party announced prior to the election or in previous budgets—that they have now chosen to oppose—is reintroduce them to this place as a separate bill; as a Labor budget savings measure bill. And we are going to give them the chance to, very publicly, vote in favour of their election promises. That is what we are going to do: we are going to give them a unique chance to keep their promises to the Australian people. And we are going to support them in doing so because ultimately there has to be a partnership here. There has to be a partnership that says that ultimately we are both committed—we are all committed—to fixing the budget. We are all committed to a nation
that lives within its means. We are all committed to a stronger and more prosperous economy. We are all committed to more and better-paying jobs. This is how we are going to do it.

I commend this bill to the House. I feel as though I should not have to urge the Labor Party to keep its election commitments, but I am urging them to commit to their election commitments. I am urging them to honour their promises. I am urging them to get on with the job of helping us to fix the budget.

They can say whatever they want—go out the doors and talk about fiscal repair. Bill Shorten can speak to individual businesspeople and give them a wink and a nod and say: 'Don't worry. The carbon tax is going to go.' He can go to the mining council, as he did, and say: 'Don't worry. The mining tax will be gone by July.' Well, it is not going to be gone if, at the end of the day, they want to keep all the expenditure but they do not want to get rid of the tax. That is not getting rid of the mining tax.

We have been to two elections on the mining tax. We opposed it. We opposed the packages. We have been entirely consistent. We are delivering what we promised to the Australian people. The idea of salami-slicing this and that—and forget it. Why? Because at the end of the day they want to take 90 per cent of the salami and leave us with a slice. The problem is: that does not fix the budget. It does not actually help.

So I would say to the Labor Party, to the Greens, to the Palmer United Party and to the honourable Independent senators: you may not agree with individual items in the budget, you may not agree with individual policy announcements, but if you truly believe that the nation needs to live within its means, if you truly believe that we need to get the budget under control, then give us your policy proposal that will carry the day, because if we do not fix the budget now the pain and impact on the Australian people in the days, months and years ahead will be far greater. It is always best in this situation to repair the roof whilst the sun is shining than to be in a situation where, in the middle of a cyclone, everything starts to come apart.

Debate adjourned.

Marine Safety (Domestic Commercial Vessel) National Law Amendment Bill 2014

First Reading

Bill and explanatory memorandum presented by Mr Truss.

Bill read a first time.

Second Reading

Mr TRUSS (Wide Bay—Deputy Prime Minister and Minister for Infrastructure and Regional Development) (09:32): I move:

That this bill be now read a second time.

The purpose of this bill, the Marine Safety (Domestic Commercial Vessel) National Law Amendment Bill 2014 (national law bill) is to amend the Marine Safety (Domestic Commercial Vessel) National Law Act 2012 (national law act) to ensure that it operates as it was originally intended.

The national law act commenced on 1 July 2013, introducing nationally consistent law for the regulation of domestic commercial vessel safety and establishing the Australian Maritime Safety Authority as the national regulator for the domestic commercial vessel fleet operating
in Australian waters across all states and territories, including Christmas and Cocos (Keeling) Islands.

The amendments in the national law amendment bill have been agreed by all transport ministers at the Standing Council of Transport and Infrastructure Ministers meeting in November last year.

The national law bill will ensure the national regulator is able to exercise discretion when considering the suspension, revocation and variation of vessel certificates. This will provide greater flexibility to accommodate the variety of operational variables within Australia’s domestic commercial vessel fleet.

This bill also provides minor amendments to ensure the definition of ‘defence vessel’ aligns with the Navigation Act 2012, which also deals with marine safety.

In addition to those amendments already mentioned, the national law bill provides amendments to ensure the national law act:

- clarifies one of the national regulator’s functions as the function of surveying vessels;
- allows for the sub-delegation of powers to accommodate the range of organisational arrangements within each jurisdiction; and
- consistently and correctly uses legislative referencing, corrects minor grammatical errors and clarifies review rights within the act.

I commend the bill to the House.

Debate adjourned.

**Australian Sports Anti-Doping Authority Amendment Bill 2014**

*First Reading*

Bill and explanatory memorandum presented by Mr Dutton.

Bill read a first time.

*Second Reading*

Mr DUTTON (Dickson—Minister for Health and Minister for Sport) (09:36): I move:

That this bill be now read a second time.

The Australian government strongly supports a fair, safe and healthy environment for all athletes from all nations and is committed to clean sport. Not only is doping a serious risk to an athlete's health and wellbeing; it is fundamentally about cheating and debasing all that is good about sport which we hold close to our hearts—from improved health through physical endeavour to the pursuit of athletic excellence and the values it teaches.

The World Anti-Doping Code (the code), administered by sports and governments around the world, ensures that athletes are treated the same and abide by the same rules everywhere, regardless of nationality and sport.

WADA, as custodians of the code, initiated a comprehensive review of the code in late 2011. In reviewing the code, there was a common understanding that antidoping authorities are now operating in an environment where the potential rewards from sporting success combined with the availability of substances and techniques that are not able to be easily detected through testing provide a greater incentive to cheat through doping.
In response to this, some of the key changes in the code include:

- higher penalties for serious antidoping rule violations such as use of anabolic steroids;
- the addition of two new antidoping rule violations;
- smarter targeted testing of samples;
- the development of seamless information-sharing arrangements between relevant national and international government agencies and improved information flows with sporting organisations; and
- greater use of intelligence gathering and investigations in detection strategies.

To ensure that antidoping arrangements are harmonised across the world, over 300 international sporting federations and 170 governments and antidoping organisations who are signatories to the code are currently updating their antidoping policies, rules and legislation to reflect the revised code.

The Australian Sports Anti-Doping Authority Amendment Bill 2014 brings Australia's antidoping legislation into alignment with the revised world doping code and international standards which will come into force on 1 January 2015. We need to bring our arrangements into line with the code, to ensure that our athletes are working under the same rules.

The Australian Sports Anti-Doping Authority (ASADA) is the Australian government agency responsible for working with sporting organisations to eliminate doping. ASADA's powers and functions are specified under the Australian Sports Anti-Doping Authority Act 2006 (ASADA Act) and Australian Sports Anti-Doping Authority Regulations 2006 (ASADA Regulations).

One of the key aspects of the code is the antidoping rule violations (ADRVs). Appropriately, athletes or athlete support personnel who are found to have committed antidoping rule violations are subject to sanctions such as ineligibility to compete and disqualification of results from sporting competitions. The international antidoping community has agreed that it is time to take action to protect sports from those support persons who orchestrate systematic doping programs.

From 1 January 2015, it will be an ADRV for an athlete or support person to associate in a professional or sports related capacity with another person who is banned from sport or has been criminally convicted or professionally disciplined for an action that would constitute an ADRV.

In the act, athletes and athlete support persons are adequately protected in this new arrangement. Any association needs to be in a professional or sports related capacity before it can be prohibited. This allows, for example, for athletes who may have family members in this category. Second, the athlete receives a warning in writing from ASADA to advise on prohibited association.

ASADA will also be required to use reasonable efforts to issue a notice to the athlete support person that they should not be associating with an athlete and allow that person an opportunity to contest the notice. It is also a requirement under the code that the association is one that the athlete or other person can reasonably avoid. The bill provides the CEO with the ability to issue the necessary advice.
Athlete support is extended through enabling review of decisions by the Australian Sports Drug Medical Advisory Committee (ASDMAC). ASDMAC is responsible for considering applications by athletes for the legitimate therapeutic use of prohibited substances or methods. Athletes who have their application approved by ASDMAC receive a therapeutic use exemption (TUE). Revisions to the code appropriately require ASADA to provide a review mechanism for those exemption decisions.

This review mechanism will be achieved by expanding the current membership of ASDMAC so that the minister may appoint up to three appropriately qualified review members for the sole purpose of reviewing decisions at the request of athletes.

Given the increasing complexity of substances and use of intelligence over time to catch cheats, an extension to the time available to commence action is sought through the code. Under the current code, action on a possible antidoping rule violation must be commenced within eight years from the date the violation is asserted to have occurred. The code was revised so that, from 1 January 2015, authorities would have up to 10 years upon which to commence action. It is proposed to amend the act to align with this revision.

Since its establishment in 2006, ASADA has established information-sharing arrangements with agencies such as the Australian Customs and Border Protection Service. Access to this information has been critical in assisting ASADA to pursue non-analytical violations, such as trafficking or the possession of prohibited substances.

With investigations and intelligence gathering now forming an integral element of any strategy for detecting doping, the revised code emphasises the need for effective information flows between government agencies, sporting bodies and antidoping organisations. Accordingly, amendments to the information-sharing provisions in the act are proposed to ensure clarity and simplicity.

With the recent revisions to the code, it has also been necessary to update a number of definitions in the act. The definitions are mainly technical and minor in nature.

Given the need for legislative amendments to align Australia’s arrangements with the revised code, it is also proposed to take this opportunity to make minor administrative amendments that aim to simplify the operation of the act.

One of these simplifications is to remove the requirement for the Anti-Doping Rule Violation Panel (the panel) to enter the details of a possible ADRV onto a register of findings.

An entry on the register does not reflect a final decision that an ADRV has taken place. Rather, it indicates that, based on the evidence reviewed by the panel, it is possible an ADRV has occurred. Making an entry on the register provides a legislative trigger for a number of notifications to be made under the National Anti-Doping Scheme. Ultimately, it is a matter for a sports administration body to determine whether an ADRV is established.

The presence of the register has led some people to believe incorrectly that the panel is the final hearing body for considering ADRV cases when its purpose is to independently review the evidence collected by ASADA prior to it being forwarded to the relevant sporting organisation for further action and final consideration by the relevant sports tribunal.

To assist with correcting these misapprehensions, the concept of ‘register of findings’ has been removed from the legislation. Instead, the ADRVP may make an ‘assertion’ of a possible antidoping rule violation. This assertion is brought to the attention of the ASADA CEO, who,
in turn, will refer it to a sports administration body for determination. This brings the legislation into line with the terminology used in the code.

Currently a decision to place details on the Register of Findings may be reviewed by the Administrative Appeals Tribunal (AAT). The bill includes amendments that will maintain an affected person's access to the AAT, by way of reviewing the ADRV decision to make an assertion.

It is also proposed that a 'Violation List' will publically record ADRVs and sanctions at the completion of an ADRV process after any hearings and appeals have been finalised. The maintenance of such a public list is a requirement under the code. Provisions are also proposed to give the ASADA CEO discretion not to include an athlete or athlete support person on the Violation List in certain circumstances, including for minor athletes.

The fight against doping in sport continues to get tougher. The key factor in addressing doping across the world is the unrelenting commitment of the international sporting movement and governments to work together to implement harmonised programs that are robust, effective and fair. This bill ensures that Australia meets its obligations to contribute to a safe and fair sporting environment, safeguard athlete health and continue to protect the fundamental values of sport.

Debate adjourned.

COMMITTEES

Public Works Committee

Reference

Mr McCORMACK (Riverina—Parliamentary Secretary to the Minister for Finance) (09:45): I move:

That, in accordance with the provisions of the Public Works Committee Act 1969, the following proposed work be referred to the Parliamentary Standing Committee on Public Works for consideration and report: AIR 6000 Phase 2A/B New Air Combat Capability Facilities.

The Department of Defence is proposing to provide new and refurbished facilities at Royal Australian Air Force Bases Williamtown, Tindal, Townsville, Darwin, Curtin, Scherger, Learmonth, Pearce and Edinburgh, as well as additional explosive ordnance and flare storage facilities at Defence Establishment Myambat.

The facilities will be used by No. 3 Squadron, No. 2 Operational Conversion Unit and No. 77 Squadron located at RAAF Base Williamtown, and No. 75 Squadron located at RAAF Base Tindal. Facilities located at all other RAAF bases and Defence Establishment Myambat, which is near Denman in the New South Wales Upper Hunter, will be used for logistical support for training and operational purposes. The facilities project will provide new and upgraded facilities and infrastructure essential to the operation of the new joint strike fighter aircraft and includes new working accommodation, maintenance hangars, storage, workshop facilities, training facilities, aircraft runway and pavement works.

The project is valued at around $1.477 billion, excluding GST. This investment will bring economic benefits for the local industry across the country, predominantly in the Newcastle and Katherine regions, over the next seven years. Subject to parliamentary approval, the main
construction is expected to commence in early 2015 at RAAF Base Williamtown and mid-2017 for RAAF Base Tindal, with completion by 2022. I commend the motion to the House.

Question agreed to.

Human Rights Committee

Report

Mr LAURIE FERGUSON (Werriwa) (09:48): On behalf of the Parliamentary Joint Committee on Human Rights, I present the committee's ninth report of the 44th Parliament entitled Parliamentary Joint Committee on Human Rights: examination of legislation in accordance with the Human Rights (Parliamentary Scrutiny) Act 2011, bills introduced 23-26 June 2014, legislative instruments received 7-20 June 2014.

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

Mr LAURIE FERGUSON: by leave—I rise to speak to the tabling of the Parliamentary Joint Committee on Human Rights' ninth report of the 44th Parliament. The committee considered 21 bills. Of these, 17 do not require further scrutiny as they do not appear to give rise to human rights concerns. The committee has decided to further defer its consideration of one additional bill which was introduced previously. The committee has identified eight bills that it considers require further examination and for which it will seek further information. They include four bills which the committee had deferred consideration of in previous reports.

Of the bills considered, those which are scheduled for debate during the sitting week commencing 14 July 2014 include: the Fair Work (Registered Organisations) Amendment Bill 2014; the Family Assistance Legislation Amendment (Child Care Measures) (No. 2) Bill 2014; and the Social Security Legislation Amendment (Stronger Penalties for Serious Failures) Bill 2014. The report outlines the committee's assessment of the compatibility of these bills with human rights, and I encourage my fellow members to look to the committee's report to inform your deliberations on the merits of this proposed legislation.

I think it is timely at this point in the parliamentary cycle to provide an overview of the committee's purpose and the key processes by which it performs its work. The main function of the committee is to examine bills and legislative instruments that come before the parliament for compatibility with human rights, as defined by seven core international human rights conventions to which Australia is a party. In simple terms, those conventions define a range of civil and political rights, as well as rights collectively described as economic, social and cultural rights.

To understand the way in which the committee undertakes its examination of legislation, it is critical to note that, aside from absolute rights such as the right not to be subject to torture, human rights may be generally subject to what are termed 'permissible limitations' under international human rights law. Accordingly, the committee's analytical framework focuses on, first, identifying if a proposed measure might have the effect of limiting the enjoyment of a specific right and, second, whether any such limitations may be regarded as permissible or justified.

In order to show that limitation of a right is permissible, the limitation must, first, pursue a legitimate objective, understood as being a pressing or substantial concern that is capable of justifying the proposed limitation on human rights. Guidance on the preparation of statements of compatibility states that the existence of a legitimate objective must be identified clearly
with supporting reasons and, generally, empirical data to demonstrate that the objective is legitimate. Second, there must be a rational connection between the measure and its objective. Third, the limitation must be a proportionate way of achieving the objective being sought.

The committee applies this analysis impartially to all legislation which it examines and it is important to recognise that, in the tradition of legislative scrutiny committees, the committee undertakes a technical analysis that leaves aside the particular policy merits of the legislation being considered.

The committee's assessments are fundamentally based on the statement of compatibility which must, generally, accompany each piece of legislation that the committee examines. The aim of Australia's human rights framework is to ensure that human rights are considered throughout the entire policy development and implementation process. Statements of compatibility should therefore, ideally, reflect essentially the same approach as the committee takes to identifying, assessing and determining whether legislation is compatible with human rights. However, while the quality of statements of compatibility has continued to improve since the committee was established, there remains scope for improvement.

As in all the committee's reports, there are a number of examples in this report where the committee has sought further information due to the inadequacy or incompleteness of the assessment contained in the statement of compatibility. However, I will draw members' attention to one bill in this report which is a good demonstration of the committee's approach.

The Business Services Wage Assessment Tool Payment Scheme Bill 2014 responds to a Federal Court decision which found the application of the business services wage assessment tool to be discriminatory. The tool was used to determine the wages of employees with an intellectual disability. It was held that including an assessment of a person's competency, as opposed to just their productivity, had a discriminatory effect on those persons. The bill establishes a payment scheme for those persons.

As noted in the report, the committee has raised concerns about the operation of the scheme from the perspective of the right to an effective remedy, the right to just and favourable conditions of work and the right to equality and nondiscrimination, including the right of persons with intellectual disabilities to be recognised as persons before the law and to the equal enjoyment of legal capacity.

The committee has sought the advice of the minister as to whether the proposed scheme is compatible with these rights, noting that the statement of compatibility did not adequately identify and assess how potential limitations on rights would be reasonable, necessary and proportionate in each case. I encourage members to consult the report for the full discussion on the bill.

Finally, the committee has considered 15 responses regarding matters raised in relation to bills and legislative instruments in previous reports and the committee's remarks on these matters. With these comments, I commend the committee's ninth report of the 44th Parliament to the House.

COMMITTEES

Membership

The DEPUTY SPEAKER (Mr Mitchell) (09:54): The Speaker has received advice from the Chief Opposition Whip nominating members to be members of certain committees.
Mr ROBB (Goldstein—Minister for Trade and Investment) (09:54): by leave—I move:

That:

(1) Mr Hayes be discharged from the Parliamentary Joint Committee on the Australian Commission for Law Enforcement Integrity and that, in his place, Mrs Elliot be appointed a member of the committee; and

(2) Mrs Elliot be discharged from the Parliamentary Joint Committee on Law Enforcement and that, in her place, Mr Hayes be appointed a member of the committee.

Question agreed to.

BILLs

Defence Legislation Amendment (Woomera Prohibited Area) Bill 2014

Second Reading

Mr ROBERT (Fadden—Assistant Minister for Defence) (09:55): I present an explanatory memorandum to the bill and move:

That this bill be now read a second time.

The Defence Legislation Amendment (Woomera Prohibited Area) Bill 2014 gives effect to the recommendations of the Hawke review of the Woomera Prohibited Area. The review was established in response to increasing demand for access to the Woomera Prohibited Area by the resources sector and the challenge this posed to Defence activity.

The Hawke review consulted extensively to obtain the views of individuals and groups that had an interest in the future use of the Woomera Prohibited Area. The final review report was released on 4 February 2011 and made a number of recommendations aimed at improving the coexistence of the various parties that had an interest in the Woomera Prohibited Area, the WPA. The focus of the recommendations was to improve the management of the WPA in a way that would meet Defence's testing requirements while creating conditions to make it commercially viable for other sectors, particularly resources, to invest in operations in the WPA.

The WPA is Australia's most important military testing range. It is used for the testing of war materiel under the control of the Royal Australian Air Force. It covers almost 124,000 square kilometres in South Australia, approximately 450 kilometres north-north-west of Adelaide. It is the largest land range in the world, with a centre line of over 600 kilometres, and is comparable in size to England.

At the same time, the WPA overlaps a major part of South Australia's potential for significant minerals and energy resources, including 30 per cent of the Gawler Craton, one of the world's major mineral domains, and the Arckaringa, Officer and Eromanga basins for hydrocarbons and coal. Olympic Dam is adjacent to the WPA and is part of the same geological formations. In fact, the minerals that are known to be found in the area include copper, gold and iron ore. There is high potential for oil, gas and uranium to also be found in the area.

The South Australian government has assessed that over the next decade about $35 billion worth of iron ore, gold and other mineral resources are potentially exploitable from within the WPA.
The Hawke review considered how to use the WPA in a way that ensured that both its full national security and economic potential was realised. The review proposed a system to maximise the coexistence between Defence and non-Defence users of the area. The review recommended that Defence remain the primary user of the area, but acknowledged that exploitation of the WPA's considerable mineral resources would bring significant economic benefit to South Australia in particular and Australia in general.

And this bill will assist doing just that. There are four mines currently operating within the WPA and the government looks forward to additional mining operations commencing in the near future. Furthermore, the government believes the certainty and clarity of the exclusion periods will assist new operators to appropriately plan around Defence activities.

The review proposed that the WPA be opened up for resources exploration to the maximum extent possible, but within the confines of its primary use for Defence purposes. This will allow companies to take advantage of the resources potential in the WPA while ensuring its future viability as the most important test and evaluation range that supports the Australian Defence Force.

The bill implements existing administrative procedures for non-Defence users to access the WPA in legislation. This regulatory change provides non-Defence users with long-term certainty around their ability to access the WPA and the conditions attached to that access. It also represents an estimated saving of around $690,000 in administrative costs for individual applicants in the resources sector to access the WPA over the next 10 years.

So, as well as providing certainty, this bill is cutting red tape—consistent with this government's drive to rid business of unnecessary impediments to expand, to invest and to employ Australians.

The bill establishes a framework that provides all non-Defence users within the WPA a greater level of certainty over Defence activity in the area and greater certainty over access arrangements.

It allows users to make commercial decisions with some assurance as to when they will be required to leave the area because of Defence activity.

The framework maintains the primacy of the WPA as a national security and defence asset and sets up a coexistence scheme that allows access by non-Defence users subject to conditions that protect the safety of all users in the WPA and ensure the appropriate national security protections for an area used to test Defence capability.

Existing users of the Woomera Prohibited Area, including Indigenous groups, pastoralists, the Tarcoola-Darwin railway owners and operator and existing mining operations, will continue to access and operate under their current arrangements. The coexistence scheme established by the bill will apply to new users of the WPA only.

This means that for non-Defence users, the permit system will allow access to the WPA on a conditional basis (noting that existing users will continue to gain access under their current permissions). The permit conditions put limits on permit holders' access to allow Defence to conduct its testing activities in a manner that is safe and secure.

In order to obtain a permit, individuals must complete a permit application form in order to undertake the activity for which they require access to the WPA. The Woomera Prohibited
Area Coordination Office will process the form and issue a permit within the time frames set out in the draft Woomera Prohibited Area rules. Local staff of the Woomera Test Range may also be able to approve some permits for purposes, including emergency access. There are different types of permits—resources exploration and production, opal mining, research, environmental and other (including tourism activities). Once the rules are finalised, the forms will be accessible on the Woomera Prohibited Area Coordination Office website. The forms are likely to be very similar to the forms currently used for access during the transition period.

While the bill provides the overarching framework for the legislative scheme, the detail of the proposed regime is to be included in the WPA rules, to be agreed by the Minister for Defence and the Minister for Industry.

The Woomera Prohibited Area Advisory Board has been established to oversee the Woomera Prohibited Area access system and foster relationships amongst WPA stakeholder groups.

The board's ex-officio members are senior representatives from the Australian government departments of Defence, Industry, and Finance, and the South Australian Department for Manufacturing, Innovation, Trade, Resources and Energy and Defence SA.

The board was established to ensure:
- that the balance between economic interests and national security is maintained;
- the effectiveness of the access system in safeguarding Defence activities; and
- Indigenous and environmental interests are properly accounted for.

The WPA Advisory Board meets on a regular basis to undertake these functions. The roles and functions of the board are to: monitor and recommend amendments to coexistence policies and procedures; develop high-level relationships between Defence and the resources sector; resolve disputes between Defence and non-Defence users; report annually on the balance of interests in the WPA; and conduct a review every seven years of the balance of interests in the WPA.

The board will work with Defence in an endeavour to resolve all reasonable impediments to Defence authorising a permit, and the chair of the advisory board should have the power to refer Defence access conditions to the secretaries of Defence and Industry to seek their review by Defence where necessary.

In broad terms, the bill will authorise the Minister for Defence, with the agreement of the minister responsible for energy and resources, to make the Woomera Prohibited Area rules prescribe certain matters, including defining the Woomera Prohibited Area and the zones to be demarcated within that area. It will create a permit system for access and use by future non-Defence users of the WPA. It will introduce offences and penalties for entering the WPA without permission and for failing to comply with a condition of a permit. An infringement notice scheme and demerit point system will apply to the offence for failing to comply with a permit condition. The details of these schemes will be included in the rules.

There are provisions for compensation for acquisition of property from a person otherwise than on just terms, although the rules may limit the amounts of compensation payable by the Commonwealth. The bill provides that any declaration or action taken under regulation 35 of the Defence Force Regulations 1952 in relation to the WPA is taken to have always been
valid. It provides that the rules may limit the amounts of compensation payable by the Commonwealth for loss or damage in the WPA arising from a breach of common law or statutory duty of care in relation to the use of the area for the testing of war materiel.

This bill takes previous attempts to deal with the various interests and stakeholders even further—and does so in a manner that is fair, transparent and predictable.

The bill is an improvement on recent Woomera bills for a number of reasons. For example, in October 2013 the South Australian government raised concerns about potential unintended consequences of the legislation for their land management and economic objectives regarding pastoral leases in the WPA. In particular, it noted that the way the bill was drafted would have the consequential effect that any new holder of an existing pastoral lease would be subject to the new legislation and rules. This was especially relevant in the area designated as the red zone, in which the previous bill stated no new permits will be granted.

Such an approach would have effectively precluded the sale or transfer of pastoral leases in the red zone, to the detriment of both economic activity and the important land management services provided by pastoralists. That, of course, includes maintenance of access roads, water infrastructure and fences, weed control, culling of feral animals, and monitoring and fighting fires.

The government determined that existing pastoral leases could be maintained under current arrangements as 'existing users', including in cases where a pastoral lease is acquired or extended.

The Northern Territory government has raised concerns about the potential for long disruptions to the railway and the impact of that for tourism and freight delivery to the Northern Territory. Current arrangements (under the Defence Force Regulations 1952) allow the minister to suspend permission to access the railway and the Stuart Highway for safety or security for the testing of war materiel—at any time and with no time limit specified. These arrangements have existed in their current form since 1989.

That said, today, rail and road closures occur only for as long as is required to conduct the test and ensure safety or security. This will continue to be the case under the proposed new arrangements. For example, a recent long-range missile test required the suspension of rail traffic through the WPA for a period of three hours on three occasions over a 21-day period. This was done in close cooperation with the rail operator and did not impact on their schedule.

The Tarcoola-Darwin railway owners and operator had raised concerns about their status as 'existing users' of the Woomera Prohibited Area under the Defence Force Regulations 1952 and that the scope of their existing use includes the railway and all associated infrastructure.

The status of the owner and operators of the Tarcoola-Darwin railway as existing users of the Woomera Prohibited Area has been clarified in this bill in section 72TB.

Continuing positive engagement with the rail owners and operators, including the development of a working level agreement, will minimise the effect that any testing activity may have on rail operations and schedules.

This version of the bill includes a technical provision that provides that any declaration or action taken under regulation 35 of the Defence Force Regulations 1952 in relation to the Woomera Prohibited Area is taken to have always been valid.
This provision ensures that any declaration or past act taken under regulation 35 of the Defence Force Regulations 1952 in relation to the Woomera Prohibited Area is taken to have always been valid. This section is inserted to avoid any doubt on the past applicability of the Defence Force Regulations to the Woomera Prohibited Area which may arise as a result of the establishment of the new access regime by the bill.

In order to meet the constitutional requirements to provide just terms compensation, the provision provides that where the declaration or past act would be invalid because of an acquisition of property other than on just terms; the Commonwealth is liable to pay reasonable compensation.

Certainly it has taken some time for this bill to be forthcoming. Developing a policy approach across the Commonwealth and South Australian governments to facilitate non-Defence access to the WPA is a complex task.

The Hawke review of the Woomera Prohibited Area recognised that the passage of legislation can be a lengthy process and consequently identified transitional arrangements to support the introduction of the coexistence model.

Adopting a phased approach to admitting new non-Defence users enabled Defence, in conjunction with the South Australian government, to acquire the capabilities and build the expertise required to manage the complex access control arrangements of the Woomera Prohibited Area.

A moratorium on new users accessing the WPA was put in place from 3 May 2011 through to 5 October 2012, when the transitional phase commenced.

During the moratorium phase, Defence established the joint WPA Coordination Office, and developed the protocols necessary to enable greater access by the resource and energy sectors. Defence consultation and negotiation with industry on the transitional deeds of access allowed for access during the transition phase, and provided the foundation for the future legislative model.

Following the end of the moratorium in October 2012, implementation of the review’s recommendations moved into the transition phase. During this time the coordination office progressed the development of draft legislation in support of the coexistence framework.

This important legislation:

- establishes a framework that provides non-Defence users within the Woomera Prohibited Area, in particular industry, with a level of certainty over Defence activity in the area;
- allows users to make commercial decisions with some assurance as to when they will be requested to leave the area because of Defence activity; and
- protects the safety of all users in the Woomera Prohibited Area and to ensure the appropriate national security protections for an area used to test Defence capability.

I commend the bill to the House.

Mr FEENEY (Batman) (10:10): I rise to speak on the Defence Legislation Amendment (Woomera Prohibited Area) Bill 2014. While the content of the bill may be uncontroversial it is nonetheless very important, especially to those in the state of South Australia. I begin my remarks by reiterating the statement made by former Labor senator Don Farrell, who until
recently had custody of this bill. He thanked the government for finally introducing this legislation, which is 'better late than never'.

The Woomera Prohibited Area is Australia's most important military testing range. It is used for the testing of war materiel under the control of the Royal Australian Air Force. The 127,000-kilometre expanse of northern South Australia, known as the Woomera Prohibited Area, is the world's largest overland long-range weapons testing facility and has been operational since 1947. However, from the 1980s onwards, areas of the land were made increasingly available to non-Defence users, including the resources sector. Local Indigenous groups and pastoral leaseholders also have an enduring presence across much of the WPA.

At the same time, the Woomera Prohibited Area overlaps a major part of South Australia's potential for significant mineral and energy resources, including 30 per cent of the Gawler Craton, one of the world's major mineral domains, and the Arckaringa, Officer and Eromanga basins for hydrocarbons and coal. Olympic Dam is adjacent to the Woomera Prohibited Area and is part of the same geological formations. The South Australian government has assessed that over the next decade some $35 billion worth of iron ore, gold and other minerals resources are potentially exploitable from within the Woomera Prohibited Area. So, clearly, we are talking here about a very significant resource indeed.

In order to assess the most effective use of the WPA for both Defence and non-Defence interests, on 17 May 2010 the then Minister for Defence, Senator John Faulkner, called for a review 'to make recommendations about the best use of the WPA in the national interest'. What ensued was the review of the Woomera Prohibited Area, which was led by Dr Allan Hawke. Its final report was published on 4 February 2011, and, critically for our purposes, it made 65 recommendations. Within its numerous recommendations, the Hawke review outlines a 'coexistence model' whereby Defence maintains primacy of the WPA, but non-Defence users have clarity and certainty regarding their access to specified areas of operation, incorporating both the available location and time of use.

In particular, recommendation 14 suggests the division of the WPA into three zones; a red zone for exclusive Defence use, an amber zone for regular Defence use, and a green zone for occasional Defence use. By implementing this zonal time-share arrangement, Defence is allocated exclusion windows throughout the year that limit the non-Defence use of the WPA. This ranges from new non-Defence users' total exclusion within the red zone, to up to 56 exclusion days in the green zone, pending notice. The excluded red zone comprises approximately eight per cent of the WPA, while the vast majority—some 75 per cent of the WPA area—is designated as the most accessible green zone. Importantly, the Hawke review recommended:

… that existing mining operations, environmental organisations, Indigenous groups and pastoralists with an extant presence on the WPA, should continue to operate under their current access arrangements unless they choose to be administered under the proposed coexistence model.

The provisions of the current bill give effect to that recommendation.

The Woomera Prohibited Area is larger than Tasmania and, indeed, larger than many states in Europe. Because it was used for very good, sensible defence purposes, it meant that a large portion of the state of South Australia was not open to mining. The Hawke review considered how to use the Woomera Prohibited Area in a way that ensured both its full national security and economic potential were realised. The review proposed a system to maximise the
coexistence between Defence and non-Defence users of the area. Critically for the purposes of government—indeed, the previous government—the review recommended that Defence remain the primary user of the area but acknowledged that exploitation of the Woomera Prohibited Area's considerable minerals resources would bring significant economic benefit to South Australia in particular and of course the nation in general.

The review proposed that the Woomera Prohibited Area be opened up for resources exploration to the maximum extent possible but within the confines of its primary use for defence purposes. This will allow Australians to take advantage of the resources potential of the area while ensuring its future viability as the most important test and evaluation range that supports the Australian Defence Force remains preserved and intact.

The bill establishes a framework that provides all non-Defence users within the Woomera Prohibited Area with a greater level of certainty over Defence activity in the area and a greater certainty over access arrangements. It allows users to make commercial decisions with some assurance as to when they will be required to leave the area because of defence activity. The framework maintains the primacy of the Woomera Prohibited Area as a national security and Defence asset and sets up a coexistence scheme that allows access by non-Defence users, subject to conditions that protect the safety of all users in the Woomera Prohibited Area, and ensures the appropriate national security protections for an area used to test defence capability.

As recommended by the review, Indigenous landholders, pastoralists with an already established presence and existing mining operations in the Woomera Prohibited Area will continue to access and operate under their current arrangements. The coexistence scheme established by the bill will apply to new users of the Woomera Prohibited Area. Existing users of the area have the option of voluntarily joining the coexistence scheme established by these legislative measures if they so choose.

The Woomera Prohibited Area contains recognised traditional owners and significant Indigenous sites. Under the bill, permit holders who gain access to the Woomera Prohibited Area will be required to protect these sites and comply with all relevant native title and Aboriginal heritage laws. Indigenous groups with current statutory and access rights expressly retain these rights. They will not need to apply for permission under this legislation, which does not disturb existing rights.

Extensive consultation was undertaken by the former Labor government during the review process, which has given rise to this legislation and its various predecessor bills. Submissions were received from interested stakeholders, including the resources industry, Indigenous groups, pastoralists and environmental groups. Consultation on the bill included the release of an information paper on the proposed legislative framework for the Woomera Prohibited Area. The paper provided a general overview of the proposed policy framework proposed for implementation in the legislative package.

On 8 May 2013, an exposure draft of the previous bill introduced by Labor was released for stakeholder feedback. The South Australian government hosted a consultation workshop in Adelaide on 10 May 2013, chaired by the Woomera Prohibited Area Coordination Office, to discuss the bill. Stakeholders provided feedback through the workshop and by written submission. Feedback was considered and, where appropriate, the exposure bill was amended to take concerns into account. Amendments which occurred as a result of stakeholder
feedback included express and specific recognition of the existing authorities for existing
users, including Indigenous groups.

As the minister touched upon in his remarks, the government of South Australia raised
concerns, in its submission to the committee and in the course of consultation, that the bill
amendment to regulation 36 of the Defence Force Regulations 1952 will limit an individual's
ability to claim compensation for loss or damage caused by Defence testing in the Woomera
Prohibited Area. The committee report tabled on 13 May 2014 acknowledged the concerns
expressed by the South Australian government and noted that the bill amendment to
regulation 36:

… appears limited compared to the existing regulation 36 which provides a broader scope of
compensation to those persons who 'suffer loss or damage' as a result of the use of regulation 34 and 35.
The committee recommended that schedule 1, part 2, item 5 of the bill be removed from the
bill or amended to maintain existing rights to compensation under regulation 36 of the
Defence Force Regulations 1952. This amendment addresses the committee's
recommendation and confirms that compensation will be available in the event that loss or
damage is caused by Defence testing, or where there is an acquisition of property.

I congratulate the government on introducing this bill. As Don Farrell said previously:
better late than never. Two previous versions of the current bill have been introduced into this
parliament. The first was introduced by the former Labor government on 30 May 2013. That
bill sadly lapsed when the 43rd Parliament was prorogued on 5 August 2013. Undeterred,
however, a second version of the bill was put forward—which was in equivalent terms to the
first version—introduced as a private senator's bill on 12 December 2013 by former Labor
senator Don Farrell. That bill failed, tragically, because it was a Labor idea, and that excluded
it from serious consideration by this government. But the government have now come
forward with a bill essentially in precisely the same terms so that they can claim ownership of
what is a very fine piece of work and a very important step forward for South Australia. There
were a couple of minor changes in the legislation, and they have been spoken of. But,
fundamentally, this is a very important bill for Australia.

Given the announcement earlier this year that Holden is going to close and many jobs will
be lost in South Australia, I know that former senator Don Farrell was very keen for this bill
to pass and for the economic opportunities that it unlocks to be realised in the state of South
Australia. As discussed, there is estimated to be some $35 billion worth of resources able to
be exploited, and the mining potential of South Australia is a very important part of that
state's future. For that reason, I congratulate the government on bringing this idea forward. It
is always a welcome thing when the policy vacuum of those opposite is filled with good
Labor ideas. So, to have them come into this place and move Labor legislation is a welcome
and happy circumstance. Indeed, this must be something that the honourable member for
Fadden is getting used to in his Defence portfolio. I note that he is busy implementing Plan
Suakin—a very important Labor initiative in the defence space—busy at the moment making
sure that the budget settings in Defence that were established by Labor are carefully nurtured
by this government and now of course busy making sure that fine Labor legislation passes this
House. So to those extents I wish him the very best.

Debate adjourned.

Leave granted for second reading debate to resume at a later hour this day.
Reference to Federation Chamber

Mr RUDDOCK (Berowra—Chief Government Whip) (10:23): I declare that the Defence Legislation Amendment (Woomera Prohibited Area) Bill 2014 is referred to the Federation Chamber for further consideration forthwith.

Corporations Amendment (Simple Corporate Bonds and Other Measures) Bill 2014

Debate resumed on the motion:

That this bill be now read a second time.

Mr RIPOLL (Oxley) (10:23): It is a pleasure to speak on the Corporations Amendment (Simple Corporate Bonds and Other Measures) Bill 2014 because it does some good things. The bill seeks to reduce the regulatory burden of companies offering relatively simple, or vanilla, corporate bonds to retail investors. This bill contains three major elements. Currently, the issuance of corporate bonds to retail investors requires the provision of a full prospectus. Under the changes in this bill, the issuance of certain corporate bonds to retail investors will require the provision of a simpler two-part corporate bond prospectus instead. Currently, simple retail corporate bonds like other bonds can be traded directly, but are not able to be traded as depository interests. Under this bill, simple corporate bonds will be able to be traded using simple retail corporate bonds depository interests. Finally, currently, directors and proposed directors of a body making an offer have liability for any misstatement in or omission from the disclosure document, whether or not that director was involved in a contravention of subsection 728(1). This bill makes changes so that directors and proposed directors of a body making an offer have liability for any misstatement in or omission from the disclosure document only where they are involved in a contravention of subsection 728(1). The former Labor government had introduced these changes in schedule 1 of the Corporations Amendment (Simple Corporate Bonds and Other Measures) Bill 2013, which lapsed. There is one minor change between schedule 1 of the 2013 bill and this new bill, to proposed section 713A of this bill, particularly in subclause (22). The old bill specified that securities must be for a fixed term of not more than 10 years, whereas the changes being proposed in the new bill fix a term of not more than 15 years.

It is obvious from my comments that Labor support the establishment of a retail corporate bond market in Australia, and we are long on the record in having that view. The establishment of a deep and liquid retail corporate bond market in Australia was a key priority for the former Labor government. In December 2010, as part of its competitive and sustainable banking system inquiry, the former Labor government signalled it would introduce changes to facilitate the development of a deeper and more liquid corporate bond market in Australia. These changes included launching the trading of Commonwealth government securities, CGSs, on financial markets accessible to retail investors and reducing the regulatory burden associated with issuing corporate bonds to retail investors, including streamlining disclosure requirements and prospectus liability regulations. They were good measures by the former Labor government to reduce red tape and the regulatory burden. Labor introduced the Corporations Amendment (Simple Corporate Bonds and Other
Measures) Bill 2013, which lapsed and which is now being revisited by this government. Schedule 1 of that bill is virtually identical to the one we are debating today.

Corporate bonds are a way for companies to obtain funding and an alternative to raising capital in equity markets, borrowing domestically from authorised deposit-taking institutions or borrowing overseas. In 2012, a Reserve Bank of Australia discussion paper estimated that the face value of the stock of bonds outstanding is around $825 billion—roughly two-thirds of the market capitalisation of the equities listed on the Australian Stock Exchange and equivalent to 62 per cent of gross domestic product. Australian corporate bonds are typically issued in the wholesale market, targeting professional institutional investors, and are traded in markets not directly accessible to retail investors. Indeed, the retail segment of the Australian corporate bond market is considered to be quite small. In the 2012 RBA discussion paper it was stated that, while Australian households had accounted for between one-quarter and one-half of the investor base for corporate bonds up until about the 1980s, in recent times their direct participation in the bond market is less than one per cent of bonds on issue. Their participation is quite small.

A well-performing and efficient retail corporate bond market will provide an alternative source of funding for Australian companies and increase competitive pressure on lending rates to business as well. That will help with a deep and liquid corporate bond market, access to funding and capital, assisting business in a range of forms, reducing red tape and reducing the regulatory burden—all good initiatives and programs of Labor when it was in government. This bond market is a significant source of funds for many Australian financial and non-financial corporations. Correspondingly, this financing activity provides investment opportunities for Australians and non-residents alike. The Johnson report, which was commissioned under Labor and is entitled Australia as a financial centre: building on our strength, examined the lack of liquidity and diversity in Australia's corporate bond market. It also discussed why this lack of liquidity was a significant weakness in the overall assessment of Australia's financial system. At the retail level, it was considered that one action the government could take to overcome this weakness was to introduce regulatory changes that could assist with developing that market.

The bill that is before the House today seeks to reduce those regulatory burdens on the issue of corporate bonds while at the same time ensuring that appropriate standards of consumer protection are maintained. This is where balance comes in: while you want better functioning and more efficient markets, you must have in the front of your mind good consumer protections. That is something that was in place with Labor's Future of Financial Advice laws that have been significantly weakened by the Liberal government.

This bill follows the passage of Labor's legislation to facilitate retail trading in Commonwealth government securities that we passed in 2012. Having an active CGS market is an important step in establishing a wider retail corporate bonds market by providing a visible pricing benchmark for retail investors in corporate bonds. This bill will deliver on the former Labor government's commitment to reduce the regulatory burdens and barriers for offers of corporate bonds to retail investors. As I mentioned, this bill contains three major parts; I will not go through them again other than to say that reducing red tape, burdens and barriers and facilitating deeper and more liquid markets continue to be priorities for Labor, not only in government but also in opposition.
There is nothing more important that this parliament can do than provide really good safety measures for consumers, especially in these complex and difficult-to-understand markets, which confound even retail investors. I would not have to remind too many people in this place or consumers about the tens of thousands of people who either lost their life savings or could not rebuild their savings through the collapse of Storm Financial. It had something like 14,000 clients—often elderly people who had entrusted their life savings and lost them. They were placed in this position through weak protections and people who did the wrong thing by them. We also saw Australia's largest superannuation fraud with Trio, where people were defrauded of their retirement savings, which for the most part could not be restored. For those in regulated funds there are some special and unique mechanisms in place that can in part help them be compensated, but for those who manage their own funds there are no such protections, because you cannot protect against yourself. Ultimately you are the trustee of your own fund, you make your own decisions and you take your own risks.

The important thing for governments to do is to understand the painful lessons learnt from the global financial crisis, where people's superannuation was absolutely hammered by markets and unscrupulous people. It would be derelict of a government not to respond—having done the reviews, having looked at the tragic stories, having spoken to the victims and having seen their tears because they lost their life savings. For most there is nothing they can do; if they are elderly they cannot rebuild their life savings; too often they did not understand what had happened to them. It is the responsibility of government to assist and to ensure that consumers are properly protected. Over five years of consultation with the financial services sector, we achieved that, as well as growing that sector. After a lot of work that took the form of the FoFA legislation, which was squarely pointed at providing balance between consumer protection and a profitable sector. We wanted to protect consumers against both defrauders and those who imposed too many fees—which in itself is not fraud but which can significantly reduce retirement savings. We did that by banning commissions and through proper disclosure measures. If you are paying for something, you should get something in return. People should not milk your account simply because they can through fees and commissions that are built in or remain undisclosed. Those offering good advice should be rewarded, and most advisers in the financial industry are good people—

Mrs Wicks interjecting—

Mr RIPOLL: That is right; not all of them are good. That is what we have to deal with: some people in financial services will do the wrong thing. Our response should be to provide the framework, the system and the protections to make it really hard for them to do the wrong thing. Self-interest is a key part of that; and we need to provide best-interest obligations.

A last-minute deal was done in the Senate yesterday. This is something that none of us knew about. Certainly the financial services sector did not know that there was going to be a last-minute deal between the Palmer United Party and the government. And we saw that embarrassing shambles of the minister being forced to read into Hansard the letter of agreement while Clive Palmer turned up to make sure it was being done to his bidding—the ringmaster cracking the whip and making sure the government does his bidding.

But the government were pretty happy in the end, no matter how much they had to dance like bears, because they got to weaken FoFA regulations, they got to weaken the consumer protection laws. And now we have seen the response back from consumers. I know that
ordinary people will not be happy, because they know that their protections are being weakened. I know that the Council on the Ageing are not happy, because for their 200,000 members, who will be the target of unscrupulous shysters out there who would do the wrong thing, the door for people who want to do the wrong things has been reopened. We had closed the door, and it had been closed successfully, and we had started to see some significant improvements in the culture and behaviour—the difficult things to change. We saw that happening, with the majority of the sector really taking on not just the black letter of the law but the spirit of the law.

But now that the door has been opened wide we are going to see—particularly for the banks, who get an enormous advantage out of this—the up-selling of products. Every time you go to the bank now you get, "Would you like fries with that?" We are going to have this ridiculous circumstance where people will be up-sold complex, difficult, expensive products that may not be in their best interests. But the banks are being given a wide carve-out, a wide exemption from best interests and from a whole range of things that were banned under the original Labor consumer protection FoFA laws.

My fear is that ordinary consumers are going to end up with products that (a) they do not need and (b) they will pay much too much for. And over a lifetime of having products that they do not understand or have been up-sold on or oversold on, they will pay an exorbitant amount of fees and will whittle away their savings, particularly by banks making record profits. It is inconceivable for me how banks can talk about their business models being hampered at the same time that we see the actual results: record profits. Banks are making billions of dollars—and good on them. Yesterday we saw David Murray deliver his interim report on the financial system inquiry, where he gives a big tick to the banks and says they are in good condition. Well, they are. And we all agree that we should have good, strong Australian banks and maintain our four-pillars policy. We should have all those things in place. But David Murray went further, saying that we also need good consumer protection laws; we need to balance that out.

So, while we want a good, strong banking system, and we do not object to the banks making profit, we should at the same time stand up for ordinary people, stand up for the mums and dads who otherwise have no other voice. And if it is not through this parliament and through good, strong consumer protection laws, then where will it be? It certainly will not be through civil action or the courts. Those are paths that are not within the realm of ordinary people, who just cannot afford the sort of court action they might have to take. And often the professional indemnity insurance schemes that are in place are not satisfactory; they are not enough when something really goes wrong. This is not about just trying to deal with the ordinary process of day-to-day advice. It is about when something goes wrong—because, when it does, it is catastrophic for those people who cannot rebuild their lifetime of saving to make sure that they are independent in retirement.

And that is what we want: more and more people who, as they get to retirement age, are more independent, are self-reliant, are less of a burden on the tax system and feel more able to look after themselves. And the more that we have the right incentives, the right programs and the right protections in place, the more that can be the case. You cannot in the same breath talk about an ageing population, talk about the cost of the age pension, access to the age pension, wanting people to save more for their retirement and strengthening our
superannuation system—which is what Labor has done—and then weaken consumer protection at the same time. It is unfortunately going to affect those who are the most vulnerable—and usually in later years, because that is when they actually have a superannuation account balance that some people will target—when they are in a better financial position in later years or as they retire. So, there is more of a need to do the right thing for people at that particular point in time.

While we have heard lots of complaints from the Liberal government about Clive Palmer—we have heard them complaining incessantly about the crossbenchers and Clive Palmer and a range of other people in there—in the end they are happy to just cut any deal, as we saw yesterday. I do not know who else saw it coming, but I can tell you that the Council on the Ageing did not see it coming. Industry Super Australia did not see it coming. National Seniors Australia did not see it coming. Choice did not see it coming. It just goes on and on. I can assure you that the financial services sector did not see it coming. And the Australian people did not see it coming, but now they have, and they have seen what the government will do: basically, it will do anything. The government will just do a deal with anyone on anything. It does not really care in the end, as long as it gets something through.

We had a government who were so determined that they would not deal with the crossbenchers, would not make dirty deals and all the rest of it. But in the end, no matter how much they are made to dance by PUP or anybody else in the Senate, they will just cut a deal. And unfortunately regarding FoFA that deal involves consumers losing. Banks win, consumers lose. And this will not be the end of it. We are going to see this in other areas, and it is a tragedy. I am going to be really concerned every single day from now, now that the laws have been weakened, now that the doors have been opened, that we are going to see a creeping back. And I do not think it will take long. Unfortunately, those who want to do the wrong thing do it pretty quickly when they are given the opportunity. We are going to see, again, advice that is not in the best interests of consumers. We are going to see banned commissions back in. We are going to see new business models, particularly by the banks.

And not everyone in the financial services sector is happy. In fact, very few people are happy with the changes. I cannot find too many other than the banks or those who speak for the banks who are happy with these changes. They get what it means, and they get what it means for independent advisers, for quality advice, for best-interest obligations. They understand what it means in terms of what the sector will look like. It certainly does nothing for consumers, and I think that is the real tragedy here.

We have seen this pattern now for a little while, certainly since the Senate changed. We have seen an unfair budget that unfairly targets the most vulnerable in the community. It directly attacks families. We have seen the broken promises, whether on Medicare, on pension, or on new taxes—a great big new tax on everything through a GP tax and a fuel tax. Everything that Tony Abbott said he would not do before the election he is now doing. Do anything, say anything, as long as you are in power—that is not the right way to go. It is not what the Australian parliament is about. What we are seeing in this budget are some very mean-spirited cuts and new taxes, extra costs for low- and middle-income families.

We have also seen a nearly three-year delay in shifting the superannuation guarantee to 12 per cent. How can the government talk about an ageing population and the need for people to be more independent in retirement but then delay the increase in the super guarantee from
nine per cent to 12 per cent? How can the government look ordinary people in the face? There are nearly three million people who earn less than $37,000 a year, but who are the first people the government targets to try and save some money? Who do they take the money from? Whose pockets is that money to come from? The lowest income earners in the country—those earning less than $37,000 a year. The low-income superannuation contribution is only up to $500 a year. That is a very small amount of money, but it is a significant amount for people on low incomes—yet the government takes it out of their pockets. These are people who are trying to save for their retirement.

Labor understood that there was an anomaly in the taxation of the superannuation contributions of low-income earners. They were effectively paying more tax. If you were a low-income earner, earning less than $37,000 a year, you were effectively paying more tax on your superannuation contributions than somebody earning hundreds of thousands of dollars a year. Labor understood this. We acknowledged it—and then we did something about it. We felt that people who earn that sort of money really need some assistance and that we should do the right thing and fix up the tax system. This government will be attempting to take that away from those people.

I have heard all sorts of comments coming out of the Senate about the government's intention—whether it is about superannuation, the schoolkids bonus or other things like that—to try to take away assistance from people who need it. The Palmer United Party and others have said they will not be supporting some of those measures, but the proof will be in the eating. We will see, when the votes are actually cast, whose side they are on. We will see whether they are on the side of consumers, low-income families and low-income earners—doing the right thing by them—or whether they are on the side of big business and the banks. We know whose side the government are on. They have made the wrong choices right throughout the budget and right throughout superannuation.

This has been a cruel budget, yet in the midst of it I am no longer hearing anything about the 'budget emergency' that was supposed to be happening. What budget emergency is the government talking about? They are not serious about it. Take the new GP tax, for example—the $7 tax every time you go to the doctor. It will particularly hurt the elderly and it will particularly hurt, obviously, people who are sick. The sicker you are, the more you pay. This is the wrong choice. This is the wrong way for governments to be raising revenue. You do not raise it from the sick. You do not raise it from the elderly. There are other, better ways to raise revenue. Yet that is exactly what we have seen.

You might possibly begin to understand this cruel approach to revenue raising, however, if the government were actually going to use the revenue from this unfair tax to address the so-called budget emergency. But they are not. They are squirrelling it away into some other fund, an endowment fund for medical research—all very noble. But what about the budget emergency? They are going to slug sick people today for something in the future. It is great that the government want to do something more on medical research—although this country already does a lot in that area; there is already good funding of medical research—but we should not make the sick of today pay for that research in the future.

I do welcome the bill before us. I do welcome the reduction in red tape and regulatory burdens. It is a good bill. It is, after all, in essence exactly the bill that Labor had in place late in 2013. It is aimed at making sure that we have better, more efficient, stronger, deeper and
more liquid markets and it puts in place the right mechanisms to help that happen. I commend the bill to the House.

Debate adjourned.

Leave granted for second reading debate to resume at a later hour this day.

Meteorology Amendment (Online Advertising) Bill 2014

Second Reading

Debate resumed on the motion:

That this bill be now read a second time.

Mr BUTLER (Port Adelaide) (10:49): The opposition will be supporting the Meteorology Amendment (Online Advertising) Bill 2014. This bill is sound and it gives effect to a number of decisions made by the previous Labor federal government. As all members of this House know, the Bureau of Meteorology is an extraordinarily important Australian institution, a longstanding Australian institution whose staff and systems have given wonderful support to the Australian community for many years. The bureau helps Australians make decisions from the relatively banal, like whether or not to take a brolly to work, to the incredibly important—when to sow crops, if you are working in agriculture, or whether and when to move out of the path of an extreme weather event, such as a tropical cyclone in Queensland or a bushfire in the more southern parts of Australia. The bureau has been helping Australian families and Australian businesses make these decisions for many years.

The bureau is also incredibly important to Australia's economy, given how exposed many sectors of our economy are to the vagaries of Australia's weather and Australia's climate. The aviation industry, for example, makes literally millions of decisions every day about air traffic movements—and it bases these on the good advice it gets from the Bureau of Meteorology. As I have previously indicated, Australia's extraordinarily important agricultural sector also relies on advice from the bureau for daily decision making. Those are just two important sectors of our economy that rely on the bureau.

No matter how good the advice the bureau has provided over many years, no matter how good the work it has done, there is always room for improvement. The previous Labor government initiated a review—it had a very long name and I will just refer to it as 'the Munro review'—in response to the extreme weather events of the 2010-11 summer. Members of the House and people in the gallery will probably remember the events of that summer. There was not really a part of Australia that was not impacted in that extraordinary summer by floods, by bushfires or, particularly in the north of Australia, by cyclones. I was the minister for ageing at the time. Over the course of only a few weeks, there were evacuations of aged-care facilities in every single jurisdiction in Australia, with the exception of my state, South Australia. Because of the extraordinary cyclone and flooding events in Queensland, flooding in New South Wales, Victoria and, from memory, Tasmania, and bushfires in Western Australia, there were around 35 aged-care facilities, with incredibly frail elderly citizens of Australia, evacuated at very short notice.

The expert advice about that summer was that the resources of the bureau were stretched. They were particularly stretched on occasions when more than one extreme weather event was happening at the same time in different parts of the country. The bureau was stretched in
its capacity to deliver very quick, timely advice to communities in the path of those events, whether those events were cyclones, bushfires or floods.

The Munro review made a number of recommendations about how the government of the day—our government back then, now this government—would be able to equip the bureau to respond to what expert advice told us would become a more frequent scenario for Australia, with more-frequent, more-intense weather events, often happening at the same time in different parts of the country.

On receiving the Munro review, the former Labor government's response was very quick. We provided additional funding to ensure the retention of meteorologists, particularly international meteorologists, as well as a program to recruit and train additional graduate meteorologists to ensure that the staffing profile of the bureau was sound into the future.

I was the environment minister for an extraordinarily short time, which I am sure will never be beaten by any environment minister in the Commonwealth. It was for only a matter of weeks between the return of Prime Minister Rudd to the prime ministership and the commencement of the caretaker period. During that very short time, I was able to announce a second response by our government to the Munro review, amounting to a package of almost $60 million of additional resources to the bureau. I am happy to say that package is being kept in place by this government. That package, announced in July last year, established a national centre for extreme weather to lift Australia's capacity to deal with, and its understanding and knowledge about, extreme weather events, particularly when they occur simultaneously in different parts of the country. For example, funding was provided for the employment of additional frontline forecasters—including 42 meteorologists and 23 hydrologists, recognising the increasing importance of flooding events as part of Australia's weather—over the course of the next couple of years until 2016-17.

The package also provided funding for the delivery of new, world's best-practice flood forecasting systems for Australia, which currently operate in the United Kingdom and the United States, to improve the timeliness of the flood forecasting that the bureau provides to communities, particularly regional communities, who are in the path of extreme weather events that lead to flooding. It also provided funding for a much better storm tide prediction system that would provide very accurate, very timely advice from the bureau to communities about the likely impact of storm tides. At the time, we advised that this was particularly important, in light of long experience, for Queensland coastal communities. This was a very important package and a very important part of the response to the Munro review.

The Munro review also recommended that the bureau explore alternative sources of funding to keep the budget and the capacity of the bureau expanding in order to provide the sort of advice that I have been talking about. In particular, the Munro review recommended that advertising on the bureau's website be considered as an option to provide additional revenue. The Labor government acted immediately on this recommendation by announcing a 12-month trial of online advertising on the BOM website through 2012-13. Following that trial, we announced in our last budget in 2013 that online advertising would become a permanent feature of the bureau's operations.

As members of the House and people watching and listening to this debate would know, the BOM website is an extraordinarily popular website. The number of hits that it receives is quite mind-boggling. Last year, it received about 500 million hits, increasing by about 12 per
cent a year. Those hits resulted in, I am told, about three billion page downloads. If they were hard copy pages, a pile of three billion page hits would reach to the orbital altitude of the International Space Station. That is the popularity of this website. About half of all of the hits come from smartphones and mobile devices. As we know, there are apps that you can get on your smartphone that give you some advice about weather in your community but they are nowhere near as accurate as the BOM website. If Australians want good, accurate, timely advice about weather in their community, the BOM website is increasingly the place that they go to.

This online advertising will build on the extraordinary popularity of what is the most popular government website in Australia and will continue to allow the bureau to defray its increasing costs and the increasing demands that the Australian climate and Australia's weather place on its operations. It is also important to state that this is not a world first. We undertook a trial, as I indicated, to test how this would operate on the BOM website. It also follows experience pointed to by the Munro review in Canada, the United Kingdom, New Zealand, France and Denmark, where the relevant agencies, the equivalent agencies to the BOM, in those jurisdictions provide for advertising on their websites. So we are not entering uncharted territory here. It follows a trial. It follows experience in a number of jurisdictions to which Australia often compares itself. The bill formalises the ability of the bureau to do this and, for that reason, the opposition supports it. It also ensures that guidelines are put in place so that the advertising on the site is appropriate to the sort of flavour that Australians would expect from such an important Australian institution.

I do want to say, though, that all of the work which follows the Munro review—the initial package that was announced, the package that I announced of $58½ million in July at the trial of online advertising, the assurance that is included in this bill that money raised through online advertising is kept by the bureau to improve and expand its operations—is all good stuff. The opposition supports the government continuing this and putting in place this bill.

However, it must be said that, at the same time these very positive initiatives have been put in place by the new government, they have also made a decision to cut 58 staff from the bureau, including the closure of the Launceston office of the Bureau of Meteorology, which I know is causing distress to communities in and around Launceston. We do not know quite where those 58 staff are going to come from. We have not been able to get clear information from the government through the Senate estimates process or otherwise to indicate what services will be cut by this government, with a very significant number of staff going from the bureau. We certainly hope that it will not be in an important area—it is hard to see that that will not be the case, because all of the areas of work by the bureau are important—but it is reasonable to have a suspicion that the government will want those cuts to happen in areas of advice that the bureau has been providing, along with the CSIRO, for years now, which are uncomfortable for the government. The State of the climate report, for example, that the bureau provided the community with, only a short while ago, along with the CSIRO—our two pre-eminent scientific institutions in this area—makes for very uncomfortable reading for members of the government, given their attitudes to the science on climate change.

We will be keeping an eagle eye on where these cuts land for bureau staff. We will be watching very carefully whether the government is going to deploy these cuts in a way that
suits its particular political prejudices about climate change and the scientific advice that the Australian community expect the bureau and the CSIRO to give without fear or favour.

These budget cuts, these job cuts to 58 staff at the bureau, add to an increasing pile of job losses initiated by this government in their cruel budget. Only this week, we heard and read about dozens of staff in the Australia Network at the ABC losing their jobs as well—staff who have been working hard for so long to project Australia’s soft power, if you like, to project the great things about Australia, into the Asia-Pacific region. This is a program that has been operating for years and years, supported by people who are certainly no friends of many of Labor’s initiatives and policies. Maurice Newman, for example, has been a strong supporter of the Australia Network. Yet, we see dozens of people this week losing their jobs who have been working hard to improve Australia’s image and project all of the wonderful things about our country to our region.

The shadow Assistant Treasurer has been talking this morning already about the job cuts at the ATO. The government intends to save $189 million, apparently, by slashing hundreds and hundreds of staff at the ATO, but advice indicates to us that they are going to lose $1 billion in revenue by doing that—a six to one loss. They are going to lose $1 billion in revenue because the specialist staff—the highly qualified, experienced staff—at the ATO who will be gone will no longer be able to battle the corporate lawyers that companies or high-net-worth individuals seeking to minimise their tax deploy against ATO staff. It is really a mind-numbingly silly decision by this government that is going to cost Australia very significantly.

We support this bill. We support the continuing implementation of the Munro review and the government's decision to continue to implement the decisions that former Minister Burke and I made over the last couple of years to expand the bureau’s capacity to deal with extreme weather events. We do sound, as I indicated, a very serious note of caution on the job cuts that come from this budget to the bureau. We will be watching those job cuts with an eagle eye, as I am sure a number of Australian communities are doing; but, beyond those comments, I commend this bill to the House.

Debate adjourned.

Leave granted for second reading debate to resume at a later hour this day.

Corporations Amendment (Simple Corporate Bonds and Other Measures) Bill 2014

Meteorology Amendment (Online Advertising) Bill 2014

Reference to Federation Chamber

Mr RUDDOCK (Berowra—Chief Government Whip) (11:05): I declare that the following bills are referred to the Federation Chamber for further consideration: the Corporations Amendment (Simple Corporate Bonds and Other Measures) Bill 2014 and the Meteorology Amendment (Online Advertising) Bill 2014.

National Health Amendment (Pharmaceutical Benefits) Bill 2014

Second Reading

Debate resumed on the motion:
That this bill be now read a second time.
Ms CLAYDON (Newcastle) (11:06): It is with regret that I speak today on the National Health Amendment (Pharmaceuticals Benefits) Bill 2014, the regret being that the increased cost of pharmaceuticals is expected to cost Australians more than $1.3 billion over the next four years. This bill increases the Pharmaceutical Benefits Scheme's co-payment for general patients by $5 to $42.70 and for concession patients by 80c to $6.90 from 1 January 2015. It also increases the concessional PBS safety net threshold by two prescriptions per year and the general safety net threshold by 10 per cent for every year for four years from 2015 to 2018. These extra charges are in addition to the usual increases of CPI and indexation.

As I said at the outset, the bill is expected to cost Australians more than $1.3 billion over the next four years. Labor will oppose this $1.3 billion tax increase on medicines because it will hurt every Australian. Every pensioner, every parent, everyone unemployed, every low-income earner, people with disability, our veterans—no-one escapes this tax. It is yet another impost that this Abbott Liberal government is putting on the cost of living of every Australian. We know that people are already deferring the purchase of prescriptions and some are not having them filled at all. That is not something this government wants to talk about, yet it is the brutal reality for so many people already struggling to make ends meet.

I remind the House that prescriptions are for sick people who need help and need medicine now. The COAG Reform Council report produced in early June this year found that 8.5 per cent of people in the 2012-13 year delayed or did not have prescriptions filled due to cost. In disadvantaged areas, this figure rises to 12.14 per cent, while for Indigenous Australians it is an astounding 36.4 per cent. That 36.4 per cent of Indigenous Australians currently do not have prescriptions filled due to costs is truly alarming. That this bill seeks to increase these costs even further is beyond belief and highlights once again the poor choices and wrong priorities of the Abbott Liberal government. The recent COAG Reform Council report confirmed what many of us have suspected—that the health of Indigenous Australians continues to be poorer than the health of non-Indigenous Australians on most indicators. The council also reported that more than 12 per cent of Indigenous Australians delayed or cancelled a trip to the GP because of cost.

What are the outcomes for Indigenous Australians? Life expectancy at birth is still about 10 years less than for the non-Indigenous population. Lung cancer rates are twice as high, and smoking rates are more than double. Closing the Gap initiatives are making some progress in some health areas but the COAG Reform Council report has warned that the goal to close the life expectancy gap by 2013 is most unlikely to be met. Cost is clearly seen as a determining factor for Indigenous Australians to seek the health care and medicines they need. In response to the proposed introduction of a $7 GP co-payment, Aboriginal and Torres Strait Islander Social Justice Commissioner Mick Gooda noted that Indigenous people currently access Medicare services at a rate which is almost one-third lower than what is required on a needs basis and rightly put the argument that Aboriginal and Torres Strait Islander people need encouragement to access medical services, not more barriers.

Make no mistake, this increase to the PBS will be another barrier. Indigenous Australians in my electorate of Newcastle—and more broadly around the country, I might add—are some of the sickest, the poorest and the most marginalised people in our country. Sadly, this government is already cutting primary healthcare services to Newcastle's Aboriginal community, with funding cuts causing the closure of the Awabakal Medical Service's Deadly
Choices program that helped young Aboriginal people in my electorate of Newcastle make better health and lifestyle choices. It was a truly great preventative health program that this government saw no value in and walked away from.

On the other hand, the Awabakal Medical Service are not walking away from their people and I would like to take this opportunity to let the House know about the launch of a new health service for Newcastle's Indigenous people that I gratefully attended last week. Awabakal have launched their own mobile health clinic that will be staffed by a full-time GP, a midwife, an Aboriginal health worker and a hearing specialist. Their new clinic is a true outreach program that will play a vital role in delivering primary healthcare and education services to the local Indigenous community. Awabakal Medical Services have every right to feel betrayed by this government, but they are doing what they can to keep delivering the best health care to their people. I applaud them for their determination and commitment in the face of no assistance from the Abbott Liberal government.

This bill is being dressed up as a system sustainability measure when in fact it has nothing to do with sustainability or the existing PBS structure. If this were really about the sustainability of the health system this revenue would be going back into the PBS or into Medicare. Instead, the funds raised will be directed to the government's Medical Research Future Fund for some time in the future. Do not get me wrong, I am a big supporter of medical research and the work our Australians scientists do. I am proud to host a number of world-leading scientists in my electorate of Newcastle who work out of the University of Newcastle and the Hunter Medical Research Institute. They deliver outstanding results in their key research areas of brain and mental health, cancer, cardiovascular health, pregnancy, reproduction, immunity, vaccines and asthma. Scientists like Professor Phil Hansbro—who is leading the way in the race to develop urgently needed treatments for airway inflammation disorders like asthma—are making groundbreaking discoveries. But not once have the scientific research community asked for their funding to be sourced by taxing the sick and the poor. Governments have always found a way to fund medical research in the past and have seen the value of directly investing in medical research without taxing the poor and the sick.

These PBS changes and the GP tax are not measures of sustainability; they are part of a longstanding ideological campaign to get rid of Australia's universal healthcare scheme and to create a two-tiered, user-pays system where your bank balance determines the health care you will receive.

The PBS is growing, but it is growing in a sustainable way and at a much slower rate than was expected. The reason that this has happened is no accident: it is because of the measures Labor took—measures, I might add, opposed by and campaigned furiously against by those opposite—to make the PBS sustainable without punishing patients. The PBS price disclosure reforms, overseen by Labor during two terms of government, have ensured that the PBS is sustainable and has delivered billions of dollars in savings. At the moment the government spends around $9 billion per year on the PBS. Accelerated price disclosure has slowed the real rate of PBS growth and has put the PBS on a sustainable footing. In Labor's last budget, there were changes that were expected to deliver more than $1.8 billion in savings. Taking the package announced in 2007 through to 2017-18, the savings will be closer to $20 billion.

At present the PBS safety net threshold for general patients is $1,421. Once the PBS safety net is reached, general patients pay only $6 per script. For concessional patients, the PBS
safety net threshold is $360, and concessional patients pay no additional out-of-pocket costs for medicines once the safety net is reached. But this bill proposes to increase the PBS safety net by 10 per cent, plus an annual CPI indexation on 1 January each year. This bill's proposals for increases in the PBS safety net will mean that we end up with more expensive medicines for the most vulnerable people in the community—those that are physically and financially challenged—at the same time as we are pulling the safety net further and further away from those who rely upon it.

The condemnation of this government's plan to destroy universal health care is widespread. Residents in my electorate of Newcastle are adding their voices to the thousands across the nation which are opposed to these cruel cuts to health funding, to the increase to the PBS and to the new GP tax. In late June, I joined 500 Novocastrians who voiced their concerns about this government's plan to destroy universal health care. The shadow assistant health minister and my Hunter Labor colleagues, the member for Shortland and the member for Charlton, joined me at the 'Save Medicare' rally, where we heard from those who will be hit hardest by the cruel GP tax—pensioners, families and low-income earners. For many there, this was the first rally they had ever attended. This included a woman of more than 80 years of age. These were not radicals or serial protesters; they were members of the general community who are concerned about their future and the future of our healthcare system under this government.

At that rally we also heard from a registered nurse who works at Newcastle's John Hunter Hospital. He shares the concerns of other health professionals and peak bodies, who believe that the cost impost posed by visiting a GP will be a double whammy for hospital emergency departments, which are looking at longer wait times, more people attending their emergency centres to avoid the GP tax, and more sick people whose health will deteriorate as they avoid seeing their GP. Interestingly, another attendee at the event who did not speak to the assembly but spoke after the event to the media about his opposition to the GP tax and its effect on Australians' health was a New South Wales Liberal state member. When asked about his thoughts on the GP tax, the New South Wales Liberal state member for Swansea, Garry Edwards, said: 'Ideologically, I'm not in favour of this and, quite frankly, I think I speak on behalf of my electorate and my community; the majority of the community don't agree with it either.' I think that the community of Swansea is not alone. I do not think there is one community in Australia that believes this new tax is fair. The state Liberal member for Swansea might want to have a chat to some of his federal Liberal colleagues here in this place. If only those on the other side of this House had the nerve to speak out on behalf of their communities against these cruel hits to Australians, we would have seen more than five speakers from the government side listed to speak on this important bill before the House today.

It is not just Labor who thinks that these changes to the PBS are a bad idea; it is the experts and advocacy groups as well. The Pharmacy Guild of Australia has criticised the increase in the cost of medicines for consumers and has argued that it will be particularly hard on the elderly, in light of the other social security changes being made. The Consumer Health Forum has expressed grave concerns about the growing out-of-pocket expenses for Australians in health care. Michael Moore, the CEO of the Public Health Association of Australia, has stated that the measures are inequitable and will affect society's most vulnerable members. He argues that 'the people to whom this is most important are the vulnerable, such as Aboriginals
and Torres Strait Islanders, people from low-socioeconomic backgrounds or from non-English-speaking backgrounds, and the elderly.

This government will leave a legacy that most would be ashamed to leave. Perhaps that is why we see such a lack of members opposite speaking in this debate. Their names, however, will be marked in the *Hansard* as having supported these cruel cuts and taxes. And then their absence today will be all the more notable: they had an opportunity to defend the health of their communities, but they were missing in action.

**Ms OWENS** (Parramatta) (11:21): The astonishing thing about the bill we are discussing today, the National Health Amendment (Pharmaceutical Benefits) Bill 2014, is that it absolutely flies in the face of logic. It assumes that a saving made today, in the health area, will automatically lead to a saving tomorrow. Yet we all know that when it comes to health the earlier we act on our health, the cheaper it is in the long run and that by cutting health assistance at the early stages of a person's illness we quite often increase health costs, not decrease them.

Every January, my Chinese, Vietnamese and Korean communities wish me a happy new year. They say to me and my community that they wish us health, wealth and prosperity. Health, not fitness; wealth, not riches; and prosperity, in this greeting, means family and community that sustains you in the bad times and with whom you share the good times. There is great wisdom in that greeting. They are the things that lead to a good life. You can talk about the three of them in exactly the same context. You build them with good habits and you lose them with bad. You can save them up. You can accumulate health, such as a good immune system. You can accumulate friendships that are strong. You can accumulate wealth. They can sustain you in the bad times. You can spend them or you can lose them through an accident, like figuratively being hit by a freight train of tragedy. They are the things that sustain a good life. Each of them is accumulated by good habits every day. In the case of all three, the earlier you build them, the cheaper it is to build them. It is cheaper to build savings for retirement if you invest early. It is cheaper to be healthy if you invest in health early in your life. You build far stronger relationships if you put that work in early.

It is almost universally true that what is best for the patient is cheaper for the taxpayer. It is almost universally true that it is better to immunise so that people do not get sick. Doing that is cheaper for the taxpayer. Early intervention is cheaper than late intervention. Keeping a person healthy is better than treating them for an illness. What is best for the patient is almost universally cheaper for the taxpayer. Yet we have a government that, in this budget, are cutting support for the early stages of health treatment. The GP tax, for example, is likely to dramatically affect the number of people who go to the doctor for health checks. Pathology will attract an additional cost. There will be fewer people taking the regular blood tests that they should take, particularly as they get older, even though it is cheaper for the taxpayer if they take them. Radiology will incur an extra cost, so that things like mammograms will cost more for people who are not on the priority list. Going to the doctor to get a referral will cost more. Fewer people will do all that, even though it is cheaper for the taxpayer and better for the patient if they do that early.

This bill will increase the Pharmaceutical Benefits Scheme co-payment for general patients by $5 to $42.70 and by 80c to $6.90 for concessional patients from 1 January 2015. It will also increase the concessional safety net threshold by two prescriptions a year and the general
safety net threshold by 10 per cent each year for four years. It will also dramatically increase the cost of medicines. We all know that the medicines people take early in the onset of an illness or that keep them from infection dramatically reduce later health costs. This is a government who fundamentally do not understand that early intervention in primary health care dramatically decreases the cost to the taxpayer and improves health outcomes for the patient. When it comes to health, it is true that a stitch in time saves nine. It is absolutely true that, when it comes to health, early intervention is best for the patient and absolutely cheaper for the taxpayer.

We have heard the Treasurer speak at length in an incredibly loud tone, as he usually does, saying that Labor introduced a co-payment. It is true that we increased the PBS co-payment in 1986 and that we were the first to introduce a PBS co-payment for pensioners in 1991. There are two fundamental flaws in the Treasurer's argument. Firstly, he makes the assumption that if one side of politics introduces a co-payment it is okay to increase it exponentially, because any subsequent increase is the fault of the first people that did it. That is like saying that whoever first invented tax is to blame if the government increases the lowest tax rate to 60 per cent. It is a nonsense argument. Secondly, and more importantly, he totally ignores the context in which the Labor government made that change and the compensation that it introduced for lower income earners in order to compensate them for the increase in costs. We did not increase a co-payment as part of ripping away money from primary health care and early stage intervention. We did not do that in the way that this government is doing. This government is increasing the cost of primary and early stage care for people. It is taking that money out of primary care and moving it elsewhere. In other words, it is weakening our health system by making these changes.

Labor introduced a PBS co-payment in 1986 in order to move money within the Pharmaceutical Benefits Scheme, from one area to another. It was about increasing the range of drugs. It was done in the context of very strong negotiations, which Labor has always done, to increase access to pharmaceutical benefits, never to decrease it. That is a fundamental difference between the two actions. The Labor government made changes to the PBS to make it sustainable, which is what the government claims to have done. But Labor moved the money from one area to another and increased the range of drugs that were available. The government is simply pulling the money out of the Pharmaceutical Benefits Scheme. It is cutting the assistance available for people who need medicines in the treatment of their illness or to maintain a lifestyle of relative health. We did not make that change in the context of ripping more than $50 billion out of hospitals, as this government is doing. It removes money from primary care, making it more likely that people will be ill down the track, then it rips the money out of the very hospitals that those sick people will need. It defies logic that you would make it more likely that people will need help further down the track and then reduce the availability of that help.

We did not do it in the context of the GP tax and raising the prices for basic X-rays and pathology. We did not do it in that context. In fact, as I said, we did it in a context of improving access to medicines, not reducing it. We did not do it in a context of cutting pensions and family payments that will see pensioners and families between $4,000 and $6,000 worse off, scrapping senior concessions or raising the tax on petrol. We did not do that. Ours was a modest impost designed to increase access; theirs is one to cut the health
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budget and move that money into their other priorities of paid parental leave, abolishing the mining tax et cetera. Their priorities are really clear here. They are not about health. Their priorities are absolutely in other areas.

The other thing is that when we introduced the co-payment on the PBS we increased the pharmaceutical allowance so that concession holders received the equivalent of the cost of a script per week to compensate them. We did not leave the people who are most vulnerable out in the cold, as this government has in almost every element of its budget. We did not do that. Being a Labor government, we naturally moved to ensure that the lowest paid people in our community received the health care they needed by increasing the pharmaceutical allowance so that concession holders received a payment the equivalent of the cost of a script per week to compensate them. Every time the PBS co-payment went up, the pharmaceutical allowance went up as well. It was John Howard who broke that nexus in 1997. So when the Treasurer talks about the history of the PBS co-payment he is being a little bit naughty, shall we say.

MS OWENS: I hear laughter at that. It was an understatement; that is true. He overstates the effect of the PBS co-payment because he ignores the compensation that was given. He also ignores the context and the rationale for it.

This is a bad law, basically. It is a health amendment. One would expect that a health amendment from any government would actually be about improving access to health services; this one does not do that. In fact, it increases the cost of pharmaceuticals. It does not compensate the low paid for the increased cost. It will, over time, probably lead to an increase in health costs.

I would like to finish by repeating once again the basic principle that should underpin any health policy, which is that the ultimate way to save on health costs for the taxpayer is to make sure that our population remains as healthy as possible. The best way to do that is to increase support and effort at the early stages of an illness or in keeping people healthy in the first place. Policies such as this one and the GP tax that discourage people from taking those early steps of seeing a doctor and taking early action should be avoided at all costs because not only are they bad for patients but they are inevitably more expensive in the long run for the taxpayer. I reject this bill absolutely. It flies in the face of all logic.

Mr RIPOLL (Oxley) (11:33): I rise to speak on the National Health Amendment (Pharmaceutical Benefits) Bill 2014. This is a bad bill. Let's not mince words. Let's not pretend we do not know what this bill is about. It is a bad bill. It is a bad bill that will hit the sick and the poorest. It does this unfairly. It is disproportionate. It is not within the context of what the government should be doing for sustainability of the PBS. In fact, all of the arguments the government has put forward for the rationale behind what it is doing are just baseless. They are excuses and baseless arguments about trying to raise more funds from some of the poorest and sickest people in the community—those least able to afford the changes that the government is putting forward.

This bill increases the Pharmaceutical Benefits Scheme co-payment for general patients by $5, which is an enormous slug. On its own, $5 does not sound like a lot, but when you add it to all of the other costs for people who are the most vulnerable and need to use our world-class, world-standard PBS then it is a lot of money. This government wants to slug general
patients an extra $5 to take it to $42.70 and concession holders an extra 80c to take it to $6.90 from 1 January next year. It also wants to increase the concessional PBS safety net threshold by two prescriptions per year and the general safety net threshold by 10 per cent each year for four years from 2015 to 2018. These are in addition to the usual increases of CPI indexation. If you take that all as a package, this is the damage that this bill will do.

How do you quantify what damage it will do to people's hip pocket and the family budget when they are sitting down and trying to work out whether they can get some medicines or not? People actually make economic decisions on their health, and they should not. We have, and should have, a very strong, sustainable, fair system in Australia, whether it is the Medicare system put in place by Labor or the Pharmaceutical Benefits Scheme—again, put in place by Labor and strengthened by Labor, not weakened. What impact will this have? This bill is expected to raise over $1.3 billion over four years. That $1.3 billion comes out of sick people's pockets. This is the point to be made. This is where the money is coming from. The government wants to raise $1.3 billion but where is it getting this money? It claims that there is a budget emergency, which I will deal with as well. It is getting that $1.3 billion out of the pockets of sick people, often the people who are least able to afford that extra expense.

The government could come in and say: 'That is the case, and we are going to justify what we are doing. There is a budget emergency and that money will go towards fixing the budget,' We hear every day this cover of a budget emergency. As long as they say 'budget emergency', they can do anything they like. So you would expect that the $1.3 billion would go a long way towards fixing this fictional and ghostlike so-called budget emergency that they have constructed. But guess what? It does not. It does not go towards that—not one dollar. The $1.3 billion does not go to any budget measure. In fact, it goes off to the Medical Research Future Fund. Noble as that may be, and nice as it may be in the future, why should the sick people of today be funding a medical research fund into the future? If the government wants to establish a medical research fund, that is good—it is a noble cause—but it should not do it out of the pockets of the sick.

Labor will be opposing this $1.3 billion new increase in medicines, which will hurt every Australian. We will be opposing it because it is a new tax, yet another broken promise. We heard ad nauseam the three-word slogan 'No new taxes' and a whole range of other things such as that in government Tony Abbott will keep his promises—I am trying to find one he has kept. This is a government that says one thing before an election and does another thing after the election. People were not expecting and were not told, and I think they really are shocked by this broken promise of a new $1.3 billion tax slug for their medicines on top of all the other extra costs, on top of all the other things this government is doing. So we will be opposing this very unfair measure that hurts Australians.

The Council of Australian Governments Reform Council report that was released in early June found that 8.5 per cent of people in 2012-13 delayed or did not fill their prescriptions due to cost. In disadvantaged areas this figure is even higher, at 12.4 per cent, and for Indigenous people it is as high as 36.5 per cent. These numbers are too high for people who need every assistance to be able to afford their medicines, often very much essential medicines. In fact, in 2005, the last time a Liberal government increased the tax on prescriptions for some essential medicines, the usage fell by 11 per cent. There is the rub. That is what this is about. This government is not only increasing the cost, ripping $1.3 billion
out of people's family budgets, but also sending out a very strong price signal to the sick, which is, 'We are going to make it more expensive and more difficult for you to access medicines.' In some cases they are essential medicines. The government knows that some people will delay or defer their purchase of those medicines or not purchase them at all. That is simply just wrong.

We have a good strong, PBS system in this country that, despite what the government tells people, is sustainable and is working in accordance with what it should be doing, which is keeping Australians healthy, able to continue to work and be productive in our economy, and able to continue to live good lives. If this really were about the sustainability of the health system, then the revenue would simply be going back to the health system, or back to the budget, or doing something a bit more than just a lofty ideal about a medical research endowment fund into the future, which will not deliver for many years to come.

I am sad to say this, because it should never be the case when it comes to health, but it is very clear from the changes being put forward that this is part of any ideological campaign to get rid of Australia's universal healthcare system and create a two-tiered user-pays system. You might think that that is an outrageous claim. How could that be possible? I think the Liberal government is long and loud on the record about its views on Medicare, the PBS and having a universal healthcare system. It is long on the record about wanting to kill it, get rid of it, stab it in the belly—just cut it and rip it away. But it learnt a lesson a little while ago. The Australian people do not support it on that view. The Australian people actually do not think it is a good idea. Australians actually like and enjoy our system. They think we have one of the best pharmaceutical benefits schemes and Medicare systems in the world, where, regardless of who you are, your status in life, your income or where you are, you get access to the best possible medical care you can get, and you get it at an affordable price.

It is not as if it is free. The government says that people cannot expect anything for free. It is not free. Let's get this absolutely clear: every Australian pays for our Medicare system and our Pharmaceutical Benefits Scheme. We all pay. We pay through our Medicare levy, some of us pay a Medicare levy surcharge, and some of us pay for full private health cover as well. It is not free at all. Australians already pay. What we are saying is that they should not have to pay more. There already is enough in the system. If the argument from the government is simply one about not being able to afford it, they are just wrong, because we can, and it is sustainable. The long-term trajectory of the Pharmaceutical Benefits Scheme is one that is sustainable.

This, unfortunately and sadly, is just a deep ideological view that the Liberal Party has on how health care should be provided—who pays for it and how they pay for it. It is much more akin to the often criticised United States medical health system and the problems associated with that, where often people do not get any care at all because they simply cannot afford it, or are forced to sell their home to get medical care. We do not want that in Australia. We do not want to be like the United States or other countries in the world when it comes to the provision of good-quality medicines or health care.

We should look to the future and look to strengthen what we have in place—the Pharmaceutical Benefits Scheme, the Medicare system, proper training for our doctors, working closer and closer with the hospital system through the states and territories, and looking at better cooperation and efficiency. These are all the things Labor did when it was in
government. It is not easy to do. It is not expected to be fixed overnight or even in a matter of a few short years. It requires a long-term plan and the right intent and motivation, which is to strengthen the system, to cooperate with the states and territories and to find answers to the complex problems of administration and costs within our health system. There is a way forward. This government has taken a very different approach. This Liberal government has learnt its lesson in only one aspect: that it cannot openly and honestly tell the Australian people what it wants to do to either the PBS or Medicare. It has changed its language but it just has not changed its ideology. It has changed the approach but has not changed its motivation. It has changed what it tells people about what it does, but it has not changed what its intentions are and how it will do it.

The evidence is here in this bill, which disproportionately targets sick, the elderly and the vulnerable. We already know through evidence that this will mean that fewer people, some of whom will need essential medicines, may not get their medicines because of the increased costs. We hear all sorts of excuses from those on the Liberal and Nationals side, who say, 'Labor had put in place a co-contribution payment and that if they did it it is okay if we do it.' The reality is that you have to go back a long way and look at the reasoning and the rationale for it being done and the proper context in which it was done at the time and accepted by the Australian people. We did it in a proper manner and in a manageable way, which meant we continued to have a sustainable and affordable health system. What is being proposed here today and, sadly, what will pass the lower house at least, is retrograde.

Those listening to this debate might think that this is just a Labor member speaking, but some of Australia's most senior doctors have been very loud about this. They have already warned that the changes in Tony Abbott's budget will put Australia's health system back by 50 years. That is what doctors think. Doctors are not happy with this. You would think that, if you deferred your views and asked for advice, you would at least listen to what some of Australia's most senior doctors and practitioners have to say. They say that this sets back Australia's health system by 50 years.

The price increase comes off the back of cuts. You are copping it in the neck on the left and the right; you are copping it in the neck twice. There are $80 billion in cuts to Australia's public hospitals, doctor visits and schools. There are great big new taxes on everything. There is a new petrol tax. I do not recall that being a highlighted policy principle before the election. There are cuts to preventive health, to dental health and to Australia's health workforce. Again, you might think it is just Labor that is not happy with this, but I can assure you that the Liberal states have been very loud in their protestations against this. They are saying: 'How can you cut $80 billion out of state health systems and hospitals and not expect to have some sort of adverse impact?' That money will have to come from other places. The states will not be able to afford this. If the federal government cuts away $80 billion over the coming years from the states' hospital systems and schools, the states will have to either provide fewer services or do something else—raise more taxes. The reality is that there will definitely be fewer services because of those unfair, cruel cuts.

This is another cruel ideological policy motivated by all the wrong reasons. The $1.3 billion raised through this slug on ordinary people does not go to fixing any fictional budget emergency. If it did that we could say that at least it is going into the budget. Those opposite would have something they could hang their hat on and say: 'We're doing it for this reason.
We know it's tough. We know it's cruel—which they admit; they know it is tough and cruel. But it does not actually do anything. They are blown out of the water by their cruelty to Australian families, the sick and the elderly. And the money raised does not go anywhere near fixing this fictional budget emergency that we supposedly have. I think this is a really bad bill, really bad policy, from a cruel government, and it should not be supported in the House. (Time expired)

Mr THISTLETHWAITE (Kingsford Smith) (11:48): A couple of days before the last election the Prime Minister said that there would be no cuts to education, no cuts to health care, no changes to pensions and no cuts to the ABC or SBS. Well, in the wake of the budget we all know that that is now a complete farce. It was a complete misrepresentation of the truth by the Prime Minister and it was not disclosed to the Australian public prior to the election. Before the election that statement was made. After the election those promises and commitments to the Australian people were clearly broken.

The National Health Amendment (Pharmaceutical Benefits) Bill 2014 is part of that process of breaking a commitment to the Australian people. It is effectively a tax increase on the cost of medicines that unfairly impacts on the most vulnerable in our community. That is the gripe and the opposition that Labor has to this budget: it unfairly targets the most vulnerable in our community by increasing taxes, payments and levies that were not disclosed prior to the election, and, at the same time, it reduces the taxation burden on some of the most profitable sectors of our economy, most notably the mining sector, which will get a tax break if the mining tax is removed. Also, the most wealthy Australians can earn profits of over $100,000 a year as an income based on their superannuation of over $2 million and pay no tax on that. That is the unfair nature of this budget. It targets the most vulnerable—those who can least afford to pay and to bear additional costs—but it lets off those who are most able to shoulder some of the burden when it comes to the sustainability of the fiscal position.

Labor opposes this $1.3 billion tax increase on medicines, which will hit the most vulnerable in our community. The tax increase is in the form of a $5 increase to the general patient co-payment and an 80c increase to the concessional patient co-payment, for concession card holders. This bill also increases the general patient safety net threshold by 10 per cent per year for four years and increases the concessional safety net by two prescriptions per year for four years. This is about chipping away at the universality of our healthcare system, chipping away at the hallmark of a healthcare system that Australians are so proud of, in Medicare. The changes proposed in this bill are part of this government's campaign to undermine the universality of our healthcare system and to create a much more user-pays based system in Australia.

The government will not admit this fact. They say they are about ensuring that the health system is more sustainable in the future. This is not true. If it were, the revenue raised through these measures would be going back into the PBS; the revenue raised from the Medicare co-payment would be going back into the sustainability of Medicare. But it is not—instead, the government is putting this money into the Medical Research Future Fund.

Labor has no opposition to investing in medical research—that is a role that government should properly play within our economy and our community. The problem with this fund is that it will reduce the government's commitment to funding medical research through the National Health and Medical Research Council, the very body that has been established and
has bipartisan support to deal with adequate levels of investment in medical research in our community in the future. That is the great shame of what is essentially a political game that is being played through this bill and through the proposed Medicare co-payment.

I wish to make a couple of points about the sustainability of our healthcare system. The government would have us believe that the healthcare system is out of control—that spending is out of control and the system is unsustainable—and that that justifies their making these changes to prescriptions and to introduce a Medicare co-payment. But the facts speak otherwise. The facts are that Australia's public health costs are well within the average bounds of OECD expenditure. Australia spends about 11.5 per cent of its GDP each year on public health; the OECD average of expenditure for governments on public health is 11.3 per cent. Australia is spot on in terms of the average cost of funding public health in our country.

Not only that, recent studies have demonstrated that the Australian system is a very efficient one when it comes to delivering proper health care for our community. A very well researched study was recently published in *The Lamp*, the journal of the New South Wales nurses' federation. The study was undertaken by The Commonwealth Fund, the very well respected health research body based in Washington in the United States. It looked at and ranked the overall effectiveness, efficiency and health of various healthcare systems throughout the world. It looked at the top 11 healthcare systems in developed countries and included nations such as Canada, France, Germany, the Netherlands, New Zealand, Norway, Sweden, Switzerland, the UK, the US and of course Australia. Australia ranked very well—fourth out of the 11 nations—on a series of important indicators, including the effectiveness of care, the safety of care provided to patients and the level of coordination amongst healthcare providers at various levels throughout the healthcare system. Issues related to the cost of access, timeliness of care and efficiency of care were a big part of this study, as were equity and the extent to which the healthcare system promoted healthy living, or preventive health, within a community. Australia ranked in the top five on nearly all of those indicators and overall, as I said earlier, we were ranked fourth out of those 11 healthcare systems.

Interestingly, the healthcare system that came last, that was the worst out of the 11, was none other than that of the United States, which we all know is a privatised system—a two-tiered system, if you like. The US system, which this government is no doubt interested in looking at for Australia, ranked worst overall on all the indicators in the study. The No. 1 system, on the indicators in this study, was the United Kingdom's system—the National Health Service—which the citizens of the United Kingdom are rightfully very proud of. They are so proud of it, in fact, that they included it in the opening ceremony of the Olympic Games when they hosted them in 2012. It is a healthcare system that both Conservative and Labour governments have respected and valued and recognised as a great strength of the United Kingdom's democracy.

The argument that the Australian healthcare system is becoming unsustainable does not hold water at all. That is why the changes in the bill we are discussing today are unjustified. The costs of the Pharmaceutical Benefits Scheme are increasing, but they are being managed well and are increasing in a sustainable way. In fact, it has been shown that the PBS is growing at a much slower rate than expected in recent budget updates. At the moment the government spends around $9 billion per year on the Pharmaceutical Benefits Scheme to
ensure that Australians have access to subsidised medicines and that the most vulnerable in
our community get the necessary care they need.

While in government Labor proposed and introduced the accelerated price disclosure
scheme, which has slowed the real rate of PBS growth and put the PBS on a sustainable
footing. I must point out that, prior to the last election, the Pharmacy Guild of Australia
campaigned against accelerated price disclosure and simplified price disclosure. It had
petitions in all of the pharmacies throughout Australia saying that this was a great shame for
our healthcare system, that it would put pharmacies out of business and that it would ensure
that Australians would not get the necessary care and access to the medicines that they
needed. It was none other than the opposition of the day, the Abbott government, that were
the greatest cheerleaders for opposition to simplified price disclosure. And what do we find
now that they are in government? Suddenly they have had an awakening. Suddenly they now
support Labor's program of simplified price disclosure—much to the disappointment, I might
add, of the Pharmacy Guild of Australia, which reported in a press release on 28 May this
year:
The Pharmacy Guild has expressed disappointment over a response from Health Minister Peter Dutton
to its petition on Simplified Price Disclosure (SPD).
I must say to the Pharmacy Guild of Australia: you are not alone. You are not alone in feeling
your disappointment in this government in terms of the commitments that were made prior to
the election regarding this government's proposals when it came to health care and the
provision of adequate pharmaceuticals for Australians throughout this country. As we all
know and as I mentioned earlier, prior to the election the Prime Minister gave a commitment
that there would be no cuts to health, and once they were elected that commitment was
thrown out the door in the first budget.

In Labor's last budget there were changes that were expected to deliver more than $1.8
billion in additional savings to this program through reforms that Labor was introducing. That
would have taken the package announced at the 2007 budget through to 2017-18. The savings
would have been close to $20 billion. These are savings that this government could have been
using to ensure that new drugs or future lifesaving drugs could be listed as quickly as possible
once they were recommended by the Pharmaceutical Benefits Advisory Committee. It is
something this government could have done if it were interested in ensuring greater access to
more drugs as they come on line and are developed and commercialised—but no. Once again
they are interested in slugging Australians through tax increases under the guise of
sustainability.

One of the most worrying aspects of this government's increase in taxes on medicine is the
fact that it will hit the most vulnerable. In the wake of the government's budget the University
of Sydney conducted a study looking at the combined impact of higher co-payments, which it
found will hit those 65 and over the hardest. The report's co-author, Clare Bayram, is quoted
in The Sydney Morning Herald on 7 July as saying:
The introduction of co-payments won't be shared equally.

... ... ...

It will particularly affect people who need to use more medical and related services, such as older
people and those with chronic health conditions.
And these are the people this government has chosen to slog with its higher taxes through the introduction of this bill through the Medicare co-payment.

They do not have the support of the Australian Medical Association, who are also damning of this tax increase. Brian Owler has said the University of Sydney study supports concerns that doctors across Australia have with the measure. He agrees that the study shows that the impacts will be on the most vulnerable within our society. That is why Labor is opposed to this bill. That is why Labor will defend Medicare, the universality of our healthcare system, the efficiency of our healthcare system and the effectiveness of our healthcare system. That is why this bill should be rejected.

Mr HUSIC (Chifley) (12:03): We saw today an extraordinary dummy spit. We had the Treasurer of this country come in here and basically threaten a whole swathe of Australian society that, because he could not get his cuts through, he was going to find other ways to hurt ordinary Australians. You can tell whenever the Treasurer is under pressure because basically he comes in and does a sook. He will either do it on AM radio or do it on the floor of the House.

He is uptight about problems of his own making. The coalition have got themselves to this point. Three quotes demonstrate the problems they have got themselves into. One, they went into an election saying they would not raise taxes, they would not cut any spending other than what they have announced and they would still get to surplus. Magic—supreme sorcery, if you will—that they would be able to get to that point in that way. Two, the Prime Minister expressed that there would be no cuts to health, no cuts to education, no changes to the pension, no changes to the GST and no cuts to the ABC or SBS. The Prime Minister said this on a number of occasions—it was not just a one-off; he said it a number of times. The third quote that has got them into all sort of trouble is from nearly a year ago. At a doorstop the Prime Minister was asked by the media a specific question:

... the condition of the budget will not be an excuse for breaking promises?

The then opposition leader, now Prime Minister, said: Exactly right.

They have gone into an election trying to be all things to all people and then come through and devised a budget that has hurt people across the country. When the parliament has said: 'No. We're holding you to account. You made these commitments'—the ones I just read out—'and we're holding you to them,' we then have the spectacle of our nation's Treasurer on the floor of the parliament today carrying out one of the biggest dummy spits we have seen in a long time.

They got themselves into this hole, but the problem is they want ordinary Australians to pay for it. If you want any clearer example of the type of pain they want to inflict on people, look at what they are doing in health. Look at what they are doing with this bill, which is nothing more than a $1.3 billion tax slug on ordinary Australians, in the context of everything they are doing in health.

This is not a plan to manage health care into the future; it is a plan to do two things. One is clearly to savage expenditure. They clearly just want to take a blunt stick and beat that expenditure down. The second is one that we need to put more and more of a spotlight on: a radical reshaping of the Federation.
The longer term game plan is that the government will vacate from what the Commonwealth is doing now. In the future, it will force all the obligations onto the states and territories and it will not be there in terms of trying to provide a national response. We will have, at least on key policy areas like health, a uniform standard. Regardless of where you live in this country, the excuse that because you live in a rural and regional area you should get a second-rate health scheme and that the only way to get better health outcomes is move to the city is, frankly, unacceptable in this day and age.

There is no healthcare plan behind what they are doing. There are two big things that are going to impact on health. One is the ageing of the population, as has been well documented by former Treasurer Costello and through the Intergenerational report. The fact of the matter is that that will always put more pressure on healthcare budgets across the country, regardless of government. The second is lifestyle issues, and we see that in our community all the time. We have conditions that are triggered by the way we live in terms of how much we exercise, how much we eat and what that does to our longer term health. There is a reason for this. If you look at most prosperous nations you will see higher levels of obesity and diabetes. In my area, the other concern is heart disease. There are also the things that come through indulging in excessive alcohol, smoking and tobacco consumption.

These things will have a longer term impact. They cannot be dealt with overnight. We have been trying to get people to consider the need to invest in things like preventative health care rather than think they can pop a pill and that is going to sort them out. Let us look at the way that the government has addressed health care in this budget. It has done two things. As I have said previously, we have a health minister who thinks his biggest job is to stop people from going to the doctor. But this bill will stop people from not only going to the doctor but also buying medicine. That may seem to those in the gallery like a rather extreme statement, but I say that because we have already had studies that have looked at the consumer behaviour, the behaviour of the general public, if you increase the price of medicines.

The COAG Reform Council report that was released in early June looked at this. It said that 8.5 per cent of people in 2012-13 delayed or did not fill their prescription due to cost. For disadvantaged areas, some of which I represent in this place, the figure is 12.4 per cent, and for Indigenous people it is 36.4 per cent. That is recent evidence. Is this a one-off? The answer is no. When you look at the evidence over a longer period of time, you see a replication of the type of experience that I just outlined. For example, the last time the coalition were in power they increased the tax on medicines. When they did this in 2005, the prescriptions for some essential medicines fell by as much as 11 per cent. So you can clearly see that, if you increase the price of medicines, people act in a certain way.

As I said, the answer is not to stop people from going to the doctor and to stop them taking their medicines, it is to find a way to stop them having to go to the doctor and having to get medicines. The way to do it is to encourage people to see their GP sooner and to determine what preventative mechanisms can be put in place. The doctors in the electorate I represent tell me all the time about the types of things that they are doing to address the top three issues that, in their mind, they need to attend to: obesity, diabetes and heart disease. You can rope all those three lifestyle related conditions into one. Some are obviously genetic—your DNA will play havoc sometimes and you might get heart disease quicker than others—but, generally speaking, there are other things that you could do differently to avoid or minimise risk. Being
able to go to a GP and have a GP put a preventative healthcare plan in place for you and to attend to those issues quicker will help us longer term.

Obviously, with the ageing of the population, you cannot avoid that demographic wave—that is going to hit no matter what—but there are things that you can do in your middle years or even earlier that can prevent a greater variation in the impact in your later years. Being able to see a doctor sooner makes a difference. What has the response of this government been? To try and stop you from seeing a doctor sooner by putting in this co-payment, this GP tax, as we call it. They claim that the money they are going to raise from that will be put into a medical research fund, which I think is a disgraceful move, frankly. I will never be convinced of the value or the merit of this move because all it does is slug the sick of today to pay for the sick of tomorrow. It is completely unacceptable. They are going down that path.

I and other colleagues in the chamber have already reflected on the experience in our electorates where medical clinics are sending out SMSs encouraging people to see the doctor, because people are thinking that this GP tax, this $7 co-payment, has taken effect when, in reality, it will take effect from July next year. They have experienced such a contraction in presentations to clinics that it has caused them great alarm. Those on the other side of the House may think it is great that people are not turning up to a doctor, but people are potentially putting off taking action on the types of preventable conditions that could be dealt with today and shifting the load of that down the track to other generations to pay for. This is particularly the case with men. Men are notorious for not going to see a doctor about any condition that they have and, as a result, it costs them a lot more in terms of their personal wellbeing and in terms of their finances to fix that condition. So the key is to get people to see the doctor sooner, to avoid unnecessarily using medication and to find a way to sidestep the personal and financial cost.

I come back to the point that the government have not been able to demonstrate a rationale from a health perspective for what they are doing. It is a cruel and crude financial response, and it will see us paying more down the track to correct this. As a result, not only at an individual level but also at the state level, these are the types of things they are doing—the types of cuts they are making: $50 billion in cuts to states and territories for health care. The argument from the Prime Minister and others who appear in the House during question time is: 'Oh no, health budgets! We are actually increasing spending; it goes up every year,' and they show it. They are increasing health spending at a rate phenomenally lower than was expected by the states and territories. It is so low. If the states and territories were on board with this, why would we have the Premier of New South Wales describe the $50 billion cuts—or the $80 billion cuts, if you include schools—as a 'kick in the guts'? They do not see it. They are not championing an increase in healthcare spending because they know what they were expecting was up here, and what they are now getting is way below—down here. It might be increasing but it is increasing at a rate that is insufficient to deal with the costs they know are coming.

In this parliament, in 2011-12, we dealt with legislation that was part of an overall package of support for states and territories dealing with health care. The concern was that, by 2046, one component of state and territory budgets would overwhelm all others and that would be health care. If we did not find a new way to finance health care in this country, states would spend their entire budget on hospitals and health care. That is why we put the deals in place.
This was through COAG. It did not matter what political party, Labor or Liberal, they agreed through COAG; the federal, state and local governments agreed this was the way to go. The only people who opposed it were the coalition at the federal level. Why? Because their political interests were not served by finding a solution. That is what we had there.

Now we have this combination, this melting pot, of issues. We have the GP tax; a $1.3 billion slug through lifting the cost of medicines; and this massive cut to hospital and health care. Does anyone in this place think that this is sustainable—that, through this budget, Australians will not pay the price? Does anyone think we will not pay the price down the track for this? It is abominable to think of what we are doing to future generations' health care as a result of this first budget alone. We will put people through greater suffering and greater pain, and I mean those terms literally, because of what the government are doing to health care when they promised people—when the Prime Minister on repeated occasions said—‘No cuts to health.’

I am not just talking about the cuts they have made in the budget. The Australian people had every reason to believe that when it came to health care, based on what they heard from the Prime Minister, he would not conduct the type of vicious attack we are seeing right now on health care. They were entitled to think that, because he was out there—the champion against the cost of living, 'Captain Fluoro'. Everywhere you saw him he was in a fluoro vest, visiting factories and workplaces and saying he was going to attack the cost of living.

But he never, ever told people that when he got in he would cut hospital funding by $50 billion, that he would introduce this co-payment and that he would lift the cost of medicine. Nowhere did he say that and, as a result, we have this bill before us now. It comes as a shock. It will lift the price of medicines and reduce the safety net, particularly for the most vulnerable. We see this, and all the other things, and we will pay a long-term price for these short-term decisions.

Mr MITCHELL (McEwen—Second Deputy Speaker) (12:18): I rise to speak against the National Health Amendment (Pharmaceuticals Benefit) Bill 2014. This bill increases Pharmaceutical Benefits Scheme co-payments for general patients by $5 to $42.70 and for concessional patients by 80c to $6.90. It also increases the concessional PBS safety net threshold by two prescriptions per year, and the general safety net threshold by 10 per cent each year, for the four years from 2015 to 2018. These increases are in addition to the usual increases of CPI and indexation.

Labor will oppose this $1.3 billion tax grab on medicines because it hurts every Australian. As the member for Chifley and others on this side have pointed out consistently, prior to the last election the now Prime Minister stood in front of the Australian people and said there would be no cuts to education, no cuts to health, no changes to pensions, no change to the GST and no cuts to the ABC or SBS. He said that on 6 September 2013. The only thing he has not done so far is change the GST but, as we expect from this government and as the Treasurer said, there is more to come. We expect to see that being put on the table next, as they try to fill in the mistakes they made in their election promises.

The Prime Minister was interviewed by Chris Uhlmann on ABC's 7:30 on 8 July 2013. He said: 'We will be a consultative, collegial government. No surprises, no excuses.' In another interview, when he was asked about the condition of the budget by a reporter who said: The condition of the budget will not be an excuse for breaking promises?
the now Prime Minister said:

Exactly right. We will keep the commitments that we make. All of these commitments that we make will be commitments that are carefully costed.

What we have seen from this Prime Minister since he came to power has been a total backflip on each and every one of those things. The government have not been consultative. They have not been collegiate. They are full of surprises and full of excuses.

Every single day we hear the same excuses from those opposite, parroting their talking points nonstop: 'Oh, it was a Labor mess.' It was a Labor 'mess' that kept us out of the GFC. It was a Labor 'mess' that kept inflation low. It was a Labor 'mess' that kept unemployment to low rates. All these things have happened. This economy grew and grew during the years of the Rudd and Gillard governments, something this current government cannot say. We have seen some of the worst indicators of public and business confidence ever seen—the fastest drops in consumer confidence ever—in the first six months of this government. We have seen that because this government, which was built on a lie, has come in here and done nothing but cut and attack every Australian.

In his first budget, the Treasurer announced education and health spending would be cut by a total of $80 billion. Pensions will be linked to inflation, rather than wages growth, and therefore will increase at a lower annual rate. In the gospel according to Abbott in *Battlelines*, 2009, page 133, he said:

Commonwealth spending on health and education now approaches $90 billion a year. Still, any withdrawal of Commonwealth involvement or spending in these areas would rightly be seen as a cop-out.

Well, what a cop-out we have seen under this Prime Minister and this government. The Abbott government is making medicines more expensive by adding $1.26 billion to family budgets. It may not seem a lot but when you put that with the fuel tax increase and the other increases that have been put in place by this government it does add up. It is all right for those on high incomes, but for those on fixed and low incomes, it is a very, very big burden for them to bear. The Combined Pensioners and Superannuants Association of New South Wales said on 13 May this year:

The message to Australians tonight is: 'If you get sick, you'll pay. If you get old, you'll pay. If you lose your job or acquire a disability, don't expect to get support so easily.'

Sharing the burden is heavily falling on the shoulders of those least able to afford it. I think that sums up this government and this budget and what they are doing. This is not the only cut to health. They have also put a tax on doctor visits and there are hundreds of millions of dollars being cut from preventative health, dental health and Australia's health workforce. We have been dealt a major blow from the Abbott government as they pull back from their commitment to increase hospital funding, breaking their promise to index funding to a combination of growth in the consumer price index and population. Labor will not support Tony Abbott's unfair slug on sick Australians.

**The DEPUTY SPEAKER (Mr Whiteley):** Order! The member knows that he should be referring to the member by his title. He would certainly be well aware of that.

**Mr MITCHELL:** We will not support the member for Warringah's unfair slug on Australians that is built on lies before the election.
The role of the PBS is to provide equitable access to medicines that people need when they need them. It will be the sick, particularly those with chronic diseases, rather than the pharmaceutical industry that will feel the pain from these budget measures. The COAG Reform Council report released in early June found that 8.5 per cent of people in 2013 delayed or did not fill their prescriptions due to cost. In disadvantaged areas this figure was 12.4 per cent, and for Indigenous people it rose to 36.4 per cent. The last time the Liberal government increased the tax on medicines in 2005, prescriptions for some essential medicines fell by as much as 11 per cent.

I spoke to Mr Kevin Cooper from Kilmore today. He is 82 years old. Unfortunately, he is an Essendon supporter, but apart from that he is a good bloke. He lives in the Dianella Village aged-care hostel in Kilmore. Every day for the rest of his life Mr Cooper must take 22 different tablets: 12 tablets for breakfast, one at lunch, two in the afternoon, five for dinner and two before bed. Every day he has to do this. These medicines that keep Mr Cooper alive are already costing him $90 a month. It might not be a lot to you and I, but it is a lot when you are on a pension and most of your money goes to accommodation. Mr Cooper will be one of the many hundreds of thousands of people will be slugged an extra $12 to $15 a month, pushing his prescription costs to well over $110 a month on the piece of pension that he keeps for himself.

Were these changes really about the sustainability of the health system this revenue would be going back into the PBS and into Medicare. But it is not. We know that these changes are part of the Liberal's ideological campaign to get rid of Australia's universal healthcare scheme—to create a two-tiered scheme where user pays is the principle. The Abbott government must recognise that medicines are not a cost but a critically important investment for better health care for all Australians. As the Medicines Partnership of Australia stated in April this year:

PBS medicines along with the professional advice and support of doctors and pharmacists keep people alive and out of more expensive hospital and residential aged care settings. They keep people productive in the economy, in the paid workforce and caring for family members.

Some of Australia's most senior doctors have already warned that the changes in the Abbott budget will put Australia's health system back over 50 years. Philip Clarke, Professor of Public Health at Melbourne University, said on 2 May this year:

… general co-payments are already quite high by world standards and these are at a level that may discourage use of beneficial medications. They also have the potential to increase downstream costs, for instance, through increased hospitalisations.

For people with concession cards, the current $36.90 co-payment is already quite high by world standards. National Seniors Australia reported that many people with chronic illnesses live in poverty due to their illnesses, with some spending 25 per cent of their income on managing their illnesses. Co-payments to the PBS are a real burden amongst so many other co-payments. Thirty per cent of people between the ages of 50 and 64 report financial strain in the past five years due to the cost of prescription medicines, compared to 13 per cent for those aged 75-plus; 41 per cent of those aged 50 to 64 who face financial strain have sought cheap alternatives; and 18 per cent of those aged between 50 and 64 who face financial strain have not filled their prescriptions.
The PBS works differently from the Medicare benefits scheme. We pay a Medicare levy and high-income earners pay a Medicare levy surcharge. There is no such thing for the PBS. Labor does not support this, especially in the context of taxes this government wants to increase and introduce for doctor visits, pathology and medical imaging. Labor made changes to the PBS in government which has put it on a sustainable footing—what we see today is another unnecessary slug on Australians who already have high out-of-pocket costs—such as the introduction of accelerated price disclosure, which sped up the rate at which the government takes advantage of falls in the marketplace of generic drugs. This has resulted in slowing the real rate of PBS growth over the forward estimates.

The complete nonsense of this government’s argument is that, if the government’s actual intention was for the PBS to be growing in a sustainable way, the government would put the money into the healthcare system. But it is not. Instead, the government is putting the money into a Medical Research Future Fund. The current Minister for Health sat here for three years and did not ask the question of the health minister in the former parliament. He has refused to guarantee that the government will not shirk its responsibilities to continue funding medical research in the future through the NHMRC, should it be re-elected. Labor invested unprecedented levels of funding into state-of-the-art medical research facilities. If you want to fund medical research, you do not do it by taxing sick people and stopping them going to their GP.

In the forward estimates, the PBS is growing slower. The reason this has happened is no accident. It has occurred because of the measures Labor took. They are measures opposed and campaigned against by those opposite, to make the PBS sustainable without punishing the patients. As the Medicines Partnership of Australia pointed out on 24 April 2014: PBS expenditure actually fell last financial year and is forecast to rise at a rate lower than GDP growth throughout the current forward estimates, a fact confirmed in Mr Hockey’s latest figures. How it is then suddenly forecast to start increasing by nearly $1 billion a year is unexplained.

The PBS price disclosure reforms overseen by Labor during two terms in government have ensured that the PBS is sustainable and it has delivered billions of dollars in savings. At the moment the government spends around $9 billion per year on the PBS. The accelerated price disclosure has slowed the real rate of PBS growth and put the PBS on a sustainable footing.

In Labor’s last budget these changes were expected to deliver more than $1.8 billion in savings. Under the package announced in 2007 to 2017–18 the savings are closer to $20 billion. These are savings that this government should be using to ensure that the new drugs of the future or lifesaving drugs, such as Kalydeco, are listed as quickly as possible once they have been recommended by the Pharmaceutical Benefits Advisory Council. But that is not what we are seeing with this government.

Consistent with its approach to governing, so far, especially when it comes to health, this government is saying, ‘You will pay.’ At present, the PBS safety net threshold for general patients is $1,421. Once the PBS safety net is reached, general patients pay only $6 per prescription. For concessional patients, that goes to $360, and they will pay no out-of-pocket cost for medicines once that is reached. PBS safety net family arrangements also apply, where a family can combine PBS amounts to help them meet the safety net sooner.
The bill proposes to increase the PBS safety net by 10 per cent plus CPI indexation on 1 January, each year, from 2015 to 2018. The combined pensioners association, again, when asked about the PBS said:

A 2008 study found that when the Howard Government increased the price of PBS medications for pensioners, pensioners avoided purchasing life-saving medications.

It stands to reason that pensioners will limit their purchase of PBS medications when the co-payment jumps by 13% … This will be aggravated by the increase in the safety-net threshold, which will see a pensioner pay up to $427.80 per year …

This is bad legislation. It is bad legislation by a bad government built on lies. They should be condemned for it.

Ms BUTLER (Griffith) (12:33): I oppose the National Health Amendment (Pharmaceutical Benefits) Bill 2014, which is one that increases the Pharmaceutical Benefits Scheme co-payment for general patients by $5 to $42.70 and by 80c to $6.90 for concessional patients from 1 January 2015. The bill also increases the concessional PBS safety net threshold by two prescriptions per year and the general safety net threshold by 10 per cent per year, each year, for four years from 2015 to 2018. The additional fees for PBS co-payments will be in addition to the usual increases for CPI. We are told the bill is expected to raise $1.3 billion over four years and will contribute towards the Medical Research Future Fund that the government announced in its 2014-15 budget.

The opposition opposes the bill. The bill is one that will have a disproportionate effect on those least able to shoulder the burden on this government's cruel budget and its twisted priorities. This is a government, in its budget, that wants to introduce new charges for going to the doctor, new charges for going to imaging services, new charges for pathology and increased charges—as we are seeing in this bill today—for prescriptions.

Part of the reason I wanted to speak on this bill is it really exposes some of the difficulties with the GP tax. We are told it is a $7 tax. We are told that $7 is a small amount of money. Of course, $7 is not a small amount of money for people on lower and middle incomes, particularly for people who might have one or two people sick in the family at one time or for those, like me, who are the parents of young children. I understand the Treasurer said on television a little while ago that it would be unusual for more than one child to be sick at any one time. With respect to the Treasurer, I disagree. I think it would be more unusual if all the kids in the family did not get the cold or flu or pick up the same virus or illness at the same time.

Seven dollars is obviously a very concerning amount of money. More to the point, no one should be under any illusion about the Liberal-National government's preparedness to increase co-payments by greater than the CPI. That is what they did with the PBS co-payment increase in 2005 and it is what they are doing now with this bill. They are increasing the co-payment by greater than the CPI. Some of them are not explicitly stated, but the reason for the co-payment, in each case, is to send a so-called price signal. What is a price signal? It is a signal to people not to go to the doctor. It is a signal to people not to fill a prescription.

The Liberal-National government is implying that people are unnecessarily going to the doctor or are unnecessarily filling prescriptions. In other words, the government is calling Australians hypochondriacs. I do not believe Australians are hypochondriacs and nor should I believe it. There is no evidence to that effect. At the end of Terry Barnes's submission to the
Commission of Audit, in which he contended for a co-payment on GP visits, he acknowledged that he did not have any research that indicated Australians were unnecessarily seeing doctors. In many ways, this idea of a price signal is putting the cart before the horse. Surely before a government engages in a reckless policy of dissuading people from seeking medical assistance, that government ought to have evidence that people are unnecessarily seeking medical assistance. If there was such an issue and if the government had that research—and if it did, it would have clearly told us and come clean with the Australian people—then the government would have, if it were responsible and not reckless, created or crafted policy responses to deal with that specific issue rather than have this reckless policy that will see people who are in need of health care not seeking that assistance early or possibly at all.

A well-respected academic, Professor Stephen Duckett, a professor of health policy at La Trobe University and a director of the health program at the Grattan Institute, said:

"The effects are known: budget savings will be made—over $1b a year—off the backs of the poorest and most vulnerable. People who miss out on the safety net will now miss out on care as well."

That is what Professor Duckett said about the GP co-payment on The Conversation website, which is known to many people in this place.

Those concerns are backed by the evidence and the facts, which is what public policy ought to be based on, instead of ideology and liberal and national ideas that they need to somehow get poor, low- and middle-income people to stop going to the doctor and to stop filling prescriptions. The facts are as follows. The COAG Reform Council report released in early June found that 8.5 per cent of people in 2012-13 delayed or did not fill their prescription due to cost, in disadvantaged areas this figure was 12.4 per cent and for Indigenous people this figure was 36.4 per cent—that is, over one-third of Indigenous people did not fill their prescriptions because of cost.

The last time a Liberal-National government increased the tax on medicines, in 2005, prescriptions for some essential medicines fell by as much as 11 per cent. I am sure academics in Western Australia have been studying very closely what effect price increases have had on prescriptions being filled. We know what can happen when so-called price signals are sent. They have the exact effect that is intended. The intended effect is that people do not fill their prescriptions. The effect of the GP tax, the imaging tax and the blood test tax will be that people will not get that medical help. That is the entire intention of the co-payments.

We hear from the government all this language around sustainability. The money is not going back into Medicare; the money is going to the medical research fund that the government want to establish. They say this is an improvement to the sustainability of health spending in this country. It is obviously not about revenue into Medicare; it is obviously about expenditure from Medicare—in other words, dissuading Australians from going to the doctor, from getting X-rays, from getting blood tests or, in this case, from filling their prescriptions.

I cannot think of a more reckless policy than a policy that prevents people, that dissuades people and that reduces people's propensity to get medical assistance when they need it. There are enough impediments. There are attitudinal impediments. There are already difficulties in getting people to see doctors and to take their medicine when they need to. We do not need a policy that prevents people from getting medical help. We need a policy to help people get more medical help when they need it and to go to the doctor earlier—not ignore that feeling.
that something is wrong but actually get themselves checked out. We need to support preventative health measures, but this government wants to abolish the Preventive Health Agency. We need health reform that is aimed at planning the health workforce for the future. We know that there is going to be increasing demand for health workers, yet the government wants to abolish the workforce planning agency.

When it comes to pharmaceuticals, we know that this is a $1.3 billion tax increase on medicines that will hurt every Australian. This is part of a campaign by this government to create a two-tier user-pays health system. Doesn't that work so well in the United States? Aren't they pleased with their health system? The United States is one of only three countries in the OECD where a greater proportion of healthcare costs are borne by private funding sources than by public funding sources. Let us look at what has happened there. Health inflation has risen sharply over the past 30 years, much more sharply than general inflation, and the price of health goods has also risen sharply. Why would we want to follow the lead of a country that spends nearly 18 per cent of its GDP on health care when we spend in the vicinity of nine per cent of GDP on health care? Why would we want to Americanise our health system? The answer is simple: we do not want to Americanise our health system. Australia has a health system that is the envy of the world. The Australian health system is based on the principle of universality—everyone has access to the health care they need.

Yesterday in question time the Minister for Health mentioned that the purpose of bulk-billing was to be a safety net. That betrayed the Minister for Health's fundamental misunderstanding of our health system. Bulk-billing underpins universal health care in Australia. Bulk-billing is an important and fundamental part of our health system. It is not a safety net in a two-tier health system. We do not have a situation in this country yet where your income determines the quality of the health care that you can get. We do not want it to become the case that your income determines the quality of the health care that you get. But this move to increase the PBS co-payment by greater than the CPI, the new tax on GP visits, the new tax on imaging, the new tax on pathology—all of these things are aimed at creating a two-tier health system and aimed at shifting the funding of healthcare costs in this country further towards private sources and away from public sources. This is not something that the Labor Party will support. It is, as I said, a $1.3 billion tax increase on medicines. We will oppose it.

We say that it is not appropriate to ask the sickest Australians to fund this government's medical research foundation. We know it was a hurried policy—the government has admitted as much. We know that just a few weeks before the budget was handed down the policy was created. We also know that it is ill-considered, because it is a policy that robs today's sick to pay for research to help tomorrow's sick. It is a policy that asks the sickest Australians to fund the creation of a medical research foundation. The problem with policy on the run is that, apart from the fundamental difficulties with the policy itself, it does tend to lead to unintended consequences. We have already seen one of the health research bodies warning that it has received a number of communications from donors to say that they are no longer going to contribute to health research in this country because of the establishment of this fund. It is part of the risk of rushing through policy without thinking it through—it is policy that is motivated by ideology, not by evidence or by sound reasoning.
Labor is also concerned that some of Australia's most senior doctors have been speaking out against the Abbott government's co-payment plans. People from diverse sources are worried. In my own electorate I have been visited by health stakeholders, including the Doctors Reform Society, who have expressed grave concern about the changes to the health system. I have had constituents write to me concerned about the new GP tax. Just today I received a message from a constituent, David, on Twitter who said he received a text message from a local health service provider, advising that there was not yet a co-payment on their services. What would motivate a health service provider to send that text message to its patients? Obviously, the co-payment is already having the intended effect of dissuading people from using health services. The health service provider is trying to counteract that effect for their business. We on this side of the House consider it wrong and reckless to put in people's way obstacles to seeking the health care they need.

Mr Watts: (Gellibrand) (12:48): Like the member for Griffith, this is my first time in this House. The last election was my first campaign; I will recall it well for the rest of my life. However, I do not recall during the election campaign seeing the coalition promise that once elected it would increase the price of prescriptions for Australians. I do not recall the coalition, before it was elected, promise that it would introduce a two-tiered medical system in the country. I do not recall the promises to tear up universal health care in Australia. Maybe this was my neglect; maybe this was in a sealed section in the coalition's Real Solutions policy pamphlet. You know those sealed sections in women's magazines, Mr Deputy Speaker, where they keep the obscene bits that you do not want the public to read.

The Deputy Speaker: No, Member for Gellibrand, I don't.

Mr Watts: I know it does not appeal to you; I know these are not the kinds of things you would flip through. Nor are they the kinds of things that interest me.

The Deputy Speaker: I haven't bought a Women's Weekly for months!

Mr Watts: Perhaps I did miss this during the last election campaign and perhaps the coalition was upfront about its plans to jack up the prices of prescription medicines and to undermine our universal healthcare system. However, I suspect that a more likely explanation is that this bill before us is another example from a litany of broken promises from this government since the May budget.

Labor will oppose the $1.3 billion tax increase on medicine imposed by this National Health Amendment (Pharmaceutical Benefits) Bill 2014, because it will hurt every Australian. It is unfair and is another broken promise. There are many reasons for opposing this bill but the one that strikes me the most is the impact that increasing the cost of prescriptions will have on the use of prescription medicines in the community. The COAG Reform Council report released in early June found that 8.5 per cent of people in 2012-13 delayed or did not fill their prescription due to its cost. In disadvantaged areas like Melbourne's west that I represent, the figure was 12.4 per cent and for Indigenous people it was an extraordinary 36.4 per cent. If this bill does manage to pass, we can expect that these rates to increase even more. Call me a revolutionary, but I believe that people respond to price incentives. This may be foreign to the coalition government, which does not want a price signal or incentive for polluters, though a price signal for sick Australians does seem to attract the support of the Prime Minister.
It is important when we are talking about the PBS that we understand they are not just medications for the common cold. Drugs under the Pharmaceutical Benefits Scheme are required to help people to live a functional life. The last time a coalition government increased the tax on medicines in 2005, the number of prescriptions for some 'essential' medicines fell by as much as 11 per cent. These medications were prescribed by GPs as necessary for their patients' lives but were forgone because of their cost. We on this side of the House will do everything we can to ensure that this does not happen again. That is why we are opposing this bill in the House.

If this bill were really about the sustainability of the healthcare system, the revenue raised from these increases in the prices of prescription medicines would be returned to the PBS, to Medicare or to the Australian healthcare system. So far, however, the government has shown no interest in improving the lives of Australians experienced through the healthcare system. In fact, these changes are part of an ideological campaign to get rid of Australia's universal healthcare scheme and create a two-tiered user-pays system. As the member for Griffith indicated earlier, this is part of a concerted policy from the government to Americanise our healthcare system, in the same way that they are trying to Americanise our higher education system and in the same way that, if they got their druthers, they would try to Americanise our industrial relations system. The vision for this country held by those opposite is very different to the one held on this side of the House. We believe in a fair go. We believe in a compact between the voters and the government that we will live in a civilised society, not a dog-eat-dog user-pays system.

Australia's universal healthcare system means a lot to my constituents in Gellibrand, and it is part of this fair go. We believe in this compact that we will live in a civilised society where everyone has access to affordable, high-quality health care, regardless of their means. This is why we will not be supporting this government's unfair slug on sick Australians that has been built on the fibs, falsehoods, fictions and fabrications told by those opposite before the last election. Must we remind those opposite, yet again, of the promises the Prime Minister made before the last election that there would be no cuts to education, no cuts to health, no changes to pensions, no change to the GST, and no cuts to the ABC or SBS—and, a personal favourite of mine, 'What you'll get under us are tax cuts, with no new taxes'? In fact, the Prime Minister went so far as to say, on the Today program, that reducing taxes was his 'very reason for being in politics'. Yet I have lost count of the number of bills since the May budget that I have spoken on in this chamber in which this government is increasing the cost to Australians—increasing taxes.

At the same time that the government is increasing taxes it is cutting funding to education, cutting funding to health, changing the pension, goading the states into calling for an increase in the GST, cutting funding for the public broadcaster and introducing a new $7 tax every time you go to the GP and is now trying to push through this increase in the price of prescription medications. Where is the Prime Minister's respect for the Australian people? How can the Australian people ever trust this Prime Minister again, when he has broken so many promises in such a short period of time?

But you need not take the word of those of us on this side of the House about the impacts this bill will have on Australians. All you need to do is listen to the experts. Australia's most senior health experts have already warned that this government's budget will put Australia's
healthcare system back more than 50 years. Philip Clarke, Professor of Public Health at the University of Melbourne, recently wrote:

Clearly, it is consumers, particularly those with chronic diseases … that will feel the pain from these budget measures.

We on this side of the House are listening to experts like Mr Clarke, and after listening to his analysis and many others in the sector we cannot support a bill as unfair as the one currently before us.

The proposed price increases in this bill come off the back of cuts already made by this government to the healthcare sector—cuts it promised before the last election that it would not be making. So far the government has conceded that it will slash $1.8 billion from Australia's public hospitals, including public hospitals in my electorate and, as part of the Western Health network, Williamstown Hospital, Sunshine Hospital and Western Hospital in Footscray, and will introduce a new $7 tax on doctor visits—a $7 tax that you can be sure will become $15 in short order, as recommended by the Commission of Audit, the ideological priesthood of this coalition government. We have seen already from those opposite proposed cuts of hundreds of millions of dollars to preventive health, dental health and Australia's health workforce. It is extraordinary, as the member for Gellibrand coming into this House, seeing that those opposite do not support preventive health in our community. My predecessor in this seat championed many worthy preventive health initiatives and I can only speculate as to why those opposite are so hostile to preventive health. It may be that seven of the Institute of Public Affairs' list of items for the government to get out of the way once it was elected, to be more radical than Whitlam, related to the repeal of preventive health measures. Why is the IPA hostile to preventive health measures? Why would the IPA not want us doing something about tobacco? Why would the IPA not want us doing something about big alcohol, about big food? I leave that question in the ether, but because the IPA does not disclose its funding sources we could not infer that these positions were taken as a result of their political donors. So I do not make that inference here today, but if they did disclose it then maybe we would have an explanation for this mystery.

It is important to recognise here that the PBS works differently from the MBS. High-income earners pay a Medicare levy surcharge to support the MBS. This is not the case for the PBS. Labor does not support this, especially in the context of the other draconian measures this government has proposed as part of its budget of broken promises—in particular, the taxes it wants to increase and introduce for doctor visits, pathology and medical imaging.

The government has tried to point the finger at Labor in this debate and claim that we too made changes to the PBS. The point, however, is that the changes made by Labor in government would have put the PBS on a sustainable footing—reinvesting in the scheme to improve accessibility to a wider range of medicines. The changes in this bill are an unnecessary slug on Australians, who already have very high out-of-pocket costs. The government is desperately trying to find new sources of revenue without thinking about the effects such changes will have on people in the community, particularly the vulnerable. If the government was actually trying to put the PBS on a sustainable path, it would be reinvesting the money raised by these increase back into the scheme. However, it is not. Instead, the government is putting money into the Medical Research Future Fund. The minister has refused to guarantee that this fund will not see the government shirking its responsibilities to
continue funding medical research in the future through the National Health and Medical Research Council, should it be re-elected. It is an extraordinary proposition: to tax today's sick in order to search for a cure for tomorrow's ill.

The PBS is currently operating on a sustainable basis. In fact, the PBS is growing at a much slower rate than expected, and recent budget updates have shown that the PBS is growing at a slower rate than it was expected to. This has not happened accidentally; it has come about because of a number of measures Labor took in government, measures that were opposed and campaigned against by the Prime Minister and those opposite. Labor's work, including the price disclosure reforms, made the PBS sustainable without punishing patients.

The current bill before the House punishes patients beyond belief. At the moment, the government spends around $9 billion per year on the PBS. Accelerated price disclosure has slowed the real rate of PBS growth and put the PBS on the necessary maintainable long-term footing. In Labor's last budget, there were changes that were expected to deliver more than $1.8 billion in savings. Over the years from 2007 to 2017-18, the savings were close to $20 billion. These are savings that the government should be using to ensure that the new drugs of the future, or lifesaving drugs, are listed as quickly as possible once they have been recommended by the Pharmaceutical Benefits Advisory Council. But that is not what we are seeing from this government. Consistent with its approach to governing so far, especially when it comes to health, this government is saying, 'You pay or you go without.'

At present, the PBS safety net threshold for general patients is $1,421. Once the PBS safety net is reached, general patients pay only $6 for each prescription. For concessional patients, the PBS safety net is $360 and concessional patients pay no additional out-of-pocket costs for medicines once the safety net is reached. PBS safety net family arrangements also apply, whereby a family can combine PBS amounts, which can mean that at present families meet the safety net sooner. For PBS safety net purposes, a family comprises a couple legally married and not separated, with or without dependent children; a couple in a de facto relationship, with or without dependent children; or a single person with dependent children.

This bill proposes to increase the PBS safety net, on 1 January each year from 2015 to 2018, by 10 per cent plus an amount based on annual CPI indexation. From 1 January 2019, the government states that only CPI indexation will apply, but it is fair to be sceptical of the government's promise here given that it has broken every promise it has made when it comes to health care so far. In addition to increasing the PBS safety net for general patients, this bill proposes to increase the PBS safety net for concessional patients. This bill proposes to increase the concessional PBS safety net by two prescriptions each year from 1 January 2015 to 2018. Not only will medicines become more expensive but for the most vulnerable—and the safety net is there to protect Australians who are in a very vulnerable situation—the safety net to help them will be further and further away.

In my electorate of Gellibrand, I recently visited the Williamstown emergency relief centre. After speaking to a number of people on the day, one thing became abundantly clear: many people in our community are already struggling to keep their head above water. With the cost of living continuing to rise, the current cost of medication is something many of these people already struggle with. Slugging them with a tax on their medicines will only make their lives even harder. They do not need that added cost, especially when many of those medicines are
for life-saving purposes. It is the government's duty to help people like those who rely on the relief centre in Williamstown. We should be supporting them, not punishing them.

To conclude, I think it is important to highlight the objective set out in the National Medicines Policy, which the PBS comes under. The National Medicines Policy aims to achieve positive health outcomes for all Australians through access to and wise use of medicines. It is difficult to see how the bill before the House conforms with these objectives. This bill is, at the highest level, yet another example of how the coalition is attempting to change our country, attempting to turn our country into a dog-eat-dog society where the basic, fundamental tenets of the fair go that we have relied on over the last 40 years are thrown out the window. It is unsurprising those opposite did not bring the Australian people in on this plan before the last election. It is quite clear that, in my electorate, people did not vote for these changes—and they do not want them. I assure all those in this House that Labor will fight these changes both here and in the other place.

Ms RISHWORTH (Kingston) (13:03): The National Health Amendment (Pharmaceutical Benefits) Bill 2014 is just one of many bills before the House attacking our universal healthcare system. What we have seen in this budget of broken promises is a cost-shift from government to ordinary people—aimed at pricing them out of the healthcare system. The proposed GP tax would spell the end of universal health care. I have spoken many times in this place about the extra expense that the GP tax will impose on people. In my community, many people are very confused. When I tell them—they did not realise this; they thought the $7 GP tax was bad enough—that they will have to pay the tax on X-rays, on blood tests and on similar services, they are quite clearly shocked. Then, on top of that, I have to tell them about the government's proposal to significantly increase the cost of medicines as well. If you are thinking of visiting the doctor, getting a blood test, going back to the doctor to get a prescription and then getting that prescription filled, you will have to pay the government's new taxes at each step. So these budget measures will end up taking many dollars out of your pocket. I think that is very concerning.

Labor will oppose this $1.3 billion tax increase on medicines—because it will hurt every Australian. There are many people who delay filling, or who do not fill, their prescriptions because of the cost. It is important to recognise that deterring people from getting essential medicines is a significant issue. When the Liberal government increased the tax on medicines in 2005, sales of some essential medicines fell by as much as 11 per cent. That means that people were not getting their prescriptions filled—even though these medicines were essential medicines—because they just could not afford it.

The Minister for Health and many of those on the other side think that this is just a small amount of money for people. They do not realise that forking out extra money every time you go to the doctor—$7 plus $7 plus $5 and so on—adds up. If you have a couple of children, it adds up even more, and the cost does eventually deter people from getting the health care they need. I find it quite strange that, when we are looking at ensuring that people have the medicines they need—and, indeed, at ensuring that they get the primary health care they need—the government seems to be pulling money away. What will be the consequence if we do not ensure that people are taking the essential medicines they need? What will be the consequence if they are not going and getting a check from their GP? They will end up in hospital—and we know that hospital care imposes higher costs on the taxpayer. So when the
health minister comes in here and talks about sustainability of the healthcare sector, what he is really doing is lazy policy development. He is shoving a whole lot of costs onto consumers without doing any analysis of what will happen to the most expensive part of the healthcare sector—hospitals.

We hear day by day the rhetoric from the minister that our healthcare system is not sustainable. It is just not true. Our universal healthcare system is the envy of the world, and the costs are kept in check. The PBS has ensured that many people can get the medicines that they need. That is not to say that we do not need to look continually at our system and make sure that it continues to be efficient, but shoving costs onto patients in the community will not somehow make the system more effective. It might cost the government a little bit less in the short run—because people will not go to the doctor when they are sick and they will not get the medicines that they need—but those costs will come out somewhere else, and that will be in our emergency departments.

These changes are part of an ideological campaign to get rid of our universal healthcare system and create a two-tiered user-pays system. There has been criticism right across the world of two-tiered systems that do not ensure that people can get help when they need it. So it is strange that this government seems to be clambering to ensure that we have a two-tiered user-pays system where if you can afford your healthcare costs then you can get the health care you need, but if you cannot afford them then you will not. Some of Australia's most senior doctors have already warned that changes in this budget will put Australia's healthcare system back 50 years.

The price increase comes off the back of the $80 billion in cuts to our public hospitals and schools. While moving costs onto ordinary Australians for their health care and ensuring they bear the brunt of these costs, the government is also cutting funding to our hospitals. In South Australia the cuts equate to about $655 million—equivalent to the cost of running Flinders Medical Centre. Flinders Medical Centre is one of the important hospitals in South Australia; it takes on many patients from my electorate. Without the amount of money being cut by the Commonwealth, that centre could not exist. Of course, the state government are ensuring that they continue to support Flinders hospital, but that is the size of the cuts that we are talking about.

We hear regularly the Minister for Health say that the PBS and MBS are the same. Of course, they are not the same. We pay a Medicare levy and high-income earners pay a Medicare levy surcharge. There are no such funding arrangements for the PBS. I think it is really important to note that this increase will have a significant impact on our most vulnerable. The government's argument that their intention is for the PBS to grow in a sustainable way is complete nonsense. If that were the case, they would be investing the money they save back into health. Of course, they are not doing this.

Labor did a lot of hard work when in government, especially when it came to the PBS. Accelerated price disclosure has slowed the real rate of the PBS growth and put the PBS on a sustainable footing. I remember distinctively that when Labor was making these difficult decisions those in the coalition were crying blue murder. They spoke out very much against price disclosure, saying: 'This is terrible. How dare you accelerate price disclosure.' While Labor was doing the hard yards in policy reform to make the PBS sustainable, the coalition were saying: 'Don't do it. That's not fair for pharmacists around the country. It shouldn’t
happen.' What we are seeing now is the Liberal Party not only adopting those measures but also saying, 'That's not enough; we are going to move those costs onto patients.' That is very concerning.

When it comes to price disclosure, the package announced in 2007, running to 2017-18, will have savings of close to $20 billion. That is significant reform, and those are significant savings to ensure the PBS is sustainable. It would be nice to see this government do the hard policy yards, rather than just say to Australians: 'We can't be bothered looking at reform. We are just going to put the cost onto you. Here is $5 extra for your prescription, another $7 for the GP and then $7 for an X-ray.' It just keeps going on. As I have said many times, this will have a perverse impact on our health system. It will not result in savings. It might look better in that one budget item because fewer people are going to the GP, but of course the costs will come out in other areas.

It is important to note that this bill before the House is part of a pretty nasty budget that will hit people in the community. I held a seniors forum in my electorate last Friday. People are really concerned about this. The government seems so out of touch. The government seems to stop listening to people about their concerns. Even at our seniors forum, people were raising concerns about the changes to Newstart and about the issue of young people being cut off for six months. One gentleman said, 'That's all right; these young people can rob the doctor's surgery, because there will be plenty of money there.' That is the cynicism out there in the community about what these changes will mean and about how little this government cares about the cost of living for so many people. I think it is really important.

The bill proposes to increase the PBS safety net by 10 per cent plus CPI indexation on 1 January each year from 2015 to 2018. The government states that from 1 January 2019 only the CPI index will apply, but it is fair to be sceptical of the government's promise on that when it has broken every single promise when it comes to health care. I think that is an important point to make. The bill before us today is not something that reflects how the Australian people thought things would be before the election. I held a seniors forum in my electorate last Friday. People are really concerned about this. The government seems so out of touch. The government seems to stop listening to people about their concerns. Even at our seniors forum, people were raising concerns about the changes to Newstart and about the issue of young people being cut off for six months. One gentleman said, 'That's all right; these young people can rob the doctor's surgery, because there will be plenty of money there.' That is the cynicism out there in the community about what these changes will mean and about how little this government cares about the cost of living for so many people. I think it is really important.

This bill proposes to increase the concessional PBS safety net by two prescriptions each year from 1 January 2015 to 2018. This means that not only will medicines become more expensive for those who are at their most vulnerable—and the safety net is there to protect Australians who are in very vulnerable situations—but the safety net will also be further and further away. This is another concern. It is another tricky item that the government has put into this bill.
This bill represents one of the many, many items in the budget that are unfair and tricky—things that the Australian people did not expect. They did not expect another broken promise. I think it is the case for many people—certainly for those I meet when I am out in my electorate—that they have just run out of fingers and toes on which to count the broken promises of this government. They add them up, and there are the cuts to education, the cuts to health, the cuts to family payments and the cuts to pensions—the list goes on and on and on. I would ask the government to reconsider this bill. I think it is a somewhat lazy and also unfair way of shifting the cost to ordinary Australians. This bill, along with so many other costs, such as the increase in the GP tax, will be a huge burden.

I have mentioned emergency departments on numerous occasions, and I have to say that it is disappointing that it is the federal government who is advocating for a co-payment at emergency departments as well. This is their answer to stopping people from going there. If people cannot afford to go to a doctor or cannot afford to get their medicines and they turn up at emergency, it is a case of: let's charge them there as well. I am really proud that the South Australian government has ruled out charging co-payments at emergency departments. I would be very concerned if, as a result of that, this government made any more cuts. We know that today Joe Hockey has said that he would like to see more cuts on top of the ones that we have already got. I think we need to stand up—and this side of the parliament will stand up—for the Australian people when it comes to health in order to ensure that we have an affordable, accessible, universal healthcare system that does not mean that you get health care if you can afford it but, more importantly, that you get health care when you need it.

Mr GILES (Scullin) (13:18): I rise in opposition to the National Health Amendment (Pharmaceutical Benefits) Bill 2014. I am particularly pleased to be following the member for Kingston and to have been in the chamber for what was a very effective contribution, like that of many opposition members in this debate. I think something that is striking in this debate and quite telling in terms of the policy and political implications of this debate is the unwillingness of government members to speak to this piece of legislation. We have heard some terrific contributions from a number of my Labor colleagues today, but government members have been unwilling to join in this debate. I think that is revealing, and I can well understand why they have chosen not to participate in this conversation.

I rise in opposition to the legislation, in opposition to another broken promise and in opposition to further cuts to health. I also rise to make a contribution in support of universal health care—a core Labor value and, I believe, a core Australian value. Earlier this year, I think in February, we celebrated the 30th birthday of Medicare. It is a wonderful achievement and one that I think is central to the very fabric of contemporary Australian society—certainly to a conception of Australian social democracy that we on this side of the House hold so dear. It is part of our social compact. The shadow minister, in her contribution to this debate, very effectively reflected on this in highlighting the PBS’s role in ensuring that health and wealth are not synonymous and that everyone gets those medicines that they need, not those that they can afford. In thinking about Medicare’s 30th birthday, I am also struck, perhaps because I am also 40 years old, that it should have been—

Mr McCormack: You’ve had a hard life!

Mr GILES: A very hard life and it is getting harder, Parliamentary Secretary, for me, but more importantly for many of the people that I represent and the people that the member for
Calwell represents due to the changes and broken promises effected by this government. It should have been Medicare's 40th birthday this year. In 1973 the Whitlam government enacted Medicare and transformed access to health care for Australians. It should have been Medicare's 40th birthday and it would have been but for the actions of another conservative government. So whatever members opposite say about their great friendship with Medicare—the health minister and the Prime Minister himself, who was a former health minister—opposition to it and to universal health care is in their DNA. So it seems pretty clear to me that this bill is an expression of their ideology. Talk of sustainability of the PBS and of sustainability of our health system more generally is a very unconvincing fig leaf—or maybe it is just shorthand for Americanising health care in Australia, walking away from universality by using weasel words.

The changes before us are part of a deeply ideological campaign to get rid of Australia's universal healthcare scheme and to create a two-tiered, user-pays system of health care in Australia. I am mindful, even if the minister is not, of the warnings from most of Australia's most senior doctors that the changes in this budget, of which these measures are only a part, will put back Australia's health system over 50 years, so again under this government we go back to the future; back to the imagined golden age of the Prime Minister's childhood; back to before Whitlam and back to before Medicare's first iteration. I wonder if this explains the health minister's apparent deep interest in matters of history—distant history, of course; he is not very interested in talking about his performance in the last parliament as a silent shadow minister. Perhaps if he had engaged more in the debate over that time we would be better placed now, as this government considers how it will meet our health challenges.

The minister has a lot to say about the past. Apparently he has a deep interest in health debates under the Hawke government, more than 20 years ago, but he has very little to say about future challenges. As the shadow minister, the member for Kingston, just said, we see lazy policy from a lazy minister who was of course a lazy shadow minister. He seems to be entirely uninterested in facing up to the real challenges in his portfolio. There has been discussion on this side of the House about the challenges in preventative health, and all we have seen is this government—to be fair, they have been consistent with this—walking away from preventative health and pushing people into the expensive tertiary end of the spectrum. In the matter of public importance discussion yesterday, in the minister's 10-minute contribution I am not sure he spent two minutes talking about his portfolio. He was much more excited about showing his contempt for nurses and their representative organisation and discussing at some length his imagined view of how Labor Party preselections are conducted—matters a long way from the very serious matter of public importance before the House yesterday and the challenges we are discussing here today.

If the minister were interested in facing the sustainability challenge, that narrow element of challenge in his portfolio responsibilities, he would have come up with an alternative—the sort of alternative most of the academic contributors to this space have been talking about, like changes to pricing arrangements. Since 1948, some time before Medicare, the Chifley Labor government enacted the PBS and since then it has worked effectively to provide Australians with affordable access to necessary medicines, with the government subsidising those medicines to ensure access based on need. It meets health and economic imperatives. I
note that earlier this month the OECD recognised that Australia's pharmaceutical spending as a percentage of health expenditure was below average.

This bill would increase the Pharmaceutical Benefits Scheme co-payments for general patients by $5 to $42.70 and by 80c to $6.90 for concessional patients from 1 January next year—less than six months time. It also increases the concessional PBS safety net threshold by two prescriptions per year and the general safety net threshold by 10 per cent each year for the four years from 2015 to 2018. I note that there are changes to the Repatriation Pharmaceutical Benefits Scheme as well. These increases are in addition to the usual increases through CPI and indexation and will create many real budget emergencies for families in the Scullin electorate and right around the country.

In considering this bill I have had regard, as I am sure members opposite would have, to the work of the Parliamentary Joint Committee on Human Rights. It noted in its evaluation of the bill:

… the effect of the Bill will be to increase the cost of medications for all consumers, including those reliant on social security payments.

It went on to say that the proposed measures represent ‘a limitation on the right to health and/or a retrogressive measure, which is not explicitly addressed in the statement of compatibility for the bill’. The committee went on to comment that it would expect a statement of compatibility to provide an economic assessment of the impact of the bill on individuals and their capacity to bear the additional up-front payments for medicines—a not unreasonable request, you might think. The committee has also requested the minister advise further as to the purpose of the proposed measures and whether they can be considered reasonable. I note that the minister is in the chamber, and I await his response.

I have also been mindful of the response of stakeholders. Unsurprisingly, the Pharmacy Guild of Australia has concerns. I note with greater interest, with all due respect to the Pharmacy Guild, the comments of the Consumers Health Forum, which has expressed its deep concern over growing out-of-pocket costs. It strongly opposes these changes, looking to some significant American research indicating that where there is a co-payment people could be four to five times more likely not to have prescriptions filled than when there is no co-payment. These concerns are also echoed by the Public Health Association of Australia, and Michael Moore, the CEO of that organisation, has stated that the measures are inequitable and would affect society's most vulnerable members. He goes on to argue that the people to whom this is most important are the vulnerable, such as Aboriginals and Torres Strait Islanders, people from low socioeconomic backgrounds or from non-English-speaking backgrounds, and the elderly. These very significant concerns should be considered seriously in this place and in the other place should the bill proceed from here.

I note that the bill is expected to raise $1.3 billion over the forward estimates, and that this would be contributed to the government's much vaunted Medical Research Future Fund. The purpose to which these moneys are to be attributed is an important aspect of this debate. It seems to be a reverse hypothecation and it bells the cat on the claims of system sustainability justifying these changes. If it were really about sustainability of the health system, the revenue would be going back into funding health care today and not looking to the sick today to fund future research.
As the member for Kingston and other speakers on the Labor side have noted, Labor made changes to the PBS in government that put it on a sustainable footing. The changes before us are an unnecessary impost on Australians struggling to make ends meet due in large part to other budgetary decisions of this government. Labor's approach looked to the evidence—it looked to proper consultation and had regard to stakeholders, unlike the approach of this government and this minister. These changes will have a real impact on people's lives—unfilled prescriptions on top of doctors visits deferred due to the GP tax.

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

STATEMENTS BY MEMBERS

Middle East

Ms VAMVAKINOU (Calwell) (13:30): This July marks 10 years since the International Court of Justice handed down its advisory opinion on the legal consequences of the construction of Israel's wall in the occupied Palestinian territory. The court determined that the wall and all Israeli settlements in East Jerusalem and the West Bank are illegal, and that the fourth Geneva Convention applies to the Israeli-Palestinian conflict in full.

The Parliamentary Friends of Palestine hosted a forum yesterday commemorating the 10th anniversary of the ICJ, and our guest speaker was Professor Ben Saul from the University of Sydney. This event was timely, given the tragic situation in Gaza at the moment. It is devastating that Israel has decided to resume air strikes in the Gaza Strip following the collapse of the very short-lived ceasefire. Tragically for the people in Gaza, the eight-day conflict has already killed almost 200 Palestinians, 100 of whom were civilians, amongst them 31 children. With Hamas militants defying Arab and Western calls to cease rocket attacks, and with Israel threatening to step up an offensive that could include an invasion of this most densely populated enclave, it is imperative that both sides now show restraint in what is a devastating blow to peace prospects and what is also a predictable, disproportionate and cruel attack on the Palestinians in Gaza.

We as a parliament should all be very concerned about this situation. I also believe that we as a parliament should be speaking up and voicing our concern about a situation in the Middle East that could have tragic and dire consequences if it does not come to some sort of end.

Jackson, Miss Georgina

Ms LANDRY (Capricornia) (13:31): Recently I had the pleasure of meeting Georgina Jackson, a year 12 student from Dysart in central Queensland. Dysart is the heart of the coal-mining industry in my electorate of Capricornia. Georgina was the Capricornia winner of ABC Radio's Heywire competition promoted by ABC Rural. Heywire encourages young people across Australia to tell their stories about life in regional communities. Georgina's story tells of the transition of moving from a major city to Dysart, about an 1½-hour drive from Brisbane. Georgina and her fellow winners from around Australia attended the national Heywire Regional Youth Summit at Parliament House. I also sat with Georgina at the Heywire dinner at the National Portrait Gallery. Georgina is a delightful young woman, a worthy winner, and a wonderful ambassador for her home town of Dysart. I commend Georgina for her story, which provided a positive insight into life in a small mining town.
congratulate her and the ABC Heywire team for a successful project. Young people in Capricornia are our future, and I urge them to undertake projects that promote their part of the world.

Buckland, Mr Martin

Kerr, Mr Daniel

Ms McGOWAN (Indi) (13:32): My condolences go to the families of two Melbourne men, Daniel Kerr and Martin Buckland, who perished at Mt Bogong in the Victorian Alps on the weekend. My sympathy is with their loved ones and friends, as they grieve this double tragedy and try to come to terms with what has happened. These men were doing what they loved in one of the most scenic parts of Australia.

It takes a huge community effort to conduct a significant search and rescue. I want to thank everybody who participated in this harrowing task. This includes members of the Victoria Police Search and Rescue Squad, local SES volunteers, the Birkebeiner Nordic Ski Club Search & Rescue Group, and Falls Creek Ski Patrol members. These rescuers take a selfless approach to finding people in the mountains. Their roles need to be acknowledged by this House. My thoughts are with them all.

The snowfields have enjoyed one of the best starts to the season in more than 20 years. I am informed that ski conditions are rare: the snow is dry and powdery, leading to the risk of avalanches in steep areas yet perfect conditions on the slopes. I warmly encourage my parliamentary colleagues and staff to come and visit the Indi snowfields this winter—Falls Creek, Hotham and Buller—they are at their best. However, bear in mind that the Victorian Alps can be treacherous as well as beautiful.

Broadband

WYATT ROY (Longman) (13:34): I am going to take this opportunity to congratulate the Minister for Communications on the work that he is doing to get the NBN rollout back on track. As part of the NBN rollout, we are going to see a trial of our policy of fibre-to-the-node rolled out across 200,000 homes across the country—that is 30,000 homes in the electorate of Longman.

Opposition members interjecting—

WYATT ROY: I see members opposite interjecting about how we are getting the NBN rollout back on track: as I said, in the next 12 months we expect to pass 200,000 premises across the country with our policy—under Labor, it took four long years to deliver that access to that many homes. Using fibre-to-the-node—our policy—in the UK in the same time period, BT was able to pass 19 million premises. So we have a situation where, under the coalition, locals will enjoy incredibly fast internet, years sooner and at less cost to the taxpayer. I see members opposite interjecting and saying it is not fast enough—well, for people in my electorate who have some of the worst internet in the country, the speeds will be more than enough to stream 10 high-definition TV shows into the home at one time, and to upload a three-minute YouTube video in just 42 seconds. We are getting the NBN back on track, and it will ensure that locals have affordable internet at extremely high speeds years sooner than they would have under Labor.
Chisholm Electorate: Overseas Students

Ms BURKE (Chisholm) (13:36): Many international students choose to live in my electorate, and I get the opportunity to talk to them regularly—students like Kevin, who is with me in the chamber today and is a final-year accounting student at Deakin University in my electorate. Chisholm is home to two very large campuses, Monash University and Deakin University. They have many international students. Because of that, many students choose to come and live in my electorate, to work in my electorate and to add to the economic benefit of my community. It is good to see that over the last couple of years there has been a rise in the number of international students coming back to Australian universities. But all of this could be put at risk by the government's changes in the budget to university funding and to fees. Many international students will be put off coming to Australia. They are already being attracted to places like Canada, New Zealand, the UK and Singapore—not only because of the cost impost of living in Australia but also because of the fee increases they fear and the recent changes to migration laws. When I ask international university students why they come here, they tell me that Australia is a beautiful country and its immigration policy is great. They wish to migrate and live in Australia after they graduate. But recent changes to immigration are making that more and more difficult for them. They are also looking at the change to the recent family reunion visa and saying, 'If I come and settle, I will never be able to bring my parents out.' The international student market is our largest export market and we should not put this at risk.

Hume Electorate: Australian Vocational Student Prize

Mr TAYLOR (Hume) (13:37): The final year of secondary school is a challenging year for students. I would like to congratulate eight year 12 students in Hume who have been awarded one of the top prizes for vocational education and training in school. These students are among 500 Australia-wide who have received the Australian Vocational Student Prize, which recognises the skills and achievements of students who take on vocational education in their final year. Congratulations go to year 12 students Aidan Ward, Shannon Meyer, Rebecca Hill and Nicholas Fitzpatrick from Young High School, Brendan Maxwell from Hennessy Catholic College in Young, Nicholas Cooley from Goulburn's Trinity Catholic College and Katelyn Burton and Ethan McKenzie from Picton High School.

The government's vocational training in schools program will redress the shameful situation, from recent years, of youth unemployment and skill gaps. Department of Employment research shows a concentration of skill shortages within the trades. Skill shortages in food, in construction and in resource related trades are a great concern in my electorate, with slightly over 50 per cent of the positions being filled. The government's vocational training in schools program will have stronger links to industry and training providers so that graduates can be equipped with the skills employers need. The future prosperity of our economy very much depends on a highly skilled workforce.

Micah Challenge

Mr GILES (Scullin) (13:39): On 24 June I met with Shelley Taylor, Tony Dawson, Cherry Johnson, Jesse Mawson and Andrew Palmer, who are involved in Micah Challenge. Micah Challenge is a movement of Australian Christians speaking out against poverty and injustice. Since 2005, participants in Micah Challenge have campaigned in support of
Australia doing all we can to help achieve the Millennium Development Goals to tackle some of the most harmful aspects of extreme poverty around the world. Meeting these goals and effectively contributing to tackling global poverty have been, until recently, a bipartisan commitment, first made by Prime Minister John Howard and supported by parliamentarians from all parties.

Micah Challenge's current campaign focuses on shining the light on tax avoidance and evasion, with the amount forgone dwarfing that spent on aid to developing countries. I was struck by how well informed, articulate and passionate those giving the presentation to me were, particularly given Cherry's relative youth. Their presentation went to how tax avoidance and evasion in developing countries are major obstacles to lifting people out of poverty. Therefore, on behalf of Micah Challenge, I ask the Treasurer to ensure this issue is dealt with at the G20 meeting in Australia.

I want to thank Micah Challenge, particularly Cherry, Tony, Shelley, Jesse and Andrew, for their work and for their generous offering of two delicious apple pies—much appreciated by hungry members and staff, including some present here! I wish them well and will do all I can to help shine the light.

**Stroke**

**Dr HENDY** (Eden-Monaro) (13:40): I wish to refer the House to an important report that was released two days ago by the National Stroke Foundation. It is entitled *Stroke in Australia: no postcode untouched* and details the consequences of the medical condition known as stroke. The report documented the concerning statistic that every 10 minutes someone in Australia suffers a stroke and that in one week the nation averages almost 1,000 new cases. A key message of the report is that it affects all areas of the nation. The statistics are particularly bad for regional and rural areas. The New South Wales coast, for example, features heavily with six of the top 10 federal electorates for high blood pressure and high cholesterol. My electorate of Eden-Monaro has the fourth highest number of residents with high cholesterol, at 28 per cent of the population. Overall in Eden-Monaro, it is estimated that there will be 385 strokes this year, and it is known that there are currently 3,328 stroke survivors. At a personal level, I know fully the consequences of stroke with both my mother and grandfather having suffered the consequences. I know that this is an area that is front and centre on the government's agenda. In particular, I hope that the $20 billion Medical Research Future Fund, which was a centrepiece of the recent budget, will contribute to our nation's ability to deal with this crippling medical condition.

**Radio Licences**

**Ms BRODTMANN** (Canberra) (13:42): We all love radio. Through radio, we keep up to date with the news, the latest music and our local community. As politicians, we know better than most that radio is a great way to communicate with our constituents.

More and more people are streaming radio online. They listen to radio through their phone and through their computer every day. What would we do, I wonder, if we woke up one day and were unable to listen to our favourite radio stations? This is the situation currently facing millions of Australians who have been unable to listen to their favourite radio stations online since late last year.
For over 10 months, the Minister for Communications has had on his desk the recommendations of the Senate Environment and Communications References Committee calling on him to resolve ambiguity that currently exists around whether online broadcasting is a simulcast or a separate broadcast. In over 10 months, he has done nothing. While this ambiguity exists, radio stations are paying double for their licensing fees, which has forced nearly 200 regional radio stations, including many right here in Canberra, to cease online broadcasting altogether.

I have a petition, signed by 783 Canberrans, calling on the minister to take action to fix the situation as a matter of urgency. On behalf of these frustrated Canberrans, the people in the region and the many people throughout Australia concerned about this, I urge the minister to stop ignoring these concerns and to take action now. (Time expired)

MacTier, Lady Mary

Mr NIKOLIC (Bass) (13:43): On 27 June this year the people of Flinders Island, in my electorate of Bass, helped local resident Lady Mary MacTier celebrate her 100th birthday. Getting to 100 years is a noteworthy achievement, but the story of Lady MacTier and her husband, the late Sir Stuart MacTier, is no less remarkable. In 1980 the couple made the momentous decision to sell up in Scotland and to move to Australia to be closer to their three children. Lady MacTier said they were not prepared to go to any of Australia's 'hot spots', preferring the sort of temperate climate and occasional brave day that they would find in Scotland. The family found a home on Flinders Island, in the middle of Bass Strait—a community of about 1,000 people who rely largely on the land and sea for their livelihoods. It is a close, self-reliant community, where the scenery is rugged and sometimes wild, but always beautiful. Life in a remote island community also comes with challenges. Just about everything is shipped or flown in and farm produce has to be shipped to mainland markets. There are few of the social amenities that we take for granted.

The MacTier family embraced island life and Flinders Island has embraced them. They are successful farmers and Lady MacTier brought her love of Scottish country dancing to the island. She was an active dancer until quite recently. I visited Flinders Island recently and spoke with Lady MacTier's son Hugh. I put on record my congratulations to Lady MacTier on her 100th birthday and wish her, the MacTier family and their island home all the very best.

Ferry, Ms Patricia

Dr CHALMERS (Rankin) (13:45): I rise to mark the life and contribution of Patricia Ferry, who was the President of the Logan Branch of the Australian Pensioners and Superannuants League and who lived in my electorate. Pat's recent passing was such a big loss for our community. We lost someone with an incredible commitment to representing pensioners and superannuants but, beyond that as well, a really big commitment to the people of our area.

The league meets on a Friday each month over at the library at Woodridge a couple of doors up from my office. One of the things I most looked forward to was catching up with Pat before the meeting over a cup of tea and some fruit cake baked by one of the members. Hers was a very interesting life. Her mind was inquisitive, her conversational abilities were impeccable and her humour was sharp. These are the things her friends will miss. The
Pensioners and Superannuants League will miss her skilful chairing of meetings and the fair-minded way she went about dealing with people, including their new federal MP.

I never talked partisan politics with Pat and I do not know how she voted, but her driving concern was for the welfare of others. I am sure it was that concern and not any political motivation that drove her to speak out against policies like the new GP tax, like she did in the weeks before her passing.

To her family, including her daughter Barbara, who relayed the sad news to us, we send our thoughts and condolences. Perhaps there is no better thing to say about someone than that they looked out for other people and looked after other people. We can say that about Pat Ferry. May she rest in peace.

Citizenship

Mr SIMPKINS (Cowan) (13:46): On Monday I spoke about the issue of revoking citizenship for those Australian dual citizens who are involved in terrorist activities or fighting for or supporting extremist causes. Although I have received over 1,000 likes for that entry on Facebook, I would like to say that the support for my proposal goes way beyond just social media. Two Saturdays ago, on 5 July, at Murray Street Mall, the Iraqi community in Perth applauded very loudly when I talked about this way to combat extremism. I was very encouraged by that. When Sunnis, Shi'ites, Kurds and Christians gather together against extremists here and in Iraq it is very encouraging.

It is time if not to follow then to really examine what Canada is doing at the moment. They are changing their citizenship laws. I believe that proposed bill is up to the third reading over in Canada. There has been some criticism of various aspects of that bill—the C-24 bill—but what has not been criticised is the terrorism and extremist causes revoking citizenship measure. So I advise that we move ahead with that.

Chinese Youth League of Australia

Mr THISTLETHWAITE (Kingsford Smith) (13:48): I wish to congratulate the Chinese Youth League of Australia, which recently celebrated its 75th anniversary at a gala dinner in Sydney on 5 July that I was fortunate to attend. The Chinese Youth League is a not-for-profit organisation with a simple but effective mission—to promote friendship between Australia and China and to do this by improving understanding of Chinese culture and heritage in Australia. It achieves this through a number of important cultural, sporting and welfare programs and activities, including: Cantonese opera, with a number of concerts, training activities, festivals and charity performances; cultural dance—the Chinese Youth League won third prize in the world dance section of the Sydney Eisteddfod recently; lion and dragon dance; Wushu, Chinese martial arts; and, of course, dragon boat racing.

The Chinese Youth League of Australia's dragon boat team are the Australian national champions and are about to head off to Italy for the world championships. Isn't it wonderful to see a group of young Australians wearing the green and gold competing in a non-traditional Australian sport at the world championships in Italy? We wish them all the best.

The organisation also runs tours of China to immerse young people in Chinese culture and history. They are about strengthening Australia's greatest asset—our diversity. I congratulate Patricia Quah, the president of the organisation, and her board for their wonderful work.
Palmerston Regional Hospital

Mrs GRIGGS (Solomon) (13:49): I rise to provide the House with an update on the Commonwealth's $110 million investment in the proposed Palmerston Regional Hospital. Palmerston, as many of you know, is in my electorate. The tender for the intersection design on the Stuart Highway was awarded last month and construction work is expected to commence in October. Discussions at the moment are focused on avoiding the need to lower major water mains. A geotechnical study on the proposed site is underway and a report is expected in September.

I can advise that the preliminary draft of the concept master plan for the site has been received by the Northern Territory Department of Health and it is currently reviewing it. I am further advised that the department's preference is not to build a tower like Royal Darwin Hospital but rather to have a facility that is several storeys high. The procurement process is being worked through by the Northern Territory Department of Health. The new hospital, as I have said in this place before, will be a valuable community asset once it is completed and will provide health services not only to Palmerston but also to Darwin's northern suburbs.

It is quite clear, despite the lies that are being peddled by the Labor Party, that work is well and truly underway for the development of the Northern Territory's new Palmerston hospital, a hospital that will deliver services for the next 50 years for Darwin and Palmerston residents. (Time expired)

Same-Sex Relationships

Ms BUTLER (Griffith) (13:51): Griffith is one of Australia's leading electorates when measured by the number of same-sex couples. We have a high proportion of same-sex couples. I am very pleased to stand here, as I have before, to say it is time for marriage equality in this country. We know this because a number of outlets, including Matt Akersten in Same Same, on Monday reported that a new survey by Crosby Textor has shown that support among Australians for marriage equality is at an all-time high, with 72 per cent of people wanting marriage equality to be legal and 77 per cent of people wanting coalition MPs to be given a free vote when it comes to marriage equality. As Patricia Karvelas said today in The Australian, it is only a matter of time before coalition MPs are given that free vote.

On behalf of all of the same-sex couples who would like to get married—those with children, those without children, those who want to get married but cannot because this parliament is standing in their way—I implore the Prime Minister to please give his MPs a free vote on marriage equality. It is time to give MPs a free vote on marriage equality so that they in turn can vote to give effect to the wishes of the overwhelming majority of Australians. Your own pollsters are telling you this. I am asking you, Prime Minister, to please give your coalition MPs a free vote on marriage equality.

Ryan Electorate: Professor Brian Lovell

Mrs PRENTICE (Ryan) (13:52): I would like to start by welcoming all the Queenslanders in the chamber today. I know they share with me the outstanding work of Professor Brian Lovell at the University of Queensland, within my electorate of Ryan. Professor Lovell has seen his work on facial recognition technology incorporated into the design for a new form of spy glasses named the X6. This technology and the X6 have been
picked up by the United States Defence Intelligence Agency (USDIA), who have just purchased 500 units for testing, putting Professor Lovell and his research unit firmly in focus.

This is an outstanding achievement for Professor Lovell and the company Imagus, which is involved in the development of the face recognition software that is the key feature of these glasses, which in turn has broad applications beyond counter-intelligence. It has recently been reported that there is even potential for this technology to be utilised in US schools to increase safety.

With the G20 to be held in Brisbane later this year, the trials of the units by the USDIA could position the company for significant sales. The Queensland Police Service is also believed to be interested in the application of the technology. This is a wonderful advance for the promotion of Australian technology on the global market. Congratulations to Professor Lovell. I look forward to the ongoing successful collaborations from their research unit.

**Islamic Museum of Australia**

**Mr FEENEY** (Batman) (13:54): Earlier this year the Islamic Museum of Australia opened its doors to the public for the very first time. Dedicated to Islam in Australia, this centre comprises five permanent galleries and will play host to a variety of international and domestic exhibitions. It is the first of its kind in Australia, and we are very proud to have it located in our local area of Thornbury.

The goals of the museum are both educational and social. The museum creates a space for the wider community to learn about Islamic culture and the history of the Islamic community in Australia. Further, it is hoped that the museum will act as a bridge, building understanding and ultimately greater social cohesion in our society.

The electorate of Batman is proud to have supported this project from its inception. I wish to convey my warm congratulations to the museum on its opening, and I look forward to the contribution the museum will make to multiculturalism in Australia.

**Nicholls, Mr Peter**

**Ms SCOTT** (Lindsay) (13:55): I would like to acknowledge the presence in the gallery today of Emu Heights Public School and their wonderful teachers—for whom I hope you are all behaving—Mr Fawkes and Ms Rooney. Today I would also like to talk about a wonderful teacher, Peter Nicholls, who is retiring after 36 years teaching in our local area, which includes—and the member for Chifley would like to know—Tregear, Whalan, Emu Plains and Werrington public schools. In announcing his retirement, Peter highlighted the importance of challenging children and the importance of making every child feel they are successful and special in their own way—words to live by, indeed.

I thank Peter for his substantial investment in our future and wish him a long and healthy retirement, so that he can spend quality time with his four grandchildren, sailing Lake Macquarie and going on the odd camping trip. Thank you, Peter.

**Srebrenica**

**Mr HUSIC** (Chifley) (13:56): Eight thousand, three hundred and seventy-two—the number of souls who in July 1995 experienced what happens when others stray beyond the boundaries of humanity. Those 8,372 men and boys lost their lives in a place far from here. They are people who should be remembered and who deserve to be remembered, because
doing so reminds us that we must remain ever vigilant and be mindful of hatreds that can make people do things that make them cross the line that voids their claim to humanity.

The hands that have wiped bitter tears cannot remain forever clenched. But the least we can do now is to remember. Those 8,372 people deserve that. We should commit to better. We should commit to honouring their humanity and we should commit to strengthening our own shared humanity.

Srebrenica, I remember. We remember. And to those 8,372 people, may you rest in peace.

**Joondalup Business Association Small Business Awards**

Mr GOODENOUGH (Moore) (13:57): The Joondalup Business Association recently held its annual small business awards presentation dinner at the Joondalup Resort. The event was attended by more than 210 guests. Congratulations to category winners Talent Co Dance & Entertainment; Outback Initiatives; Romano's Pizzeria Connolly; Logsys Group; Grants Empire; Sparkle Dental; Vortec Installation; employee of the year, Bec Moyle of Quality Printer Cartridges; Blond Gorilla; Couple-It; and the Pottery Playroom. The business leadership award was presented to Paul Filing, a former member of this parliament, who once represented the electorate of Moore, for his long-standing contribution to the local business community through the Aussie Home Loans franchise.

I would like to acknowledge the outstanding business advocacy work of CEO Clive Haddow, Office Manager Karen Roberts, and executive committee members David Curry, John Willett, Russell Poliwka, Brian Corr, Paula Anderson, Martin Smith, Patrick Vuaillat, Debbie Lanario, Derek Joy, James Filing and Ray Foster. The business community in my electorate is vibrant and strong as a result of strong private investment, entrepreneurship and advocacy work of the Joondalup Business Association.

**Workplace Relations**

Ms CHESTERS (Bendigo) (13:58): Today I rise to speak about the government's cleaning guidelines, which they have abolished. What the government know but will not say publicly is a letter from the Department of the Prime Minister and Cabinet to the deputy secretary of the Department of Education, on 26 June this year, said:

Cleaning workers on certain government contracts are likely to experience a reduction in wages at the end of their current contracts.

Yet the Prime Minister stood up in this House in question time and said:

I want to make it absolutely crystal clear that no cleaner's pay is reduced.

The minister responsible for this area said publicly that no cleaner will have their wages reduced as a result of the guidelines ceasing to apply. So, who is telling the truth? Is it the Prime Minister's own department, saying that workers' wages will be reduced, or is it the Prime Minister? Clearly somebody does not understand how contracting works. When a contract goes out to tender, if you are competing on price, contracts that are competing on award wages will undercut the wages of those cleaners currently being employed under the Clean Start Principles, by the cleaning guidelines. It is time that the Prime Minister came clean and told the truth, told the people what his department already knows, and that is that wages will be cut.
The SPEAKER: It being two o'clock, I interrupt the debate. In accordance with standing order 43, the time for members’ statements has concluded.

STATEMENT BY THE SPEAKER
Underwood, His Excellency the Hon. Peter George, AC

The SPEAKER (14:00): Before we go to questions without notice, I wish to inform the House that I have arranged for condolence sheets to be made available so that members will be able to signify their respects to the memory of his Excellency the Hon. Peter Underwood AC, former Governor of Tasmania, 2008 to 2014. The sheets will be available in the foyer of my office and will remain there today and tomorrow. I invite honourable members to sign the sheets at a time convenient to them.

QUESTIONS WITHOUT NOTICE
Budget

Mr SHORTEN (Maribyrnong—Leader of the Opposition) (14:00): My question is to the Prime Minister. On 20 May and many times since the Prime Minister has said about his budget, ‘There is no alternative.’ But the Treasurer said this morning, ‘There are other alternatives that we can take.’ The Australian people want to know who is running the country. Is it the Prime Minister, is it the Treasurer or is it the absent Clive Palmer?

Honourable members interjecting—

The SPEAKER: I call the honourable Prime Minister, and we will have some silence on both sides of the chamber.

Mr ABBOTT (Warringah—Prime Minister) (14:01): We must deal with Labor's debt and deficit disaster. It is as simple as that. We must deal with Labor's debt and deficit disaster. When members opposite were in government they gave us the six biggest deficits in Australia's history. They gave us debt and deficit stretching out as far as the eye can see—$123 billion in prospective deficits over four years, debt peaking at $667 billion.

Ms Plibersek: Why did you double the deficit?

The SPEAKER: The deputy leader will desist.

Mr ABBOTT: As a result of this budget we get back to balance within four years and we reduce Labor's peak debt by almost $300 billion.

Mr Burke: You doubled the deficit.

The SPEAKER: The member for Watson will be outside the chamber if he does not desist.

Mr ABBOTT: Members opposite could come up with an alternative, but of course they do not. The problem with members opposite—

Ms Butler interjecting—

The SPEAKER: The member for Griffith seems to be a slow learner. She will desist.

Mr ABBOTT: is that they were incompetent in government and irresponsible in opposition. The one thing about this Labor Party is that they were wreckers in government and now they are trying to wreck government, and this is why it is so important that the budget be supported.
Carbon Pricing

Mr TEHAN (Wannon) (14:03): My question is to the Prime Minister. Will the Prime Minister inform the House how abolishing the world's largest carbon tax will help families and small businesses in my electorate?

Mr ABBOTT (Warringah—Prime Minister) (14:03): Well, it is indeed the world's biggest carbon tax—

Mr Perrett: That's rubbish!

Mr ABBOTT: but it is loved by members opposite.

The SPEAKER: The member for Moreton!

Mr ABBOTT: But it is rightly opposed by the member for Wannon. It is a very important question from the member for Wannon, because the Portland aluminium smelter is in his electorate. The whole point of the carbon tax is to reduce Australia's aluminium production by 61 per cent.

Mr Perrett: Rubbish!

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

The member for Moreton then left the chamber.

Mr ABBOTT: It is in the Labor Party's own figures that they published in government. Aluminium production in this country comes down by 60 per cent.

Honourable members interjecting—

The SPEAKER: The Prime Minister will resume his seat. There is far too much noise in the chamber. I cannot even hear the answer myself. There is to be silence in the chamber while the Prime Minister has the call. The Prime Minister has the call.

Mr ABBOTT: Scrapping the carbon tax will give the aluminium industry a fighting chance. It will give the iron and steel industry a fighting chance of survival in this country, and that is what we want to do. We want to give the decent workers and the honest businesses of this country the best possible chance to flourish, and that is exactly what scrapping the carbon tax does. Scrapping the carbon tax removes a nine per cent impost on power prices. It removes a $9 billion a year handbrake on our economy. Scrapping the carbon tax removes—

Ms Henderson interjecting—

The SPEAKER: The member for Corangamite will desist.

Mr ABBOTT: a $550 a year hit on the budget of the average Australian family. The member for Wannon asked about the cost of living. The best thing you can do to improve Australians' cost of living is to scrap the carbon tax and to scrap it now, because that will save the average household $550 a year.

Mr Bowen interjecting—

The SPEAKER: The member for McMahon will desist.

Mr ABBOTT: Scrapping the carbon tax will reduce prices. As the Chairman of the ACCC has said, 'What went up will come down when you take away the carbon tax.' Let me repeat that. The Chairman of the ACCC said, 'What went up will come down when you take
away the carbon tax.' The Energy Supply Association of Australia said, 'Savings from the removal of the carbon tax will be fully passed through to gas and electricity consumers once the Australian parliament repeals the legislation.' So that is our challenge—to repeal this legislation, to get prices down, to save Australian families $550 a year on average.

But there is a very clear difference in this parliament. The government wants to save the households of Australia $550 a year. The Labor Party wants to add $550 a year to their costs. Even if the carbon tax goes in this parliament, elect that mob and it comes straight back in, because Labor loves taxes.

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**Budget**

**Mr Shorten** (Maribyrnong—Leader of the Opposition) (14:06): My question is to the Prime Minister. The government is already cutting $80 billion from schools and hospitals. Now the Treasurer has confirmed that he is looking at further cuts. How much more can this Prime Minister possibly cut from schools and hospitals in Australia?

**Mr Abbott** (Warringah—Prime Minister) (14:07): Yet again, the premise of the Leader of the Opposition's question is simply false. No Labor budget provided the $80 billion for schools and hospitals that the Leader of the Opposition now claims.

**The Speaker:** The Leader of the Opposition will keep his props down.

**Mr Shorten:** It is not a prop.

**Mr Albanese interjecting**—

**The Speaker:** It is a prop, and if it goes up again you will leave the chamber. And the member for Grayndler—one more utterance and you will leave the chamber.

**Mr Abbott:** There were pie-in-the-sky promises, absolutely undeliverable pie-in-the-sky promises from the members opposite, but the $80 billion that the Leader of the Opposition refers to never appeared in any Labor budget. How can you cut something that never existed? Let me make it absolutely crystal clear: public hospital funding goes up nine per cent this year, nine per cent next year, nine per cent the year after that and six per cent in the final year of the budget. Schools funding goes up eight per cent this year, eight per cent next year, eight per cent the year after that and six per cent in the final year of the budget. We are increasing funding on schools and hospitals. The difference between the government and the opposition is that under this government spending is sustainable. Under the members opposite, spending was completely out of control. That is why we have the debt and deficit disaster that this government is now fixing.

**Budget**

**Mrs Markus** (Macquarie) (14:08): My question is to the Treasurer. Would the Treasurer outline the importance of consistent and predictable budget policy? What measures are being taken by the government to fix the budget?

**Mr Champion interjecting**—

**The Speaker:** The member for Wakefield is warned.

**Mr Hockey** (North Sydney—The Treasurer) (14:09): I thank the honourable member for Macquarie for her question. On each occasion the member for Macquarie has gone to the polls she has promised the Australian people that we would get on with the job of fixing the budget, and we are. We are getting on with the job of fixing the mess that was left to us by the
Australian Labor Party—$123 billion of deficits and $667 billion of debt. The thing is that once upon a time the Labor Party believed in that as well. The Labor Party once believed that we had to ensure that the budget gets back to surplus. At this very dispatch box in 2012 the member for Lilley, who is obviously in a witness protection program this week, said:

We will be back in the black by 2012-13, on time, as promised.

He went on to say:
The alternative—meandering back to surplus—would compound the pressures in our economy and push up the cost of living for pensioners and working people.

Under Labor they did not meander back to surplus, they went AWOL. They absolutely disappeared when it came to a surplus. They promised a surplus and then claimed they were delivering a surplus, but they went missing. They never delivered a surplus. Now is the time to fix the budget. It must be done now. If we want jobs, if we want prosperity, if we want to be competitive in the days, months and years ahead, now is the time to start fixing the budget. We must do so. And there are a hell of a lot of early warning devices out there—the governor of the Reserve Bank said, 'Now is the time to fix the budget.' The Secretary of the Treasury said, 'Now is the time to fix the budget.' Even Dr John Edwards, a former advisor to Paul Keating, said, 'Now is the time to fix the budget.' After our government was elected, Paul Keating said, 'Now is the time to fix the budget.' Bob Hawke said, 'Now is the time to fix the budget.' The Labor Party used to say, 'Now is the time to fix the budget,' but they are now opposing everything we are doing. The weird thing is that they are opposing everything that they were going to do.

*Mr Champion interjecting—*

**The SPEAKER:** The member for Wakefield will remove himself under standing order 94(a).

**Mr HOCKEY:** That is why we have introduced the Labor 2013-14 Budget Savings (Measures No. 1) Bill. We are asking the Labor Party not just to support our promises to fix the budget; we are also asking them to support their own promises to fix the budget. All we are doing is asking them to keep their promises. All we are asking them to do is to stay true to their own budget of last year. If we all work together we can ensure there are more jobs for Australians and a more prosperous economy.

**Budget**

**Ms KING** (Ballarat) (14:12): My question is to the Prime Minister. The government is hitting Australians with a $7 GP tax. Now that the Treasurer has confirmed the government is looking at further cuts, when will the Prime Minister be introducing a $15 GP tax as recommended by the government’s Commission of Audit?

**Mr ABBOTT** (Warringah—Prime Minister) (14:12): The government does believe there should be a modest co-payment on visits to GPs. That has been absolutely crystal clear for some time now. Former Prime Minister Hawke was the father of the Medicare co-payment; the member for Jagajaga was the mother of the Medicare co-payment; the member for Fraser is the son of the Medicare co-payment.

*Ms Macklin interjecting—*
The SPEAKER: The Prime Minister will resume his seat. Before I give the call to the member for Jagajaga, I would simply say to the Prime Minister that under standing order 68, by saying that the member for Jagajaga is ‘the mother’, he is breaching the standing order. However, if he says that she was the chairman of the committee that recommended that, then that is in order. The Prime Minister can withdraw his statement and rephrase it if he wishes.

Mr Shorten interjecting—

The SPEAKER: The Leader of the Opposition will desist.

Mr ABBOTT: If I have transgressed, then I withdraw and I apologise. But the only political party that has actually introduced a co-payment in this country is, in fact, the Labor Party. They introduced a co-payment because they wanted to make Medicare sustainable. That is why they introduced a co-payment; that is why Labor's Assistant Treasurer says, ‘But there is a better way of operating a health system.’ Let me repeat that:

But there is a better way of operating a health system and the change should hardly hurt at all … the ideal model involves a small co-payment—not enough to put a dent in your weekly budget, but enough to make you think twice before you call the doc.

This hardly radical idea—this idea which is enshrined in precedent from the Hawke Labor government—is something that this government does support. I say to members opposite: if it is right and proper to have a modest co-payment on the PBS, how can it be wrong and improper to have a modest co-payment on Medicare? I say again: this government is determined to put the budget on a sound footing; this government is determined to put the economy on a sound footing; and, yes, this government is determined to put Medicare on a sound footing. And we will.

Taxation

Mr PALMER (Fairfax) (14:15): I have a question for the Treasurer. Why does the government require all Australian businesses and enterprises to pay provisional tax before any profit is earned? This tax stops business using their own cash to grow, employ people, expand the economy and export to stimulate the nation. How can a low-taxation party like the Liberal Party government not eliminate the requirement to pay tax before profit is earned?

Mr HOCKEY (North Sydney—The Treasurer) (14:16): I thank the honourable member for the question. There are many changes we would like to make to the taxation system, and there is one before the Senate at the very moment—and that is to get rid of the carbon tax. There is another tax that we want to abolish—the mining tax. We want to simplify the taxation system, and that is why prior to the last election we undertook to provide a taxation white paper and to take the recommendations of the taxation white paper to the Australian people at the next election. The fundamental point is that if you are to undertake the sorts of reforms that the honourable member believes to be worthy, such as abolishing provisional tax, you need to have money in the bank. You need to have the financial capacity to deliver that sort of reform. When you are running significant deficits, you cannot do anything to undermine your revenue base.

This is why we need to pull back on the wasteful expenditure that was the legacy of the last Labor government. That is why we cannot proceed with taxes like the mining tax, which has raised three per cent of the revenue Labor claimed, but still proceeds, sir, with all the expenditure against the tax that has raised no money. That leaves the budget worse off—not
just today and not just tomorrow, but well into the future. If you are going to undertake significant tax reform, you can best do it when you are not relying on a clutch of new taxes to increase the revenue base, but rather you can look to compensate people for the transition to a new revenue system that does simplify the taxation system overall and makes us a more competitive nation. But I would say through you, Madam Speaker, to the member for Fairfax and all members of this parliament: we need to be in a position where we can simplify the taxation system, deliver fairer and simpler taxes and deliver reduced taxes—which is exactly what the coalition promised in the budget and which it will do through its taxation reform paper. At the end of the day, you are absolutely right—the low-tax parties are the coalition parties. The high-tax party is the Labor Party, and that is why I expect the support of Palmer United in getting rid of the carbon tax package and getting rid of the mining tax package.

Carbon Pricing

Mr VASTA (Bonner) (14:19): My question is to the Treasurer. Will the Treasurer outline how abolishing the world’s biggest carbon tax will impact on growth and jobs for Australians?

Mr HOCKEY (North Sydney—The Treasurer) (14:19): I thank the honourable member for Bonner for his question. All members of the coalition, and I believe the member for Fairfax, want to get rid of the carbon tax. Today is rather auspicious; it is a significant day; today is the first anniversary of the Townsville termination by the terrible trio. The terrible trio—the former Prime Minister Kevin Rudd, the member for McMahon and the butler—stood at Townsville and said, ‘We are terminating the carbon tax.’ Old Alfred the butler was there saying, ‘Go on, Batman, go ahead and do it! Terminate it, Batman.’ And they did.

They said they were terminating the carbon tax one year ago today. It is the first anniversary. I expect there will be a little cake going over to the Leader of the Opposition with one little candle lit on it. He will blow it out all by himself. He will say: ‘Don't worry, we have terminated the carbon tax.’ But they have not. They are now the strongest advocates for the carbon tax. They are chasing the Greens around the table, saying: ‘No, we are in favour of the carbon tax.’ They are defending the carbon tax because it is their creation. Despite telling the Australian people that they were going to get rid of it, they actually want to keep it. They have not just declared they want to keep it; they have voted three times in the parliament to keep the carbon tax.

We believe in a stronger economy. We believe in more jobs. We believe in Australia being more competitive when it comes to dealing, trading, with the rest of the world. We also believe that, when you have smaller government, you have a larger country. When you have smaller government, you have a bigger country and a bigger economy. The way to do that on this occasion is to get rid of the carbon tax. That is exactly what we are doing. Of course, there are some people in the Labor Party who still believe that you should get rid of the carbon tax. It was not so long ago that the member for McMahon said, ‘The reason you get rid of the carbon tax is to provide real cost-of-living relief to families.’ That is why he went to Townsville to terminate the carbon tax a year ago: because, in the words of the member for McMahon, the best way to help families with relief from the cost-of-living pressures is to terminate the carbon tax. Well, I say to the Labor Party: only we are prepared to terminate the carbon tax. Only we are prepared to do the things that give cost relief to everyday Australian families, and it is now time for the Labor Party to be honest with itself and honest with the Australian people.
DISTINGUISHED VISITORS

The SPEAKER (14:22): I wish to advise the House that we have visiting us in the chamber today a number of members from state parliaments. We have the Hon. Don Harwin, President of the New South Wales Legislative Council. We have three members from the Queensland parliament—Mr Rob Molhoek, Mr Steve Minnikin and Ms Kerry Millard. And we also have Mr John Dawkins from the South Australian Legislative Council.

We also have visiting, because it was her choice, a lady sitting in the back of the gallery who is turning 100 today. Her name is Beryl James, and she comes from Cairns. It was her wish that she celebrate her 100th birthday in the Australian parliament.

Honourable members: Hear, hear!

QUESTIONS WITHOUT NOTICE

Budget

Ms PLIBERSEK (Sydney—Deputy Leader of the Opposition) (14:24): I wish you a very happy 100th birthday. My question is to the Prime Minister. The Prime Minister's budget is ripping away $6,000 a year from an Australian family. Now the Treasurer has confirmed that the government is looking at further cuts. Can the Prime Minister guarantee that he will not completely scrap family tax benefit part B as recommended by the Commission of Audit?

Mr Shorten interjecting—

The SPEAKER: The Leader of the Opposition will withdraw that remark.

Mr Shorten: Certainly. I withdraw.

Mr ABBOTT (Warringah—Prime Minister) (14:24): I can guarantee to the Deputy Leader of the Opposition that this government will tackle Labor's debt and deficit disaster. We were left with a legacy of debt projected to reach $667 billion on top of the six biggest deficits in our history from six Labor budgets.

Ms Owens interjecting—

The SPEAKER: The member for Parramatta will desist.

Mr ABBOTT: We were left with a legacy of four further deficits, totalling $123 billion.

Mr Burke: Madam Speaker, a point of order on direct relevance: this question goes to the abolition of family tax benefit part B. The Prime Minister can rule it in or out to be relevant.

The SPEAKER: It was a wide-ranging question, I remind the Manager of Opposition Business.

Mr ABBOTT: The difficulty that this government is wrestling with is that it inherited the worst fiscal legacy in our history, thanks to members opposite, thanks to the government in which the Leader of the Opposition was a very senior member. He was the king maker and king breaker, the queen maker and queen breaker, in the former government. Thanks to the work of that government, we were headed for 10 consecutive budget deficits. And never before in Australia's history have there been 10 consecutive budget deficits. Even recovering from the depths of the 1990-91 recession—

Ms Owens interjecting—

The SPEAKER: The member for Parramatta will desist.
Mr ABBOTT: we had only seven consecutive budget deficits. So, members opposite, when they were in government, gave us the six worst budget deficits in history and projected another four budget deficits—debt and deficit stretching out as far as the eye can see. And they did this to us at a time of continued economic growth, with the biggest terms of trade in our history. That is a sign of the irresponsibility of members opposite when it comes to money and fiscal policy. They gave us the worst fiscal position in our history at a time of the best terms of trade in our history. So, there is a very clear lesson here: you just cannot trust the Labor Party with the economy of our country.

Carbon Pricing

Mr VAN MANEN (Forde) (14:27): My question is to the Minister for the Environment. Is the minister aware that the world's biggest carbon tax is costing Teys Australia $5 million a year in extra energy and emissions costs? And what is standing in the way of abolishing this tax immediately?

Mr HUNT (Flinders—Minister for the Environment) (14:27): I am delighted to take this question from the member for Forde—not just because he campaigned for lower electricity prices at the last election and not just because he and his wife, Judi, have been tremendously successful small business people but, in particular, because the member for Forde was the man who beat Peter Beattie! However, that is probably the reason we have him—the one sitting over there—as the Leader of the Opposition.

But the question asked was: who is standing in the way of removing the carbon tax and lowering electricity prices? And, lo and behold, it is the same Leader of the Opposition. Right at this moment his senators are on strike. They are doing exactly what he knows best; he has called them out on strike. There is a picket of the Senate voting box. We are going through this agonising process of speech after speech, repetition after repetition, of senators from the ALP, under instructions from the Leader of the Opposition, not to allow the carbon tax to be repealed.

Ms King interjecting—

The SPEAKER: The member for Ballarat will desist.

Mr HUNT: We will keep going. Let me say this to the Leader of the Opposition: we will keep going, for as long as it takes this parliament, until the carbon tax is repealed. His senators are doing everything they can to avoid a vote, to avoid the decision, to avoid the pledge that, as the Treasurer says, was made exactly a year ago today. But in the meantime it is costing Australian businesses real money.

The case of Teys was raised by the member for Forde. Teys is one of Australia's most successful and largest meat processors. It has a carbon tax bill of approximately $5 million a year in direct costs, in electricity costs, in gas costs, in water costs and in refrigerant costs. That can all end today. It can end immediately. For it to end, however, the Leader of the Opposition has to call his senators back to work, allow them to vote and allow them to make the decision the Australian people expect—and allow them to make the decision they campaigned for at the last election.

We have done a little bit more research and, lo and behold, we found a fact sheet put out by the member for McMahon a year ago today. What does that fact sheet show? For a small business, it shows a $9,000 saving. If they use 500 megawatts of electricity each year, they
could save $9,000 a year. For synthetic greenhouse gases and refrigerants, there would be a 75 per cent reduction in costs—real savings. The only people standing—(Time expired)

Budget

Mr GILES (Scullin) (14:31): My question is to the Prime Minister. The Prime Minister's budget will cost pensioners $4,000 a year and force Australians to work until they are 70. Now that the Treasurer has confirmed that the government is looking at further cuts, will the Prime Minister guarantee the family home will not be included in the pension assets tests—as recommended by his Commission of Audit?

Mr ABBOTT (Warringah—Prime Minister) (14:31): The once proud Labor Party is reduced to this pathetic spectacle of scare after scare after scare. Really and truly, it is pathetic to see the party of Bob Hawke and Paul Keating reduced to this—a party which was, along with John Howard and Peter Costello, very significantly responsible for building the prosperity of this country.

Ms MacTiernan: What about your party and its racist policies?

The SPEAKER: The member for Perth will remove herself under standing order 94(a).

The member for Perth then left the chamber.

Mr ABBOTT: After 25 years of economic reform, after 25 years of good government, we then had six years from members opposite. They were wreckers in government and now they want to wreck government. That is what we get from the Labor Party. On the question raised by the member for Scullin: every year, under this coalition, pensions will go up. Every six months, every year, pensions will go up. They will go up this March. They will go up this September. They will go up the March after that and they will go up the September after that.

An opposition member: They will not go up as much.

Mr ABBOTT: The shadow minister opposite says that they will not go up as much. What is he saying they will not go up as much for when the member for Scullin was asking about cuts to the pension? They are just telling lies—and they cannot decide which lie they are telling us today.

Mr Burke: On a point of order, Madam Speaker: the question goes to a specific recommendation about the family home in the report of the Commission of Audit.

The SPEAKER: It was a wide-ranging question, as the Manager of Opposition Business well knows.

Mr ABBOTT: That particular recommendation was ruled out the day the report was released.

Carbon Pricing

Mrs GRIGGS (Solomon) (14:33): My question is to the Deputy Prime Minister and Minister for Infrastructure and Regional Development. Will the Deputy Prime Minister inform the House of the impact of the world's biggest carbon tax on the transport sector?

Mr TRUSS (Wide Bay—Deputy Prime Minister and Minister for Infrastructure and Regional Development) (14:34): I thank the honourable member for her question. For cities like Darwin, which is in her electorate, transport costs are very substantial. It adds to their
cost of living and of course makes it difficult for products from the Northern Territory to get
to other parts of the country. A year ago, Labor announced their Townsville termination. Only
a few days later members opposite were circulating newsletters to their electorates promising
that, under Labor, there would be no carbon tax—faithfully promising there would be no
carbon tax. They have now had three opportunities in this place to deliver on that promise and
they have welshed. They have walked away. Labor want to keep the carbon tax.

We know they have form in this regard. It is not the first time they have promised to get rid
of a carbon tax. In 2010 there was going to be no carbon tax under the government that the
then Prime Minister led. In 2013 there was the Townsville termination. If, at the next election
in 2016, they perchance talk about there being no carbon tax under Labor, they have form.
Everyone knows that if Labor are returned to office the world's biggest carbon tax will be
back—except it will be bigger and more comprehensive, because Labor have promised to
extend the carbon tax to transport fuel. If they were in office today, that would already be in
place. Labor would be imposing a transport fuel carbon tax. That would have a particular
impact on the Northern Territory because of the very large distances that are involved in
doing business in the Territory.

The Australian Trucking Association has estimated that the carbon tax on the trucking
sector would have cost $510 million in 2014-15 alone—and its estimates were higher and
higher for each year after that. Labor intends to put up this cost. The biggest carbon tax in the
world will get even bigger. We also know that the carbon tax has imposed costs on other parts
of the transport sector. For example, the impact of the carbon tax on Australian airlines has
been of the order of $200 million in the first year—and again it gets higher and higher every
year.

Labor promised in 2010 that there would be no carbon tax. In 2013 they again promised
that there would be no carbon tax. In 2016 they will probably promise it again, but it will be
just as untruthful and Australians will be burdened by the world's biggest tax—except it will
be even bigger and even nastier to Australian consumers.

DISTINGUISHED VISITORS

The SPEAKER (14:37): I would like to advise that joining us on the floor of the House
today is the Health Select Committee delegation from the Parliament of New Zealand led by
the chairman of the committee, Dr Paul Hutchison, MP. We make them most welcome.

I would also like to say that we have with us in the gallery Bruce and Denise Morcombe,
the parents of Daniel Morcombe, who strove so strongly for justice for their son. We make
you most welcome.

Honourable members: Hear, hear!

QUESTIONS WITHOUT NOTICE

Asylum Seekers

Mr MARLES (Corio) (14:37): My question is to the Minister for Immigration and Border
Protection. I refer the minister to the Australian Customs vessel currently carrying 153 asylum
seekers and the answer that he gave yesterday about that vessel, in which he spoke of the men
and women who serve as part of the Australian Navy under Border Protection Command. Can
the minister please inform the House what role the Australian Navy are playing in relation to this Australian Customs vessel?

**Mr MORRISON** (Cook—Minister for Immigration and Border Protection) (14:38): It is a big week for the member for Corio: two questions in two days. It took him 200 days to get here, but I welcome him back to the parliament. It is nice to see you here.

On this matter, as the member opposite would know, the Australian Navy, with the Australian Customs and Border Protection Service, forms part of Border Protection Command. The comments I made yesterday were of a general nature and relating to the performance of those men and women who serve in the Australian Customs and Border Protection Service and the Royal Australian Navy. Members opposite should be aware of those things. I am not surprised that the member for Corio needs to come up to speed on this.

I can assure the member of this: any person who is in the care and protection of the Australian Customs and Border Protection Service will be in good care, and they are in good care, because I have great faith in the men and women of the Australian Customs and Border Protection Service as I have great faith in the men and women of the Australian Navy—

**Mr Marles**: Madam Speaker, I raise a point of order.

**Mr MORRISON**: I am answering your question.

**Mr Marles**: The point of order is relevance. The question is: what role are the Navy playing in relation to this—

**The SPEAKER**: The member will resume his seat. I have reminded members before that it is not acceptable, when raising the question of relevance, to simply repeat the question. I call the honourable minister.

**Mr MORRISON**: I again refer the member to my earlier comments on this matter. In this very answer I have outlined the role of the Australian Navy and Customs and Border Protection Service and how they are involved in Border Protection Command. I have no intention in this place of going beyond the statements that have been made to the court—and these matters are before the court. I will not be doing that. I am surprised that those opposite would be puzzled or would need affirmation that any person who was in the care of the Australian Customs and Border Protection Service would not be well dealt with.

**Mr Dreyfus interjecting**—

**The SPEAKER**: The member for Isaacs will desist.

**Mr MORRISON**: No, I am not surprised, because in the other place one of the Labor senators, Senator Conroy, felt fit to attack Lieutenant General Angus Campbell. They felt fit to try and give oxygen to the most outrageous claims I can recall that were levelled against the Australian Navy in the burnt hands fiasco, which they were embarrassed to have to walk away from as they stood aside those allegations. Here is last year's failure!

**Mr Burke**: Madam Speaker, I raise a point of order. I refer to page 516 of *House of Representatives Practice* and the specific objection for putting words in someone else's mouth. The minister has made an allegation about the question that bears no relation to the question that was asked.

**The SPEAKER**: There is no point of order.
Mr MORRISON: I am not surprised the Manager of Opposition Business would be sensitively coming to the dispatch box. I remind the House that last July, when he was minister, 4,338 people turned up on 48 illegal boats on his watch. It was the worst record of any immigration minister on our borders in our history. That is your record. The record of the member for McMahon, who sits opposite, is almost 25,000 arrivals on his watch. What a failure! What a hopeless failure! Here he comes again, last year's failure.

Opposition members interjecting—

The SPEAKER: There will be silence on my left so I can hear what the Manager of Opposition Business has to say.

Mr Burke: Madam Speaker, I raise a point of order. There are many questions with preambles, tags and politics attached. This was very specific.

The SPEAKER: You have already raised the question of relevance once and you know that it can only be raised once per question. The minister has the call.

Mr MORRISON: The record of those opposite, when it comes to border protection, shows they are a field of dandelions—

Mr Dreyfus interjecting—

The SPEAKER: The member for Isaacs will desist.

Mr MORRISON: so easily blown away by the slightest breeze. They are a swarm of jellyfish. You would not be able to find a backbone amongst any of them, whether it is the member for McMahon, the member for Watson, the member for Gorton or the member for Corio. What a bunch of jellyfish you are!

Carbon Pricing

Mr EWEN JONES (Herbert) (14:42): My question is to the Minister for Education, representing the Minister for Employment. Will the minister please inform the House how repealing the world's biggest carbon tax will impact on jobs growth in this country?

Mr PYNE (Sturt—Leader of the House and Minister for Education) (14:42): I thank the member for Herbert for his question. He asks me about the effect of the abolition of the carbon tax on jobs growth. I can tell him that when the carbon tax is abolished—we hope that will be today or, at the latest, tomorrow—it will remove a $7 billion a year handbrake on the Australian economy, a handbrake that Labor want to keep on the Australian economy. I can tell the member for Hebert that it is estimated that by 2050 the abolition of the carbon tax will lead to the cumulative economic output of the country increasing by $1.3 trillion. If the carbon tax remains, that cumulative impact will not occur. That is what Labor want to happen. They want to keep that handbrake on the Australian economy.

With economic growth comes jobs growth. Without economic growth, it is not possible for the jobs market to grow. On this side of the House, the coalition recognises that if we want the economy to grow, if we want Australian families to have jobs, and to have better and better jobs into the future, we must abolish the carbon tax. I am pleased the Palmer United Party and other crossbenchers see it that way too. Without a carbon tax, real wages are estimated to increase by 2020 by 0.7 per cent. That is 0.7 per cent that households will gain in extra spending so that they can decide the priorities for their spending, rather than Labor and the Greens deciding the priorities for Australian families. On this side of the House, we want to
expansion of freedom. We want to give families more opportunities to make their own decisions. On the other side of the House, they think big government knows best. They think individuals and Australians do not know best.

If Labor is re-elected at the next election, as sure as night follows day, as sure as God made little green apples and as sure as I am standing here, Labor will reintroduce the carbon tax. At the next election in 2016, it will be another referendum for the Australian people on the carbon tax. What Labor has done is ensure that at the next election the coalition will be explaining to the Australian people that, if you vote Liberal or National, there will not be a carbon tax reintroduced. If you vote Labor at the next election, Labor will reintroduce the carbon tax, and that handbrake on the economy will be back, that reduction of real wages will be back, the job losses that have come since the carbon tax was introduced, like at Penrice Soda in my great state of South Australia from that job-destroying carbon tax, will be back. So, at the next election, Australians can decide: do they want the job-destroying carbon tax or do they want the freedom, the extra finances and the support the economy gets by the abolition of the carbon tax?

Budget

Mr SHORTEN (Maribyrnong—Leader of the Opposition) (14:46): My question is to the Prime Minister. Today I was presented with this petition from thousands of front-line medical professionals, including over 2½ thousand GPs, calling upon the Prime Minister to abandon his GP tax. Given that thousands of front-line medical professionals reject the Prime Minister's GP tax, when will the Prime Minister abandon his unfair tax on every Australian?

Mr Dutton interjecting—

The SPEAKER: Before I call the deputy leader on her point of order, the Leader of the Opposition will desist from holding up props.

Ms Plibersek: Madam Speaker, I rise on a point of order: the Minister for Health has accused these front-line health workers—GPs, nurses and others—of being unionists. He should withdraw his suggestion that these people are anything other than concerned doctors.

Honourable members interjecting—

The SPEAKER: We will have a sense of decorum back in this chamber so we can hear what it is she is saying. If the Deputy Leader of the Opposition wishes to make a point, she will do so succinctly and now has the opportunity to do it.

Ms Plibersek: Madam Speaker, I ask that the Minister for Health withdraw his suggestion that these doctors are anything other than concerned GPs.

Mr Pyne: Madam Speaker, on the point of order: I did not notice the deputy leader showing this feigned indignation for the health services workers union when they were standing up for the former member for Dobell, Craig Thomson. On that basis, I do not see any reason why the Minister for Health should withdraw.

Honourable members interjecting—

The SPEAKER: We will have some silence so we can hear the Prime Minister, who has the call.

Ms Plibersek interjecting—
The SPEAKER: There was no unparliamentary language. It may have offended you personally but it was not unparliamentary.

Mr ABBOTT (Warringah—Prime Minister) (14:48): I have no doubt that there are some doctors who do not like the GP co-payment, just as there are some pharmacists who I am sure do not like the PBS co-payment that members opposite support. I accept that there are some doctors who do not support the position that the government has; on the other hand, there are many doctors who do support the position that the government has. In fact, the AMA's position is that it is not against a co-payment in principle. The position of the Australian Medical Association is that it is not against a co-payment in principle. We are happy to keep talking with the AMA about how this modest co-payment is best introduced. We do support a modest co-payment, like Bob Hawke, like the member for Fraser and not too much like but a little like, perhaps, the member for Jagajaga. We think that a co-payment does make sense, and it is very important to keep Medicare sustainable.

Dr Leigh: Madam Speaker, I rise on a point of order, which goes to standing order 68. The Prime Minister knows that he is misleading the House.

The SPEAKER: In accordance with the ruling that I made earlier, there is no infringement of standing order 68. I call the honourable Leader of the Opposition.

Mr Shorten: The Prime Minister said he has got some doctors who support it; here are 3,000 who don't. I seek to table the document.

The SPEAKER: The member will resume his seat. That is an abuse of the standing orders, and you know it.

Opposition members interjecting—

The SPEAKER: I call the honourable member for Longman, and we will have some silence.

Mr Burke: Madam Speaker, I rise on a point of order. Leave was sought and we have not heard—

The SPEAKER: No, he did not.

Mr Shorten: Yes, I did.

The SPEAKER: You might have meant to, but you didn't. The member will resume his seat.

Mr Shorten: Madam Speaker, I seek leave to table—

The SPEAKER: It is too late. We will have the member for Longman.

Carbon Pricing

WYATT ROY (Longman) (14:50): My question is to the Assistant Minister for Education. Will the minister inform the House of the impact of the world's biggest carbon tax on the childcare sector. Minister, how will repealing the tax help reduce costs in this vital sector?

Ms LEY (Farrer—Assistant Minister for Education) (14:51): I thank the member for Longman for his question and recognise that he keeps in close contact with both the childcare providers and the parents in his electorate. He knows the strains that they are facing in providing a high-quality childcare product for families under the cost increases that were left
to them by the Labor government. Let's not forget that under the previous minister, the member for Adelaide, fees skyrocketed by 53 per cent. The member for Adelaide at one stage said that fees would go up by $7.5c a week and then amended that to $8 a week. But, in fact, the 53 per cent under Labor's six years in government is a shocking legacy to have left people with. Labor's own regulatory authority said that a 75-place centre would face increases of $140,000 a year, just in the admin costs alone.

As if the red tape were not bad enough, we have the carbon tax on top of that. One childcare provider in Queensland told me recently it would add about $1,000 a centre. That is not an inconsiderable amount. Centres are paralysed by the red tape that they are operating under. Many of them are small businesses and many of them know the difficulties of managing their balance sheets when they have this impost on top of everything else. Who can forget Earth Hour, when one of Labor's regulatory authorities marked a centre down for turning out the lights! They get hit when they turn the lights off, and they get hit when they turn the lights on because of the carbon tax impost on their electricity bill. We understand that children need to be in air conditioned comfort—we recognise that. Whether you are in the member for Longman's electorate in Queensland where the temperature is 35 degrees or you are in Tasmania where it is minus 3½ degrees, cooling and heating add considerably to the cost of providing high-quality child care for the nation's children.

Labor is no longer in government but parents and childcare centres are still paying the price for the carbon tax. Let us come back to the small family businesses that we are talking about. Labor does not care about balance sheets. Remember that the balance sheet when they came into government showed $45 billion in net assets; when they left government there was $162 billion of net debt—a $206 billion deterioration in the nation's balance sheet over six years in government. They do not care about the balance sheets of Australian families or the difficulties that centres are operating under or the pressures that everybody faces. It is time to scrap the carbon tax, stop this silly filibuster in the Senate and remember, front and centre, that we in the government have families and small businesses at the heart of what we do.

Budget

Ms KING (Ballarat) (14:54): My question is to the Prime Minister. I refer to the comments of Dr Julie McClellan from Melbourne, in this Australian Doctor petition opposing the GP tax.

The SPEAKER: We do not need props.

Ms KING: The Prime Minister should come on a nursing home visit and see if he feels comfortable asking the palliative patient or the confused elderly lady rocking in the corner for their $7. Why should the most vulnerable patients be punished by your GP tax?

Mr ABBOTT (Warringah—Prime Minister) (14:54): As the shadow minister well knows, there is no compulsion on any doctor to charge the co-payment.

Opposition members interjecting—

The SPEAKER: The member for Ballarat has asked her question and there will be silence for the answer.

Mr ABBOTT: The issue of nursing homes is one that the government is continuing to discuss with the Australian Medical Association, as you would expect. I do make this fundamental point: Bob Hawke introduced a co-payment, Labor's shadow Treasurer supports
a co-payment and the member for Jagajaga kind of half supported a co-payment. We think that a modest co-payment makes as much sense for Medicare as it does for the PBS, and that is why this government supports it.

**Mr Bowen:** Madam Speaker, I rise on a point of order. As the shadow Treasurer, I completely reject the Prime Minister's assertion that I support a co-payment.

**Dr Leigh:** Madam Speaker, as the shadow Assistant Treasurer—

**The SPEAKER:** You do not have the call and you will resume your seat—which is down there. Has the Prime Minister concluded his answer?

**Mr ABBOTT:** I have.

**Carbon Pricing**

**Mr HOWARTH** (Petrie) (14:56): My question is to the Minister for Social Services. Will the minister confirm that Australians will continue to receive the energy supplement following the abolition of the world's biggest carbon tax? How will repealing this tax reduce the cost of living for all Australians?

**Mr ANDREWS** (Menzies—Minister for Social Services) (14:56): I thank the member for Petrie for his question. I can confirm for the member for Petrie, and for all honourable members in this place, that, yes, the energy supplement will be kept. It will be retained. Indeed, all current recipients of the energy supplement will continue to be paid that supplement. That is up to $361 for single pensioners per year and for pensioner couples up to $546 per year. This was a commitment that the coalition took to the last election to assist with cost-of-living pressures for Australians. All income support recipients—pensioners, both age pensioners and disability pensioners, and recipients of family tax benefits—will keep the energy supplement.

This means that some 17,000 pensioners in the electorate of the member for Petrie will continue to receive the energy supplement. Not only will they receive the energy supplement but also they will have a twice-yearly increase in their pension and they will continue to receive the pension supplement. The 17,000 pensioners living in Redcliffe or Clontarf or surrounding areas such as Griffin in the electorate of the member for Petrie will continue to receive the energy supplement. It is not only the 17,000 pensioners in the honourable member's electorate who will benefit; some 12,500 recipients of family tax benefit part A will also continue to receive the energy supplement. And it is not just in the member for Petrie's electorate; it is in the electorates of every member in this place. Right around Australia millions of people will continue to receive the energy supplement; indeed, anybody currently receiving it will continue to receive it in the future.

The honourable member for Petrie also asked me about the coalition's commitment to scrap the carbon tax. Of course we are committed to scrapping the carbon tax because scrapping the carbon tax means a reduction, on average, of $550 for households around Australia on top of the energy supplement, which will continue to be paid to current recipients. The Labor Party said they were going to scrap the carbon tax but they are filibustering in the Senate to avoid scrapping the carbon tax. We on this side of the House believe that we should do what we said and scrap the carbon tax. Why doesn't the Labor Party get on board and do likewise?
Future of Financial Advice

Mr Bowen (McMahon) (14:59): My question is to the Prime Minister. I refer the Prime Minister to the case of Naomi Halpern, who accumulated $640,000 in debt, resulting from the Timbercorp collapse, and following the provision of poor and unconscionable financial advice. What does the Prime Minister say to Ms Halpern and thousands like her, who have lost large amounts of money and in some cases their life savings, while the government waters down basic and important financial consumer protections?

Mr Abbott (Warringah—Prime Minister) (15:00): Madam Speaker, I say to the lady in question: first of all, we are not watering down protections and, second, these problems took place when the former government was in office.

Opposition members interjecting—

The Speaker: The member for McMahon has asked his question. Now there will be silence to listen to the answer.

Mr Abbott: These problems took place under the protections put in place by the former government—

Opposition members interjecting—

The Speaker: The Prime Minister will resume his seat. Shrieking does not assist the chamber. When you have asked a serious question and you want a reply, kindly listen to it. The Prime Minister has the call.

Mr Abbott: I fear that the shadow Treasurer is not wishing to protect the lady in question; he is just wishing to score cheap political points, Madam Speaker.

Opposition members interjecting—

Mr Bowen: I rise on a point of order—

The Speaker: There is no point of order; the Prime Minister has the call. The member for McMahon will resume his seat. The Prime Minister is answering the question.

Mr Bowen: Madam Speaker, I rise on a point of order—it is a serious one.

The Speaker: I will listen with great interest to the member for McMahon.

Mr Bowen: Madam Speaker, the Prime Minister has impugned me and members on this side of the House. The Leader of the Opposition and I—

Government members interjecting—

The Speaker: There is no point of order; resume your seat.

Mr Bowen interjecting—

The Speaker: Resume your seat!

Honourable members interjecting—

The Speaker: Resume your seat!

Mr Bowen interjecting—

The Speaker: The member for McMahon was asked on three occasions then to resume his seat. He can take himself out of the chamber under the provisions of standing order 94(a). The Prime Minister has the call.
The member for McMahon then left the chamber.

Government members interjecting—

The SPEAKER: There will be silence on my right!

A government member interjecting—

The SPEAKER: Whoever is responsible for that interjection will desist.

Opposition members interjecting—

Mr ABBOTT: Madam Speaker, none of us want to see vulnerable—

Opposition members: Withdraw!

Mr Joyce: I withdraw.

Honourable members interjecting—

The SPEAKER: He did not have the call, but he withdraws anyway. The Prime Minister has the call, and there will be silence—or there will be a few more to join the member for McMahon.

Mr ABBOTT: Madam Speaker, none of us want to see vulnerable people ripped off by unscrupulous advisers. None of us want to see that. Every single member of this parliament wants to see a good and effective system of regulation in place; we all want to see an effective system of safeguards in place. It is a question of getting the balance right. And I say, of the changes that the government has put in place, that they do not withdraw the best interests tests and they do not introduce commissions, but they seek to ensure that people of modest incomes have access to the best professional advice—that is what they seek to do. And I am confident that the kinds of activities that the shadow minister referred to will be just as much prescribed by the system that we have put in as they were under the system put in by members opposite.

Apprenticeships

Mr LAUNDY (Reid) (15:04): Madam Speaker, my question is to the always eloquent Minister for Industry. Will the minister update the House on the measures the government is implementing to enable apprentices in my electorate and across Australia to be supported—tomorrow’s plumbers, chippies, sparkies and brickies; all tradies—as they complete their training and commence work?

Mr IAN MACFARLANE (Groom—Minister for Industry) (15:04): I thank the very hardworking member for Reid for his question. It has been a long time since the constituents of Reid have had a representative who works as hard as this one. He is out there, amongst the 12,000 small businesses that he has in his electorate and amongst the workers that he represents in that electorate. And I know that he feels for small business because, unlike those people over there on that side, his family actually run a small business. They know what a business is all about. Of course, that small business is suffering under the weight of the carbon tax, and while those over on that side want to see the average worker in Australia pay a tax on their cold beer, the member for Reid is actually working with this government to make sure that that tax is removed. He knows that small business and businesses in general are the ones who create the jobs for Australians—the ones who get behind the young people of Australia who want to get an apprenticeship, get a skill, get a trade and go out there and contribute to the economy.
This week we have delivered on our promise to help apprentices with their cost-of-living pressures. Can I thank member for Cunningham who—unlike many opposite—has actually demonstrated that where there is good policy, even where it needs a tweak—and she was very consultative in providing that tweak—she and those in the other house will support good policy. And this is good policy: providing apprentices in training with an $8,000 loan, then a further $6,000, a further $4,000 and a further $2,000 interest-free. We are giving people the assistance they need to ensure that they are able to complete their training. We are also giving them an understanding of the responsibility of money, but we are saying this is the most generous way to assist young people in particular but all apprentices and those on the National Skills Needs List in getting their skills.

This is a policy that will deliver outcomes, unlike the previous policy from the Labor Party, which saw the Tools For Your Trade money sprayed out across the community, whether an apprentice needed it or not. This is a well-targeted scheme that will make sure that apprentices have the ability to finish gaining their skills and contribute to the community. This is our government getting on with the job, and this is a policy that will deliver for apprentices.

Budget

Mr SHORTEN (Maribyrnong—Leader of the Opposition) (15:07): My question is to the Prime Minister. In response to question 10 today the Prime Minister was happy to rule out including the family home in the pension assets test as part of the Treasurer's alternative budget, but today the Prime Minister refused to rule out, at question 3, making further cuts to schools and hospitals, at question 5, introducing a $15 GP tax and, at question 8, scrapping family tax benefit B. Hasn't the Prime Minister hurt Australian families enough? How many more grubby deals will this Prime Minister cut to get his unfair budget through?

Mr ABBOTT (Warringah—Prime Minister) (15:08): All of the assertions contained in the Leader of the Opposition's question are false. We are not cutting schools and hospitals. We are not ripping off families. We are not imposing taxes in the way that the Leader of the Opposition suggests. We are addressing the debt and deficit disaster that we inherited from members opposite. Members opposite are in denial about the fiscal catastrophe that they created. They are absolutely in denial about the disaster that they left as their legacy. They accepted, in government, that they needed to move back to surplus. Why can't they accept now that it is necessary to move back to surplus?

Ms Owens interjecting—

The SPEAKER: The member for Parramatta will desist.

Mr ABBOTT: There were the tax cuts that they abandoned in government and now are voting in favour of. There were the spending cuts that they proposed in government and now are opposing. There was the carbon tax that they said they had terminated in government and are now supporting. They just do not know—

Ms Ryan interjecting—

The SPEAKER: The member for Lalor will desist.

Mr ABBOTT: where they stand. They do not know what they believe in.

Ms Plibersek interjecting—

The SPEAKER: The Deputy Leader of the Opposition will desist.
Mr ABBOTT: The embarrassment for members opposite is that they are the heirs and successors of Bob Hawke and Paul Keating—two prime ministers that members on this side often disagreed with but could always respect. We might have disagreed with much of what they said, but we could always respect what they did, because, whatever else they were, they were not wreckers. That is the problem with members opposite. The current crop of Labor members in parliament were wreckers in government and now just want to wreck government. That is the problem. This government has been given by the people of Australia a heavy responsibility.

Mr Burke: Madam Speaker, I rise on a point of order.

The SPEAKER: If you are attempting to have a point of order dealing with relevance, you will be very hard pushed to make it.

Mr Burke: I thought I would give it a go because he has not come close.

The SPEAKER: There is no point of order.

Mr ABBOTT: We were elected to fix the mess that Labor created. That is what we were elected to do. No-one ever said that it would be easy. In fact, fixing Labor's debt and deficit disaster is obviously going to be difficult, but this government is up to the task, and we will not let the people of Australia down. On that note, I ask that further questions be placed on the Notice Paper.

QUESTIONS TO THE SPEAKER
Questions in Writing

Ms ROWLAND (Greenway) (15:11): In accordance with standing order 105(b), I ask that you write to the Minister for Communications, seeking reasons for the delay in answering a question in writing. The relevant question appears as No. 136 on the Notice Paper.

The SPEAKER (15:11): Under standing order 105(b), I will take the appropriate action.

DOCUMENTS
Presentation

Mr PYNE (Sturt—Leader of the House and Minister for Education) (15:12): Documents are tabled in accordance with the lists circulated to honourable members earlier today. Full details of the documents will be recorded in the Votes and Proceedings.

MATTERS OF PUBLIC IMPORTANCE

Mr BURKE (Watson—Manager of Opposition Business) (15:12): Madam Speaker, given, as you are aware, that the member for McMahon has been excluded from the chamber and is a person who has written to you on the MPI and given the circumstances of his raising a point of order on reflections of members under section 90 of the standing orders, I ask whether it is possible for him to return to the chamber so that the MPI can continue.

The SPEAKER: I am afraid not. The conduct of the member for McMahon was disorderly, screeching into the microphone when he had been asked to sit down on three occasions. I am sorry, no.

Mr BURKE: On that basis, as you would appreciate, the MPI is withdrawn.
BILLS

Corporations Amendment (Simple Corporate Bonds and Other Measures) Bill 2014

Report from Federation Chamber

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

Third Reading

Mr BALDWIN (Paterson—Parliamentary Secretary to the Minister for Industry) (15:14): by leave—I move:
That this bill be now read a third time.
Question agreed to.
Bill read a third time.

Defence Legislation Amendment (Woomera Prohibited Area) Bill 2014

Report from Federation Chamber

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

Third Reading

Mr BALDWIN (Paterson—Parliamentary Secretary to the Minister for Industry) (15:15): by leave—I move:
That this bill be now read a third time.
Question agreed to.
Bill read a third time.

National Health Amendment (Pharmaceutical Benefits) Bill 2014

Second Reading

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

Mr GILES (Scullin) (15:16): The changes in the National Health Amendment (Pharmaceutical Benefits) Bill 2014 would have a real impact on people's lives. I think, again, about unfilled prescriptions on top of the impact of doctors visits deferred or cancelled due to the impacts of the GP tax. I note the COAG Reform Council report that was released in early June of this year which found that 8.5 per cent of people in 2012-13 delayed or did not fill their prescription due to cost. In disadvantaged areas, such as some areas within the Scullin electorate, the figure goes up to 12.4 per cent and for Indigenous people it goes up to 36.4 per cent—over a third. The last time the Liberal government, the Howard government, increased the tax on medicines in 2005—by 21 per cent at that time—filled prescriptions for some
essential medicines fell by as much as 11 per cent. That is what we are looking at—a real impact on ordinary people's health and a real impact on the health of the most vulnerable in our community.

These changes are, of course, part of an ideological campaign to get rid of Australia's universal healthcare scheme and create a two-tiered user-pays system. I think of the minister's contribution in question time yesterday, which was very revealing in many respects but particularly when he spoke of bulk-billing as a safety net, fundamentally misunderstanding the universality of our present system which is so important to Australia's social compact.

Astonishingly, the changes which are before us go beyond the recommendations of the Commission of Audit. The changes that are proposed and that we are discussing in relation to the concessional co-payment go beyond that wish list of the IPA and the Business Council of Australia. That is just staggering even for a government so blindly ideological as this one. It is not only that the language of the Commission of Audit informed the budget; its recommendations have been found wanting by some of the ideologues opposite.

These price increases come off the back of cuts of $80 billion to Australia's public hospitals and schools, the GP tax and hundreds of millions of dollars being cut from preventative health, dental health and Australia's health workforce, including the nurses we spoke of yesterday who are of no interest, it appears, to members opposite and particularly the minister. So Labor does not support the changes contained in the legislation before us. That is true as the legislation sits, but it is particularly so in the context of the broader changes and impositions this government is putting on the Australian community—the taxes for visits to the doctor, the taxes on pathology and medical imaging visits and fundamentally the derisive attitude to preventative medicine, which should be at the core of our health agenda.

Since the budget, I am sure most of my colleagues and, indeed, some members opposite have been inundated with correspondence from constituents who are deeply frightened about what this budget will do to them and their families. Of all the issues that constituents raise with me, health is at the forefront of their concerns. The Scullin electorate has the highest bulk-billing rate in Victoria, and I am very proud of that fact. It shows the great work that is being done by a range of local doctors, Medicare Locals and others in the community to ensure that people have access to effective primary health care. People have an assured acknowledge and lived experience of universal health care. It means that when they get sick they do not have to worry about going bankrupt to get treatment such as in the US and in the fantasies of some members opposite and the IPA. Older constituents tell me they remember the time before Medicare. They remember the pain and the fear of being told they did not have enough money to get treatment that they, their children or other family members needed. Yet this is the vision those opposite are taking us back to. This is why the response in Scullin and across Australia has been literally overwhelming. So much for sustainability. Our health system is something I am proud of. I am proud to support it and to reject this legislation.

The SPEAKER: I call the honourable member for Chisholm.

Ms BURKE (Chisholm) (15:20): Thank you, Deputy Speaker, but I will point out—

The SPEAKER: No, it is 'Speaker'.

Ms BURKE: My apologies, Madam Speaker. I was actually going to point out—and this is why I was stumbling over my words—that 'the Hon.' does not attach to former Speakers
unless you go to the Governor-in-Council, so it is never attached to me. Whether that makes me honourable or not, I am not sure!

The SPEAKER: All members in the House are honourable!

Ms BURKE: Thank you, Madam Speaker. I rise to speak against the National Health Amendment (Pharmaceutical Benefits) Bill 2014. This is a grossly unfair piece of legislation that is being forced upon the Australian public and it will hurt the most vulnerable. Labor will oppose this $1.3 billion tax grab on medicines, because it will hurt. We will see, if this goes through, that it will not create an increase in the tax base. It will actually decrease the tax base because pushing people away from going to the doctor and away from fulfilling their necessary scripts will put them back into the health system. To see this anyone need only to look at research that has been done over many years, particularly in the United States on their health system where they, bizarrely, spend more per capita on everybody's health but everybody gets a lesser benefit because it is at the emergency end. We have such a sustainable and great system because we provide the services at the front end, at the primary care end, because it is affordable to go to the doctor and it is affordable to get your scripts filled. This bill will see an increase in the pharmaceutical benefit co-payment for general patients go up by $5 to $42.70, and for concession card holders it will go up by 80c to $6.90.

The Prime Minister has again said today that the $7 co-payment they are proposing for GPs is reasonable. It is not a big impost. Try telling that to people on full pensions and to disability pensioners, who are already struggling to make ends meet. Try telling that to the many self-funded retirees in my electorate who are living on a part pension and rely on the health care card to ensure that they have sustainable health care. That is what they rely on.

I can speak from the personal experience I have with my mother, who absolutely rattles with the amount of medication she takes. One is a cancer drug. Luckily, it is not for cancer, but it is for a very serious blood disorder she has. It is a very expensive cancer drug and if she does not take it she will die. I know she does not want to make the choice between the diabetes pill or the arthritis pill—I cannot even name the number of medications my mother is on. Every time we have ended up in an emergency department—and, sadly, I have done that on occasion with her, and prior to my father's passing I did it with him—I have had to rattle off the number of medicines they were both on. It is quite frightening. For them, an increase in the amount would actually be a huge impost for them. Both of them had a bit of super—not a lot—and they live on part pensions. They live within their means. Any change, any slight change, to their cost of living by increasing the cost of a script will have a detrimental impact upon their existence and their way of life.

Time and again we have heard that the COAG Reform Council report released in early June found that in 2012-13, due to costs, 8.5 per cent of people delayed or did not fill their prescriptions. In disadvantaged areas this figure was 12.4 per cent and for Indigenous people it was a staggering 36.4 per cent. Again, this legislation will hurt the most disadvantaged. So much for a budget that was sharing the pain. This is not sharing; this is inflicting pain.

Look at what happened the last time a Liberal government increased the tax on prescriptions for some essential medicines. It was in 2005. We are not talking about something that is not essential. We are talking about blood pressure tablets, cholesterol tablets, diabetes medication and so on. Prescriptions for these medications fell by as much as 11 per cent.
Today in question time the Leader of the Opposition sought to table a petition from 3,000 doctors concerning this. It was not some union group—mind you, I do not see why we demonise union groups—it was from GPs and specialists, who are already seeing their patients raise concerns in this area. One story within the petition talked about the patient who arrived at the doctors and went to the reception and said, 'Is the $7 co-payment already in?' The receptionist said, 'No, it has not come in.' The patient said, 'That is good, because I think I need to see the doctor as I have a slight headache.' Sure enough the patient went in and their blood pressure was through the roof and they had to call the ambulance. The individual collapsed and was raced off to hospital for emergency surgery. Just imagine if the receptionist had said, 'Sorry, mate, the $7 is in.' The patient would have said, 'I cannot afford that,' and gone home, where they would have probably passed away. This is the sort of system the government is trying to force upon Australians. It is unfair and it is unnecessary.

The co-payment in the Pharmaceutical Benefits Scheme in some ways is more insidious than the doctor payment, because most people actually are not aware it is out there yet. But they will when they go to get their scripts filled. They will be standing at the pharmacy saying: 'Which script do I fill? Which one is more important to keep me going?' In my electorate, which has a higher proportion of people over the age of 65, this is a grave concern. They wait to reach the mark before they get their scripts. Most of them, like my mother, do it in three months, when they have got to the max and all their scripts are free. The government is proposing to increase that rate as well. This again will be a huge impost on many people in my electorate.

My GP recently told me a tale, which the pharmacists backed up, of a young couple who arrived with a very ill baby. They were given two scripts. One was an antibiotic and one was a pain reliever for the poor child. They went to the pharmacy and said: 'Which one is the antibiotic? Just fill that one.' Mind you, the doctor had explained that the child needed both, because for the antibiotic to kick in the pain needed to be reduced so that the system would understand that the antibiotic was there to help. Those choices are genuine, and we should not be forcing them upon the public.

The ridiculous thing is that the PBS is actually growing in a sustainable manner—it actually has not blown out—because of some significant measures the Labor government took during the last parliament. We introduced price disclosure reform. At the time, the now minister and then shadow health minister, Peter Dutton, railed against these reforms requiring disclosure on pricing. He argued how it was unfair and that these drugs were coming off the list. No they were not. We were actually saying to the producers to charge appropriately for the drugs that were being dispensed. The changes in generic drugs meant that there were now many drugs that were past the stage of being listed and could now come down in price. It is just a simple matter of saying to the companies to charge an appropriate rate for the drugs they are selling and the Australian taxpayer is funding. At the moment the government spends about $9 billion a year on the PBS. With accelerated price disclosure the real rate of growth in the PBS is on a sustainable footing. So this budget measure is not about actually creating sustainability. That is already there in the mechanism.

We need to ensure that this is a genuine reform. That is why we are opposing it—because it is not a genuine reform. The money raised will not actually go back into sustaining the PBS or Medicare. It will go into a medical research fund. So those people who are chronically ill now
are going to pay for their diseases to be cured in the future. I just do not see why the sick have to pay for medical research. Surely that is a requirement of government. Many people have contacted me expressing concern about the changes to both the Medicare co-payment and the PBS. Most of them write not on their own behalf but because of concerns for others. Tammy writes:

I am horrified by the Lib Gov proposal to introduce fees for GP visits which I understand to be in place of bulk billing. I don't rely on bulk billing and am fortunate to not have to. I am writing to ask that you do what you can to resist this change - parents less fortunate than I should not have to choose between taking their children to the doctor and other expenses.

Robin writes to me:

I am sure you would agree this is a nasty tax; nothing for the rich, a burden for the poor. Yet Hockey promotes it as right and proper for the rich to pay; no mention of the burden on the poor.

This is the essence of what is coming through from my electorate. People are very concerned—not for themselves, not for their hip-pocket nerve but for those less fortunate than them.

We do not just need to rely upon Labor members to speak against this proposal. A recent study was conducted by the Family Medicine Research Centre at the Sydney School of Public Health, relying on data from the Bettering the Evaluation and Care of Health Program, which is a continuous national study of general practice activity. The researchers say they have been conservative in their assumptions. They found that the government's proposed Medicare co-payment and its increase in the Pharmaceutical Benefits Scheme threshold will send a bigger than anticipated price signal. I quote from an article in this regard by Michelle Grattan:

If both policies were introduced, the average annual extra cost to a patient, which increases with age, would be A$36 for children up to $122 for people 65 and older.

A young family of four would expect to pay $170 in co-payments for GP visits and tests, plus $14 for medications — $184 more annually.

That is a huge impost on the family budget. The article further states:

A self-funded retired couple without Commonwealth concession cards could expect to be up for an average of $189 in co-payments for GP visits and tests, plus $55 for medications — totalling $244 more.

An age pensioner couple with concession cards would pay an average $140 in co-payments for GP visits and tests plus $59 for medications — $199 extra.

The research comes as the Medicare co-payment faces defeat in the Senate …

They found that more than one-quarter of adult GP consultations involved at least one test, which would make for a minimum out-of-pocket cost for the consultation of $14 in co-payments. About 3% of adult GP consultations involved imaging and pathology — making for a minimum $21 in co-payments.

All of this adds up. The article continues:

Different people use health services at different rates, with the average number of GP visits made by the Australian population who visited a GP in 2012-13 being 6.6. The rate increases substantially with age, from an average of 4.5 for children to 10.5 for people 65 and over …

"Therefore, the introduction of co-payments will not have an equal impact across the population. It is the high users, usually the older, sicker people in our community who will be the most affected," the report said.
"Compared with other OECD countries, Australia already has one of the highest levels of out-of-pocket health costs. Through introduction of the co-payments the government aims to 'ensure health services are sustainable and used efficiently'.

But this is not the case. It continues:

However there is no evidence that any modelling was performed to assess the effect of co-payments on deterring people from seeing a GP, or the flow on effect on hospital emergency department attendances."

In 2012-13, 5.8% of people delayed or did not see a GP because of cost, and this was a greater barrier for those from disadvantaged areas.

"Discouraging people from using primary care health services flies in the face of all international evidence.

"It is likely that the increased costs due to these policies would deter more people from seeking early treatment or from taking necessary medications. This is a concern when areas in Australia already have 13% of their population delaying or not seeing a GP due to cost, and 15% doing the same for prescriptions.

Why take an axe to the area that saves the budget the most money: primary health care? Why put an impost here? Study after study shows this, as the article states:

"Overseas studies have shown that there is little evidence of health care cost reduction from introducing co-payments. The evidence suggests that long term health costs will be higher due to patients deferring necessary care, resulting in increased hospitalisation and progression of disease," the study said.

"International evidence overwhelmingly suggests that the most efficient, effective and equitable health systems have a strong primary care focus.

"We believe that if Australia is to maintain an efficient and equitable health care system, general practice requires investment, not reductions."

The researchers are saying this; it is not out of the mouths of the ALP.

More and more studies go on to find that the overwhelming issue will be that more people will choose not to go and see a doctor and more people will choose not to get their medicines. This will put costs onto the health system; it will not reduce costs. This is a callous measure that does not achieve the aim it is seeking. Why are we impacting the most vulnerable to bandaid a budget emergency that is not happening? Why are we doing this to the people in our community who can least afford it? Many people in my community already pay, as I do, a co-payment to see their doctor. Many people in my community will not feel the pain, but many will. Certainly those in the older age bracket will make the choice of seeing the doctor and getting their script filled or not doing that. That is not a choice that an Australian should have to make.

Mr LAURIE FERGUSON (Werriwa) (15:35): It might be said that this budget has many facets that have attracted criticism from the general public and from the media. An instance of that was the presentation in this parliament today of a petition by thousands of Australian doctors concerned about what the Prime Minister, on his high income, believes is just a modest co-payment to visit a doctor. There have been major assaults on the living standards of pensioners through the indexation change. Family payments have been severely cut. This measure is also of deep concern. It requires a higher co-payment by the general public and it increases the safety net threshold each year.
It has been argued that this is all about making sure that our Pharmaceutical Benefits Scheme does adhere to the long-term aims of timely access, quality, safety, efficiency, efficacy, quality use of medicines et cetera. However, I would argue that it is not driven by those facts. It is driven more by an ideological determination by this government to shift the cost of the system to the average person in this country. Obviously, in the end that means those people whose health situation means that they are more likely to have these prescriptions and are more likely to visit doctors.

The real factors driving the cost of our health system are not the visits by people to doctors or the use of pharmaceuticals that are subsidised by the Australian taxpayer. The reality is that other facets of the system are driving that cost—a tripling of the population between 1973 and 2013, or the increase in the population aged over 65 years of age to 3.3 million. The wider use of far more costly technologies has some relationship not only to medical research and drives by the pharmaceutical sector but also to the consequences of the ageing of the population. It is not a surprise that the health system's costs are going to rise. It is not a phenomenon that in any way is found only in Australia. It is not something that is identified only with a system that has a first-world pharmaceutical benefits scheme. It is a reality that is consequent upon factors such as those I just mentioned.

The government's invented emergency should be seen in the context of international comparison. The last OECD figures I have come across gave figures for health care as a percentage of GDP amongst OECD countries, in document 2010/09/028. At that stage, health care as a percentage of Australia's GDP was at 8.7 per cent. That compared with Canada at 10.1 per cent, France at 11 per cent, the United States at 16 per cent and Sweden at 9.1 per cent. Our rate is lower. That is who we should compare ourselves with—first-world developed nations. I know this government likes to compare our debt levels with those of Swaziland, Lesotho, Chad, Niger et cetera, but I think the comparisons this country should make are with these first-world countries. Another interesting statistic is that in the much-vaunted US system that the government would like to go towards—which is such a disaster and which American presidents from Theodore Roosevelt onwards have tried to change more to what Australia now has—the percentage of government revenue spent on health care as a percentage of the overall cost is 18.5 per cent. In Australia it is 17.7 per cent.

We have a situation where that much-loved Canadian administration of Mr Harper still has a pharmaceutical benefits scheme that is so attractive that $1 billion a year is spent by Americans crossing the border to utilise Canadian pharmaceuticals. The Prime Minister is at pains to associate with the Canadian Prime Minister—who of course gained a mere 38 per cent at the last Canadian election—on matters such as Tamils and human rights, but in regard to health care he is very significantly out of tune with Canadian practice.

This is an extremely serious measure. In 2012-13, 197 pharmaceuticals were subsidised by the PBS at a cost of $8.8 billion. It is a very serious matter, particularly for those people who are going to be impacted upon by these changes. I note that this is not the first time that a government of the other stripe has ventured in this direction. The Howard government was guilty from January 2005 of a 21 per cent increase. It had an outcome. It had a result. It had something they desired—an 11 per cent reduction in people filling and utilising their prescriptions.
Whilst those opposite might congratulate themselves on this change, significant players in the health sector are extremely critical of the change. The Consumers Health Forum of Australia has made the following comments:

As highlighted by CHF’s 2013-14 Federal Budget Submission, rising expenses for both government and individuals have underlined the need for new approaches to pay for healthcare that will result in more effective, targeted treatment, and reduced out-of-pocket costs.

The CHF is also disappointed in the failure of the budget in critical areas such as rising out-of-pocket costs. It went on to say:

Costs present a considerable barrier to access to health services for some consumers as the COAG Reform Council’s recent report showed with findings that the proportion of people who delayed or did not see a GP due to cost has increased—

that is, the people who are actually affected by this—

from 6.4 percent in 2009–10 to 8.7 percent in 2010–11, along with other evidence of financial barriers in access to specialists, dentists, prescriptions and diagnostic tests.

These barriers are greater for consumers from lower socioeconomic groups—such as in the electorate of Werriwa, which I represent—Australia is also comparing increasingly poorly internationally.

That is the comment of the Consumers Health Forum. It went on to say:

Delivering or reducing access to treatment will not only have implications for individual consumers. There could be major long-term budget implications, particularly if a person’s health deteriorates and they need to access care in the acute system.

It went on to attack both this and the doctors co-payment.

The Family Medicine Research Centre at the Sydney School of Public Health at the University of Sydney has also been extremely critical, making the point that in assessing the impacts it took ‘a conservative approach’. It noted:

It is the high users, usually the older, sicker people in our community who will be most affected.

There is sufficient evidence that the introduction of a co-payment will change patterns of health service use, and that there will be different impacts for different patient groups.

That is in regard to another aspect of this government’s budget. It went on to say:

The average annual additional cost increases with age from $36.27 for children to $122.17 for patients aged 65+.

It also said:

Overall, there is little difference in the average additional amount that general and concessional patients would have to pay over a year … The only real difference would be among patients aged 65 years or more — as concessional patients would have their co-payments for services capped at $70, while general patients would not.

Once again, an organisation that is actually interested in the impacts on consumers and in the people who will suffer the outcome of this is highly critical. It went on to say:

It is likely that the increased costs due to these policies would deter more people from seeking early treatment or from taking necessary medications. This is a concern when areas in Australia already have 13% of their population delaying or not seeing a GP due to cost, and 15% doing the same for prescriptions.
Overseas studies have shown that there is little evidence of health care care cost reduction from introducing co-payments. The evidence suggests that long term health costs will be higher due to patients deferring necessary care, resulting in increased hospitalisation and progression of disease. It concluded:

… these proposed policies will create a larger price signal than that suggested in the media to date.

In other words, it is saying that it is going to be far worse than what has been estimated in the general public.

In the document from the Australian Bureau of Statistics *Australian social trends, March 2011*—still applicable today—there was comment from the ABS that many people report they are unable to access the care they require because of financial considerations. They noted that almost one in 10 delayed getting or did not get prescribed medication because of the cost. That is nine per cent, or about one million people. Additionally, they noted, more than twice the proportion of people in the most disadvantaged areas found cost a barrier to receiving prescribed medication compared with those in the least disadvantaged areas—12 per cent and 5.4 per cent respectively. We know every medical survey in this country and overseas indicates a correlation between poor health and serious illnesses in poorer socioeconomic areas, and here we have a situation where the same international and Australian statistics indicate there is going to be a tendency for people not to fill these scripts when changes such as this are made.

The Australian Institute of Health and Welfare noted:

In general, the higher people's incomes and education, the healthier they are—a phenomenon often termed the 'social gradient of health'.

People living in areas of low SES are also more likely to place themselves at risk of lifetime harm from alcohol than those in high-SES areas. There are a variety of indicators of that.

So we have a situation where there is a correlation between people's low income levels, other indicators, health problems and a situation where they in turn are less inclined to go to doctors when there is a co-payment and less inclined to take the medications necessary. This is a severe attack on the health rights of Australians. It is covered by a supposed crisis in the budget which did not stop the government reducing revenue by the abolition of the mining tax and which did not stop the government increasing massively payments to wealthy Australians for parental leave and other measures which have worsened the budget. It should not be the case that people in south-west Sydney, whether in Macarthur, Fowler or Werriwa, are the victims of these changes. This medication is often for life-threatening conditions. People who have other huge pressures are now being forced by this government to make choices. This government is bringing in at the same time not only co-payments but also measures to make it financially advantageous for doctors to end bulk-billing.

This is a government which is not driven by an attempt to preserve the Pharmaceutical Benefits Scheme system, which is, admittedly, historically world renowned; it is a government that is bent upon basically moving the costs of the system from the overall taxpaying public to the people who are using the service most often. As has been indicated by every indicator, they are predominantly those of the aged population in this country—the same people being hit very hard in other parts of this budget.
Mr PERRETT (Moreton) (15:48): I rise to speak on the National Health Amendment (Pharmaceutical Benefits) Bill 2014 and state up-front that I am proud to be a part of the party that will oppose this $1.3 billion tax increase on medicines. Why? Because it will hurt Australians. It will hurt almost every Australian, and I guess it is important that we see it through the prism of that horrible budget visited on the Australian people back in May—a budget that seeks to divide, change and conquer Australia and turn it into something that it is not and I hope will never be. This particular policy indicates that attack by the government on the view that the collective should support those that need help versus the view of the government that the individual is paramount and, if the individual can look after themselves, 'I'm all right, Jack, and forget about the rest.' That is the fundamental message of that budget delivered by Prime Minister Abbott and Treasurer Hockey and that is why we are opposing this particular budget initiative.

When it comes to health, we do have completely different approaches. We have seen it historically: Labor was the party that brought in Medibank in the first place. The conservative side of the chamber tried to tear it down under Malcolm Fraser. Labor under Bob Hawke brought in Medicare, and obviously John Howard saw that it was a part of the Australian fabric and accepted it. However, this extreme government that we have—this Tea Party collective that has taken hold of the ministerial leather—has tried to take down a universal approach to health care.

I notice that the COAG Reform Council report released in June found that, when it comes to filling prescriptions, one in 12 people back in 2012-13 delayed or did not fill their prescription due to cost. Obviously that has health implications for people. Let us look at what happens when you move to disadvantaged areas for people not filling their prescriptions. The figure then jumps to one in eight people not filling their prescriptions. We know what happens if people do not fill their prescriptions. If you are only taking medicine every second day or if you have a course and drop one of them then the efficacy of the medicine can be completely negatived. You can actually waste money by not taking the full prescription course. The saddest part is that this same COAG Reform Council report said that, when it comes to Indigenous communities—and I say this in particular for the Indigenous affairs minister, who is Prime Minister Abbott—more than one in three Indigenous Australians did not fill their prescription due to the associated costs. We know full well, as does the former health minister, the current Prime Minister, what will happen when you put an extra price on medicines.

This $1.3 billion tax needs to be seen through that prism by a former health minister who knows the consequences and knows that means—and I am not being dramatic here—that people will lose their lives. That is the reality of people not following prescribed courses of medicine. The Indigenous affairs minister—the Prime Minister—knows that if one in three Indigenous people are not filling their prescriptions due to the cost then this $1.3 billion tax will be particularly visited on Indigenous Australians, who already have so many challenges when it comes to health, geography, education and other social disadvantages, particularly incarceration.

Let us put that in context. We hear from all of the speakers opposite—wait a minute; that is right, there were not any! There was one speaker. This great health initiative has been trumpeted by those opposite, yet this incredible number of people who cannot even get
enough people together to start parliament on time could not find a single speaker for this piece of legislation. Not a single person from the backbench was prepared to defend it. That is ridiculous!

If this is really about the sustainability of the health system, the revenue would be going into the PBS and into Medicare. Instead, this is just a price signal. That is what it is. For some reason, those opposite can grab a price signal when it comes to health but not when it comes to saving the planet and the health consequences that will flow if we do not take steps to stop global warming. Those opposite run a million miles from anything to do with putting a price on pollution and global warming; however, when it comes to health, they are in like Flynn to put a price on the sickest people in society, particularly Indigenous people and those living in disadvantaged areas.

This once proud Liberal Party that used to believe in markets is all over the shop. They have got a distorted view of what they are about. As I heard the member for Corio say on television this morning, it is because they are an extreme government. They are not governing for that sensible middle of Australia. I see that John Howard, the former Prime Minister, is here in Canberra today. He understood what it was like to govern for the middle because he had a marginal seat. He understood that that is what Australia is all about. You do not need the extreme Tea Party ends or the Greens ends of the spectrum. You should govern for the middle. That is where the national interest is best represented. But those opposite have lost control of their agenda and are ignoring history.

This is all a part of their ideological campaign to turn Australia's universal healthcare scheme, set up by Labor, into that two-tier user-pays system favoured by the United States, which has been shown by every sensible health economist to be a waste of money. When comparing the costs associated with medicine in the United States to those just over the border in Canada, there is almost a two to one cost differential, or even more in some states, because the insurance companies have grabbed hold and medicine has become inefficient. Basically, if middle-class people—teachers, firemen, nurses and the like—get sick, that can be the end of a family, the end of a dynasty, in terms of having a job and a way of life, and suddenly they are out on the street. That is not the Australian way. That is not the way we believe in. That is not the sort of Australia we want.

I ask those more sensible people opposite to grab hold of the agenda and come back to a sensible, fairer budget because we will not support Prime Minister Abbott's unfair slug on sick Australians. It is built on lies told before the last election. I clearly remember the Prime Minister saying that there would be no cuts to health. This piece of legislation before the chamber now has a strong odour of mendacity attached to it. It is a pong that you could smell west of Cunnamulla, a long way away, and the people of Australia have tracked it down.

Mr Marles interjecting—

Mr PERRETT: I think that is in the Deputy Speaker's electorate. He would know Cunnamulla very well—and west of Cunnamulla!

The reality is that this legislation, like so much of this budget, is about an ideology rather than a sensible approach to health care. It comes on the back of the $80 billion cuts to public hospitals and schools, a tax on doctor visits and the hundreds of millions of dollars taken out of preventative health. A stitch in time does save nine, particularly in health. The Rudd and
Gillard governments discovered that we have been neglecting preventative health and that is where the savings are. Do not try to treat a diabetic or a heart attack victim when they arrive at the emergency department, give them some counselling beforehand.

These changes are trying to take Australia's health system back over 50 years. That is the reality of all these cuts. Early in his career, only nine months in, the health minister is in the running to take the baton of the worst ever health minister in Australia. That baton is being held in the Prime Minister's office. It is the baton that he received as worst ever health minister when he cut $1 billion from Australia's health system. So the member for Dickson will not have far to go to get the baton back from the member for Warringah. However, he should be ashamed of himself.

The reality is that the PBS works differently from the MBS. All of us pay a Medicare levy and high-income earners, thanks to Labor, pay a Medicare levy surcharge, but there is no such thing when it comes to the Pharmaceutical Benefits Scheme. So Labor does not support this legislation, especially in the context of all these other taxes that the government, which said they would not increase taxes, want to increase, including for doctor visits, for pathology and for medical imaging.

A few weeks ago when I was with the shadow health minister, Catherine King, in a medical practice in Moorooka we heard of the problems associated with trying to explain to patients, particularly those who have English as their second language, that they will now have to pay to go to the doctor. People will not understand the $2 in red tape and the $5 on the never-never that the GP co-payment will require. It will be so hard for medical practices to recoup that money—to get it off their patients.

The reality is when we were in government we did make some tough decisions—decisions that many in the Labor caucus argued about because of the costs it would mean for the Australian public. But we made some tough decisions to make sure that the PBS was on a sustainable footing. There were tears and there was gnashing of teeth among the Labor Party when we made our changes to this, but we put it on a sustainable footing. The government's argument—that their intention is for the PBS to be growing in a sustainable way—is a complete nonsense. If that were the case they would invest this money back into the health system. That is the reality. Instead they are putting the money into the Medical Research Future Fund—a commendable initiative, I admit; we should be investing in funding future medical research. That is what the NHMRC is about. We, as a Labor government, would support that; we understand that. But this price signal of $2 in red tape and $5 for the never-never is all about putting out a price signal and putting fear into pensioners, the poorly paid, Indigenous Australians and, particularly, rural and remote Australians, when they are arguing it is all about putting the PBS back on a sustainable footing.

The reality is the PBS is actually growing in a sustainable way. At the moment we are an ageing society; one in five Australians is over 65. That brings challenges but we have had plenty of time to prepare for it, and I commend earlier governments for some of those initiatives. Let us have a look at the PBS. It is growing at a much lower rate than expected and, in fact, recent budget updates have shown that the PBS is actually growing at a slower rate than was expected. So there is no emergency—no emergency at all. It is not growing by accident; it is because of the decisions that Labor took—measures that were opposed, and campaigned against, by the very people occupying the government benches.
Those PBS price disclosure reforms—there was a lot of lobbying going on in the corridors of Parliament House when they were rolled in—have delivered billions of dollars in savings for the government. At the moment the government spends around $9 billion a year on the PBS. Accelerated price disclosure has slowed the real rate of PBS growth and put it on a sustainable footing. The last budget of the member for Lilley, Wayne Swan, predicted that these savings would deliver more than $1.8 billion in savings. That is not acknowledged by the health minister in his many rants at the dispatch box. He is all about revisiting a couple of things that seem to eat at him for some particular reason, but he does not acknowledge the hard work and the hard decisions that were made by previous Labor health ministers.

If we look out to 2017-18, the savings would actually be about $20 billion—Labor’s hard decisions delivering savings in the best interests of the nation. These savings should be used to ensure that more drugs are available—the drugs of the future and lifesaving drugs such as Kalydeco. One of my constituents—sorry, Deputy Speaker Vasta, it was one of your constituents from Upper Mount Gravatt; I have sent it on to your office—came to see me a few weeks ago. She is suffering from cystic fibrosis and she is looking at getting affordable access to Kalydeco. I know how heartbreaking it is when these people turn up at your office. I do not have permission to name her, but she has a letter that I have sent on to the health minister seeking access to a drug that is routinely available in the United States, the United Kingdom and other European countries. Over 95 per cent of eligible patients in the world outside Australia will soon have access to Kalydeco, and she was asking when the health minister and the health department would show compassion to the vulnerable in our community. For anyone who knows someone suffering from cystic fibrosis, you know how tough a row that is to hoe. That is why we need to have sensible savings, not random, obscene savings such as this legislation proposes.

Ms Ryan (Lalor—Opposition Whip) (16:04): I welcome the opportunity to speak on this bill, the National Health Amendment (Pharmaceutical Benefits) Bill 2014, and I ask for indulgence. I am up speaking about pharmaceuticals and am probably in desperate need of some antibiotics, so I hope the House bears with me.

I welcome the opportunity to speak on this bill because nothing demonstrates the differences between the Labor and Liberal parties more than our history in government on health. Nothing demonstrates it quite so clearly; nothing at all. I note the number of times I have heard the Minister for Health, Minister Dutton, on his feet wanting to talk about Labor Party history. Again today in question time, the Prime Minister was giving us some kind of history lesson from across the chamber. I say, in opening, that sometimes the temptation to twist the facts becomes irresistible to those opposite.

Recently Minister Dutton made a call for those on our side of the chamber to answer for our ‘astounding hypocrisy’ on health, at the same time suggesting those opposite were working steadily and methodically to reform our health sector and ensure it remains sustainable. As an English teacher, I love to play with words; and I love the notion that the changes we are seeing to our health system under this government are described by the word ‘reform’, when what in fact we are seeing is the absolute undermining of our universal health program in this country. That includes the changes being suggested here—this $1.3 billion tax.
In my mind when I enter the chamber these days I remind myself I am entering the 'house of irony', but what we have heard from Minister Dutton goes so far as to be a farce. The theatre of the absurd is occurring in here every day. Harold Pinter could not have written some of the things we are hearing about the history of the Labor Party and health, or thought of some of the resounding uses of language to describe what is an attack on Medicare and our health system.

We have Minister Dutton making all sorts of assertions about history and yet, when we look at the history, it is quite clear where the Labor Party stands when it comes to health and people's access to our health system. We do not have to go that far to remember Whitlam introducing universal health care into this country; we do not have to go very far—certainly in my lifetime—when Prime Minister Fraser killed it off; and then of course Prime Minister Hawke reintroduced our universal health program as Medicare. To say that this party would be doing anything that goes against those credentials is absolutely outrageous.

The argument that they put forward all of the time and that I have heard over and over again is this link to the introduction of a co-payment for the PBS by Labor. The twisting of the facts that is occurring on the other side, of course, is one of omission. They are omitting to tell us that when Labor introduced that we also increased the pharmaceutical allowance, so concessional patients received the equivalent of the cost of a script per week to compensate them. Every time the PBS co-payment went up so did the pharmaceutical allowance. They forget to mention that Prime Minister Howard broke that nexus in 1997.

They also forget to mention that when we introduced a co-payment it was not part of a budget that began the dismantling of the universal healthcare system. It was not part of a budget that ripped out more than $50 billion from our hospitals. It was not part of a budget that included a GP tax. It was not part of the budget that included pension cuts that will leave pensioners more than $4,000 worse off. It was not part of the budget that included family payments cuts that would leave families $6,000 worse off. It was not part of a budget that scrapped seniors concessions, increased the cost of petrol et cetera et cetera et cetera. We can take these things one at a time and the Prime Minister can stand at the dispatch box in question time and assert these things and omit the facts that the Australian public are very well aware of and probably do not need reminding of. They omit information that Labor made targeted and responsible savings in the health sector, including the means testing of the private health insurance rebate, which was opposed by those opposite—and that we made medicines cheaper through simplified price disclosure. They omit those issues every time they get to their feet.

They also omitted to tell people that Labor made unprecedented investments in hospitals, primary care, aged care and the health workforce—all of which this government has ripped money out of in this year's budget, and all after promising no cuts to health! And why? The question is being asked in my electorate in most households: why are we hearing this day in, day out? Why would anybody want to? The answer provided by those opposite is around the notion of a budget emergency that has now been dismissed by the economists. It has been dismissed in the community, because people understand, because people have a living memory of a global financial crisis. People understand that we have a AAA credit rating. So the furphy does not stand up to any kind of test.
I stand here today to oppose the $1.3 billion tax increase on medicines because it will hurt every Australian. It will hurt people in my electorate probably more than most other electorates, given that in Lalor we access bulk-billing services more than 1.5 million times per year, greater than anywhere else across Australia. If you extrapolate that in terms of visits to the doctor, how does that work in terms of the number of people accessing medicines? If they are the bulk-billing rates in my community you need to build into that the notion that there are 10,000 pensioners in Lalor who will be hurt by this $1.3 billion tax.

The COAG Reform Council report released in June found that 8.5 per cent of people delayed or did not fill their prescriptions in 2012-13 due to cost. I do not have to go very far to see that, because I have lived that memory. In my home somebody I care deeply about has a regimen of medicines that he should be taking daily, and across the last five years I have seen him in circumstances where he has been making those choices. Because when it comes to going to the chemist and having to get $170 worth of medication that is going to last you a month, you start to pause. I have heard him say to me a million times, 'But I am feeling well and I don't know that I need it.' It is not difficult for me to extrapolate that into the homes of pensioners and into the homes of families with young children who will be hard by this budget. It is not difficult for me to imagine and know that those facts are true.

The last time a Liberal government increased tax on medicines in 2005 prescriptions for some essential medicines fell by as much as 11 per cent. So we have lived history, lived memory, of what happens when we put in increases that those opposite want to put in and fail to do what Labor has always done, and that is compensate those families and those individuals for that increased cost—to put in that safety net for those who can afford it least.

If this were really about the sustainability of the health system, as we keep hearing—building this notion, this picture of Australia in crisis, our health system in crisis, which we know is a furphy from the facts—the revenue would be going back into the PBS and the revenue would be going back into Medicare. That is not what is going to happen here. It is going to go into the research fund. From the moment I heard it come from this Prime Minister's mouth I had to stop and question it. How could anyone stand in this chamber and suggest that they were going to tax the sick and the vulnerable so that they could put money into research for cures somewhere down the track—by which that time, with this government in control, Medicare would be gone and those people who had paid for it would not be able to afford to access the cure? It is absolutely outrageous that those things can be argued in this place.

These changes are an ideological campaign to get rid of Australia's universal healthcare scheme. We know that—we can see it—and Australians know it. Worse, it is to introduce a two-tier user-pays system. On this side, we will not support Tony Abbott's unfair slug on sick Australians, because it is built on lies told before the last election.

Some of Australia's most senior doctors have already warned that the changes in Tony Abbott's budget will put Australia's health system back more than 50 years—back to the dim, dark past. I think about that. The member for Moreton mentioned a family talking to him about Kalydeco, and I have had several families in my electorate talking to me about the same, and I have been on my feet about that in this place before. What comes to mind when I talk to them and what comes to mind when I think about this government and the changes it wants to make to our health system is that Americanised two-tier system—all of the episodes
of ER, of Grey's Anatomy and of the compelling show that ran for a week on prime-time television. Nine times out of 10 the most compelling episodes in those medical sagas that America produces for us are the ones where the poor family without the medical insurance cannot afford the lifesaving surgery.

They are the most compelling, particularly in this country, because it is not what we live and it is not what we know, and it is not a world we want to walk into. Yet this government puts on the table things that are going to create that world in this country, this country that has always stood for the fair go, this country that is built on notions of egalitarianism—to think that we have a government that wants to embrace this kind of exclusion, this kind of health program.

These price increases are coming off the back of $80 billion cuts to Australian public hospitals and schools. They come off the back of that GP $7, that 'It doesn't really matter what the cost is; it's about the outcome.' It is about the attack on our GP business model that is hidden behind that $7 co-payment, that $7 tax. It is about the destruction of our universal healthcare system. I ask myself all the time: what is going on here? I think about this research fund. I think about the fact that we are going to make all of these savings to make Medicare sustainable, to make the PBS sustainable, that we are going to collect this money but not put it back in there—we are going to put it into the research fund. Then I remember why. I remember the addition to the slogans in the campaign. I remember the Prime Minister having to be the PM for women and the signatory PPL scheme, and having to be the PM for Indigenous Australians. I do not know if he has found his signatory policy for that yet, but he has certainly found the signatory policy for the PM who finds a cure for cancer.

I wonder about a country that can be in a situation where we stand here talking about undoing our universal healthcare system and hurting the PBS system—and all for one man's vanity. I really do wonder what we have come to. What we are seeing from this government—consistent with its approach to governing so far, especially when it comes to health—is a government that is saying to Australians everywhere, 'You pay.' Those of us on this side of the House will stand against that, will oppose that.

Mr Turnbull (Wentworth—Minister for Communications) (16:19): I move:

That the question be now put.

The Deputy Speaker (Mr Vasta): The question is that the question be now put. The House divided. [16:23]

(The Deputy Speaker—Mr Vasta)

| Ayes ................... | 82 |
| Noes ................... | 55 |
| Majority ............... | 27 |

AYES

| Alexander, JG |
| Andrews, KL |
| Bishop, JI |
| Broad, AJ |
| Brough, MT |
| Chester, D |
| Ciobo, SM |

| Andrews, KJ |
| Baldwin, RC |
| Briggs, JE |
| Broadbent, RE |
| Buchholz, S (teller) |
| Christensen, GR |
| Cobb, JK |
AYES
Coleman, DB
Dutton, PC
Fletcher, PW
Gillespie, DA
Griggs, NL
Henderson, SM
Hogan, KJ
Hunt, GA
Irons, SJ
Jones, ET
Keenan, M
Laming, A
Laundy, C
Macfarlane, IE
Markus, LE
McCormack, MF
Morrison, SJ
O'Dowd, KD
Pasin, A
Prentice, J
Pyne, CM
Randall, DJ
Robert, SR
Ruddock, PM
Scott, FM
Smith, ADH
Stone, SN
Sukkar, MS
Tehan, DT
Tudge, AE
Van Manen, AJ
Whiteley, BD
Williams, MP
Wood, JP

Coulton, M (teller)
Entsch, WG
Frydenberg, JA
Goodenough, IR
Hartsuyker, L
Hendy, PW
Howarth, LR
Hutchinson, ER
Jensen, DG
Joyce, BT
Kelly, C
Landry, ML
Ley, SP
Marino, NB
Matheson, RG
McNamara, KJ
Nikolic, AA
O'Dwyer, KM
Pitt, KJ
Price, ML
Ramsey, RE
Robb, AJ
Roy, WB
Scott, BC
Simpkins, LXL
Southcott, AJ
Sudmalis, AE
Taylor, AJ
Truss, WE
Turnbull, MB
Varvaris, N
Wicks, LE
Wilson, RJ
Wyatt, KG

NOES
Albanese, AN
Bird, SL
Brodtmann, G
Burke, AS
Butler, TM
Chalmers, JE
Chesters, LM
Claydon, SC
Conroy, PM
Elliot, MJ
Feeney, D
Fitzgibbon, JA
Gray, G
Hall, JG (teller)
Jones, SP
King, CF

Bandt, AP
Bowen, CE
Burke, AE
Butler, MC
Byrne, AM
Champion, ND
Clare, JD
Collins, JM
Danby, M
Ellis, KM
Ferguson, LDT
Giles, AJ
Griffin, AP
Husie, EN
Katter, RC
Leigh, AK
Question agreed to.

The DEPUTY SPEAKER (16:29): The question now is that this bill be now read a second time.

The House divided. [16:30]

(The Deputy Speaker—Mr Vasta)

Ayes .....................82
Noes ......................55
Majority ..............27

AYES

Alexander, JG
Andrews, KL
Bishop, JI
Broad, AJ
Brought, MT
Chester, D
Ciobo, SM
Coleman, DB
Dutton, PC
Fletcher, PW
Gillespie, DA
Griggs, NL
Henderson, SM
Hogan, KJ
Hunt, GA
Irons, SJ
Jones, ET
Keenan, M
Laming, A
Laundy, C
Macfarlane, IE
Markus, LE
McCormack, MF
Morrison, SJ
O'Dowd, KD
Pasin, A
Prentice, J

NOES

Macklin, JL
Marles, RD
Mitchell, RG
O'Connor, BPJ
Owens, I
Perrett, GD
Ripoll, BF
Rowland, MA
Snowdon, WE
Thomson, KJ
Watts, TG
Zappia, A

MacTiernan, AJGC
McGowan, C
Neumann, SK
O'Neil, CE
Parke, M
Plibersek, TJ
Rishworth, AL
Ryan, JC (teller)
Thistlethwaite, MJ
Vamvakinou, M
Wilkie, AD
Question agreed to.

Bill read a second time.

Consideration in Detail

Bill—by leave—taken as a whole.
Ms KING (Ballarat) (16:32): What an absolute disgrace. You gagged debate on a bill that is the first of this government's health budget bills. What is so important that this health minister cannot debate his own budget bill? Where are you going that you cannot spend the time on debating the first of your health budget bills? This is a bill that hardly any of you on the other side of this chamber were able or had the courage to speak for. Very few of you did, and none of you from marginal seats were able to say why you think it is okay, in the context of imposing a GP tax and cutting billions of dollars out of public hospitals, to increase the costs of medicines for everybody. More importantly, why aren't you defending those people in your constituencies who have chronic diseases and need multiple pharmaceuticals? What is so important that you will not debate this bill properly?

Members on this side of the House have been well and truly ready to debate and oppose this appalling bill. This is the first of your health measures. We have questions about these bills. What modelling have you done? What impact will this bill have on patients across the country? We already know that the last time the Howard government increased the Pharmaceutical Benefits co-payment there was a drop in people filling their prescriptions for essential medicines. We know that the COAG Reform Council's report, recently released, stated very clearly that there are many patients who are noncompliant with their medications and who are not filling their prescriptions because of the cost. This is a bill that seeks to fundamentally increase the costs of medicines by 15 per cent and to change the safety net—to make it harder and harder for vulnerable patients to access medicines. What do those on the other side of this chamber have to say about it? Absolutely nothing! They have not told us about the modelling they might have done to see what it will do. It is a $1.3 billion hit on all those in this country going to a chemist trying to fill a script.

This government does not want to debate it—it is not able to debate it. There was a paltry list of speakers from the other side yesterday. Four of them were trotted out to speak on this bill, and some of them were unable to defend it. There were no speakers from the government today. The minister did not want to allow the debate to continue and was not able even to sum up. This minister has some questions to answer on this bill. What modelling have you done? You are obviously modelling in that $1.3 billion that there will be people who do not fill their scripts. What modelling have you done about the impact of this? What modelling have you done on the combined impact of this and your GP tax? What modelling have you done on the impact on Australian families? You clearly want people to use less medicine; that is what the measure is designed to do. You have clearly decided that with this $1.3 billion, which you are ripping out of the pockets of sick patients trying to access medicines, there will be less usage and fewer people filling their scripts. What is the cost going to be on the health system—in terms of people's presentations to doctors and hospitals? People will be avoiding the care of their GPs because of your GP tax, and they will be avoiding medicines. They are serious questions that you should answer.

What have you factored into that $1.3 billion that you are ripping out of the pockets of patients trying to access money? You have been entirely focused in this budget not on the health of the population, not even on the sustainability of the health system, but on how you can cut health—not keeping people healthy, not keeping people well, not providing opportunities for people through the healthcare system to actually increase their capacity to participate in the social and economic life of this country. And this bill is just an example of
It is the start of your horror budget when it comes to health and your horror budget when it comes to patients in this country. The fact that you are unable to properly debate it, unable to put up speakers on it, shows just how paltry this government's policy development is in the space of health. And, frankly, it is an absolute disgrace that you want— *(Time expired)*

**Mr STEPHEN JONES** (Throsby) (16:37): It is an absolute outrage that the coalition today have gagged debate on the National Health Amendment (Pharmaceutical Benefits) Bill 2014, this important bill. I make this point: they had the opportunity to let the people of Australia vote on this proposition, but they did not have the courage to put this proposition to the people of Australia not 12 months ago when we went to a general election. They then ram the bill into the parliament and demand that we vote on it without having a full debate. Well, there is a very good reason why they will not let us have a full debate on it: they do not want sunlight on it.

As the member for Ballarat, the shadow minister, has pointed out just now, they could not even fill a speaking list on it. In fact, the shortest queue in the building yesterday was the queue of government MPs who were willing to stand up in this place and defend this atrocious legislation. Only four speakers were willing to stand here in this place yesterday and defend this atrocious legislation. There is a very good reason for that. We know that one of the last reports that the COAG Reform Council published before the government shut it down—because they do not like the message that the COAG Reform Council is giving them—showed that there are already people who are failing to fill the scripts that their health professionals have told them are essential for their health. There are already people who cannot afford to fill those scripts. In fact, in June they found that around 8.5 per cent of people were already delaying or failing to fill their prescriptions.

If you look at disadvantaged Australians, the figure is even higher. Around 12½ per cent of people from disadvantaged areas are not filling their scripts, because they cannot afford to. And then there are Indigenous Australians. We have heard a lot of fine words from the Prime Minister. In fact, I very much enjoyed the Prime Minister's speech on the Closing the Gap report, when he put his hand on his heart and said that we needed to do more to close the gap in health outcomes between those with Indigenous and non-Indigenous backgrounds. I can tell you that this measure is going to have a calamitous effect on Indigenous health, because already, as the COAG Reform Council is telling us, around 36 per cent of Indigenous people are going to the doctor and the doctor is writing them a prescription for pharmaceuticals that they need to help them with their health conditions and they are unable to get that prescription filled, because they cannot afford it. What is going to happen when the cost of their prescriptions goes up by 13 per cent? That is what is happening. That is what members on that side of the House today are going to be voting for. They are going to be voting for a 13 per cent increase in the cost of prescriptions.

Yesterday we had the marvellous spectacle of the Deputy Prime Minister of this country standing at that dispatch box and telling people during question time that costs would always be lower under a coalition government. Have you ever heard any greater nonsense than that—the Deputy Prime Minister of this country saying that costs are always going to be lower under a coalition government? Well, here is one group of costs that are not going to be lower under a coalition government—a 13 per cent increase in the cost of pharmaceuticals. And the Prime Minister is fond of saying that prices are going to go up and up and up and up. Under
this legislation, members on that side of the House are about to vote in favour of a bill that sends the prices of pharmaceuticals in this country up by 10 per cent, as a minimum, and increases the safety net on the Pharmaceutical Benefits Scheme by 10 per cent per annum between now and 2018.

Is it any wonder that there was not a member of the National Party who was willing to stand and defend this legislation? That is because it is a complete breach of the policy that the National Party took to the election in 2013. They led Australians to believe that they were actually going to decrease the cost of pharmaceuticals. But when they vote on this legislation, within an hour, they are going to be breaking that promise to the Australian people. *(Time expired)*

Mr Griffin (Bruce) *(16:43)*: This legislation—the National Health Amendment (Pharmaceutical Benefits) Bill 2014—is ideology disguised as reform. This is bad policy. It is policy that is going to affect low-income earners. It is policy that is going to affect Indigenous Australians. It is policy that is going to affect people in regional and rural Australia. It is policy that was not exposed to scrutiny by the Australian people at the last election. We heard from those opposite that there were not going to be cuts in health. But I will give one thing to the then shadow Treasurer: he made a speech a year or so before, in London, where he said, 'The age of entitlement has to end,' and the circumstances were that things had to be done. In fact, in that speech he flagged co-payments around a range of different areas in the medical field. He flagged some of those things.

But where was it in the coalition's policy in the lead-up to the election? It just was not there. There was no mention. Since the election we have had Churchillian appeals to ensure that we must all suffer. But I tell you what: you are suffering a lot more if you have a young family and you need access to medical facilities, you are suffering a lot more if you are a senior citizen in a situation where you need essential medications and you are suffering a lot more if you are an Indigenous Australian who has difficulty in accessing health services. And this legislation is part of a series of initiatives.

I am not surprised that those opposite are not speaking up in favour of this. They just want it to go through—because they are embarrassed. Many of them, I believe, are ashamed. They know what is happening out in their electorates: the same thing that is happening in ours. When we go out there, front the community and talk about what is going on, what is happening in this parliament and what the government many of them voted for is doing—I can tell you what they are saying. They are saying: 'I did not vote for this. This is not what I thought I was getting. This is not what I was told by Tony Abbott. This is not what I was told by the local candidate for the coalition in the election campaign.' Instead they are getting these sorts of initiatives.

It is supposed to be, we hear, about sustainability and cost. Yet that flies in the face of what has been happening with PBS costs in recent years. The Labor government worked in consultation with the medicines industry to rein in PBS costs. Good reforms were done then—real reforms that delivered a cap, effectively, on the growth that was, for a while, quite unsustainable. In addition, if it really were about sustainability, what the government would be saying is: 'We are making this saving. We will take that money and put it into the area that we are trying to sustain.' But that is not where it is going. It is going into a medical research fund—and all we know about that is that we have a name for it, that it is going to cure
everything and that it will happen down the track. That is cold comfort for the many people in Australian society who need access to medical services now, that is cold comfort for people in rural and regional Australia and that is cold comfort for Indigenous Australians who will be dealing with the pointy end of health reform—as this government calls it—in the years ahead.

The COAG Reform Council report released in early June made it clear that, when you increase costs to individuals, you can expect them to make choices—as we have seen in other jurisdictions. What we will see is as many as one in 10 people not accessing the medications that have been prescribed for them. These are not medications that they might like or medications that they think it might be fun to take; they are medications that have been prescribed for them by registered medical practitioners—experts and professionals in their fields who have taken the Hippocratic oath, which is all about providing people with the services they need to maintain their health and wellbeing. In question time today, a number of members of the opposition, including the member for Ballarat and the Leader of the Opposition, discussed a petition signed by many medical professionals. There has been a massive outcry from medical professionals, making it very clear that this is not good health policy.

Despite all that, this bill will get through this place. I note that the member for Dickson, the Minister for Health, has said that the Labor Party have supported co-payments for 50 years. It is true that we have supported co-payments in this area for 50 years, but the argument that all co-payments are the same is ridiculous. It is like arguing that all taxes are the same. It is a joke. (Time expired)

Mr KATTER (Kennedy) (16:48): First I want to single the minister out for great praise. He is one of the very few people in this parliament who have acted at great cost to themselves personally in taking a moral stand on an issue. Having said that, if there is one group of people who are under enormous pressure at the present moment, it is our pharmacists. As one pharmacist said to me, 'Every single thing I have on my shelves Woolworth and Coles now have on their shelves—and they are selling them for less than I can buy them for.' There are discussions taking place that this has to stop, otherwise Coles and Woolworths will use their muscle power to force down supplier prices. If the suppliers are forced to reduce their prices to Coles and Woolworths, they will have to increase their prices to the independent pharmacists. That is one issue.

The second issue is that the income of pharmacists from prescriptions is being cut by 25 per cent. Of all the classes of people in Australian society today that I would not put the king hit on, the pharmacists would be the first. The Anglican schools in my town are only there because of the immense efforts and personal financial sacrifice of the Griffiths family, who own one of those pharmacies. The Catholic schools are only there because of the generosity and hard work of the Collins family. The same Michael Collins, a pharmacist in that town, put up about a quarter of the money to get the Cowboys rugby league team going in Northern Australia, which gave our young men, and a million rugby league fans who live up there, a chance to go into the national league—and of course six of our State of Origin players came from there. He has worked tirelessly to get our own local rugby league going. He is an absolutely exemplary citizen in every respect. These are the people who are copping the king hit here. I cannot understand the logic of the government in doing it.
Older people—and the demographic in Far North Queensland is very old people—can pay upwards of $100 a month for pharmaceuticals. Once you get over the age of 69 or 70, you are looking at $100 a month at least. We are talking about an extra $20 here. It does not sound like much, but if they pay, as we do in North Queensland, $3½ thousand for rates and $3½ thousand for insurance—that is half of their income gone on insurance and rates. I do not know how people are able to afford a feed! We have had two cases of people pulling their own teeth out with a pair of pliers because—the queues are so long in Queensland now that you can forget about getting it done there—they could not afford a dentist.

The government has made a very bad error here. Of all the areas of the economy that I would not hit, the pharmacists would be first. The last government hit them for 25 per cent of their prescription income and they are now under violent attack from Woolworths and Coles, which is cutting off all of their other income—you are going to take these people out of our community.

I will conclude on a personal note, which I cannot help but bring to the attention of the House, because I think most families would have had an incident such as this. I had a small pimple near my ear; because it was sensitive I raced into the pharmacy here in Canberra at about five to 10 and arrived just before closing time. I asked the pharmacist, 'What would I put on that?' She said: 'I think that's shingles. If you treat it within 48 hours you won't get it, but if you don't then you will be out for three months, and it is very painful. You will be completely out of commission and in very great pain.' She rang up a doctor she knew. It was two minutes to 10 at this stage, and she was about to go home. The doctor stayed on to see me. It was shingles. The doctor told me I was going to beat it by about three or four hours, and I raced back to the pharmacy. I tell this story to emphasise the great value of the pharmacists in our society.

Mr WATTS (Gellibrand) (16:53): Before those opposite were elected to the government benches, they promised us that if elected they would be a government of no surprises. I must not have been paying attention during the last election, because I missed the section of the Real Solutions policy pamphlet where those opposite promised that they would be jacking up prices of prescription medicines for pensioners in our community and jacking up prices of lifesaving drugs for the most vulnerable in our community. I must have missed that promise because I was distracted by their promise that under a coalition government we would get lower taxes and no new taxes. I must have missed the promise when I heard the then opposition leader, now Prime Minister, on the Today show saying that his very reason for being in politics was to reduce taxes in Australia. Since then, I have lost count of the number of bills I have spoken on in this parliament in which those opposite are doing exactly that: increasing taxes for the deficit repair levy, increasing taxes for prescription medications.

These broken promises show what the priorities of those opposite are. It is not deemed good enough by those opposite to put a price signal in place for polluters in our society. They do not want to deter carbon pollution in response to climate change. I note that the member for Wentworth is in the chamber. On this point, he correctly identifies a price on carbon is a way to respond to this issue. However, the government deems it good enough to put in place a price signal for pensioners wanting to use prescription medication. That is what this is about.
When the Minister for Health talks about the sustainability of the PBS, he is not talking about investing more money in the PBS. The $1.3 billion slugged on Australians under these changes is not being reinvested into the PBS. The only way that this bill goes to the sustainability of the PBS is if it deters the use of prescription medications in our community. Those who will be most deterred are the most vulnerable in our community—pensioners, low-income earners, families and those who use the most prescriptions in their day-to-day life.

I recently visited Williamstown Emergency Relief, a great organisation in my community run by Carol Willis, the wife of former member for Gellibrand the Hon. Ralph Willis. The volunteers in this emergency relief community group deal with some of the most vulnerable in our community. During my recent visit, I heard directly the stories of the pensioners, the unemployed and the vulnerable in our community. They, to a tee, told me that the thing that worries them the most about the government's changes in the recent budget is the $7 GP charge and the increase to PBS payments.

Those in this chamber should understand that these are not trivial amounts to these people. These are people who are barely keeping their head above water as it is. These are people on the cusp of homelessness, moving in and out of stable accommodation. Whether they are being treated for mental health issues, chronic diseases, vulnerability factors or social determinants for homelessness, these people wear more of the costs of prescription medicine and wear more of the costs of GP co-payments than those of us in this chamber, who are lucky enough to live in economic security. These are the people who are going to stop using prescription medications in response to this bill. When the Minister for Health is talking about the sustainability of the PBS, he is talking about the most vulnerable in our community using less of the medications that they need to live a civilised and healthy life.

I visit the retirement homes in my electorate, and I can tell you that pensioners are ropeable. They hear the Prime Minister come in here and say that pensions are not going to be reduced, even though it seems to be a magical savings item in the budget where pensions increase yet the government saves money. I can tell you that pensioners are not mugs. They know exactly what the implications of the budget are for them, and they know what the GP co-payment and these changes to the PBS are going to mean for their budgets. The Prime Minister likes playing dress up and he likes having pictures taken of him with working Australians in all kinds of workplace costumes. He better pack a hard-hat the next time he visits a retirement home in my electorate because pensioners are coming after him. They know that he is coming after them, and they are angry.

That brings us to what the last budget is about. It is about the kind of nation that we live in. Do we live in a nation of universal health care, a nation where it is not means that determine whether you get access to affordable, high-quality health care, but your citizenship and your status as a member of our community and as an equal? Australian people did not vote at the last election to tear up this compact. They did not vote at the last election to tear up this compact. They did not vote at the last election for this bill. They do not want it and I will be voting against it in this parliament.

Ms McGOWAN (Indi) (16:58): Along with telecommunications, public transport, education and climate change, access to health, doctors and pharmaceuticals are some of the major issues that got me elected to this place. It gives me great pleasure today to stand and represent the people of Indi, who over the last two months have asked me to come to this place and ensure their voices are heard.
Following the budget, I undertook a budget impact statement around Indi. I asked the people of Indi what for them were the most concerning issues that I needed to bring to this place. Of all the issues that I mentioned above, health and access to affordable health care was the No. 1 issue. It matters more than almost anything else to people in rural and regional Australia, and why not? Because without good health, it is so difficult to do anything else.

There is another issue that comes with health and access to health in rural Australia, and it is about being sick. If you are sick in rural and regional Australia, it becomes very expensive. It is not just a matter of going to the doctor and it is not just a matter of buying your pharmaceuticals, which we are discussing today; it is a matter of transport, getting access to the doctor or getting access to the cities where you need specialist care. With transport comes the backfill: who is going to do your job at home when you are no longer there? With illness, there is also care: who is going to look after you and who is going to help you with your dependants—the other people whom you care for? Of course, there are the costs of drugs and doctors—and it all adds up. During the budget impact tour, I heard one story that brought this home to me.

This was the story of two brothers who lived 20 kilometres out of Wodonga. One of the brothers has cancer, and he is being cared for by the other brother, who is a farmer. Together, once a week, they have to go to Melbourne to access the specialist care that the brother with cancer needs. These young men, who are in their twenties, are not well off. The brother who is the carer is doing full-time caring, so he is without paid work. The brother who is ill is obviously unable to work. They cope with our poor public transport in north-east Victoria and, once a week, they go down to Melbourne and then they come back. They spend the whole day trying to govern their lives around it. As they spoke to me in the supermarket, in the High Street in Wodonga, outside Coles, there were almost tears in their eyes as they tried to explain to me and have me understand the cumulative effect of what was happening in their lives, as one after another of these extra costs were loaded on them. But the really sad thing was that they only had a limited budget, and there was no way known that they had more money coming in to meet it. There were the health costs, the transport costs, the electricity costs—the energy costs that were coming in over winter and there were also all the other things that had to be done that made up their life—and they had no money left. As they stood there, they said: 'Cathy, there's probably not much you can do. You don't hold the balance of power in the government, but could you take our voices to Canberra? Could you make sure that our voices are represented?' So I am really pleased today to be able to say on their behalf that I have brought their issue here, and I hope it is heard by my colleagues on all sides.

The final thing I want to say is that it is very unusual for me to stand up in this place and agree with everything that the member for Kennedy has said. Today I say: we are on the same page, Mr Katter. It is the effect of this legislation on chemists and pharmacists that is going to have the most long-term impact. I think this has to be what we call 'unintended consequences', because there is no way known that my colleagues opposite could deliberately set about destroying local businesses and taking away their profitability—which is exactly what the chemists in Wangaratta and Wodonga are saying to me will happen. So I hope it is a mistake. I hope that in the next budget we get to rectify some of this, as common sense comes in.

In bringing my comments to a close, I ask my colleagues opposite, particularly those who represent rural and regional seats, to give some thought over the next few months to what we
need to do about this, because there are a whole lot of things coming together here. I ask that we pay particular attention to a rural and regional impact statement so that when the budget comes down next year we can actually look at it and understand the effect of all of its implications, and then we can take the action that we need to take.

Mrs ELLIOT (Richmond) (17:03): I rise to also oppose this unfair medicines tax. That is essentially what it is. This bill increases the Pharmaceutical Benefits Scheme co-payment for general patients by $5 to $42.70 and by 80c to $6.90 for concessional payments. It is an unfair measure and a cruel measure as well. In fact, it is part of the government's unfair and cruel measures in their budget of broken promises. Before the election, we had all the Liberal and National candidates in my area on the north-coast of New South Wales running around and telling everyone there would be no cuts to health, no cuts to education and no changes to pensions—but that is exactly what we have seen. The budget will have a devastating impact on regional areas such as in my electorate of Richmond, particularly the $7 doctor tax and the petrol tax. There is also the $80 million that is being ripped out of health and schools, and of course the cuts to pensions. In my area we have a lot of older Australians. This has just been devastating. This latest attack—the increase in the PBS—is another cost increase for them, particularly on the back of the doctor tax. They are extremely concerned. A number of weeks ago I had a rally in my electorate, and over 300 people attended. One of the big concerns people had with the budget were the health cuts and how they were going to impact the elderly.

This bill is about the ideological views of those across the chamber in terms of dismantling Medicare and destroying access to universal health care. In regional areas, this will impact so much more harshly. It is one of the major issues that people have brought up with me since the budget. As we have said, Labor will oppose this $1.3 billion tax increase on medicines because it will have a devastating impact right across this country. As we have heard, the COAG Reform Council report that was released in early June found that 8.5 per cent of people in 2012-13 delayed or did not fill their prescription due to cost. In disadvantaged areas the figure was 12.4 per cent and for Indigenous people it was 36.4 per cent. So we can see that people are making those very conscious choices about accessing medicines, depending on their capacity to pay—and that certainly goes against everything in terms of universal health care. The last time a Liberal-National government increased the tax on medicines, which was in 2005, prescriptions for essential medicines fell by as much as 11 per cent. So this measure is really devastating for people right across the country but particularly for those in regional areas.

We have already seen so many people within the medical profession—many senior doctors and many nurses right throughout the health community—who have signalled their concerns about these changes to the health system. Many people in my area have expressed their concerns about them as well. The latest increase that we are talking about today, this medicines tax, comes on the back of all the other harsh cuts in the budget and will be devastating. When we were in government we made changes to the PBS that put it on a very sustainable footing, but what we are seeing from this government is just another tax being placed upon people. You saw under us that the PBS was growing in a sustainable way, and that happened because of the very good measures that we took. But when it comes to this government, they are saying that the sick should pay—and they are making them pay more,
through increases such as in this bill. What is really devastating is that it is making those who are most vulnerable pay for it. The people who are most vulnerable are those who need to access health services but who will now have to pay so much more to do so.

It worries me that today we heard the Treasurer on radio saying we may need to look at other savings. What does that mean in terms of future cuts to our health and hospital systems? What else is he potentially proposing on top of things like the $7 doctor tax that he will be applying and this medicines tax? What other potential cuts will we be looking at? In question time the Prime Minister refused to rule out further cuts to hospitals and schools and family support. People have had grave concerns about the impact of this budget so far and they are particularly worried about possible future cuts. I am worried about those who need health care, particularly those in regional areas and especially those elderly people who do have much more complex care needs. We saw a report released the other day indicating that in areas like mine we have people who have a higher incidence of stroke, and that is because of the number of elderly people who live there. The very people who need to access health services regularly are those who have complex health needs, and these are the people who will be impacted the most when they go to their doctor, get blood tests or X-rays done or purchase medicines. It is these people, who can least afford it, who will be devastated. That is why I am opposing this bill.

Ms CHESTERS (Bendigo) (17:08): About 18 months ago the current Minister for Health, when he was the shadow minister for health, popped into Bendigo. He had a press conference out the front of Bendigo Health and he was talking not about this increase in the PBS that he would introduce as health minister, not about the new GP tax that he would introduce as health minister and not about the funding cuts that he would make to Bendigo Health—he was talking about the carbon tax, out the front of a hospital. He had an opportunity, when he was in my electorate, to be truthful, to come clean and tell the truth and let people know what his plan would be when he became the health minister. That is what upsets people the most about this issue. Yes, it will make it hard for people and attack the most vulnerable in our community who already have tight budgets, but it is even more worthy of note that the health minister when he was the shadow minister went around the country and stood next to the CEOs of health facilities and organisations but did not once mention that in government he would be the minister that increased the PBS co-payment.

The National Health Amendment (Pharmaceutical Benefits) Bill will tax the most vulnerable. It will particularly attack people in regional areas. In my electorate of Bendigo, roughly 30 per cent of the electorate survive on a household income of less than $600 a week. Every single attack on their budget, like we will see with the GP co-payment and the increase in PBS costs, will hit these families hard. We need to ensure that we are investing in preventative health. One of the best ways to do that is to make sure that people take their medicines, to make sure that they are staying out of emergency rooms and hospital emergency departments by taking their medicines. Some people I have met who are upset about this change are taking three or four medicines a day. They are saying to me, 'Which one won't I take?' because of the cost that is now being imposed upon them. We need these people to be taking all of their medicines—not one or two but all of them—to ensure that they do not end up in our emergency wards. If the government were serious about ensuring that we had a healthy Australia and healthy regional communities they would not be increasing the PBS co-
payment—they would be looking at ways to reduce the cost of medicine. It is so important that people take the medication they have been prescribed by their doctors so they do not end up in our emergency rooms. That is the opposite of what will happen because of this bill.

My question to the minister is: what economic modelling has he done on that issue? Do we have any evidence to show whether people not taking the medicines they need will increase the number of people presenting at emergency? My other question to the minister is about life expectancy. We have already heard publicly from the member for Mallee that life expectancy in the country, in the bush, is 4.7 years less than it is for our city counterparts. We already know that people in the country are less likely to go to a doctor and are less likely to have their prescriptions filled, not just because of cost but because they just put it off—‘We'll be right, mate.’ Because they make those decisions, their life expectancy is less. Will life expectancy in the bush be decreased even further because people cannot afford to have their prescriptions filled and take the medicine they need?

I wish to raise the examples of two people who have spoken to me about this very issue—about how this will hurt their families. Ian is a healthcare professional himself. His son has diabetes and his wife has a chronic heart condition. Both of them require ongoing medication to ensure that they can live a good life. He expects the cost to his family alone will be about $1,000 a year because of the increases he will face. This money will go straight from their budget into the government's coffers. The other person is a chef who lives in Woodend and works at the country club bakery. His wife had a heart transplant 12 months ago and he is worried about the increase in the cost of the medication she takes just to ensure she continues to live a good life. This is a bad tax, a nasty tax, and it is going to hit people in the country the hardest.

Mr ZAPPIA (Makin) (17:13): The government can come into the chamber and gag the debate but it cannot hide what the National Health Amendment (Pharmaceutical Benefits) Bill does and it cannot hide from the Australian people, who know exactly what is going on. What is going on is that the government wants to increase the cost of health care across the country, and this bill is only one measure that goes towards increasing the costs of health care for people in Australia. The University of Sydney has done some modelling on all of this, and it will cost the average Australian family an additional $200 a year as a result of the collective changes that this government is making to health expenditure. It is not just a matter of increasing the cost of medicines by $5 for the average person and 80c for concession card holders—it is all the other changes that collectively make a difference.

If it were in isolation, you could perhaps argue a case where you needed to increase the fees—but this is not in isolation. I want to go to some of the other measures that the government is bringing in in order to change the cost of health care in this country and move us away from the universal healthcare system that we have to one where the user pays. Regrettably, the people who will pay the most will be Indigenous people, the elderly, the unemployed and low-income earners; the people who are struggling the most already. They will be hit not only by the additional health costs but also by a range of other measures, relating to social welfare payments, that the government also wants to impose on them. The additional pharmaceutical costs will come on top of the $7 GP payment that families and individuals will incur every time they go to a doctor. And every time they go to the doctor, there is every chance they will come out with a prescription. There is every chance they will
come out with an X-ray notice or a pathology notice—which means another $7, on top of another $7, and then $5 for the medicine on top of that. And if you have a family, then you multiply that over and over again.

Then we have an additional cut of $600-odd million to the nation's dental programs by this government. When you cut dental costs, again, you indirectly affect the health of individuals. And that, in turn, means that there are other costs which inevitably arise from the poor health associated with people not looking after their teeth because they simply cannot afford to. Ultimately, it becomes another example of a false saving: you save a few dollars up-front, but you pay for it in the long run.

I want to go to an additional matter relating to the cuts which this government is making in respect of health support around Australia—that is, the $16-a-day supplementary payment made to residential homes for the patients that live in those homes. If someone within a residential care facility has dementia, and is currently getting $16 a day, and they have that $16 cut, it is not just $16 a day—it amounts to $5,800 a year of additional costs that that family is now expected to fork out. I can assure members of this House that this is a real cost. A member of my community whose wife is in a residential care facility came to see me. He said: ‘The $16-per-day payment has been cut—where am I going to find, as a pensioner, another $6,000 a year, on top of all the other costs that I am being asked to look for, in order to take care of my wife and myself?’

Members opposite—and I note that they did not particularly come in to support this legislation—know in their hearts that the changes and the cuts being made by this government to the health services of this country are going to cost families dearly. They know that the cuts are unwarranted. They also know that there was no announcement of these cuts in the election campaign in September last year. They also know—even though they come into the chamber and deny it—that families are hurting, and that families are very angry about the changes that the government wants to impose with respect to health costs around the country.

This is part of an overall strategy of a government which wants to change the system from the one we currently have—where we have universal health care—to one where individual families pay for it. Australian families are awake to that. No amount of running away from the debate on this bill in this chamber and no amount of members opposite not wanting to talk about it—and no amount of the minister saying that this is about trying to have a sustainable health system—will take away the truth that this is nothing more than an attack on the vulnerable people of Australia.

Mr SNOWDON (Lingiari) (17:18): I made a contribution to this debate on the National Health Amendment (Pharmaceutical Benefits) Bill 2014 earlier, and I pointed out a couple of very salient facts. We know that, the more expensive medicines are, the harder they are to get. For disadvantaged people—of whom there are many in my electorate—this is an absolute nightmare. I remind the House of the COAG Reform Council report released in early June which found that we already had a situation in 2012-13 where 8.5 per cent of people delayed or did not fill their prescriptions due to cost. In disadvantaged areas this figure was 12.4 per cent and for Aboriginal and Torres Strait Islander Australians it was 36.4 per cent. We know that this—and the Prime Minister has said it—is really a demand-reduction measure. The Prime Minister is ensuring that that 36.4 per cent will grow—that the people who most need access to medicines in this country will not access those medicines because of increased cost.
Mr Deputy Speaker, you cannot justify this position, if you juxtapose it with the Prime Minister's stated objective of being the Prime Minister for Indigenous affairs. On the one hand, he is supporting the Closing the Gap initiatives—so he says—and on the other, he is introducing policies through this budget which will have a material impact by lessening the opportunities for people to extend their lives. These measures will mean that people who need access to preventive medicines to control chronic diseases will not get access to those medicines. And we know that, already—before the introduction of these measures—36.4 per cent of Indigenous people delay or do not fill their prescriptions due to cost.

It is salient to remind ourselves that the last time a Liberal government increased the tax on medicines—in 2005—the number of Australians getting the prescriptions they needed for some essential medicines fell by as much as 11 per cent. So let us make this very clear: the impact of these measures will be that people who should get access to medicines, because of who they are, where they live and the state of their health, will not access those medicines. I ask the minister, who is unfortunately not in the chamber: what happens to those people who currently have access to concessional medicines through section 100? What will happen to those people? Are those costs being absorbed in the process, through the health services that provide those medicines? Are they expected to be picked up by the pharmaceutical companies or by the chemists—who is going to take up these costs? Or are they going to be exempt? We need to know this. I ask the minister to let us know, very clearly, what impact of these measures will be.

Now, of course, only around 50 per cent of Aboriginal and Torres Strait Islander Australians access Aboriginal community controlled health organisations. The remainder access the mainstream health system and they will not get access, in large part, to these concessional drugs in any event. They will go to their doctor in south-east Brisbane, south-west Sydney or somewhere to seek help and will find that not only do they have to pay the $7 up-front to get access to the doctor but also, when they are then prescribed medicines—and they might have multiple prescriptions as a result of a need to address chronic disease—they have to pay this extra impost. And a substantial number of these people will not access these medicines. That will inevitably mean that people who need access to medicines for the health of their kids, their parents and their whole extended family will not have access to those medicines. The outcome for those people is going to be crook, yet we hear nothing from this government about how it might exclude these people.

We should not have this in any event. We all know that. We know that the government's own backbenchers do not support it, because very few of them—I think five—have been in here to advocate for it. What does that tell us about the support from the government for these sorts of measures? They can read the tea leaves as we do. They understand the reality of what is happening in their communities as we do. They understand that the people who will be most affected by these measures are the people who can least afford it and who are the sickest in the community.

The government should be condemned for this proposal. I ask the minister, yet again, to come in here and explain to the Australian community why they would put such an impost on the people who can least afford it and who are the most vulnerable in our community. The Prime Minister can prattle on all he likes about being the Prime Minister for Aboriginal and Torres Strait Islander Australians, but he clearly is not and he clearly does not care. This
budget is replete with measures that are designed to undermine and attack the rights of Aboriginal and Torres Strait Islander Australians, including the $500 million cuts in program funding over the next little while.

Ms BIRD (Cunningham) (17:23): I want to take the opportunity, as brief as it is, to speak on the National Health Amendment (Pharmaceutical Benefits) Bill 2014. I think there is something particularly sad about the fact that this debate was gagged by the Minister for Communications, but the hypocrisy is fairly consistent with the government's approach to most policy areas. I am taking the opportunity to make it clear that I oppose this bill and, in the short time available to each of us, to put something on the record for the House about why I have that view. Like my colleague the member for Lingiari, I want to talk about a group who are particularly vulnerable in all our communities and who do not often have a good rate of accessing health services: young people.

When I talk about young people, I am talking about post-school-age young people who are struggling in insecure and unreliable jobs, who might have irregular income or a little bit of income support, obviously at the lower level as is the case with younger people—it is going to be even worse under this government for people under 30. All of us with kids in their 20s are pretty horrified at the government's thought that anybody under 30 is going to be living at home for ever and a day. I would have thought that most of them would have been encouraging young people to get out and be independent and not be looking for some support from home at the age of 30.

Sadly, for many young people there is not a home to look to for that support. Like many of our colleagues, the member for Throsby and I often visit some of the homeless services for young people in our area and talk to these young people. A lot of them are also young parents. What is the reality of the cumulative effect of health initiatives that they now face in this government's budget? Let us put that together. Let us say there is a young mum living at one of those services with a toddler. She is homeless, has very limited income and is probably trying to get some education to improve her chances in life. Then the flu hits and they get sick. They go to the doctor; it is $7 for both consultations: her own and her child's. That is $14 to start with, under the brilliantly conceived GP tax that is about to dismantle the universality of our healthcare system. The doctor says: 'I just want you to go and have a quick blood test each. I want to do some diagnostics.' So they go to the local pathology service—that is another $7 each. There is $14 extra there. We are up to $28 already. Unsurprisingly, you are not allowed to read your own pathology test, so you have to go back to the GP for another appointment for the both of you. There is another $14. Now we are up to $42, and we have not even got to the point of filling the script. This is the cumulative effect of the impost that this budget is putting on people who can least afford it in the health sphere. For that family, there will be another $5 to $6.90 added to the cost of the prescription. For two prescriptions that is at minimum another $10. This one period of illness will cost an extra $50 for that mum and her kid on what they would previously have had to pay.

The outcome of that situation is that people will make the decision not to go to the doctor. If the doctor gives them a reference to a pathologist or any other sorts of diagnostic services, they will walk out saying, 'Yes, doctor, I will go and do that,' and they will not follow up and get it done. If they follow it up and get it done, they might then be deciding whether to go back to the doctor and considering whether they can afford it. Even if they go back to the
doctor for some peace of mind about the outcome of the tests, it is increasingly likely that they will not get a prescription filled. Every barrier you put in the chain of decision making about accessing health services increases the likelihood, particularly for the most vulnerable, that patients will drop out of that chain and not access those services. That is the reality we face.

I would have thought everyone in this place would understand that an ounce of prevention is much better than the cost of the cure. We all know that if you get preventive and primary health care right and you get people engaged and participating, you save money for the budget bottom line in the long run. It is not only bad health policy but also bad fiscal policy. Last week, I got a letter from a radiology group in my own electorate expressing grave concerns about the impacts of exactly the sort of scenario I have outlined. This bill should be opposed. It is bad policy. It is a bad fiscal decision.

Mr BANDT (Melbourne) (17:28): Whoever you voted for at the last election, no-one voted to pay more to see the doctor and no-one voted to pay more for their medicines or for their tests. It is no wonder that the health minister, who gagged this debate, is not in here during the detail stage to defend it, because this is one of the most unpopular measures of the Abbott budget—and it is up against some pretty stiff competition. We are at a fork in the road where we decide whether Australia is going to retain a universal healthcare system or go down the American road where, when you get sick, the first thing that they check is not your Medicare card but your credit card.

It is very clear that, if this were at all evidence driven, this government would not be here with this bill because there is no evidence that Australians are being overserviced by medical practitioners. There is no evidence that our Pharmaceutical Benefits Scheme is being misused. The cost of medication for chronic diseases and the sustainability of the PBS should be considered as part of an overall health policy. Yes, it is true that some costs are increasing as new medications come onto the market. But the government is not offering a vision or a blueprint for overhauling how we deliver health services. There is no vision for the workforce, chronic illness or managing aged care. All we have is fabricated panic over costs and budgets. This confected panic is taking this country in the wrong direction.

If they want to balance the budget, there are options available to the government. The government could go to the likes of Gina Rinehart and wealthy mining companies and say, 'You've got to pay the same tax on your fuel as everyone else in the country does when they go and fill up at the bowser.' If you took that and other concessions from mining companies into account, it would generate $13 billion over the forward estimates. The government could go to the big banks and say: 'The IMF has said we are giving you somewhere in the order of $2 billion to $3 billion of subsidies every year. Perhaps you ought to pay for that. Perhaps you ought to contribute that.' That would give us $11 billion over the forward estimates. But no. It takes courage to stand up to the wealthy and the powerful and ask them to pay their fair share. A coward takes the axe to the young, the sick and the poor. That is what this Prime Minister has done, and this bill is an example of it.

The government is going to create a far bigger social and economic problem that all Australians will face in the future if this bill passes. We currently pay in this country the third highest out-of-pocket expenses in the OECD. By world standards the proportion of GDP that Australia expends on health is comparatively low, and it has remained low for decades.
Australians already pay more than their fair share in meeting their health costs. Australians already have one of the best-performing health systems in the OECD. This government is suggesting, as part of a deterrence measure, that the cost of seeing a doctor should go up and the costs of getting tests and getting medicines should go up. It is $5 here and $7 there, but this government does not seem to realise that in one visit to the GP you can be whacked multiple times. There is a proposal for $7 extra to visit a doctor. If the doctor sends you off for a test it is another $5. If you get a prescription after that, there is another $5. If you do that a couple of times a year, taking your kids to get their vaccinations or other family members for tests, the costs will add up.

Over the last three years, we have had confected outrage from the Liberal Party about how they supposedly care about the cost of living. They come in here and say, 'We've got to get rid of the carbon tax because of the impact it is having on the cost of living.' Then they turn around and in the same breath say: 'We are going to make you pay more to see the doctor. If you get sick, we are going to make you pay more for that. If you need a test, we are going to make you pay more for that. Meanwhile, we will let the likes of Gina Rinehart off the hook. We will let the big banks off the hook.'

There is a reason that around this country tens of thousands of people are out in the streets regularly marching against this budget. There is a reason why if an election were held today this government would be smashed. That is because, whoever you voted for, what is becoming now clear is that this government lied its way to power. It is the job of this parliament to hold the government to account. The Greens will stand steadfast in opposing this government's move to dismantle universal health care in this country.

Mr BOWEN (McMahon) (17:33): Another budget bill and another tax increase on the Australian people—a $1.3 billion tax increase. This time what is the crime of the people who are being taxed? Is it that they are engaging in bad behaviour? Is it behaviour which is antisocial? Is it something that the government of Australia says we have to stop? No. They are being taxed for being sick. They are not taxed for going to the doctor on this particular occasion but for needing medicine. This is emblematic of everything that is wrong with this government and this budget.

The Treasurer comes in here and he huffs and puffs and he beats his chest about budget repair and the need for tough choices and tough decisions. This is a tough decision for those who rely on medicines for their wellbeing. It is a tough decision on them. It is not a tough decision on the Treasurer; it is a tough decision on the Australian people who are paying the price for his deceit and mismanagement.

The Treasurer talks about budget repair and so you think: 'Maybe difficult decisions are necessary. Maybe to return the budget to surplus over time we need to make some decisions to see if government revenue can be increased.' There is only one slight problem. Not one single cent of the money in this bill will go to budget repair. It will not go towards returning the budget to surplus. It will not go to the budget bottom line. No, the Treasurer thought: 'I've got a good idea: I will wedge the Labor Party. I will develop a new fund for health and medical research.' The Australian people are awake to his games. The Australian people are awake to his deceit. They know that this is just a ruse to ensure this Treasurer's and this Prime Minister's wish to increase taxes on people who have committed no crime other than working
hard and occasionally getting sick. It is what they planned before the election and what they chose to deceive the Australian people about during the election campaign.

The Treasurer this morning was on radio and said: 'There are alternatives, you know. There are alternatives to the budget. We could do other things. We could cut other things and avoid the federal parliament.' The Prime Minister, the Treasurer and the Minister for Finance have been very keen to tell us over the last two months that there are no alternatives. Now this morning the Treasurer said there are alternatives. He blusters his way through in a way which I am sure the Australian people, again, will see through.

Two months, almost to the day, after this budget was introduced parliament is still debating the budget and the Australian people are still angry about the budget. We are still seeing the impact on consumer confidence and sentiment. Just today we saw the latest survey on consumer anxiety. It is up again. It is the highest since the consumer anxiety survey by the National Australia Bank started. That report nails the Treasurer and says that it is directly down to his rhetoric, his reactions and his policies.

The Treasurer says there are alternatives. I am perhaps going to surprise the House when I say that I agree with him. For once, he is right. There are alternatives, because budgets are full of alternatives. The Treasurer says there is no alternative to increasing the tax on medicine. He is wrong. He was right this morning when he said there are alternatives.

One alternative would be to drop his expensive and unfair Paid Parental Leave scheme. That is alternative No. 1. Alternative No. 2 would be to drop Direct Action, which subsidises carbon pollution in this country at a cost to taxpayers. Alternative No. 3 might be to reverse his changes to high-income superannuation. He says that everyone has to pay their way. He lectures and he blusters, but if you happen to be on a very high income, 'Oh no, we are going to give you a tax cut for your superannuation.' Alternative No. 4 might be to reverse his $1 billion gift to multinational companies that choose not to pay a fair rate of tax in Australia. He purposely withdraws a sensible tax measure to ensure that multinational companies pay their fair share of tax in Australia, a measure introduced by the previous government. One of this Treasurer's first acts is to withdraw and reverse that measure. That is another alternative.

It just goes to show this government's twisted and warped priorities. They prioritise a tax increase on people who commit the crime of being sick and people who commit the crime of needing medicine. We all have constituents who take a lot more medicine than we do. They need to because their doctor told them they need it to be well again. They will be paying more every day.

This Treasurer is so out of touch, so arrogant. He says, 'Oh, it is just a couple of middies or a half a pack of cigarettes,' as he lectures the Australian people, especially those on low and middle incomes who commit the crime of being sick. No wonder this government is the most unpopular government in its first term that we have seen in a long time. This budget is a millstone around the government's neck and the Treasurer's neck, because it deserves to be. It deserves to be because it is unfair and shows how out of touch this Treasurer and Prime Minister are.

Mr NEUMANN (Blair) (17:39): This is a $1.3 billion increase in health costs to Australian households. The COAG Reform Council, abolished by this government in their budget of broken promises and betrayal, revealed that Indigenous people are 36.6 per cent less
likely than non-Indigenous people to actually fill a prescription. This is what this government are going to do. If they use a price signal to raise costs and make it harder for Indigenous people and others across the country to fill a script, people are less likely to fill the script or they are likely to delay it. There will be worse health outcomes for the country.

On Sky News-Agenda, in November 2012, the health minister referred to the PBS as 'tracking sustainably'. What happened? Somewhere along the line the ERC program across there actually got hold of him and said, 'You have to make some cuts.' So, instinctively, like the Liberal Party always do, because it is in their DNA, they hurt the vulnerable, those who are sick, those who are less fortunate, the disabled, those who come from low-socioeconomic regions and those who come from rural and regional areas as well. That is what they have done here.

Where are the members from marginal seats—the people from the LNP in Queensland? They are very happy to ask questions in question time, one after another—Petrie, Bonner, Brisbane, Forde. One after another they get up and ask questions in question time, but they do not have the political courage to come in here and speak on these types of bills, because they know in their heart of hearts that this will go down badly back in Queensland in their marginal seats. They know this will increase costs for households in Brisbane, in Logan, in Ipswich, in Beenleigh, in Rockhampton, in Townsville and in Cairns—all across those areas.

This is almost like one of the scripts of The Hollowmen. In fact, we have seen Rob Sitch referring to this. He appeared in The Hollowmen and his production company Working Dog created and produced the program. At the Melbourne Press Club recently he remarked on the striking similarity between the government's proposed medical research fund and the events of an episode of The Hollowmen that I happen to like. My youngest daughter, Jacqui, also likes it and we often play it. Rob Sitch said, 'When the budget came out it was like they had watched the show and said, "That is actually a really good idea."' As in The Hollowmen, I have a sneaking suspicion that the government's medical research fund was a late inclusion in the budget.

Chief Scientist Ian Chubb revealed on the ABC that even he had not been consulted about the fund. So it was all cooked up in Treasury and Finance. I wondered if you could come up with something better in the Working Dog production catalogue. The plan for the second Sydney airport was ripped out of the plot of The Castle. Or there could be a sequel to The Dish in which the CSIRO scientists struggle to keep the observatory running between the savage cuts of the Abbott government. Or we could have a version of Thank God You're Here in which the member for Wentworth would come back and save the Liberal Party.

But this is a serious issue for the Australian public, because across the country we will see people having worse health outcomes. Those opposite say that it is just a small amount, but it rises again and again and the number of prescriptions rises again and again before you hit the threshold. So, people across this country will have worse outcomes.

They say that Labor did nothing about it. But we did. There is $1.8 billion in savings via the accelerated price disclosure provisions, going up to about $20 billion across the forward estimates and beyond. We made serious attempts to get the PBS under control, and we had it under control. In November 2013, even the health minister said that it was tracking sustainably. So what is the difference? He has been rolled by the Treasurer and the Minister for Finance. That is what has happened, and Australians will suffer because of it. The
vulnerable, the sick and the disabled will suffer. It is so typical of the Liberals, the Nationals and the LNP to do this, because in their heart of hearts there is a big divide, and we can see on their faces and in their voting records every day what they think about the poor, the disadvantaged and the sick, and this bill is typical of it.

Ms KING (Ballarat) (17:44): I just want to remind the House where we are up to in this debate on the government's decision to increase the cost of pharmaceuticals, the cost of medicines, for every Australian. There will be an increase of $5 for general patients and 80c for concession card holders every time they get a prescription at the pharmacist. As well as that, substantial changes to the safety net make it harder and harder for people to reach the safety net, particularly those patients the safety net is designed for—those who use multiple medications because they are really, really sick.

We are up to the consideration in detail stage of the bill. Consideration in detail is where a minister is asked questions about a bill and asked to defend why he has taken the decision to construct a bill. The minister has not been in this chamber at all during this debate. I do hope he will be here shortly because some questions have been raised during consideration in detail that we would like some answers to. The member for Lingiari in particular has asked a question around section 100 and the impact that this bill will have on concessions for Aboriginal and Torres Strait Islanders who are accessing pharmaceuticals through Aboriginal medical services. What will happen to them as a result of this bill? Will Aboriginal medical services be expected to absorb the extra costs arising from this bill? Has money been given to Aboriginal medical services to deal with the extra costs imposed on them by this bill, or will individual patients have to pay? It is a very serious question, and the minister needs to answer it.

We are opposing this bill because, in the entire context of what the government are doing, it is transferring costs onto patients—and I will talk a bit about why they are intending to do that. We also asked whether any modelling has been done of the impact on people taking their medications. It is clear that the government have worked out that a certain number of people will not fill scripts for their medications. We want to know what that number is. How many people are they expecting not to fill their prescriptions and what is the impact of that overall on people's health? For example, how many scripts does the average pensioner fill? How many scripts does someone with a health care card on average fill? How much more will it cost per year for the average pensioner before they reach the safety net? How much more will it cost per year for the average health care card holder before they reach the safety net? What will the cost per script be by July 2018, when the safety net is at 68 scripts? Can the government guarantee that the safety net will be capped for 2018 at 68? They cannot guarantee it. They have said in the bill that the increases will stop there, but we are not certain about that at all. In fact, I do not trust this government one iota when it comes to health. So we want to guarantee that that is actually the case. What will the safety net be for general patients by July 2018, after it increases by 10 per cent plus CPI every single year? And is this it when it comes to the Pharmaceutical Benefits Scheme? We know the government are trying to run a false argument about the measures in this bill being about the sustainability of the PBS. The only way they can genuinely be about the sustainability of the PBS is if the government are expecting people not to fill the scripts they are supposed to fill when they go
to the doctor and are told, 'You need this medicine.' Not a dollar of this is going back into the PBS.

The question I have the minister is: how many new medicines that are currently coming through the PBAC pipeline—we had Kalydeco being used as an example in this debate—will now be listed out of this $1.3 billion? And what are they? We pretty much know that the answer to that is going to be absolutely zero, so it is not about the sustainability of the PBS. This is a revenue-raising measure to transfer costs onto patients and to deal with the budget. 

(Time expired)

Ms BRODTMANN (Canberra) (17:49): Before the election those opposite made one very simple, very clear promise to the Australian people when it came to health, and that was that there would be no cuts to health. This promise was made to the Australian people and this was the expectation that the Australian people had when they voted in a coalition government. But the bill we are debating tonight just shows that that was a complete broken promise. It was completely worthless. It was not worth the paper it was written on. The government are cutting health and they are doing so in the full knowledge that it will have the most adverse effect on the people who can least afford it.

This bill means that, for every script, general patients will be paying $5 more and concessional patients—I do not think people fully appreciate this—will be paying 80c more. I am proud that Labor is opposing this cruel and callous attack on the most vulnerable members of our society. This legislation is a $1.3 billion tax increase on medicines, and it will hurt every Australian. It must be noted that it comes on top of the attack on the universal healthcare system, which is part of Labor’s DNA. We introduced it. Universal health care is part of Australia’s social fabric. That is the strong message that has been communicated to me by the people of Canberra through my community forums and through my mobile offices since this budget was released. The coalition is looking at introducing not just changes to the PBS but also a $7 GP co-payment and a $5 reduction in the Medicare rebate.

We already know that tens of thousands of Australians do not get their scripts filled because they cannot afford to do so. In fact a COAG Reform Council report released in early June found that 8.5 per cent of people in 2012-13 delayed or did not fill their scripts due to cost. In disadvantaged areas this figure was 12.4 per cent. For Indigenous people it was 36.4 per cent. This is the existing system—this is what is happening at this point in time. What is going to happen in the future when the most disadvantaged, the most vulnerable in our society, do not get their scripts filled? What sorts of health implications will there be on those individuals and what impact will it have on emergency services in our hospital systems?

Yesterday I presented a petition in this House that was signed by over 600 clients, staff and friends of the Winnunga Nimmityjah Aboriginal Health Service in Narrabundah. Those people were not just from Canberra but from the region—from Eden-Monaro and from Hume. The shadow minister has visited this health service with me a number of times, as has the Leader of the Opposition. The petition called on the Abbott government to abandon its unfair and unaffordable changes to Medicare and the PBS.

During my visits to Winnunga I have spoken to staff and clients. I know that this legislation will hurt those who can least afford it. The staff at Winnunga have told me they have already had to cover the cost of prescriptions for some of their clients because they simply cannot afford them at the moment. This increase in the cost of prescriptions will mean
that even more of their clients will be unable to afford their medicines and that, unfortunately, Winnunga will further have to absorb the cost of the $7 Medicare co-payment in addition to the additional cost of these prescriptions. That is possibly going to total $300,000 or more per year.

The fact is that the Abbott government's changes to Medicare and the PBS are part of an ideological campaign to get rid of our universal healthcare system—something that is sacred to Australians; something that is part of our DNA; something that is part of the Australian social fabric. They want to create a two-tiered user-pays system. Labor will not support the Prime Minister's unfair slug on sick Australians that is built on lies told before the last election. Last week I held two community forums in Canberra. Every single person there, without exception, was very, very cranky about this budget. I do not know whether those opposite have held any community forums on the budget, but I know that from a Canberra perspective, community members are not happy. One woman at the community forum who was a pensioner aged in her 80s had come along because she wanted to say she felt that this budget was a direct attack on the sick and elderly, like herself. Her pension has been cut through the lowering of the indexation. She will now have to pay more to go to the doctor, which she does monthly. She will now have to pay more for her prescriptions when she gets them filled multiple times a month. It is an attack on the sick. It is an attack on the elderly. It is an attack on the disadvantaged. It is an attack on the vulnerable. It is cruel and callous.

Mr DUTTON (Dickson—Minister for Health and Minister for Sport) (17:54): I move:

That the question be now put.

The DEPUTY SPEAKER (Mr Randall) (17:59): The question is that the question be now put.

The House divided. [17:59]

(The Deputy Speaker—Mr Randall)

Ayes ................... 80
Noes ................... 56
Majority ............... 24

AYES

Alexander, JG
Andrews, KL
Bishop, JI
Broad, AJ
Brough, MT
Chester, D
Ciobo, SM
Coleman, DB
Dutton, PC
Fletcher, PW
Gillespie, DA
Griggs, NL
Henderson, SM
Hogan, KJ
Hunt, GA
Irons, SJ
Jones, ET
Keenan, M

Ayes

Andrews, KJ
Baldwin, RC
Briggs, JE
Broadbent, RE
Buchholz, S (teller)
Christensen, GR
Cobb, JK
Coulton, M (teller)
Entsch, WG
Frydenberg, JA
Goodenough, IR
Hartsuyker, L
Hendy, PW
Howarth, LR
Hutchinson, ER
Jensen, DG
Joyce, BT
Kelly, C
AYES

Laming, A
Laundy, C
Marino, NB
Matheson, RG
McNamara, KJ
Nikolic, AA
O'Dwyer, KM
Pitt, KJ
Price, ML
Ramsey, RE
Roy, WB
Scott, BC
Simpkins, LXL
Southcott, AJ
Sudmalis, AE
Taylor, AJ
Truss, WE
Turnbull, MB
Varvaris, N
Whiteley, BD
Williams, MP
Wood, JP

Landry, ML
Ley, SP
Markus, LE
McCormack, MF
Morrison, SJ
O'Dowd, KD
Pasin, A
Prentice, J
Pyne, CM
Robert, SR
Ruddock, PM
Scott, FM
Smith, ADH
Stone, SN
Sukkar, MS
Tehan, DT
Tudge, AE
Van Manen, AJ
Vasta, RX
Wicks, LE
Wilson, RJ
Wyatt, KG

NOES

Albanese, AN
Bird, SL
Brodtmann, G
Burke, AS
Butler, TM
Chalmers, JE
Chesters, LM
Claydon, SC
Conroy, PM
Dreyfus, MA
Ellis, KM
Ferguson, LDT
Giles, AJ
Griffin, AP
Husic, EN
Katter, RC
Leigh, AK
MacTiernan, AJGC
McGowan, C
Neumann, SK
O'Neil, CE
Parke, M
Plibersek, TJ
Rishworth, AL
Ryan, JC (teller)
Thistlethwaite, MJ
Vamvakinou, M
Wilkie, AD

Bandt, AP
Bowen, CE
Burke, AE
Butler, MC
Byrne, AM
Champion, ND
Clare, JD
Collins, JM
Danby, M
Feeney, D
Fitzgibbon, JA
Gray, G
Half, JG (teller)
Jones, SP
King, CF
Macklin, JL
Marles, RD
Mitchell, RG
O'Connor, BPJ
Owens, J
Perrett, GD
Ripoll, BF
Rowland, MA
Snowdon, WE
Thomson, KJ
Watts, TG
Zappia, A
Question agreed to.

The **DEPUTY SPEAKER** (18:05): The question is that the bill be agreed to.

The House divided. [18:05]

(The Deputy Speaker—Mr Randall)

<table>
<thead>
<tr>
<th>Ayes</th>
<th>80</th>
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<td>56</td>
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<tr>
<td>Majority</td>
<td>24</td>
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**AYES**

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

Bill agreed to.

Third Reading

Mr DUTTON (Dickson—Minister for Health and Minister for Sport) (18:07): I seek leave to move that this bill be now read a third time.

Leave not granted.

Mr DUTTON: I move pursuant to contingent notice:

That, so much of the standing orders be suspended as would prevent the motion for the third reading being moved without delay.

Mr BURKE (Watson—Manager of Opposition Business) (18:08): The Minister for Health has just moved to suspend the standing orders to avoid answering questions that were put from this side of the House during consideration in detail. We are dealing with the first health bill of this parliament, and not only that: one of the questions was about the impact on Indigenous health. This government, with a Prime Minister who claims to be a Prime Minister for Indigenous Australia, has a Minister for Health who avoids answering a single question, put during consideration in detail, about the impact of these measures on Indigenous health. Under section 100, how much of the $1.3 billion is going back into listing new medicines on the PBS? How many scripts does the average pensioner fill? How many scripts does someone
with a healthcare card, on average, fill? How much more will it cost per year for the average pensioner before they reach the safety net? How much more will it cost per year for the average healthcare card holder before they reach the safety net? What will the cost per script be by July 2018 for pensioners and healthcare card holders when the safety net is at 68? Can the government guarantee that the safety net will be capped at 68?

These are questions that the public has a right to have answers on. What is the impact of the bill on Indigenous Australians who access medications? These are questions that have been put during consideration in detail. But—something that I have not seen before in this place—during consideration in detail the relevant minister could not even be bothered to be in the chamber. We have had his one bill—the one health bill that has been before this parliament—and the Minister for Health could not even be bothered to turn up for work.

We heard an allegation during question time today from the Minister for the Environment, who talks about energy. The Minister for the Environment—who does not talk about the environment—claimed that senators, because they were debating legislation, were on strike. Well, there is someone who is on strike at the moment, and it is the Minister for Health, who could not be bothered to come into the parliament when his own bill was being debated. It is the Minister for Health who is in a government that is claiming that they care about Indigenous Australians and who refuses to answer questions about the impact of his own legislation on Indigenous Australians. I do not know what the reason is. I do not know whether the reason he will not answer those questions is that he does not know the answer. There is a fair chance that that is the case, because whenever he is asked questions in the parliament all he can do is throw political abuse across the chamber. Or does he know the answer and does not want the rest of Australia to know the answer, does not want the rest of Australia to know what the impact of this bill will be?

Only six coalition MPs could be bothered to come into this parliament to speak on the bill. And this is in a situation where one of the commitments that were made by their Prime Minister, right up to the day before the election, was that there would be no cuts to health. Yet now, after being told there would be no cuts to health, no cuts to education, no changes to pensions, no cuts to the ABC and SBS and no increases in taxes, we come into this chamber and find precisely that they are cutting the health system and doing so in a way whereby we have a Minister for Health who refuses to be accountable. We know on this side of the parliament that when you come to the end of the debate on these bills the government, obviously, in the House of Representatives, ends up with a majority, but we expect that they can be brave enough to defend their policies and that they can have a minister who is willing to answer the most basic questions.

Consideration in detail does not go for a long time. There is no provision that requires the Minister for Health to sit here throughout the whole of the second reading debate. But to have the situation on his one piece of legislation that he cannot be bothered to have even a staff member here taking notes for him and telling him what the questions are—

An honourable member interjecting—

**Mr Burke:** He did have staff? Well, there we go. I apologise to the staff. Apparently they were here. Apparently the minister does know what the questions were that were asked, and the minister is treating this parliament with contempt. Not only that, but the minister then thought he might get away with moving a suspension of standing orders without there being a
circumstance in which members of the parliament would then stand up and oppose what he was trying to do.

The reason we should oppose the suspension of standing orders is that we should demand that minister participate in the debate. We should demand that that minister explain the broken promises of his own Prime Minister. We should demand that the Minister for Health offer something more to this chamber than just the political abuse that he delights in day after day. In the end, this is not a bill that has an impact on the parliament; this is a bill that has an impact on every single Australian when they are not well. And on this side of the House we are particularly concerned about the impact on the most vulnerable Australians.

The Minister for Health might not know anything about the most vulnerable Australians, but certainly he is Australia's Minister for Health and he has an obligation to answer questions asked on their behalf. When the member for Lingiari stands up and asks questions about the impact on Indigenous health, there are Indigenous communities throughout the Northern Territory wanting to hear the answers to those questions. This Minister for Health is treating those communities, one by one, with absolute contempt when he fails to do what those of us who were ministers in previous terms have always done and what those opposite, when they were ministers in the Howard government, always did.

It used to be the case in this parliament that when you got to consideration in detail the responsible minister would come into the parliament and would answer the questions that were asked. If the minister had a diary commitment and could not be in the parliament, that might be partly excusable—if at least he got a parliamentary secretary in here to answer the questions, or if he bothered reading the notes his own staff took and decided to treat this parliament with a level of respect.

Those opposite know that what they have done with this budget and the measures associated with it is indefensible. They know that we are dealing with a litany of broken promises, but what is worse is that they are broken promises that will hurt people. These measures are aimed at the most vulnerable people in our society. They are aimed at low- and middle-income Australians. They are aimed in this case—because he is not answering the questions—at Indigenous Australians. They will hurt people when they hard up for cash, when they are not well. Those are the circumstances of the people who are going to be affected by the changes being made by this parliament.

It is no good for them just to get to the end of votes and engage in their group hugs, to get to the end of votes and suddenly congratulate themselves, effectively saying: 'Look at what we have been irresponsible about today. Look at who we have hurt today. Look at the vulnerable people we have done over today.' When this legislation goes through, it will hurt people squarely. If the Minister for Health is ashamed of the legislation he is introducing, he should just resign. Just stand down—if you don't want to do your job, don't do your job. We are really not fussed if you want to stand down. But, if he is going to be the Minister for Health, if he wants the job, he should do what every one of his predecessors has done: he should be willing to defend his own legislation. He should do what every one of his predecessors has done, not only when Labor was in government but back in the years of the Howard government and every government beforehand. We do not always go to consideration in detail, but, when we do, there is an expectation that the relevant member of the executive will be present, will engage in the debate and will answer questions.
We have a situation now where, when this parliament rises, the member for Lingiari will go back to his community and all he will be able to say is that the minister either did not know or did not care about the impact on his constituents. The shadow minister for health, when she is dealing with stakeholders and they are asking, ‘What is the impact?’ can go through the questions that were asked and she can go through the answers that were not given—which will not take long! It is one thing, and bad enough, when we get to question time and the answers given are inadequate and irrelevant, but this government have tonight, this minute, gone to a new level of arrogance. Tonight they have decided they do not even need to stand up and give answers at all. Tonight they have decided that they do not need to say a single word. (Time expired)

Mr PYNE (Sturt—Leader of the House and Minister for Education) (18:17): I move:
That the question be now put.

The House divided. [18:22]

(The Deputy Speaker—Mr Randall)

Ayes ......................80
Noes ......................54
Majority .................26

AYES

Alexander, JG
Andrews, KJ
Andrews, KL
Bishop, JI
Broad, AJ
Brough, MT
Chester, D
Ciobo, SM
Coleman, DB
Dutton, PC
Fletcher, PW
Goodenough, IR
Hartsuyker, L
Hendy, PW
Howarth, LR
Hutchinson, ER
Jensen, DG
Joyce, BT
Kelly, C
Landry, ML
Ley, SP
Marino, NB
Matheson, RG
McNamara, KJ
Nikolic, AA
O'Dwyer, KM
Pitt, KJ
Price, ML
Ramsey, RE
Roy, WB
Scott, BC
Simpkins, LXL
Southcott, AJ

Ardern, GA
Baldwin, RC
Bishop, JI
Briggs, JE
Broadbent, RE
Buchholz, S (teller)
Christensen, GR
Cobb, JK
Coulton, M (teller)
Dansereau, DK
Entsch, WG
Gillespie, DA
Griggs, NL
Henderson, SM
Hogan, KJ
Hunt, GA
Irons, SJ
Jones, ET
Keenan, M
Laming, A
Laundy, C
Macfarlane, IE
Markus, LE
McCormack, MF
Morrison, SJ
O'Dowd, KD
Pasin, A
Prentice, J
Pyne, CM
Robert, SR
Ruddock, PM
Scott, FM
Smith, ADH
Stone, SN
AYES

Sudmalis, AE        Sukkar, MS
Taylor, AJ          Tehan, DT
Truss, WE           Tudge, AE
Turnbull, MB        Van Manen, AJ
Varvaris, N         Vasta, RX
Whiteley, BD        Wicks, LE
Williams, MP        Wilson, RJ
Wood, JP            Wyatt, KG

NOES

Albanese, AN        Bandt, AP
Bird, SL            Bowen, CE
Brodtmann, G        Burke, AE
Burke, AS           Butler, MC
Butler, TM          Byrne, AM
Chalmers, JE        Champion, ND
Chesters, LM        Clare, JD
Claydon, SC         Collins, JM
Conroy, PM          Danby, M
Dreyfus, MA         Elliot, MJ
Ellis, KM           Feeney, D
Ferguson, LTD       Fitzgibbon, JA
Giles, AJ           Gray, G
Griffin, AP         Hall, JG (teller)
Husic, EN           Jones, SP
Katter, RC          King, CF
Macklin, JL         MacTiernan, AJGC
McGowan, C          Mitchell, RG
Neumann, SK         O’Connor, BPJ
O’Neill, CE         Owens, J
Parke, M            Perrett, GD
Pilibersk, TJ       Ripoll, BF
Rishworth, AL       Rowland, MA
Ryan, JC (teller)   Snowdon, WE
Thistlethwaite, MJ  Thomson, KJ
Vannakoun, M        Watts, TG
Wilkie, AD          Zappia, A

Question agreed to.

The DEPUTY SPEAKER (Mr Randall) (18:30): The question now is that the motion to suspend so much of the standing orders as would prevent the motion for the third reading being moved without delay, moved by the Minister for Health, be agreed to.

The House divided. [18:30]

(The Deputy Speaker—Mr Randall)

Ayes .....................80
Noes .....................54
Majority ...............26
### AYES

<table>
<thead>
<tr>
<th>Alexander, JG</th>
<th>Andrews, KJ</th>
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<tr>
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### NOES

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Question agreed to.

Mr DUTTON (Dickson—Minister for Health and Minister for Sport) (18:31): I move:
That this bill be now read a third time.

Ms KING (Ballarat) (18:31): Now the minister is actually in the chamber! We have had an extraordinary circumstance where the minister was not here for consideration in detail. He should answer the questions. They are serious questions about this bill—

Mr PYNE (Sturt—Leader of the House and Minister for Education) (18:31): I move:
That the question be now put.

The DEPUTY SPEAKER (Mr Randall) (18:31): The question before the House is that the question be now put.

The House divided. [18:32]

(The Deputy Speaker—Mr Randall)

Ayes ...................... 80
Noes ........................... 54
Majority ..................... 26

AYES

Alexander, JG
Andrews, KL
Bishop, JI
Broad, AJ
Brough, MT
Chester, D
Ciobo, SM
Coleman, DB
Dutton, PC
Fletcher, PW
Goodenough, IR
Hartley, L

Ayes

NOES

Ellis, KM
Ferguson, LDT
Giles, AJ
Griffin, AP
Husic, EN
Husic, RC
Macklin, JL
McGowan, C
Neumann, SK
O’Neil, CE
Parke, M
Plibersek, TJ
Rishworth, AL
Ryan, JC (teller)
Thistlethwaite, MJ
Vamvakinou, M
Wilkie, AD

Noes

Feeney, D
Fitzgibbon, JA
Gray, G
Hall, JG (teller)
Jones, SP
King, CF
MacTiernan, AJGC
Mitchell, RG
McGowan, C
Dutton, PC
Entsch, W
Baldwin, RC
Broadbent, RE
Buchholz, S (teller)
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The question now before the House is that the bill be read a third time.

The House divided. [18:36]

(The Deputy Speaker—Mr Randall)

Ayes .................79
Noes .................54
Majority.............25

AYES

Alexander, JG
Andrews, KL
Bishop, JI
Broad, AJ
Brough, MT
Chester, D
Ciobo, SM
Coleman, DB
Dutton, PC
Fletcher, PW
Goodenough, IR
Hartseyker, L
Hendy, PW
Howarth, LR
Hutchinson, ER
Jensen, DG
Joyce, BT
Kelly, C
Landry, ML
Ley, SP
Markus, LE
McCormack, MF
Morrison, SJ
O’Dowd, KD
Pasin, A
Prentice, J
Pyne, CM
Robert, SR
Ruddock, PM
Scott, FM
Smith, ADH
Stone, SN
Sukkar, MS
Tehan, DT
Andrews, KJ
Baldwin, RC
Briggs, JE
Broadbent, RE
Buchholz, S (teller)
Christensen, GR
Cobb, JK
Coulton, M (teller)
Entsch, WG
Gillespie, DA
Griggs, NL
Henderson, SM
Hogan, KJ
Hunt, GA
Irons, SJ
Jones, ET
Keenan, M
Laming, A
Laundy, C
Marino, NB
Matheson, RG
McNamara, KJ
Nikolic, AA
O’Dwyer, KM
Pitt, KJ
Price, ML
Ramsey, RE
Roy, WB
Scott, BC
Simpkins, LXL
Southcott, AJ
Sudmalis, AE
Taylor, AJ
Truss, WE
Question agreed to.
Bill read a third time.

Meteorology Amendment (Online Advertising) Bill 2014
Report from Federation Chamber

Bill returned from Federation Chamber without amendment; certified copy of bill presented.
Ordered that this bill be considered immediately.
Bill agreed to.
Third Reading

Mr CIOBO (Moncrieff—Parliamentary Secretary to the Treasurer) (18:37): by leave—I move:

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

Social Security Legislation Amendment (Stronger Penalties for Serious Failures)
Bill 2014

Second Reading

Debate resumed on the motion:

That this bill be now read a second time.

Ms COLLINS (Franklin) (18:39): The Social Security Legislation Amendment (Stronger Penalties for Serious Failures) Bill 2014 seeks to amend the changes that Labor made during our term in government, when we made changes to the former Liberal government's measures to ensure that job seekers who suffered a penalty for not actively seeking work or training were encouraged to re-engage and seek employment and training.

Under the current job seeker compliance provisions contained within the Social Security (Administration) Act 1999, job seekers receiving a participation payment—for example Newstart, youth allowance or parenting payment—may incur an eight-week nonpayment penalty for serious failures consisting of either their refusal of suitable work or persistent noncompliance with their participation obligations. These nonpayment penalties may be waived if the job seeker begins to comply with a serious failure requirement, such as work for the dole, job search training or undertaking more intensive job searches. The nonpayment period may also be waived if the job seeker does not have the capacity to comply with a serious failure requirement and would be in serious financial hardship if the nonpayment period was not ended. These waiver provisions are important as they encourage job seekers to re-engage in the process after noncompliance by allowing the nonpayment period to be ended if the job seeker re-engages with their participation obligations.

This stronger penalties for serious failures bill provides that job seekers who incur an eight-week nonpayment penalty for refusing suitable work will no longer be able to have the penalty waived at all. Job seekers who persistently fail to comply with participation obligations will be allowed to have the penalty waived once using the same criteria during each period of continuous receipt of their participation payment. These changes will discourage re-engagement. As the government has confirmed, job seekers are not able to re-engage at all during the eight-week nonpayment period and their participation obligations will cease during this period. Even if a job seeker wanted to re-engage during the nonpayment period, this government has effectively prohibited them from doing so. This is at odds with the government's apparent intention to get people into work. It appears that this government is prepared to just give up on these job seekers, putting them in the too-hard basket and imposing sanction after sanction rather than providing support, training and employment for them.
Many of these job seekers who are likely to have a penalty applied will already have been identified by Centrelink as having some vulnerability indicators—that is, they are likely to have a mental illness, be at risk of homelessness, have experienced a recent traumatic relationship or have some other vulnerability. These are very vulnerable job seekers that we are talking about. Indigenous job seekers are likely to be also represented among those penalised. Rather than providing further support for these already vulnerable and disadvantaged job seekers, this government wants to make them worse off by penalising them even more and making them suffer further financial hardship. Labor has some very serious concerns about this measure. The government is highlighting that it is intending to save $20 million over five years by introducing this measure. What it is actually doing is giving up on more than 6,500 job seekers each and every year for five years.

The Department of Human Services already has the ability to make a call on when to waive penalties and it already has the ability to use discretion with these job seekers. The Minister for Human Services in his second reading speech for this bill indicated that in the 2012-13 financial year the department decided to waive 68 per cent of the refusing a job cases and 73 per cent of cases of repeated noncompliance because job seekers undertook more intensive activity requirements instead. Isn't this what we want? We want people to re-engage and undertake activity. The numbers we are talking about here are very small—1,718 out of more than 600,000 people on Newstart and other payments have been deemed to have refused a suitable job. So it is a very small number of job seekers. We want these job seekers to re-engage, not to sit back and do nothing for eight weeks. This is how it should be—and this is the right balance between incentives and responsibilities, of both the government and the job seeker. Why would we prefer to have somebody on no payment for eight weeks, rather than have job seekers more engaged? I really do not understand the government's, or the minister's, logic on this one.

The government has also confirmed its intention to amend the current Social Security (Administration) (Persistent Non-compliance) (DEEWR) Determination 2009 (No. 1). Indeed, the government tabled this new determination in the Senate just last week. This determination sets out what framework and obligations the Department of Human Services must take into account when deciding whether to waive penalties and what constitutes penalties. With this social security determination, the government is seeking to make it harder for job seekers to argue that they had a reasonable excuse for turning down work or for failing to comply with participation requirements. Labor is also very concerned by the exclusion, in this determination, of previously protected circumstances, such as where job seekers are homeless or have been recently imprisoned.

Another concerning aspect of this bill, the Social Security Legislation Amendment (Stronger Penalties for Serious Failures) Bill 2014, is that more than 76 per cent of the failures we are talking about relate to young people who are under 30. When this bill is viewed in light of the government's proposed draconian measures regarding young people on Newstart, it begins to become clear that this bill is designed to further oppress job seekers and increase their desperation, by providing the potential to enforce further nonpayment periods of income support—in addition to the six months that the government has already said that it would force our young unemployed people to wait before becoming eligible for any payment of income support whatsoever.
Whilst on no payments for six months, those opposite also want to force young job seekers to apply for 40 jobs a month—that is, 40 job applications each and every month, when they are receiving no money to live on. No money for food, no money for shelter, no money for phone calls—but apparently we are going to require job seekers to apply for 40 jobs a month over the six months. These same under-30 job seekers could then be forced back into another period of nonpayment for a further six months, after receiving income support for six months while undertaking work for the dole obligations. So the cycle could continue: six months with nothing, six months of Newstart or youth allowance, and then six months again with nothing—and round and round we go, if this job seeker is unable to obtain work or go into training.

Even after young job seekers have served out their six-month waiting period, they still cannot rely on a full six months of income support, because the eight-week nonpayment periods—which will no longer be able to be waived under this bill—could be served when they are in receipt of their Newstart allowance. In fact, the department advised during Senate estimates that the period for nonpayment penalties could be up to 11 months without Newstart. What is worse is that the department has acknowledged that no evaluations have been done into whether or not these changes would even be successful. There has been no research done, and no evidence obtained, to indicate that these measures will result in better outcomes for job seekers. This begs the question: does this government even care about better outcomes for job seekers, or is this simply a savings measure? Why would the government utilise unproven methods for getting people into work, in place of ones that we know and have proven to get people to work?

Labor also opposes the government’s plans to push young people under 24 from Newstart onto the—younger—youth allowance. This is a cut of $48 a week, or almost $2,500 a year, and another attack on young people. For those people shifted from Newstart to youth allowance, this represents an almost 20 per cent cut in support. If you compare that to someone who is earning $200,000 a year paying $400 per year in debt tax, that is a huge difference. The person on $200,000 a year is getting a meagre 0.2 per cent reduction in their income, while the young person is getting a reduction of 20 per cent. That is not fair. As a result of measures in the budget, young people will be paying 100 times more, as a proportion of their income, than the high-income earners.

There are more cruel changes to come, with the Abbott government overseeing the death of mutual obligation. What this government should be focusing on, of course, is creating new jobs—not burdening our young people with application requirements and participation requirements. Labor is not only concerned by changes to mutual obligation but also increasingly worried about the government’s repeated attempts to increase penalties for job seekers, rather than focusing on job creation. We know that the government has tried to sneak in other penalties, under the Social Security Legislation Amendment (Increased Employment Participation) Bill, where it sought to impose a six-month nonpayment period—for those who received a relocation payment and left their employment within six months—rather than the status quo of a 12-week nonpayment period. This government appears to be all about harsher punishment and penalties—not about creating jobs. Unemployed people should not be punished for being unemployed; they should be supported into work, training and education for future work—which is what Labor were doing when we were in government.
Unemployment is a serious social issue for those affected, but the best response is a job. Programs by government should be focused on job creation: on ensuring people have the right skills, the right training and the right education for jobs now and for the jobs of the future. Governments should be continuing programs that worked—like Youth Connections and the Partnership Brokers Program, both of which have been cut in this budget. The government should not be introducing measures that are not proven to work and that could have an adverse outcome.

As I have said previously in this place, Labor focused on supporting people to finish their schooling and to get the training and higher education they needed for well-paying jobs. We as a government considered a whole range of different policies to address the issues of unemployment. We did not instinctively revert to punitive measures. We improved the accessibility of training and employment services. Prior to the election we announced changes to Job Services Australia. We introduced a system with the flexibility to match individual job seekers with available jobs. We prioritised resources for those in the greatest need. We were planning to include employers much further in job seekers and outcomes. As a result of all of our measures, we achieved significantly greater outcomes than the government before us and we improved outcomes by 90 per cent for the most disadvantaged job seekers.

I reiterate what I have said before in this place. When we were in government, Labor helped over 1.6 million people secure jobs across the employment services portfolio. Our employment services system was recognised by the OECD as playing a central role in keeping unemployment low in the wake of the global financial crisis. During the GFC, Labor provided support to the economy to maintain jobs, saving an estimated 200,000 jobs.

Labor recognises that punitive measures designed to force people into employment will not work where there are no jobs available. Driving jobs growth should be the role of government. You cannot punish job seekers for not obtaining employment when there is a lack of jobs to be obtained.

Australians deserve a government that will fight for jobs, create jobs and support workers and job seekers. In office, we responded with assistance to maintain manufacturing jobs in Australia. We also provided additional support for workers who lost their jobs and were affected by this downturn in the manufacturing industry. We provided retraining and Job Services stream 3 as additional support for people who had lost their jobs. This is what governments should do. We did this because we believe that unemployed people should not be stigmatised but should be supported. We know that many people fall on hard times through no fault of their own, and it is the obligation of a responsible government to provide safety nets when this occurs. We should not be ostracising people for failing to obtain work and we should not be forcing them to survive in poverty.

The government are further alienating vulnerable people by ensuring that they never receive opportunities. They are doing this by not only taking away vulnerable people's rights to affordable higher education which will lead to greater employment prospects but also restricting the avenues for training to find work and ceasing programs that were proven to get people into work. They are also eroding payments under Newstart and leaving people without even a right to exist with their dignity. In government, Labor supported, assisted and encouraged people to find work.
We do not agree with the measures in this bill. We believe that the measures in this bill are punitive, we believe that they are unreasonable and we believe that they are unfair. There is no evidence that any of these measures would work. They put job seekers who have been penalised and who have lost their payment and want to re-engage into a position where they cannot.

This bill goes a step too far. It removes the discretion Centrelink currently has to waive penalties for vulnerable Australians. So in the best interests of those vulnerable job seekers who may be adversely affected by these measures, Labor will be opposing this bill.

Dr Gillespie (Lyne) (18:56): I rise to support this the Social Security Legislation Amendment (Stronger Penalties for Serious Failures) Bill 2014, which amends the Social Security (Administration) Act 1999 to introduce a stronger compliance framework for job seekers. The need to do this is a reflection of the undesirable and unintended consequences of having some sections of our communities become welfare dependent and even welfare expectant. While welfare is a privilege that the Australian economy can support and the Australian people are prepared to support, there need to be some parameters that stop people easily defaulting rather than working.

In my area I commonly see the problems associated with long-term unemployment. The aim of our changes is to encourage people to get out of that rut in life under reasonable circumstances. In too many places around the nation you can see the societal problems that come with long-term unemployed people. This bill will mean that the job seekers who incur a penalty for refusing or failing to commence work without good reason—and that is the most important part: when it is without good reason—will no longer be able to have the penalty waived.

Under the current job seeker compliance provisions, in division 3A of part 3 of the Social Security (Administration) Act, job seekers who are receiving a participation payment may incur an eight-week nonpayment penalty for serious failures—that is, the refusal of suitable work or consistent noncompliance with their participation obligations. That participation payment includes Newstart allowance and, for some people, youth allowance, parenting payment and special benefit.

Currently, such a nonpayment penalty can be waived if the job seeker begins to comply with a serious failure requirement—namely, they go on Work for the Dole, they go back on JobSearch training or they undertake more serious job searches. The nonpayment period may also be waived if the job seeker does not have the capacity to comply with such a requirement and would be in serious financial hardship if the nonpayment period was not ended. Schedule 1 would strengthen the job seeker compliance framework by providing that job seekers who incur an eight-week nonpayment penalty for refusing suitable work will no longer have that penalty waived. Job seekers who consistently fail to comply with participation obligations will be able to have the penalty waived only once—and then only if they begin to comply with a serious failure requirement.

I will use a baseball analogy. If someone is under Work for the Dole or JobSearch and then they find a job and they do not take it they may have a valid reason such as that they are mentally ill or physically ill. They might get a job as a bricklayer but have heart disease or be riddled with arthritis or have some other problem that means they cannot do it. But, if they are physically fit and well and they refuse the job, they have to wear the penalty. It is okay to get
out of it once but, at the moment, it is possible to have two strikes, three strikes and further recurring strikes. It can become a merry-go-round where you go on the JobSearch pathway and do all the searching and then if you get a job and you choose to not comply—that is, you do not take up the job—you can go back to the beginning again and go round and round again perpetually looking for a job.

The best thing we can do for those people is get them into employment. In fact, the best form of welfare is a permanent job. The best help for people who are getting depressed from being chronically unemployed is to give them dignity and a job. Unfortunately, there are some citizens in the system who think they can be perpetually looking for a job and knocking back offers when they are given them. So the intent of this bill goes to fairness and equity. The key principle is that the best thing for anyone is to get a job and, when one is offered, they should take it.

There are thousands of hardworking Australians who go to work every day, week in and week out, and pay taxes. They work weekend shiftwork. They earn money to support their families, homes and lifestyles. They also support the social welfare system that our nation is proud of. But they do not want to support people who are offered a chance to get out of that system and do not take it up without a reasonable, fair and understandable situation or excuse to explain it.

Many of us work for over a month to support one person on welfare for a day. As the number of workers drops, the burden on taxpayers rises. This initiative is trying to get those people who are taking advantage of the nation's generosity into work. Seventy per cent of the people on unemployment benefits who get the chance for a job take it up. One of the observations is that 11 per cent of the people on unemployment benefits have had four or five serious failures in one year. That means that over half the year they have a penalty put against them and then they just get out of it by saying, 'I will go on JobSearch or Work for the Dole rather than taking a job.' That is what this legislation is aimed at.

In developing this bill, the government has considered the principles of the right to social security, the right to an adequate standard of living and the right to work. A job would not be considered suitable if the person lacks the skills to do that work. That is quite reasonable. No-one is going to penalise you for that. If the only job in your town is for a rocket scientist but you did not get a good education, you would not be expected to take that job. But if they are going to teach you a skill you do not have and there is training for it and you are fit and healthy, you will be expected to take it up. If you have a medical condition, as I have mentioned before, that is aggravated by the job or you have serious mental problems, no-one is going to see that as a failure.

As I mentioned, 70 per cent of people follow what is expected by the nation—and that is that you take a job when you are offered it. But, for that 11 per cent who seem to go round and round again, time is up. It is not one strike and you are out, but it is two strikes and you are out. It is not perpetual—three strikes, four strikes and five strikes—and you just go back to the beginning again. This bill will provide a strong deterrent for that behaviour and it will encourage job seekers to accept suitable employment. The bill will not impact on job seekers who cannot get work despite their best efforts but will target those who refuse an offer of suitable work without a reasonable excuse. I find this quite reasonable and I support the bill.
Mr BRENDAN O'CONNOR (Gorton) (19:04): I rise to oppose the Social Security Legislation Amendment (Stronger Penalties for Serious Failures) Bill 2014. I do so because I and, indeed, Labor are opposed to the cruel and unfair measures that are contained within this bill. I listened to the member for Lyne talk about why he supports the bill and I have to say that he does not seem to understand the true social impact and also the economic impact that this bill will have if enacted.

Let us be clear here. The bill seeks to include changes to compliance provisions that will impose an eight-week nonpayment penalty for failures on people which will prevent them from re-engaging in the job-seeking process. When I was Minister for Employment Participation from 2007 until mid-2009 the first thing I did as minister was abolish the bureaucratic and badly constructed Job Network. We dedicated the resources to those job seekers who were most disadvantaged. We created four streams. The third and fourth streams were the most disadvantaged job seekers, people who had vocational and non-vocational barriers to employment and needed support of a vocational and non-vocational kind from employment providers, training providers and others.

But we also, along with that, looked at the way in which we could ensure that people would comply with their obligations pursuant to social security legislation. We found that the notion of an irreversible eight-week penalty, even if the job seeker chose to then re-engage in that eight-week period, was not economically sound and not socially responsible. We found that—and let us remember that 76 per cent of the failures currently relate to people under 30—there was a high incidence of people being homeless or at risk of being homeless as a result of the eight-week penalty being imposed. The fact that there was no flexibility for government agencies to resume payment of any kind to those job seekers, if those job seekers chose to resume their activities pursuant to the obligations they had under the legislation, we found to be too inflexible and too harsh.

The whole point here is to ensure that we provide the environment in which people are useful in society, are productive and get self-fulfilment from work. That of course increases their independence and their capacity to look after themselves. That has to be the priority of any government. If you have a policy that is so inflexible that instead of actually ensuring people resume or re-engage with their community—in this case, looking for, finding and undertaking work—then we have failed as a government. That is why we changed the penalty.

As minister, I kept an eight-week penalty provision for exceptional circumstances, or as a last resort. But let us remember this. Of the 26,879 serious noncompliance penalties applied last year, only 752, just over three per cent, were refusing a suitable job offer. As Labor have always said, we believe if you are offered a suitable job and there is no good reason not to take it, you must take it. You must take work if you want to be in receipt of income derived from the taxpayer. Of course you should. But many of these so-called serious noncompliance penalties were nothing to do with rejecting a job offer. For that reason, the idea that an eight-week penalty, without any capacity or discretion to reverse that if the person seeks to resume those activities, is too harsh and unfair and is not economically sound. It means effectively that rather than those people engaging and having the modest means by which to re-engage and look for and find work, they are more likely to be less able and less inclined to do that, and, ultimately, the cost to society is greater. The reason it is greater is that other agencies of
government have to pick up the pieces as a result of people finding themselves, for example, without accommodation. For example, they may not be able to pay rent. They may find themselves on the street or precariously accommodated, which makes it difficult to find work, even if they have decided to disregard the government's offer to make some payment to them.

So it is not sensible to have this one size fits all approach. We also brought in a requirement that if there are breaches and people are not undertaking their obligations then, provided the circumstances are right, there should be a suspension of income—a loss of income—but if they resume those obligations and activities, then that very modest income resumes. It is just like work. If you do not work you do not get paid. If you do not do the activities you do not get that modest income that might keep you from being homeless and falling into other very difficult circumstances.

That approach created a work culture in the mind of job seekers, many of whom had not even had a job before. It was to say, 'If you do not undertake these activities you will not receive that modest income.' So it was creating a culture of drawing a correlation between a form of payment and undertakings you must fulfil. It was also flexible enough to prevent the likelihood of a higher incidence of people being worse off because they had no means by which to look after themselves, to dress accordingly for job interviews or to pay for public transport to get to a job interview, to a Centrelink office or to a job provider.

These were the things we needed to do. If in that eight-week period a job seeker is genuinely wanting to re-engage—say, after a week of not doing so during which time they might lose that one week's income—by undergoing training and other activities, whether it is Work for the Dole or other programs, then I think it is incumbent on the government to give that young kid a second chance and make sure they do not find themselves at the mercy of having no support, which too many young people in our society do, particularly those who do not have much family support. They may have very little family support and very few role models. We do have to provide that support. We can be tough, but we should be flexible. We can be tough, we can send a message, but if they re-engage they should have a chance of getting that modest income. That was the reason I, as minister, created that change. I believe that is a more suitable change.

It is also important to look at the proposed legislation that will remove for six months any entitlements at all for persons under the age of 30. This is on top of that. We have a situation where the government has proposed this to save, for budget purposes, about $1 billion. People under the age of 30, even if they are looking for work—each day, every day, every week and every month for six months—will not receive one cent of support from the Commonwealth and are supposed to make ends meet. Some people will be able to do so, because they can rely on their families I am glad to say. It might be hard for their families, who are struggling, but they will be able to rely on them. Others will not be so lucky to find any form of support as they look for work, but receive nothing. Let us be very clear here. This is the death of the mutual obligation. Mutual obligation, or reciprocal obligation, as it was first called, under Working Nation, during the Keating years, said this: you will get a modest form of income provided you are looking for work and engaging in activities.

The Howard government did the same—reinforced that principle, called it mutual obligation and said that you receive an unemployment benefit provided you are fulfilling your obligations. That is the 'mutual' part of mutual obligation. You do one thing; we provide some
support to you, provided you undertake those things that must be done. The government have
torn up the principles of mutual obligation and said, 'We don't care if you look for jobs every
day.' In fact, they are forcing job seekers to look for 40 jobs a month and yet receive nothing
for six months as a result of the proposal. I have to raise that, whilst it is not strictly a
 provision of this bill, because it is directly connected to these matters. I will now go to what
could happen if these provisions were enacted.

A person under the age of 30 who is not in a job or in a learning institution receives no
support for six months, even if they are looking for work. But if they are unfortunate enough
to have a noncompliance breach that is deemed to be of a serious nature, they could have
almost nine months without any support. If anyone had told me before the election that if this
government were elected it would ensure that people under the age of 30 looking for work
would receive no support from the government for up to nine months—certainly six months,
which is automatic—then, even for this government, I would have said that that would be
unlikely. Even for this Prime Minister and this Treasurer I would have said that it would be
unlikely. Unfortunately, they surprised even me in proposing these initiatives. These
initiatives are very, very harsh.

The government like to say that the reason they have had to bring about this change is to
mend the budget. They have said it is a fiscal decision that they are making. If you are earning
$200,000 a year for a temporary period you will be paying $400, because you are only taxed
at two per cent on anything over $180,000. On the other hand, if you are turning 24 next year
and you were hoping to get Newstart, you will see a reduction of about $2½ thousand in
going from Newstart to youth allowance. So a person who is on about $12,000, going from
Newstart to youth allowance, is going to lose 20 per cent of their income. Someone on
$200,000 will lose $400. This is supposedly the government spreading the burden. It is a 0.2
per cent reduction in income for a person on $200,000 and a 20 per cent reduction for
somebody on Newstart reverting to youth allowance. It is a hundredfold difference between
the person on a very low income and person on $200,000. That is supposed to be fair. What a
warped sense of fairness this government must have if it has the cheek to pretend that people
are all sharing the burden in the same way. It is bad enough that there is almost a 20 per cent
cut for 24-year-olds moving to youth allowance, but there is also a six-month waiting period.
The bill before us in this place is just another nasty approach to helping young people,
because it is primarily young people who will be found to have made breaches.

What really annoys the opposition, what quite frankly appals the opposition, is that it does
not even allow for people to say: 'Okay, I understand why I lost some income. I want to
undergo training. I want to get into the activities as outlined.' The eight weeks is irreversible.
Let us think about how difficult it would be for a young person without the support of family
to live for two months without a cent to their name, after, in some cases—if the government
has its way—having lived six months without any support at all.

This bill cannot be supported by Labor. There is already in place a very flexible and
effective means to ensure the system works. We would argue that the government should
continue that and that it should withdraw this bill.

Ms PRICE (Durack) (19:19): Australians are very fortunate to live in a country where
their government provides key welfare services to support those who are unable to provide for
themselves. We have a welfare system that is dedicated to providing a helping hand through
financial funding measures. The Department of Human Services is responsible for providing every Australian man, woman and child with access to significant services that we all should be thankful for. This includes services such as Medicare, Centrelink and child support. We are indeed a fortunate country. However, there are regrettably some who will abuse the system that was created for the good of the people.

The Social Security Legislation Amendment (Stronger Penalties for Serious Failures) Bill 2014 aims to strengthen the compliance framework for job seekers who receive taxpayer funded income support through services such as Newstart allowance and, for other people, youth allowance, parenting payment or special benefit payments. To receive financial help via one of these payment methods, job seekers are expected to actively look for work, undertake activities to improve their job prospects and take up a suitable job offer.

From what I have heard from those on the other side in this debate, we all agree that jobs are the answer. But unfortunately the Abbott government has found that a significant number of job seekers are taking serious advantage of our welfare system. They are taking advantage of penalty waivers that were introduced by the former government to avoid contributing to the Australian economy and our society by undertaking a suitable employment opportunity. Government cannot afford to be a cash cow for those who simply will not take steps to work. We all need to contribute to Australia's economy and our nation's future growth.

There are of course those who need government support as they are unable to gain or hold employment for various reasons, such as medical constraints. The government understands this and I support that. That is why we have significant welfare practices in place to lend a helping hand and give support to those who need it most. However, those that are able to gain and hold a job but are simply unwilling to do so should not receive this same government support.

Under the former Labor government we saw many cash splashes made without any thought to the consequences. Who could forget Labor's $900 stimulus payments, which saw more than 16,000 payments—totalling around $14 million; all borrowed money—being sent to taxpayers living overseas? If this was not bad enough, Labor's policy blunder also allowed more than 21,000 payments—totalling more than $18 million; again, more borrowed money—to be made to deceased taxpayers. That is why the Abbott government introduced legislation to repeal the Tax Bonus for Working Australians Act—to ensure these payments ceased.

The consequences of the former government's weakening of rules regarding the application of penalties for serious failures to comply with the rules for job seekers to receive taxpayer funded payments are also clear. In 2012-13 there were 1,718 serious failures for refusing a job, of which the penalty was waived in 68 per cent of cases. If that was not bad enough, in the same year there were 25,286 serious failures for repeated noncompliance, and of these the penalty was waived in 73 per cent of cases. Is it any wonder these supposed job seekers did not comply with the rules under the former government? Why would they, when rules were brushed aside and they were able to continue receiving payments from the government for doing nothing.

This is not just absurd; it is a shocking reflection on Australia's welfare system. It is shocking because it is taking money away from those Australians who truly need it and putting it in the pockets of those who do not have a reasonable excuse not to work. The
Abbott government's move to strengthen compliance measures for job seekers should be commended by all who stand in this place. When we think about the distribution of funding by government, we in this place must think first and foremost about who this funding is intended to benefit and then determine whether this is being achieved in practice. In its current form, the Social Security (Administration) Act 1999 is not achieving its objectives, and when objectives are not being met, amendments need to be made. The bill before the House today will achieve this. It will introduce a more rigorous approach to the application of penalties to job seekers who refuse a job offer, including failing to commence the job, or who are persistently non-compliant. By strengthening the eight-week nonpayment penalty for noncompliance, the government will be sending a clear message that the days of handouts are over.

We will achieve this by implementing new measures that ensure those job seekers who refuse or fail to commence work without good reason are no longer able to have the penalty waived under any circumstances. Instead, they will be required to serve the eight-week penalty in full. Previously, job seekers could have the penalty waived through engaging in an alternative activity such as intensive JobSearch training. By passing this bill, those in this place will also ensure that those who are persistently and wilfully noncompliant, such as repeatedly failing to attend appointments with their employment service providers, may only have the nonpayment penalty waived once while in receipt of an activity tested income support payment. By tightening these rules the government will administer estimated net savings to a total of some $20 million by 2017-18—money that, instead of being spent on those who refuse to gain employment, will be spent on those who need it most and who do the right thing by government and every Australian taxpayer.

Mr Brendan O'Connor: 97 per cent do not refuse!

Ms PRICE: Okay, you had your go. Now it is my turn. At 31 December 2013, around 11 per cent of job seekers had been reported for noncompliance three or more times during the last 12 months. This accounted for 71 per cent of all noncompliance reports. This clearly depicts the need to implement stronger deterrents, particularly for those job seekers who take advantage of Australian taxpayers by repeatedly failing to comply with the guidelines of income support payments. These people should not be allowed to refuse a suitable job offer and to continue receiving welfare payments from the government. The only way to improve this bad behaviour is to ensure there are financial consequences for noncompliers, rather than simply letting them get away with not working, through the former government's penalty waiver system. The introduction of waiver provisions by the former government in 2009 has had a significant negative effect on the provision of this service, with 644 penalties applied for refusing work in 2008-09 compared with 1,718 in 2012-13. These are people who have been assessed and deemed capable of working but are simply refusing to do so.

It is important to note that checks and balances will be applied by the Department of Human Services when determining whether a job seeker has failed to comply with income payment requirements. The department will continue to be required to talk to the job seeker, the job seeker's employment service provider and the employer who offered the work before imposing an eight-week serious-failure period. Also, before a decision maker determines that a job seeker has committed a serious failure due to persistent noncompliance, the decision maker must conduct a comprehensive compliance assessment. These checks and balances will
ensure the eight-week penalty does not impact on those job seekers who, despite their best efforts, cannot get work. It targets those who are offered suitable work but refuse to engage in that employment opportunity without a reasonable excuse. There is a clear expectation throughout Australia that to receive a taxpayer funded financial payment from the government unemployed people should be expected at all times to demonstrate that they are actively looking for work or undertaking activities to improve their employment prospects.

I was disappointed to note that Western Australia recorded the second highest number of people issued with an eight-week nonpayment penalty for noncompliance from 1 July 2012 to 30 June 2013. During that period, 4,642 penalties were issued compared with 930 in Tasmania, which recorded the lowest number. It was also disappointing to note that Western Australia recorded the third highest number of no-show no-pay financial penalties. Although the amendments before the House today do not seek to change the no-show no-pay penalty, this framework for assessing noncompliance by the Department of Human Services is also important to note. The consequence of a no-show no-pay failure is the application of a penalty amount equivalent to one working day of a person's payment. This is applied if a job seeker, without a reasonable excuse, fails to attend an activity that they are required to attend on a particular day, fails to behave appropriately while participating in an activity, fails to attend a job interview or intentionally acts in a manner during a job interview that may result in an offer of employment not being made. This penalty was issued in Western Australia 7,271 times during the 2012-13 financial year.

These statistics clearly show that noncompliance is happening far too often throughout Australia. The worst cases, of course, are those that are regularly issued with noncompliance penalties but simply have this waived due to the former government's weakening of rules regarding the application of penalties for serious failures. The Australian people expect their taxpayer dollars to go towards policy measures that improve our community and benefit Australia as a whole.

Debate interrupted.

**ADJOURNMENT**

The DEPUTY SPEAKER (Mr Goodenough) (19:30): Order! It being 7.30 pm I propose the question:

That the House now adjourn.

Indigenous Affairs

Mr THISTLETHWAITE (Kingsford Smith) (19:30): On 3 July our Prime Minister stated:

I guess our country owes its existence to a form of foreign investment by the British Government in the then unsettled or scarcely settled great south land.

Tonight I wish to explain why the Prime Minister's comments are wrong, are out of touch and are disrespectful to Aboriginal people in my community and throughout Australia.

Kingsford-Smith is blessed with some magnificent coastline and some of Australia's most famous beaches. One of those is the beautiful Coogee Beach. The name Coogee is said to derive from the Aboriginal word 'Koojah', which means the smell of the seaweed drying in Bidgigal language. It is a reference to decaying seaweed and kelp that throughout history and
still to this day regularly washes up onto Coogee Beach. The place name of this beautiful little beach, and the suburb that surrounds it, indicates a settled Aboriginal term for this place—a name or a reference that clearly pre-dates English colonisation and is evidence of a well-established language in the area.

If you travel down the coast of my electorate, the next beach you encounter is Maroubra with its powerful surf and at times dangerous rips. The name Maroubra is believed to derive from 'Moorooberah', the name of the leader of the Aboriginal community who lived at a beach a few miles south of Koojah at the time of colonisation. Indeed, the bay in which the English first set foot on the Great South Land to establish a colony, and which remarkably the French entered a matter of days later—Botany Bay—has a local Aboriginal name, 'Kamay'. The wonderful suburb surrounding it of La Perouse, in the south of my electorate, is known as 'Curiwal' in local Aboriginal language.

These were, and in some cases still are, settled, customary, locally known terms to describe places in our community in a language that is older than the English language. How dare the Prime Minister deny that custom, that heritage, that culture and that language which have existed in our community for thousands of years and have been passed through generations—accepted, respected and adopted as the names of our communities' suburbs, beaches and bays. I recognise that Australia was settled prior to English colonisation and that Aboriginal culture, language and heritage is proof of this. We have the longest continuing culture in the world. We should be proud of this, and not deny it.

I was fortunate to be born and bred in Maroubra, as was my father, my grandfather and my great grandfather. Four generations of family connection make it my home, but that is not a patch on the family connections of local Aboriginal families, whose relatives have been living in our community for 7,000 years. Countless generations of people developed, nurtured, passed on customs, language, laws and heritage that importantly still exist today and which our community celebrated last week as part of NAIDOC Week.

These are principles that not only still exist today but have also been recognised by the High Court of Australia through the Mabo decision; have been enshrined in Australia's native title laws; and should be recognised in the Australian Constitution. This is why our Prime Minister was wrong when he stated that our land was not settled prior to English investment.

I pay tribute to the Aboriginal people of our community whose ancestors have called our area their home for thousands of years, whose language has given us our cherished suburb names and whose heritage and customs we respect. You deserve more from our nation's Prime Minister.

**Trade with Japan**

Mr BRUCE SCOTT (Maranoa—Deputy Speaker) (19:34): I rise tonight to highlight the importance of trade agreements, particularly the economic partnership that was struck with Japan and witnessed in this parliament last week with the historic speech by the Japanese Prime Minister. I want to highlight how bilateral trade agreements can bring benefit to the countries concerned. If you look at what happened 31 years ago, when Australia signed an agreement with New Zealand for closer economic relations, the record shows that the value of trade has grown for Australia seven per cent year on year—it compounds by seven per cent year on year—and the growth has been similar for New Zealand. The agreement has grown
both economies and created opportunities for both countries. The agreement, albeit it small in relation to what we have just signed with Japan, nonetheless underpins the importance of establishing trade agreements or partnerships that can be struck on a bilateral basis with many countries.

The historic agreement that was struck between Japan and Australia on 8 July 1957 was a very progressive agreement that has lasted all this time. Japan has been one of our most important trading partners for more than 50 years. That was, in 1957, a very historic moment and a very important moment in our history. Also, it underpins the importance of leadership. We all know, and Prime Minister Abe referred to it in his own speech in this parliament, it was post the Second World War. But it showed real leadership from both the Australian and the Japanese point of view—prime ministers and trade ministers at that time. It is interesting that Prime Minister Abe's grandfather, Prime Minister Kishi, signed that original agreement in 1957. We are going to be building on that agreement with this new partnership between Australia and Japan. And of course the relationships that have been built between our two countries over that period of time demonstrate not only an understanding but also, importantly, a trust in each other. If you do not have that trust, it is going to be very hard to build the relationship that is so necessary to establish these trade agreements.

So, what does that mean for my electorate of Maranoa? In relation to beef, 25 per cent of the beef enterprises in Queensland are in Maranoa. We are going to see the tariff for frozen beef falling from 38.5 per cent to 30.5 per cent, giving us an immediate competitive advantage, and that will phase down to 19.5 per cent over the next 18 years. Since 2006 we have actually been losing some market share to the United States of America, and that is why this agreement is so important. The tariff facing Australian fresh beef will fall from 38.5 per cent to 32.5 per cent, giving us, once again, an immediate competitive advantage, and then it will phase down to 23.5 per cent over the next 15 years.

Grain, similarly, is terribly important. We often overlook grain, but in terms of wheat, Japan is our third largest export destination. What the minister and the government have done is secure access to a more efficient simultaneous buy-and-sell process whereby some wheat varieties—Australian Hard and Australian Premium White, which are mainly in northern Australia, particularly my electorate of Maranoa—will be allowed a more efficient trade. But Australia will also be the only country that can export barley for feed duty free to Japan without using the complex quota system. Our exports to Japan are now worth some $244 million—once again, a great benefit to my constituents of Maranoa. There are benefits for horticulture in the Southern Downs, and there are benefits for wine in my electorate. There are benefits for horticultural products—stone fruit products. This is great news for Australia—(Time expired)

**Holt Electorate: Mental Health**

Mr BYRNE (Holt) (19:40): Tonight I rise to provide an update on the rollout of the headspace at Fountain Gate and again congratulate the young representatives from the City of Casey Youth Services about their ongoing campaign to overcome the stigma that still exists in relation to youth mental health issues. Last month I spoke of my concerns about the Abbott government's decision to replace the Medicare Local network with a new primary health care network, primarily because the decision had caused a delay in the rollout of the headspace at Fountain Gate. I am pleased to report to this place that the South Eastern Melbourne Medicare
Local has been advised by headspace and the health minister that it can now continue with the rollout of the much-needed headspace at Fountain Gate. The auspicing body is the South Eastern Melbourne Medicare Local. Its aim is to establish and co-locate a headspace with what is called an early psychosis prevention and intervention centre—its acronym is EPPIC—at the Westfield Fountain Gate shopping centre precinct in Narre Warren. We know that the EPPIC centre will provide three core functions: acute care, early detection, and recovery for young people suffering from a mental illness.

The ages of between 15 and 24 years are a crucial time in the development of a young person. It coincides with the peak onset of serious mental illness, including a first episode of psychosis. According to the Australian Institute of Health and Welfare, mental illness accounts for 50 per cent of the total disease burden among young people aged 12 to 25 years in Australia, and 75 per cent of mental disorders will have developed by the age of 25. Therefore, concerted efforts focusing on early identification and effective intervention have now become an increasing public health priority, not only for Australia but throughout the world.

There is clear evidence that delaying the provision of appropriate treatment, which prolongs the duration of untreated psychosis, can have a major negative impact on the future development of young people, in addition to prolonging distressing symptoms and increasing the risk of premature death. Early intervention services like EPPIC, through early detection and provision of accessible, welcoming, non-judgemental, youth-oriented access to the early-psychosis treatments, can change the course of mental illnesses in young people. EPPIC is a world renowned model of specialised early intervention in psychosis care, first developed by Professor Patrick McGorry, former Australian of the Year, at Orygen Youth Health in 1992. Over the last 20 years the EPPIC clinical service experience has become the prototype for numerous early-psychosis intervention services both nationally and internationally. Our local area has a significant youth population. Some estimates are about 60,000 young people in the City of Casey. They deserve and need this headspace and the EPPIC centre, which we all hope will be established by the end of the year.

Tonight I also want to announce a pretty exciting development for the young people who have been lobbying for an appropriate forum to continue the discussion about youth mental health: we will be holding another youth mental health forum to promote the need for action to address youth mental health challenges. Importantly, Village Cinemas, which has been a great partner of ours in the Westfield Fountain Gate shopping centre, has offered to provide a Vmax cinema so that young people can come and talk to Professor McGorry and myself about their issues. I would like to thank them for providing this facility. My staffer was on the phone to them today, and they were very supportive, and I think that says a lot about the community spirit of this cinema chain.

I know that Casey Youth Services are very excited about this forthcoming forum. We have a lot of feedback from them. What our young people want is for their voices to be heard. Young men like Jake Downward, who has been in contact with my office for some time, would like the opportunity to further discuss the issues he is dealing with. He feels, for example, that at the school he attends not enough attention is paid when young people are developing serious mental health issues. He believes that when we are offering services to young people we should be doing it in a user-friendly, youth-friendly way. And he believes
that to date that is not what we have been doing. He is a young man with I think a brilliant
future before him. We believe that his voice does deserve to be heard, and we are going to
make sure that that happens in the youth mental health forum. Dani Rothwell, who has been a
leader for the campaign for the headspace at Fountain Gate, a young woman of enormous
capability, is also campaigning hard for this youth mental health round table and forum. In the
time remaining I would like to congratulate the young people. They have campaigned, they
have their headspace and their EPPIC centre and I continue to commend them for the great
work they do.

Macquarie Electorate: Child Care

Mrs MARKUS (Macquarie) (19:45): I had the great pleasure of opening the Hazelwood
Early Childhood Centre on Thursday, 10 July. The centre is a long-awaited project located in
one of the many beautiful areas of the Blue Mountains. I opened it as both the federal member
for the area and as the representative of the Assistant Minister for Education, the Hon. Sussan
Ley. The vision of a new Hazelwood Early Childhood Centre had been planned for some time
and it will provide a home for the passionate and committed Hazelwood teachers to continue
their important work of delivering quality child care at a most important stage of life.

The pre-existing childcare centre, now 32 years old, had 38 places, and needed to expand to
provide extra places to service the needs of Hazelbrook and mid-mountains families. Many
mid-mountains families need to travel off the mountains to access employment. Ms Lise
Nielson has been a teacher at Hazelwood all that time and will celebrate 32 years there this
month. I congratulate and thank her for her outstanding commitment. Hazelwood's first
thoughts were to expand their current site. It soon became clear that the better option was to
build a new facility, but there were not many options available. Sadly, the owner of the home
next door, Mr Hewson, passed away. That did, however, allow negotiations to begin with the
Hewson family to purchase the property. There were many battles to be fought, but through
determination the dream has come to fruition. The director of the Hazelwood Early Childhood
Centre, Lil De Bono, described at the opening how children had peered over the fence in awe
to watch their new childcare centre being built, giving the children a sense of ownership and
pride.

Child care requires a safe, secure and suitable environment for children. Of course parents
and carers provide the first and most significant education for a child, but child care, in all its
forms and variety, is usually the first organised learning environment children encounter—
and it is crucial to children achieving success in their future education. Whilst learning is
paramount, with wisdom you can have wonder. The new facility Hazelwood offers is an
amazing environment for children to learn, discover, develop, grow and experience in their
early years. With that in mind, I must acknowledge JDH Architects and their architect Jayne
Harrison for the incredible state-of-the-art design—it had never been built before. The centre
has been built to accommodate children of all abilities. This means that many parents with
children with a disability will be able to access local child care without having to travel a
considerable distance.

Teamwork can accomplish great things and Hazelwood Early Childhood Centre is an
example of such collaboration between the federal government, Blue Mountains City Council
and Connect Child and Family Services. The federal government committed more than $2
million for the project. Blue Mountains City Council committed $700,000. Through
complementary roadworks, Roads and Maritime Services, an agency of the New South Wales government, contributed to the approximate value of $100,000. I thank the state member for Blue Mountains, Roza Sage, for her advocacy. In addition to providing a purpose-built, state-of-the-art facility, Hazelwood will now offer 52 places, which will help the working needs of families in Hazelbrook and the mid-mountains. Being close to home, it will assist people to achieve a better work-life balance.

I would like to acknowledge those who played a part in making Hazelwood a reality. These include the councillors and staff of Blue Mountains City Council, both past and present—in particular Councillor Chris van der Kley, who fought many of the battles; the mayor, Mark Greenhill; and the general manager, Robert Greenwood—and the CEO and the general manager of Connect Child and Family Services, Dr Dianne Jackson and Dee Hogden. I would also like to acknowledge the director of the Hazelwood Childhood Centre, Lil De Bono; the successive representatives—all of us have worked and lobbied for this project to reach completion—of the people of Macquarie; Roads and Maritimes Services; Jayne Harrison, architect at JDH Architects; Connect Child board members; and the Friends of Hazelwood, including members of the Hazelbrook Association. In conclusion, but certainly not least importantly, I acknowledge the teachers, parents and children of Hazelbrook.

Global Fund to Fight AIDS, Tuberculosis and Malaria

Dr LEIGH (Fraser) (19:50): I rise to speak about the Global Fund to Fight AIDS, Tuberculosis and Malaria for the third time since entering this parliament. The Global Fund to Fight AIDS, Tuberculosis and Malaria was established at the start of the 21st century. It is one of the most efficient international aid organisations. It has been estimated that, for every $4,000 it spends, the global fund saves a life. Internationally, the global fund accounts for two-thirds of spending on tuberculosis and malaria and one-fifth of all public spending on HIV. The global fund works, through a market driven approach, to bring down the price of drugs. The prices of first-line antiretrovirals and malaria treatments for children have fallen substantially thanks to the work of the global fund.

The global fund is literally bed-netting Africa, ensuring that young African children are no longer at risk of malaria when they go to bed at night. It is distributing nearly a billion condoms to prevent the spread of HIV and ensuring that a majority of pregnant women now receive antiretrovirals to prevent the transmission of HIV to newborn babies. Almost no women in the developing world were receiving such antiretrovirals at the turn of the 21st century. The fund has an Independent Office of the Inspector-General, ensuring that it is able to tackle corruption as it rears its ugly head.

Over the last 10 years, Australia has contributed $400 million to the fund overall. In return, the Asia-Pacific region has received $4 billion in investments from the global fund. In the last two years alone the number of patients treated by antiretrovirals by the global fund has doubled. Six million sufferers had been treated as at the end of 2013.

RESULTS—an NGO led by Mark Rice, Murray Proctor and their team—have been advocating for Australia to provide an increased contribution to the global fund. With the government's aid cuts and backflip on their commitment to spend 50c in every $100 on the world's poorest, it might be a challenge for the government to contribute to the global fund. However, I urge the government to think about a contribution to the global fund, because the philosophy under which the global fund operates ought to rise above politics.
The global fund's market-driven approach is one which ought to appeal to my coalition friends. So too should the transformation that the global fund has carried out over the course of 2012. The goal of that transformation was to increase efficiency to improve conditions for people suffering, or at risk of suffering, from those three diseases. The global fund have aimed to invest more strategically and conduct their programs more sustainably. They have realigned their staff focus in the organisation, specifically increasing staff working on strategic grant management. The vigour of the global fund in building on their successes of the last decade is a mark of how seriously they take the task of assisting the world's poor. The global fund's successes have backed up their history as a capable distributor of taxpayers' money to those who need it most.

As a significant developed nation, and one of the largest countries in the Asia-Pacific region, we cannot simply say that we have no responsibility to assist the world's poorest. To say that because Australia carries debt it cannot do its bit to help the world's poorest belies the fact that Australia has one of the lowest debt-to-income ratios of any developed country. If it is the case that Australia has to become stingy in the face of a debt burden as relatively low as ours, then what does that say for the rest of the developed world? Should the developed world turn its back on the poorest, cease providing the drugs that ensure that a newborn baby does not contract HIV, cease providing the bed nets that ensure that children can go to bed at night and not wake up in the morning with malaria and cease providing the tuberculosis treatments which are so vital in countries like Papua New Guinea, when we are already seeing the threat of tuberculosis across the Torres Strait?

We have a responsibility, as neighbours and fellow human beings, to tackle these three crippling diseases. To ignore the suffering of our neighbours is to forget the full saying: 'Charity begins at home but does not end there.' I urge the government to consider a significant contribution to the global fund, to assist the world's poorest.

Carbon Pricing

Mr CRAIG KELLY (Hughes) (19:55): At this late hour, a hundred yards to our west over in the Senate, the carbon tax is in its final death throes. The Labor Party and the Greens are lining up to vote against the repeal for no less than the sixth time—three times in the House of Representatives and three times in the Senate. The landscape is clear: as sure as night follows day, if the Labor Party and the Greens ever come back to office in this country they will introduce a carbon tax. They might give it another name, but—call it what you like—Labor and the Greens will introduce it.

During debates on the carbon tax, we hear many members of the Greens and the Labor Party taking the high moral ground and claiming that they are the ones taking action on climate change. The question that they never answer is what effect will that action have on what they are trying to achieve—that is, changing global temperatures? I will go through the science and the maths to show what 'taking action' means. Firstly, we know Australia emits around 1.2 per cent of the world's man-made emissions of CO₂. We know that at very best the carbon tax would reduce about five per cent of Australia's predicted CO₂ emissions from man-made sources. In fact, using the government's own numbers, those emissions actually increase. It is only when they go to the nonsense of buying carbon credits from Botswana and other places that there is actually a reduction.
For argument's sake, let us say that Australia's emissions would reduce five per cent. Therefore, the carbon tax would abate five per cent of 1.2 per cent of global emissions. So the reduction that we will make here in Australia with this 'wonderful' carbon tax will be 0.06 per cent of the world's emissions! Currently, we know that the global concentration of CO$_2$ in the atmosphere is around 390 parts per million. We know that that will rise over the next 15 years at around two parts per million annually, because India, China and the rest of the world will continue to use fossil fuels to lift tens of millions, hundreds of millions, of people out of poverty and give them economic opportunity, education and health. So we are looking at an increase of around 30 parts per million over the next 15 years. Therefore, by 2030, the carbon tax would abate 0.06 of 30 parts per million. So the carbon tax would abate 0.018 of one part per million of carbon dioxide in the atmosphere. If by 2030 we expect to have carbon dioxide levels around 420 parts per million, with the carbon tax, and that massive saving of 0.018, it will be around 419.982 parts per million.

How much warming will this avoid? Because that must be the ultimate aim of the carbon tax. If we go with the IPCC prediction of three degrees of warming over the next century, by 2030 the carbon tax would save 0.00075 of one degree of warming. Expressed as a fraction, that is 1/13,000th of one degree. Here is the real kicker: the most accurately we can measure temperatures is to 0.05, or one-twentieth of one degree. The estimated saving in global temperature from the carbon tax is actually 660 times smaller than what we can measure. If someone came to you and said that they were going to take $550 from every family, every year for the purpose of taking action of reducing 1/13,000th of one degree of temperature—660 times smaller than we can measure—you would think insanity had taken over. Yet that is what Labor and the Greens are taking to the next election.

The DEPUTY SPEAKER (Hon. BC Scott): Order! It being 8 pm, the debate is interrupted.

House adjourned at 20:00

NOTICES

The following notices were given:

Mr K. J. Andrews to present a Bill for an Act to amend the law relating to social security and student assistance, and for related purposes.

Mr Billson to present a Bill for an Act to amend the Competition and Consumer Act 2010, and for related purposes.

Mr Morrison to present a Bill for an Act to amend the Customs Act 1901, and for related purposes.

Mr Keenan to present a Bill for an Act to amend various Acts relating to the criminal law or law enforcement, and for other purposes.

Mr Robert to present a Bill for an Act to amend the Military Rehabilitation and Compensation Act 2004, and for related purposes.

Mr Frydenberg to move:

That the following order of the day, government business, be discharged:

Mr Pyne to move:
That standing order 31 (automatic adjournment of the House) and standing order 33 (limit on business) be suspended for the sitting on Thursday, 17 July 2014.

Mr Ferguson to move:
That this House:
(1) notes:
   (a) the loss of nearly 300, predominantly student, lives on the MV Sewol Ferry on 16 April 2014;
   (b) the refusal by the Korean Coast Guard (KCG) to seek overseas assistance and ongoing investigation into this tragedy;
   (c) the extremely disconcerting absence of credible rescue efforts by Korean Government authorities and widespread criticism of the crew regulatory authority and ferry operator;
   (d) the later abolition of the KCG and its prior contracting out of rescue duties;
   (e) the crew’s prioritisation of its own safety; and
   (f) continued, non-conclusive speculation about the cause of the disaster; and
(2) calls for a well-resourced, public investigation as to the reasons for the Sewol Ferry tragedy.

Mr A. S. Burke to move:
That, should the sitting of the House which commences on Thursday, 17 July 2014 continue after that date, so much of the standing and sessional orders be suspended to enable the following routine of business to apply on each consequent day of the continuous sitting:
(1) government business to have priority until 1.30 pm;
(2) at 1.30 pm, the Speaker shall interrupt business and call on statements of no longer than 90 seconds by Members, to continue until 2 pm;
(3) at 2 pm, the Speaker shall interrupt statements and call on questions without notice for a period of at least one hour and ten minutes;
(4) at the conclusion of questions, discussion on a matter of public importance to take place; and
(5) at the conclusion of the matter of public importance, government business to resume.
The DEPUTY SPEAKER (Hon. BC Scott) took the chair at 09:30.

CONSTITUENCY STATEMENTS

Adelaide Electorate: Roma Mitchell Secondary College

Ms KATE ELLIS (Adelaide) (09:30): I rise today to share with the parliament the experience of a recent visit that I undertook to Roma Mitchell Secondary College, a school in the inner northern part of Adelaide which is doing a remarkable job educating many of the students from my electorate. Earlier this year, I had the chance to visit with Bill Shorten as well as with the member for Makin, Tony Zappia, and see what incredible results this school was returning in just its fourth year since it opened. We know that this school has incredibly excellent facilities at three campuses—a co-ed campus, a girl's campus and a campus for students with disabilities. But we also know that since it opened in 2011, the team of dedicated leaders at the school, the passionate teachers at the school and the broader school community have been able to bring about some hugely impressive improvements. For example, in 2013, the SACE completion at the co-ed and the girls' campuses of Roma Mitchell Secondary College was 91.48 per cent. To put this into context, this is an improvement of 34.3 per cent over just three years, something which I would imagine would be unrivalled by schools around Australia.

In 2013, 12 of the students received an ATAR score in the 90s, and over 80 students received offers to university and TAFE. They offer specialist sport programs in cycling, in hockey and in soccer, an Aboriginal sports training academy, a gifted and talented program, international programs, vocational education and training programs and a range of other specialist services.

Last year a team made up of three year 8 and four year 9 students from the gifted and talented classes won the Tournament of the Minds engineering challenge that was held at Flinders University. They were the first public school students to win this challenge since 1994, something they should be absolutely congratulated for. We also know that this year they started to deliver the International Baccalaureate middle-years program to the year 8s. Within the next three years, all students in years 8 to 10 will be studying this program. This is a result of incredibly dedicated teachers and the school community.

I would like to thank principal, Sandy Richardson, and deputy principal, Karen Fitzpatrick, for hosting Bill Shorten, myself and Tony Zappia. I note the added challenges I gave them by having a freshly broken leg at the time and hobbling around on crutches and I thank them for their kindness. But even more so, I thank them for the incredible job that they are doing educating the students of our Adelaide community. These results speak of their dedication and their passion. They should be congratulated, and I wish them all the very best for continued success into the future.

Moore Electorate: Roads

Mr GOODENOUGH (Moore) (09:33): Wanneroo Road is the major arterial road providing north-to-south corridor access in the eastern part of my electorate of Moore. For most of its 44-kilometre length, Wanneroo Road is a dual carriageway. However, along a relatively short section between Joondalup Drive and Menchetti Road it remains a single
carriageway of rural standard. There has been a history of traffic incidents along the road over the years with incremental improvements through state and federal road funding programs. Unfortunately, the most recent fatal accident occurred last weekend. Over time, the volume of traffic, including the number of heavy haulage transport vehicles servicing quarries and general industry, has increased due to growth. A petition signed by 466 residents was organised and presented to the City of Wanneroo calling for the road to be widened. The cost of widening the 5.4-kilometre stretch of Wanneroo Road is estimated in the order of $45 million. Mayor Tracey Roberts and councillors at the City of Wanneroo have been strong advocates for the upgrade.

When the proposed extension of the Mitchell Freeway from Burns Beach Road to Hester Avenue is constructed in 2017, the planned Neerabup Road exit off the freeway will be designed to directly meet the realigned Flynn Drive at a major signalised intersection on Wanneroo Road. This key intersection will form the entry to the Neerabup Industrial Area—the source of future employment and economic development. It will make practical sense to complete the extensive roadworks, including traffic signals, in a single construction phase with Wanneroo Road at dual carriageway standard as opposed to the wasteful demolition and reconstruction of the intersection at a later date.

The City of Wanneroo is currently funding the construction of the Flynn Drive Realignment at a cost in excess of $6 million and has approached the Western Australian state government for funding for Wanneroo Road. The city received notification that no current funding provision exists in the WA state budget or four-year forward estimates. Accordingly, federal assistance is sought towards the cost of widening Wanneroo Road between Joondalup Drive and Menchetti Road. Upgrading Wanneroo Road will directly improve road safety for my constituents in the suburbs of Carramar and Banksia Grove—particularly at the Golf Links Drive intersection. The upgrade will also ease congestion by removing the need for traffic travelling along Wanneroo Road to merge from the existing dual carriageway into a single lane north of the intersection of Joondalup Drive. By having a continuous dual carriageway along Wanneroo Road to Hester Avenue, residents of the— (Time expired)

**Australian Public Service**

**Dr LEIGH (Fraser) (09:36):** The Abbott government's budget broke promises like a bull in a china shop, and nowhere more so than in my proud city of the ACT, which I am fortunate to represent in this place. The Abbott government promised that there would be no more than 12,000 public servant job losses and has now broken that promise, cutting 16,500 Public Service jobs. The ACT budget is worse off to the tune of $375 million. As a result, a report carried out by Deloitte Access Economics in April of this year found that the ACT was the weakest in the nation on business investment and construction work. That report said:

To be clear, there is undoubtedly a burst of bad news coming down the pipeline.

A report carried out by the Property Council and the ANZ, the Property Industry Confidence Survey, found that confidence in the ACT property sector had slipped and was the lowest across all states and territories. That report did, however, note that confidence in the ACT government has lifted, and I commend the Gallagher government for what they have done in the face of onslaughs from the Abbott government. The fall in ACT house prices was presaged by the Treasurer's comments on Sunrise prior to the election, where he joked with
viewers about the fact that an Abbott government would see house prices fall in Canberra. I am all for housing affordability, but getting there via unemployment is a dumb way to do it.

Recently we have heard calls from members of this House to relocate parts of the Australian Public Service to the far north and distant south of Australia in order to develop the economies of regional communities. My colleagues sometimes seem keen to scatter the Public Service anywhere there is a marginal seat with a shortage of other easy employment options. The problem with cutting the Public Service or scattering it to pork-barrel in marginal seats is that, as we deal with complex policy challenges, it is vital that we are able to work across agencies, whether it is dealing with climate change, with the transition from the mining boom or with thinking about how new technologies affect the education sector. We need public servants able to work across departments, to come together in the same room and to discuss how those policy problems affect what they are doing.

Using the Public Service for pork-barrelling shows a deep disrespect for the hard work that public servants do. Canberra was purpose-built to house the Public Service, and I would urge everyone in this place—Labor, Liberal, National or from a minor party—to have a sense of pride in the Public Service and a sense of understanding that a strong Public Service benefits Australians and that Canberra ought to be the natural home for the Public Service. I will fight hard against measures to cut the Public Service and to scatter the Public Service for mere political ends.

Robertson Electorate: Basketball

Mrs WICKS (Robertson) (09:39): It is indeed an honour to be in this chamber today and say that as the member for Robertson I am incredibly proud of a government that is delivering 600 new Commonwealth jobs to my electorate in Gosford, right in the heart of the Central Coast, that will deliver great benefits to our region.

Today I rise to speak of another benefit to our region, that of national teams increasingly choosing to base themselves on the Central Coast in preparation for major international sporting events. Earlier this year the Socceroos picked the coast as their base to get ready for the World Cup. Just this past week, 16 players from the Opals, the Australian women's basketball team, visited Terrigal to finetune their preparations for upcoming tours of Japan and Europe ahead of the 2014 World Championship for Women in Turkey. With strong local clubs like the Gosford City Rebels, Central Coast Crusaders and Central Coast Waves, there was a great sense of anticipation among our sporting community for the Opals' arrival.

The Opals were welcomed by an incredible local champion, Liesl Tesch, a six-time Paralympian in the Australian Gliders women's wheelchair basketball team—a legend. Among the highlights of their time on the coast was a holiday clinic with Opals players at Gosford City Basketball and Sports Stadium in Terrigal for 120 rising stars of basketball on the Central Coast. My congratulations go to Chris Ohlback, the general manager of Gosford City Basketball and Sports Stadium, for making the events so memorable for so many young basketballers on the coast who could one day well grow up to represent our region in the NBL in Australia or even the bright lights of the NBA in the United States. Many of those at the skills clinic returned to the same court later in the week for a scrimmage game between the Opals and the New South Wales Country Men's Under-20 team. There were five Central Coast-based men in the under-20s line-up and it attracted a crowd of 1,000 fans. The Opals also hosted a sports lunch at Terrigal Surf Life Saving Club, and it was a great privilege to
hear from Lauren Jackson and Liz Cambage, two stars of Australian sport who are also wonderful ambassadors for our nation. Lauren, in particular, has got an outstanding record of success at the highest level, including the honour of being the Australian flag bearer at the 2012 London Olympics.

I spoke to the Opals' coach, Brendan Joyce, who told me the Central Coast, and in particular Terrigal, had again proved itself a region capable of catering for elite level sporting teams. He said people of the coast embrace the Opals and the players fed off the energy and the excitement that created in an environment second to none. Brendan said people of the Central Coast should be proud of the integral role that we have played for the Opals' preparation for the World Championships, and he looks forward to making the Central Coast a regular part of the Opals' program for the future. Indeed, we look forward to welcoming the Opals back in the future at any time. They will always be more than welcome and I thank them for their contribution to our local and to our national sporting success.

Renewable Energy

Mr BANDT (Melbourne) (09:42): In Melbourne, the community is taking charge of moving our great city to renewable energy, but they deserve more support from government. Given the climate denial and failure of leadership on global warming from the Abbott government, action at the state and local level is all the more important in the fight for clean energy. Unfortunately, in my state of Victoria we have a government and an opposition that are not up to the task of transitioning Victoria to a clean energy economy. One of the first acts of the current Victorian Liberal government was to give in to the flat-earthers who oppose wind energy and put in place restrictive and anti-competitive regulations that almost killed investment in wind power in our state.

Meanwhile, both Labor and the government seem intent on tying Victoria to a future of coal. At the same time, both of the old parties are failing to put forward credible and viable policies to support the continued growth of solar power that is sweeping across the country. In fact, just this week the Victorian Liberal government is backing the owner of Hazelwood Power Station, Australia's dirtiest, and the site of the recent coalmine fire, who is hitting solar households with additional fixed charges as a way of discouraging the take-up of rooftop solar. Victoria has had 19,000 new solar installations in the last six months, including many in my electorate, and this is despite the state Liberal government's cut in support. The old power companies do not like rooftop solar because it reduces demand, especially at peak times when they rake in superprofits, so they are trying to put up financial barriers to consumers.

But it is not just cost. Many consumers report that existing retailers make it very hard to get their rooftop solar up and running because of the many administrative hoops they have to jump through. Unlike the old parties, the Greens and Ellen Sandell have clear policies to support homeowners to join the solar revolution. First our plan includes a fair price for solar. We would continue the existing feed-in tariffs and all future solar installations would earn the owner a guaranteed minimum price. Second would be the right to go solar. No energy company should have the power to deprive Victorians of their right to go solar. The Greens would introduce a law for the right to connect solar to the grid. And we would provide access to solar capital. The Greens would establish a clean energy fund, which would mean no up-front costs, and households would be able to pay for their panels through their bills or at low interest.
I know constituents in Melbourne want to see homes, businesses and schools, as well as sporting venues, powered by solar. They want governments to stand up for energy consumers not the big power companies. But they are not waiting. In my electorate of Melbourne, communities are getting together to look at how they can empower renters and other citizens to establish community energy, and I want to commend the work of Melbourne community power in leading these initiatives in Melbourne. Under the Greens, people in Melbourne who want solar power would get a huge boost.

**Mallee Electorate: Education**

*Mr BROAD (Mallee) (09:45):* I rise today to talk about what I think is a structural challenge for regional Australia, and something we should be looking at. I represent a rural electorate, as I have often expounded in this chamber. We produce wheat, barley, canola and lentil broadacre crops; almonds; carrots; wine grapes; table grapes; avocados; citrus; dried fruit; sheep meat; beef; wool; small and medium manufacturing. So we are pretty good if you want something to eat—very busy.

We have tourism. We have an area from the Murray River all the way down to the Grampians—some of the most beautiful country in Australia. And we have service industries, as well. But we do have a challenge. We have fairly high year 12 completion rates, but fairly low university completion rates. We have limited university choices locally, and we have additional challenges when it comes to accessing university in the city.

No-one in my electorate can live at home, catch public transport and travel to university. They do not have that opportunity. So there are costs for families when they want to access universities. I think this is a structural challenge that we need to address in regional Australia, because if we work on the premise that the most likely people to settle into regional Australia and to diversify the economy are going to be country people—people who have an affinity with it—then investing in the ability of country students to access higher education is about diversifying our economy.

I have a vision that our country towns should not just be retirement villages and service industries to agriculture and tourism. I do have a vision. And if I am going to see that vision fulfilled we need to address the issues of aspiration, affordability and location. And how we do that will be the challenge as we look at the future for regional Australia.

In a modern Australia we no longer have as many restrictions on distance. We no longer have as many restrictions on telecommunications. We no longer have many restrictions on air and freight. The future is very good, if we can get it right, and I hope it is something that we can champion. Ensuring that the scholarship funds work in the new education reforms, ensuring we look at the costs to families who are sending their kids to travel to university will be things that I hope to champion in this place.

We need a plan for regional Australia and its growth. Higher education and ensuring that our country students can travel the world, get many skills, bring those skills back and settle in businesses to diversify our economy in regional areas is something that I hope to champion in the Australian parliament.
McIntyre, Bishop John Charles
Neale, Ms Margaret

Ms PLIBERSEK (Sydney—Deputy Leader of the Opposition) (09:48): I rise to speak about the loss of two very important members of our local community. The first is Margaret Neale. She was a woman who retired to Erskineville and became an absolutely integral part of our local community in Erskineville—a hard worker, a volunteer, a friend to many and a friendly face. Margaret was surrounded by her friends and family when she passed. She died at home, as was her wish—unfortunately, many Australians do not get to complete that wish—and she will be sadly missed.

I also want to talk about John Charles McIntyre. Reverend Mac—Bishop John, as he became—spent his last working years in Victoria. He was installed in 2006 as the Bishop of Gippsland and St Paul's Cathedral in Sale. But for 16 years he was the rector at St Saviour's church in Redfern. He was much loved and he will be greatly missed. We were honoured that his family chose St Saviour's. People said of him that he was a man of the people, genuinely caring about the community and engaging with it, especially the vulnerable. That is what Reverend Dorothy McRae-McMahon said. When one of the church pews went missing, Reverend John saw it at the second-hand dealers and asked, 'Isn't that from St Xavier's?' 'Oh, no, a good friend of mine gave it to me.' John would then say, 'They must have needed it more,' and let it go. One of the parishioners told that story. Reverend Bill Lawton, his friend, said he was 'a man whose heart lay with the alien and the outsider'.

In his very last talk, just three weeks before he died, he called on the church to:
… be present in community with an integrity of being that assures all those whose lives we touch that we are there alone for their wellbeing; that we are constantly and consistently committed to peace with justice, mercy and inclusion.

He called on the government and community to offer compassion and justice to asylum seekers, respond to climate change and reject the agenda set out by the Commission of Audit. He is a man who will be sorely missed. Pastor Ray Minniecon said:
John Mac had this incredible ability to blend into the social fabric of our local community without being "seen" as a priest or a "do-gooder". He knew how to feel the pulse, the pain, the suffering as well as the strength and resilience of our local people and community. He became "one" with the people and their struggles rather than someone who "had all the answers" and told you what you needed to know and do. Rest in peace, Father John.

Corangamite Electorate: Jobs

Ms HENDERSON (Corangamite) (09:51): I rise to speak about our government's strong commitment to jobs, growth and infrastructure in the Corangamite electorate which I so proudly represent. In doing so, I also wish to correct the record about some reckless and untruthful statements made by the member for Corio. It is one thing to engage in a contest of ideas across the political divide. It is quite another thing to mislead the people of Geelong, as the member for Corio continues to do, mostly recently in yesterday's Geelong Advertiser.

Yesterday, in a regular column we write together, the member for Corio asserted:
We still have not had one single dollar from the Federal Government to help Alcoa workers find another job.

This is blatantly untrue but, as we have seen so often from Labor, they do not let the facts get in the way of their story. Our government has a wide range of programs to assist Alcoa workers as well as all workers in Geelong and across Corangamite. And that is the difference. We do not pick favourites. Our policies are there to assist all workers, including the many hundreds of workers from Alcoa's supply chain about whom the member for Corio seems to have completely forgotten. There are 110 companies supplying goods and services to Alcoa, and I say they matter too, along with the many hundreds of workers who lost jobs under Labor, the previous federal Labor government, at Ford, Boral, Target, Qantas and Fonterra, and that does not include the many other hundreds of employees in small business that you never hear Labor talk about.

Alcoa's decision to close is terrible. I have been a very strong critic of Alcoa's decision not to give its workforce enough notice, and it is mystifying that the member for Corio has not spoken out on such an important issue. Our government negotiated with Alcoa to contribute $9 million to its Point Henry workforce at this very difficult time, $5 million to the Geelong Region Innovation and Investment Fund, and $4 million for skills and retraining. Full credit to Alcoa for making this investment, which will help create the jobs of the future in advanced manufacturing and other new industries, and of course help their workforce directly.

Also a number of weeks ago, I announced a half-million-dollar Geelong jobs package, which will see us roll out a range of local employment programs to assist Alcoa workers and Alcoa's supply chain. We recently contributed $50,000 to the Geelong Jobs Fair, which provided direct assistance to Alcoa workers, some of whom I met on the day. This was such a great success that I am pushing for another jobs fair next year. We have a very strong commitment to the broader economy in terms of growing jobs: our $155 million growth fund and $3 billion to the East West Link, another project that Labor is opposing. That will deliver 6,000 jobs and that is extremely good for Alcoa workers.

Makin Electorate: Sport

Mr ZAPPIA (Makin) (09:59): This year the Para Hills Knights Soccer Club celebrates its 50th anniversary and to mark the occasion on Saturday, 28 June the club held a 50th anniversary black-and-white ball—black and white being the club's colours. It was a night of celebration and reunion and the presence of several founding members, along with many past and present players, coaches and committee members, ensured that there was much to talk about. Chairman Peter Greco, past secretary Charles Kelly, Keith Puyenbroek and Stephen Nurse all provided snapshots of the club's history, whilst a rolling screen with photos and film clips added to the memories.

In 1964, when the club was established, Para Hills was a new residential community with most of the residents being new arrivals from the UK. Their passion for soccer soon saw the Para Hills soccer club established and it quickly proved to be a force in the local soccer league. In 1977 the club outgrew its original location on Nelson Road in Para Hills and relocated to its current club rooms at Para Hills Paddocks recreation precinct. The new club rooms enabled the club to further grow and to become even stronger.

In 1998 the club was successful in being selected as a training venue for the Italian, Spanish, Chilean, Korean and Nigerian teams competing in the Sydney Olympics in 2000. To
comply with its bid, professional standard lighting was installed and the pitch was prepared to international standards by Les Burdett, the expert groundkeeper at Adelaide Oval. Hosting the international squads was indeed a highlight in the club's history.

Its reputation, however, equally grew through its performance in the South Australian Soccer Federation and the many outstanding soccer players that the club has produced over the years, including Australian national team representatives Martin Crook, Joe Mullen and, most recently, Ryan McGowan. It was indeed fitting that, as the Knights soccer club celebrated its 50th anniversary, 24-year-old Ryan McGowan was in Brazil representing Australia at this year's world soccer cup.

In addition to those who have represented Australia and whom I mentioned earlier, many other Para Hills Knights players have gone on to successful soccer careers with other clubs both within Australia and overseas, including Ryan McGowan's younger brother Dylan. Today the club continues in fine form in the South Australian Premier League, also fielding several women's teams and, as from day one, it proudly selects its senior side predominantly from local young players developed through the club.

As with many clubs, the Knights owe their existence to the many volunteers and committee members who have guided the club through good times and bad. These are the tireless workers who never say no and who at times have made substantial personal sacrifice for their beloved club. There are too many for me to individually acknowledge, but I thank and commend them all for their service to the Para Hills Knights Soccer Club and to the community that I represent.

**Lindsay Electorate**

**NAIDOC Week**

Ms SCOTT (Lindsay) (09:57): I would like to take the opportunity today to highlight a number of wonderful community events in the Lindsay community. I am immensely proud to be a local member for such a wonderful, inclusive and diverse community. Firstly, the Australian Bhutanese Youth Festival held their third interstate soccer tournament in Penrith over four days commencing on 3 July. I was extremely proud to be asked to be patron of this wonderful event. The Association of Bhutanese in Australia works tirelessly to help new arrivals engage with the community, learn English and move towards full participation in the community and provide tolerance and inclusiveness. I commend the Australian Bhutanese community for this wonderful event. I would also like to thank Dr Om for making me so welcome and Senator Concetta Fieravanti-Wells for coming along and enjoying the festivities.

Long has the Nepean Valley been the nursery of junior rugby league stars. On Friday we saw at the St Marys Band Club the annual sports luncheon for Brothers, a key junior rugby league club in our community. Brothers have 45 teams, with some 700 young men playing junior rugby league. I was extremely proud to be a part of this club's major annual fundraiser. It was wonderful to see the Hon. Stuart Ayres, who is also the Minister for Sport and Recreation in the state government, Councillor Tricia Hitchens, Mark Geyer, Tim Gilbert and so many local sportspeople, local heroes, people of the Brothers community and just good all round Penrith people participating in this wonderful event.
Finally, I would also like to commend the work of Penrith City Council, the Local Area Command and my good friend the Mayor of Penrith, Ross Fowler, for their participation and celebrations for NAIDOC Week. NAIDOC Week is a time to recognise and reflect on the role of Aboriginal and Torres Strait Islander peoples and the role they play in shaping our community and our identity. Over the course of NAIDOC Week, we also paused to reflect on the sacrifice of the Aboriginal peoples and honoured their priceless contribution to our nation. NAIDOC Week is a time to also think about what it has been like for the Darug people in the Darug nation, which is where Lindsay is located.

It was wonderful to see so many local people and schools turn up to Jamison Park to participate in NAIDOC Week. I would like to commend Penrith Council, I would like to commend Brothers and I would like to thank the Bhutanese community for having such wonderful events over the last couple of weeks. Thank you.

The DEPUTY SPEAKER (Mr Ewen Jones): In accordance with standing order 193, the time for members' constituency statements has concluded.

CONDOLENCES

Chidgey, Lance Corporal Todd

Debate resumed on the motion:

That the House record its deep regret at the death of Lance Corporal Todd Chidgey on 1 July 2014, in Kabul, Afghanistan and place on record its appreciation of his service to the country and tender its profound sympathy to his family in their bereavement

Mr SNOWDON (Lingiari) (10:00): It is with great sadness that I stand in this parliament today to express my, and I know the parliament's, condolences to the family, friends and comrades of Lance Corporal Todd Chidgey. Lance Corporal Todd Chidgey's service to the Australian Army included six tours to Afghanistan from 2008 through to this year. These were Operation Slipper, Afghanistan, May to July 2014; Operation Slipper, Afghanistan, March 2014; Operation Slipper, Afghanistan, October to November 2013; Operation Slipper, July to December 2012; Operation Slipper, February to July 2010; and Operation Slipper, June to November 2008.

I have spoken in this place many times now, sadly, about the death of Australian soldiers while on service overseas, and I do not think we should underestimate the work which this man has done. He was from the 2nd Commando Regiment, a special forces unit which does great and special work for us. Unfortunately, the broader Australian community have no real idea—and dare I say most members of this parliament have no real idea either. I am fortunate to have had an insight into the work of the commandos and other special forces units, as well as all of our men and women in uniform overseas, during the period in which I was a minister in the defence portfolio in the previous government. I have the utmost respect for these men and women who wear this uniform on our behalf, and particularly these men and women of the special forces who do such difficult, dangerous and often tragic work.

Can I express my condolences—and I know my family's and I am sure the parliament's—to Todd's family: his mum, Kerrie Baker; his dad, Wayne Chidgey; his partner, Karla Hosie; his brothers, Paul and Adam; and his niece, Kayla. Of course, I also express my deep condolences to his comrades in the 2nd Commando Regiment. That regiment, sadly, has had
many losses during this war in the Middle East Area of Operations—in this case in Afghanistan—over what is now some years.

We know that Lance Corporal Todd Chidgey is now peaceful and at rest. He was farewelled by his mates during a private memorial service held at Kabul International Airport, and he is now being laid to rest at home on the Central Coast. The Prime Minister and the Leader of the Opposition, Bill Shorten, attended the funeral representing us and the people of Australia.

Everyone who knew Todd talks about his loyalty. His family have written a wonderful statement about their love for this brave young man. He was a loyal son; he was a loyal brother; he was an absolutely loyal teammate, a professional soldier from 2 Commando Regiment.

I know, having observed the reaction of 2nd Commando and other units across the Defence Force when one of their members is lost, they will continue to swing behind and give support to Lance Corporal Chidgey's family. He was a man who was very highly respected by his colleagues. They described him as:

... a brilliant bloke to know and work with, who was loyal to the core and would do anything for his mates. He was a consummate professional and a dedicated soldier. Lance Corporal Chidgey was one of the hardest working members of the Regiment, who never sought recognition or reward.

It may be true he never sought recognition or reward but it is worth stating what he was awarded because it says a lot about what he dedicated himself to and the service he gave.

Lance Corporal Chidgey was awarded: Australian Active Service Medal with Clasp International Coalition Against Terrorism; Afghanistan Campaign Medal; Australian Service Medal with Clasp Counter Terrorism/Special Recovery; Australian Defence Medal; NATO non-article 5 Medal with Clasp ISAF; Multiple Tour Indicator 3 North Atlantic Treaty Organisation, International Security Assistance Force; Soldiers Medallion; Infantry Combat Badge; and the Returned from Active Service Badge.

I think it is worth reflecting that as we approach the centenary of Anzac, we are now paying homage, giving our respect to and saying goodbye to another man who will join the great pantheon of those who have been lost to us while serving overseas proudly wearing an Australian uniform in the cause of peace and justice and in the knowledge that they are fighting to safeguard our national security. Todd, you have now returned to us from active service. We thank you for your service. Rest in peace.

Mrs WICKS (Robertson) (10:07): I share the member for Lingiari's sentiments and I join with him today to express the gratitude of the Central Coast and indeed of our nation to Lance Corporal Todd Chidgey. We express our deep sadness and sorrow at the death of a fine soldier, who died in Afghanistan on 1 July. I take this opportunity to express my deep condolence to Lance Corporal Chidgey's parents, to his brothers and to his partner. All Australians share their grief and our hearts go out to them.

There is no greater sacrifice an Australian can make than to give his life in the service of his country. Lance Corporal Chidgey was held in high regard by his unit in Afghanistan and by his mates. His loss will be deeply felt by all who knew him, as a loyal mate and as a talented and professional soldier. His colleagues have described him as a brilliant bloke to know and work with, loyal to the core and someone who would do anything for his mates.
Serving as part of the Protective Security Detachment, he was considered a consummate professional and a hardworking, dedicated soldier. Lance Corporal Chidgey deployed on six tours to Afghanistan ranging from two weeks to six months, and he never sought recognition or reward. Yet, since joining the Australian Army in 2006, Lance Corporal Chidgey received a number of honours and awards.

We have indeed lost one of our finest. In the words of Special Operations Commander Australia, Brigadier Dan McDaniel, at a solemn ceremony at the Royal Australian Air Force Base in Richmond last week, Lance Corporal Chidgey was loyal, diligent and committed to the service of his country, his mates and his family. Brigadier McDaniel said he will be missed but never forgotten by the 2nd Commando Regiment and wider Special Operations Command community. May I add that he will also never be forgotten by the people of my electorate of Robertson, by the people the Central Coast, who know and respect the contribution of soldiers past and present.

Twenty-nine-year-old Lance Corporal Chidgey was born in Gosford. The funeral took place yesterday on the Central Coast. I understand there were around 450 mourners in attendance, including the Prime Minister, Tony Abbott, and the Leader of the Opposition, Bill Shorten. These moments remind us all of the great bravery, courage and dedication of the men and women of the Australian Defence Force. All operational deaths are a tragedy. Today my deepest condolences are extended to Lance Corporal Chidgey's family, friends and fellow soldiers at this very difficult time. His colleagues in Afghanistan are also in my thoughts. Their contribution to peace and to our national security will forever be remembered. May he rest in peace.

Ms BRODTMANN (Canberra) (10:10): It is with great sadness I join with my colleagues today to pay tribute to the late Lance Corporal Todd Chidgey of the 2nd Commando Regiment, who died in Afghanistan on 1 July this year, just 29 years old. In doing so, I thank him for the service and the sacrifice he has made for Australia in helping to secure our nation and in preserving democracy throughout the world.

Lance Corporal Chidgey was born in Gosford, New South Wales, in 1985. He joined the Australian Army in March 2006 under the Special Forces Direct Recruiting Scheme. On completion of his initial employment training he was posted to the then 4th Battalion Commando, the Royal Australian Regiment, now the 2nd Commando Regiment, in September 2006. Lance Corporal Chidgey deployed on six tours to Afghanistan ranging from two weeks to six months.

Lance Corporal Chidgey's colleagues in the 2nd Commando Regiment have described him as a brilliant bloke to know and work with, who was loyal to the core and would do anything for his mates. A consummate professional and a dedicated soldier, Lance Corporal Chidgey was one of the hardest working members of the regiment who never sought recognition or reward. The commanding officer of the 2nd Commando Regiment, whose identity is protected, spoke of Lance Corporal Chidgey as a dedicated commando and loyal friend to his mates at the regiment. He said:

Todd was the kind of soldier and person who would do anything for his mates.

Todd was a dedicated and committed Commando, who served his country, his unit and the Australian community. We should celebrate his service, his life and his contribution to ensure a better world and keep this in our minds as we mourn his passing.
It is the nature of commandos that aspects of their work, their actions and often their identities must not be disclosed. Many times before in this place I have spoken about the special bond that exists within commando regiments. When a soldier joins the commandos, he and his family are commandos for life. The commandos are more like a brotherhood than any other regiment I know, so when one of their fellow commandos dies in action it is like losing a brother. Today I would like to pass on my sympathies to the 2nd Commando Regiment. I know that you have lost a brother and I also know that Lance Corporal Chidgey's family will take comfort from the ongoing support they will receive from you—I know they will continue to provide ongoing support; I have seen it in the past—and the love and respect that you have shown their son.

Lance Corporal Chidgey's family have said that they will remember Todd as the consummate gentleman, a son and a brother who was well mannered, who was loyal and always there for his family. They have said he never forgot a birthday and he was extremely generous. If you were his friend, he would stick by you. He was a champion of the underdog. My deepest sympathies and respect go to Lance Corporal Todd Chidgey's mother, his father, his brothers, his partner, his extended family and friends and his fellow commandos. Australia will never forget his sacrifice. May he rest in peace.

Mr ROBERT (Fadden—Assistant Minister for Defence) (10:14): I thank the good member here to my right for allowing me to jump ahead of him on this important condolence motion for a fine Australian soldier, Lance Corporal Todd Chidgey. As President John F Kennedy once said, 'A nation reveals itself not only by the men it produces but also by the men it honours and the men it remembers.' So today I stand here on behalf of the government with a sense of pride and a sense of solemn sadness to pay tribute to and to remember a man who has revealed the very best of us—the very best of our country. We pay tribute to Lance Corporal Todd Chidgey—the 41st Australian to die in Afghanistan in the service of us, the people of Australia. I pass on the government's sincere and heartfelt sympathy and support to his family—his mother, Kerrie, his older brother, Paul, and his younger brother, Adam.

Todd was 29 years old. He was born in Gosford, New South Wales. On Remembrance Day this year, Todd will join the thousands of other Australian soldiers, sailors and airmen and women to have their names inscribed on the honour roll of the Australian War Memorial. His name will join the many other names in that place; his name will join a company of heroes—men and women whose lives were shortened because of a call for patriotic duty. His name will forever be enshrined on a bronze panel so that generations will know that brave men stood and fought against tyranny.

As people walk beside those bronze panels, it is instructive that we all remember that behind every name is a story of patriotism and bravery, is a story of grief and loss, is a story of communities that have lost their men and their women, is a story of brothers and sisters alone, is a story of families that have lost a part of them. Australia does not forget those who fight and serve; we remember them—not because we glorify war but because we commemorate those who have fought in the pursuit of peace.

Lance Corporal Todd Chidgey joined the Australian Army in March 2006, apparently to the surprise of his family. He joined under the Special Forces Direct Recruiting Scheme. On completion of his IET—initial employment training—he was posted to the 4th Battalion, the Royal Australian Regiment, of which I am an honorary member and which is now called the
2nd Commando Regiment, in September the same year. Lance Corporal Chidgey deployed on six tours in Afghanistan, and colleagues from the 2nd Commando Regiment have described him as 'a brilliant bloke to know and to work with, who was loyal to the core and would do anything for his mates'. His mother and brother remember him as a 'consummate gentleman', a man who loved his work and enjoyed the discipline, structure and camaraderie of life in the Army.

In terms of his service, Todd was awarded: the Australian Active Service Medal with the ICAT clasp; the Afghanistan Campaign Medal; the Australian Service Medal with the Counter-Terrorism and Special Recovery clasp; the Australia Defence Medal; the NATO Medal with International Security Assistance Force, or ISAF, clasp; the multiple tour indicator for the NATO International Security Assistance Force; the Soldiers Medallion; the ICB; and, of course, the Returned from Active Service Badge. He was a well-decorated soldier, a great junior leader.

He, and others like him, are ordinary men and ordinary women, but they rise to meet face on the extraordinary danger our nation puts them in and they rise to meet the challenge. They are ordinary men and women rising to do extraordinary things. This House will never forget that they have mothers and fathers, brothers and sisters, sons and daughters. They voluntarily leave the safety and comfort of their homes to serve on our behalf, to fight tyranny, to ensure justice and to fulfil a long-held dream of citizens of the world that a promise of safety and security is not abstract but can be tangibly real. I am sure I speak for many in this place, and so many who are within its wider walls outside of our parliamentary colleagues, when I say we are immensely proud of this young digger, Lance Corporal Chidgey. We thank his family for their sacrifice of a son and their sacrifice of a brother. Lance Corporal Chidgey died in the service of his country—be under no doubt of that. With six tours in eight years, that man knew what it meant to serve. He will be remembered as much for being a servant of our nation as a warrior for the cause of peace. We will remember him.

Mr CRAIG KELLY (Hughes) (10:19): I rise to contribute to the debate on the Prime Minister's condolence motion on the passing of Lance Corporal Todd Chidgey. Lance Corporal Chidgey was a respected and professional soldier serving his sixth tour of duty in Afghanistan. He served with the 2nd Commando Regiment, based in Holsworthy, in the electorate that I proudly represent here in the federal parliament, as well as with its previous incarnation, 4RAR. The 2nd Commandos are the elite of the elite—a professional team who serve on the front line and beyond; a unit which carries above its weight in combat duties due to exceptional skill, professionalism and courage, for which it is internationally known and respected. The 2nd Commando Regiment has correspondingly suffered a large share of casualties, and with each of those we feel deeply as a community.

Lance Corporal Chidgey lived a life dedicated to serving our nation with distinction. Our thoughts go to his family back in Gosford, who have our deepest sympathies for the loss of their beloved son and brother. Lance Corporal Chidgey was deeply respected by his colleagues who described him as 'a brilliant bloke to know and to work with'. He was someone who was loyal to the core, and someone who I think would do anything for his mates. To my mind, he seemed the kind of man who wanted to make the world a better place. His six tours of Afghanistan will have contributed greatly to that goal.
When the final soldier departs Afghanistan we should look back at what we have achieved, and I believe the greatest achievement concerns the education of young girls. We know that in 2001 there were only one million children in Afghanistan in school, and almost none of them were girls. We know today there are over three million young girls receiving an education in Afghanistan. This not only brings benefits to those people individually; that education benefits Afghanistan's society. What those kids get from being educated will be passed on for years and years down the track. That is perhaps our greatest achievement—something we all should be proud of, just as we should be proud of the sacrifice of Lance Corporal Todd Chidgey.

Mrs PRENTICE (Ryan) (10:22): I rise to pay tribute to a man who has served his nation proudly since first enlisting in the Army on 8 March 2006. As the Prime Minister said in the House on Monday, Lance Corporal Todd Chidgey died on 1 July while on his sixth tour of Afghanistan. Lance Corporal Chidgey is Australia's 41st soldier lost in 13 years of involvement in Afghanistan.

Twenty-nine-year-old Lance Corporal Chidgey was born in Gosford, New South Wales, in 1985. He joined the Australian Army in March 2006 under the Special Forces Direct Recruiting Scheme, and they only take the best of the best. On completion of his initial employment training he was posted to the then 4th Battalion Commando, the Royal Australian Regiment, now the 2nd Commando Regiment, in September 2006. Lance Corporal Chidgey deployed on six tours to Afghanistan, ranging from two weeks to six months. During the ceremony, Army chief, Lieutenant General David Morrison, said:

Lance Corporal Chidgey died while in the service of our nation in an operational theatre, and today we are honouring this service as we grieve his passing … Chidgey's mates now mourn his loss alongside his mother, father, brothers and partner. He will be missed but never forgotten by the 2nd Commando Regiment, and wider Special Operations command community. Chidgey had dedicated his life to serving Australia, and was described by his comrades as a fine Australian soldier who had dedicated his life to serving his country and one of the hardest-working members of the regiment. Lance Corporal Chidgey will be remembered as a brilliant bloke to know and work with, who was loyal to the core and would do anything for his mates. Others who knew him will remember him for his professionalism and his strong work ethic and composure under fire. I would like to express my profound sympathy to his family in their bereavement. Chidgey's family described him as a true gentleman and champion of the underdog; a man for whom family was everything.

Those who risk their lives for our nation deserve a special mention in our history books. Our greatest sympathies must go to those families who lose their loved ones to war. Lance Corporal Todd Chidgey will always be remembered and our thoughts and prayers are with his family and friends. Lest we forget.

Mr EWEN JONES (Herbert) (10:25): I rise to speak on the condolence motion for Lance Corporal Todd Chidgey, a member of the commandos. He was born in 1985. I had been married for 12 months, for the first time, by 1985. We are talking about a 29-year-old man with his whole life in front of him. His family have lost a son, a brother, a father and a partner, and his mates in the Army have lost a colleague and a mate.

I note with great pride that the Prime Minister, the Leader of the Opposition, Bill Shorten, and the Minister for Defence, David Johnston, all attended his funeral yesterday as did the
Chief of Army, Lieutenant General David Morrison. I never knew the man but we have covered his career and people's perceptions of him from around the place. He had completed six tours of Afghanistan ranging from two weeks to anything up to six months, and he was still only 29 years old. We have lost one of our very best soldiers, but we have also lost a great person.

I would like to assure his family that his child will be looked after by Legacy. I think it is appropriate at this time that we pause to reflect on the role that Legacy plays in our community, because people coming through today will deflect the importance of Legacy. We have lost our 41st soldier and the role of Legacy in our community will ensure that his child has a great life, remembers and respects his or her dad, and is given every opportunity, because Lance Corporal Todd Chidgey has lost his life in service to Australia. I think we should always remember the role of Legacy.

My condolences go to Lance Corporal Todd Chidgey's family. To all who serve: those of us in this place have seen the worst of it but we have also seen and heard the best of it. I have a nephew who has just signed up to join the Army. He is doing it with great pride and he is looking forward to it. I think to serve your nation is a great role. But we have lost one of our best. To Lance Corporal Todd Chidgey: you will not be forgotten. You will always be revered. You will have a place in our hearts forever. And to his family, again, my personal condolences and those of everyone in this House. May he rest in peace. Lest we forget.

Mr McCORMACK (Riverina—Parliamentary Secretary to the Minister for Finance) (10:28): The body of fallen commando Lance Corporal Todd Chidgey has been paid its last respects. He has returned home and he was buried yesterday with full honours, as he should be. When he passed away, Chief of Army, Lieutenant General David Morrison, said that Lance Corporal Chidgey was a loyal mate and a talented and professional soldier, and his loss would be deeply felt by all who knew him. He said:

He died while in the service of our nation in an operational theatre, and today we are honouring this service as we grieve his passing.

Lance Corporal Chidgey died in a non-combat related incident in Kabul, Afghanistan, on 1 July 2014. He was a member of the Australian Defence Force headquarters in Kabul serving as part of the protective security detachment providing protection for a senior Australian officer. He was from the 2nd Commando Regiment. He was born in Gosford, New South Wales, and he was 29 years young.

I just heard the eloquent speech given by the previous speaker, the member for Herbert, who talked about the great dedication of this fine soldier, and also the fine work that Legacy does in helping families in the grieving process and many years after the passing of any of our brave warriors. Certainly, Legacy will be there in the hours of need in the days, the weeks, the months and the years ahead.

Lance Corporal Chidgey joined the Australian Army in March 2006 under the Special Forces Direct Recruiting Scheme following initial training at Army Recruit Training Centre Kapooka. I am joined in the chamber by a former commandant of that fine establishment, the now member for Bass, Andrew Nikolic. He was the head of the ARTC at Kapooka in 2004 and 2005. He knows full well the dedication, the service, the sacrifice—all the attributes that make fine soldiers and which are passed on to those men and women who pass through Blamey Barracks at Kapooka. He knows because he saw it in the eyes of those recruits as they
marched out proudly, the sun gleaming on the bright buttons on their wonderful khaki uniforms at those great passing out parades. Certainly, there are no finer people in this nation than those who don a khaki uniform, those who don any military uniform, in the service of our great nation.

Lance Corporal Chidgey's postings included the 4th Battalion Commando, the Royal Australian Regiment and the 2nd Commando Regiment. He also received a number of honours and awards since joining the Australian Army, such was his dedication, such was his great service.

At the time of his death—as I said, 29 years young—he was enlisted on his sixth tour of Afghanistan. We should just reflect on that: 29 years young; six tours of that strife-torn, war-torn country. His death in Kabul brings the total number of Australian soldiers who have died in Afghanistan to 41 since 2002: 41 families left to grieve, 41 sets of friends left to grieve, and the Australian Army, a family in itself, mourning the loss of those fine warriors.

He was a fine Australian soldier, who dedicated his adult life to serving our country. He was regarded for his professionalism, his strong work ethic and his composure under fire. He was farewelled yesterday at a service on the Central Coast, his home district, where his commanding officer described him very appropriately as a dedicated commando and as a loyal friend, the kind of person who would do anything for his mates. ‘We should celebrate his service, his life and his contribution to ensure a better world and keep this in our minds as we mourn his passing,’ his commanding officer said. Mateship, honour, service, sacrifice—they all embody the spirit of Anzac. They all encompass what those fine recruits from Kapooka do when they pull on the khaki uniform.

Lance Corporal Chidgey's family described him as a man who put his family first. He would often be found enjoying time with his brothers or cheering on his favourite National Rugby League side, the Canterbury Bulldogs, with his family and friends. That is what he loved doing. He also loved being beside his mates in the Army. He loved doing what he could to make this world a better place. Lest we forget.

The DEPUTY SPEAKER (Mr Craig Kelly): I thank the parliamentary secretary for his contribution. I understand it is the wish of honourable members to signify at this stage their respect and sympathy by rising in their places.

Honourable members having stood in their places—

The DEPUTY SPEAKER: I thank the Federation Chamber.

Mr McCormack: I move: That further proceedings be conducted in the House.

Question agreed to.

Sitting suspended from 10:34 to 10:39

BILLS

Defence Legislation Amendment (Woomera Prohibited Area) Bill 2014

Second Reading

Debate resumed on the motion: That this bill be now read a second time.
Mr SNOWDON (Lingiari) (10:39): I am pleased to be able to make a contribution to this debate. I want to thank the people in the Library for their Bills Digest which gives us all the information we need to be able to make a meaningful contribution. It is a technical piece of legislation which opens up for other uses the Woomera Prohibited Area. The bill provides for the making of the Woomera Prohibited Area rules by the minister which will include, amongst other things, zones which are to be demarcated within that area. It creates a permit system for access to and use by non-Defence users of the Woomera Prohibited Area. It introduces offences and penalties for entering the Woomera Prohibited Area without permission, for failing to comply with the conditions of a permit, and provides for compensation for acquisition of property from a person otherwise than on just terms that results from the operation of the new part VIB of the Defence Act 1903.

I want to talk about an example of what the Woomera Prohibited Area can actually facilitate. I was sadly and very unfortunately given my marching orders out of this place by the people of the Northern Territory in 1996 for a relatively short period of time. I was back again in 1998. During the intervening period, one of the jobs I had was working with a legal firm and a company called Kistler Aerospace, negotiating native title over Woomera on their behalf so that they could launch rockets from Woomera. The idea was to have rockets which would be returned to earth. Sadly, it never eventuated, but it demonstrated to me the enormous value of this property in terms of defence and other interests, and there was its special location in terms of space programs. As a former minister in the defence portfolio, I am aware of the use of the Woomera Prohibited Area for research purposes. I could name a number of research programs that have been held there. A very important capacity for the Australian nation is provided by this Woomera Prohibited Area.

This bill is designed to open up the capacity of the area to be used by other users and to facilitate, potentially, access to its mineral wealth most particularly. But I think the people of Australia need to understand that here we have a real jewel in developing our defence capacity and our national security. I do not think it is commonly understood. I want to pay tribute to the people in Defence who have the responsibility of managing and administering this particular area.

As you know, Mr Deputy Speaker, I live in Alice Springs, which is a little bit up the road. It is common ground, in a sense. As you know, if you fire rockets out of Woomera and they head north, they will come across, potentially, south-east Queensland or the Northern Territory. What happens at Woomera could eventually impact upon communities right across northern Australia, but most particularly, in my case, in the Northern Territory.

There has been a long history of engagement with the community by defence over this Woomera Prohibited Area. It is the largest overland, long-range weapons testing facility in the world, having been operational since 1947, and it covers 127,000 square kilometres of northern South Australia. It is no small bit of property, but, like other parts of Australia which are being used for defence purposes—and I speak of ranges in the Northern Territory used principally for the Army, but also for the Air Force and potentially for the Navy—these areas are of great value to us. I think that, when we are having discussions around our national security and the development of options for our national security, we need to understand the importance of these areas of land and the need to look after them properly in the first instance, to make sure we are good environmental guardians, to make sure we are good neighbours to...
and partners with Aboriginal people who might be the traditional owners or the native title holders for those areas, and to make sure that we facilitate the use of those areas in a way which is in line with our national interest. I note that this piece of legislation does precisely that.

So I think it is a pleasing piece of legislation. I note that it was prepared during the course of the last parliament, and was developed largely in response to work which had been initiated by the former defence minister John Faulkner, who called for a review to make recommendations about the best use of the Woomera Prohibited Area in the national interest. The final report of that review of the prohibited area—which was undertaken by Dr Allan Hawke, a former very senior public servant and adviser to former governments out of the Defence portfolio—was published on 4 February 2011 and made 65 recommendations. Within its numerous recommendations it outlined a coexistence model so that, whilst Defence maintained primacy over the WPA, non-Defence users would have clarity regarding their access to specified areas of operation incorporating both the available location and time of use.

Recommendation 14 suggested the division of the WPA into three zones: a red zone for exclusive Defence use, an amber zone for regular defence use and a green zone for occasional defence use. By implementing a zonal timeshare arrangement, Defence was able to allocate exclusion windows throughout the year limiting the non-Defence use of the prohibited area. And that makes sense because, as I say, it is 127,000 square kilometres—it is a large area of land—and, whilst there are parts of that property which could not be and should not be used by other users, there are other parts of the property where people should be able to have access to that use.

I go back to the issue of Woomera being used as a rocket-launching facility, for example. Had that proceeded, it would have meant Australia getting access to technology for rocket launching which it currently does not have. It would have meant Australia getting access to technology, via the United States, in terms of a launch facility that would have been unique to us. Sadly it did not proceed but, nevertheless, it just shows that this property is of great intrinsic value and that we need to make sure that it is used for the purpose for which the Commonwealth acquired it in 1947 and has used it since then. But at the same time we need to understand that there is not necessarily any essential conflict between that primary purpose and the objectives of providing other people with the capacity to use it.

I note that the shadow minister and his contribution in the main chamber talked about Woomera Prohibited Area overlapping a major part of South Australia's potential for significant minerals and energy resources, including 30 per cent of the Gawler Craton, one of the world's major mineral domains; and the Arkaringa, Officer, and Eromanga basins for hydrocarbons and coal. And, of course, we know that Olympic Dam is adjacent to the Woomera Prohibited Area and is part of the same geological formations. The South Australian government has assessed that over the next decade about $35 billion worth of iron ore, gold, and other mineral resources are potentially exploitable from within the Woomera Prohibited Area.

That is all well and good and I hope that they are able to develop some of those resources and are able to get the value out of them. But I just want to re-emphasise the importance of this place for science and as a property to use for the development of new ways of doing
business. I want to commend the work that is being done there on a continuing basis by the Defence Science and Technology Organisation. The work they do is so vital for our national interest but goes below the radar, if I might put it like that in this context. It is often and mostly unrecognised by the general community but vital to developing our national defence capacity and looking after our national security interests. This gives me an opportunity to say to those wonderful people at the Defence Science and Technology Organisation how much we value your work, how much we know that you do on our behalf through dint of your brains and by working collaboratively with people from other nations in developing new ways of doing business, exploiting new technologies and using Woomera as an integral part of that space for testing, for demonstrations and the like. I could speak on this for a long time; I know it would bore many. It does not bore me—though perhaps I could put myself to sleep, and people say I often should. Nevertheless, I do want to applaud the government for bringing forward this legislation and putting it through the parliament. It is an important piece of legislation, but I do want to make sure that we emphasise the vital national interests that we have in this Woomera Prohibited Area.

Mr Nikolic (Bass) (10:50): I welcome the opportunity to speak on the Defence Legislation Amendment (Woomera Prohibited Area) Bill 2013. Like the member for Lingiari, I have personal and practical experience with this area. I know the Woomera defence range facilities and the surrounding region very well. As the member for Lingiari quite rightly points out, Woomera offers a world-class live range facility, particularly for rockets and associated large propellant weapons. But it is equally and increasingly attractive to a range of diverse stakeholders. For obvious reasons, this means that the legislation, rules and protocols that delineate its use must be made lawful, clear and relevant to changing circumstances, particularly for the protection of competing and multiple users.

This amendment bill gives effect to the recommendations of the 2011 Hawke review of the Woomera Prohibited Area. Regrettably, this was followed by two years of inaction; no bill was produced and I think it is fair to say there was less than adequate consultation. So this bill is very welcome indeed and is about finding a sensible middle ground in relation to the current and future use of Woomera by both military and non-military users. Achieving this will improve the management of the Woomera Prohibited Area in a way that meets defence's equipment testing requirements while also giving greater certainty of access, particularly for the resources sector.

Accordingly, the purpose of this bill is to amend the Defence Act to establish a framework which allows access to the Woomera Prohibited Area by non-defence users on a controlled, conditional basis. The general purpose of the bill can be reduced to four key objectives: first, to provide for the making of the Woomera Prohibited Area rules by the minister which will include, amongst other things, zones that are demarcated within the area; second, to create a permit system by which non-Defence users can access the WPA; third, the introduction of offences and penalties for entering the WPA without permission and for failing to comply with the conditions of permit; and, fourth, to provide compensation for an acquisition of property for a person otherwise than on just terms that results from the operation of the amended Defence Act 1903.

The lineage of this bill includes two previous versions. The first was introduced by the former Labor government on 30 May 2013 and that bill lapsed when the 43rd Parliament was
prorogued on 5 August 2013. The second version, effectively an equivalent mirror iteration of the first, was introduced by ALP Senator Don Farrell as a private senator's bill on 12 December 2013 and that second version of the bill does not appear to be proceeding. This current bill differs from those earlier versions, most particularly in proposing and elaborating in detail on the Commonwealth's intended adoption and regulation of a coexistence model of intended future use.

For those who are unfamiliar with Woomera, I would like to briefly provide some key background and links to the provisions in this bill. The 127,000 kilometre expanse of northern South Australia which is known as the Woomera Prohibited Area is the world's largest overland long-range weapons testing facility and has been operating since 1947. However, since the 1980s, areas have been made increasingly available to non-defence users, including the resources sector. Local Indigenous groups and pastoral lease holders also have an enduring presence across much of the WPA, and clearly this competition between diverse and legitimate interest groups for land at Woomera could not continue unchecked. To this end, on 17 May 2010, the then Minister for Defence, Senator John Faulkner, called for a review to 'make recommendations about the best use of the WPA in the national interest'.

This brings us to the present day and this amendment bill: the latest iteration of an extensive process of consultation and review which is aimed ultimately at providing fair access to Commonwealth land at Woomera by diverse parties for disparate purposes, both civil and military alike. In short, Woomera is big, but so is business at Woomera, both civil and military, and this amendment bill seeks to make it more productive, efficient and safer.

In particular, three additional issues warrant the chamber's attention. They are, first, the actual review process itself and its outcomes leading up to this bill; second, future administrative arrangements that complement these outcomes; and, third, the financial implications of proposed action, including compensation for the acquisition of private land by the government. I will talk first about the review process. As the member for Lingiari said, the most recent review was lead by Dr Allan Hawke who, as a former secretary of the Department of Defence, was eminently placed to do so. His report, The review of the Woomera Prohibited Area—final report, was published on 4 February 2011, made 65 recommendations, including perhaps most importantly the common sense and practical benefits of moving to a model of coexistence, whereby Defence continues to retain primacy of the Woomera Prohibited Area as a national security and Defence asset.

Dr Hawke's work proposed the division of the WPA into three zones: a red zone, which is for exclusive defence use only, an amber zone for regular defence use, and a green zone for occasional defence use. By effectively implementing a zonal time share arrangement, Defence is allocated exclusive windows throughout the year, thereby limiting the non-Defence use of the WPA. Let me reiterate that the new framework maintains the primacy of the Woomera Prohibited Area as a national security and Defence asset.

Access by non-Defence users would be allowed in a number of ways. For new non-Defence users, total exclusion within the red zone, to up to 56 exclusion days in the green zone, pending appropriate notice. The excluded red zone comprises only about eight per cent of the WPA, while the vast majority, some 75 per cent, is in fact designated as the most accessible green zone. Importantly, the Hawke review further recommended that 'existing mining operations, environmental organisations, Indigenous groups and pastoralists with an
extant presence on the WPA should continue to operate under their current access arrangements unless they choose to be administered under the proposed coexistence model.

This bill also protects existing Woomera Prohibited Area users, including Indigenous groups, pastoralists, the Tarcoola-Darwin railway operators and owners, and existing mining operations. The practical administrative arrangement proposed to complement stakeholder coexistence is equally sensible and straightforward. This bill creates a system for the administration of access via a permit system for the different types of non-Defence users and this will require increased management and coordination by Defence. Furthermore, the bill provides that the Woomera Prohibited Area rules may provide for the introduction of a cost recovery model at some point in the future so that Defence can recover costs incurred in managing non-Defence access to the WPA. In at least the short term, the estimated $5 million annual cost associated with the new administrative arrangements will continue to be borne by Defence.

Finally, when the issue of compensation is concerned under proposed section 72TK of the Defence Act, the Commonwealth is liable to pay a reasonable amount of compensation in the event of an acquisition of property other than on just terms. This is consistent with section 51 of the Constitution. In addition, proposed section 72TL of the Defence Act provides that the rules may limit amounts payable by the Commonwealth for loss or damage in the WPA which may arise from a breach of duty of care in or during the testing of war materiel at this location. These proposed compensation stipulations are reasonable and sensible and are in keeping with longstanding Commonwealth convention and precedent.

To conclude, Woomera is, and will remain, an important location that is unique in Australia—not least because of its long-standing contribution to national and regional security and stability—but Woomera is increasingly under threat of overuse by competing interest groups. This amendment bill seeks to make such access and use—and the rules, regulations and policy which underpin it—in equal parts fair, transparent and clear. Doing so will make a strong contribution to deconflicting the future use of Woomera, and make the conduct of diverse activities there inherently more productive, efficient and, above all, safe for all parties and stakeholders. On this note, I commend the Defence Legislation Amendment (Woomera Prohibited Area) Bill 2014 to this chamber.

Ms BRODTMANN (Canberra) (11:00): This bill gives effect to the recommendations made in the government review of the Woomera Prohibited Area, which was conducted by Dr Allan Hawke between 2010 and 2011, to investigate how to use the area in a way that ensured that its full national security and economic potential was realised. The review recommended that a system be established to improve the coexistence of Defence and non-Defence users of the area, including miners, pastoralists and traditional owners.

The Woomera Prohibited Area is 127,000 square kilometres. It is an enormous expanse of northern South Australia. It is larger than Tasmania and is, in fact, larger than many states in Europe. As we all know, the area is incredibly important for the Australian Defence Force. It supports defence's testing and evaluation requirements and Australia's national security needs. It is, in fact, the world's largest overland long-range weapons testing facility and has been operational since 1947.

This bill will maintain this important role for defence. Defence will remain the primary user of the area, but it will also allow users to access this land, opening it up to numerous
possible future uses. The bill will authorise the Minister for Defence, with the agreement of the Minister for Resources and Energy, to make the area rules prescribing certain matters, including defining the Woomera Prohibited Area and the zones to be demarcated within that area. It will create a permit system for access and use by non-Defence users of the Woomera Prohibited Area. It will introduce offences and penalties for entering the area without permission and for failing to comply with the condition of a permit. An infringement notice scheme and demerit points system will apply to the offence of failing to comply with a permit condition. It would allow appropriately trained and qualified Defence security officials to apply the security powers of the Defence Act 1903 to ensure the safety of all users of the area.

The history of this piece of legislation goes back to the inquiry chaired by Dr Allan Hawke. The inquiry was called for by the former Minister for Defence Senator John Faulkner. The Hawke report examined the impediments to changing the rules regarding Woomera so that it could have dual use. The Hawke review was published on 4 February 2011 and made 65 recommendations. The Hawke review outlines a coexistence model, whereby Defence maintains primacy of the area, but non-Defence users have clarity regarding their access to a specified area of operation, incorporating both the available location and time of use. Recommendation 14 suggests the division of the area into three zones: a red zone for exclusive Defence use, an amber zone for regular Defence use and a green zone for occasional Defence use. By implementing a zonal timeshare arrangement, Defence is allocated exclusion windows throughout the year, limiting the non-Defence use of the area. This ranges from new non-Defence users' total exclusion within the red zone to up to 56 exclusion days in the green zone, pending notice.

The excluded red zone comprises about eight per cent of the area while the vast majority, some 75 per cent of the area, is designated as the most accessible, green zone. Importantly, the Hawke review recommended that existing mining operations, environmental organisations, Indigenous groups and pastoralists with an extant presence in the area should continue to operate under the current access arrangements unless they choose to be administered under the proposed coexistence model.

I would like to take this opportunity to pay tribute to Senator Farrell, not just for this piece of legislation, but for his service to parliament, to Labor, to South Australia and to the nation. He has made a significant contribution in a range of areas, particularly in the defence area and in the veterans area. I pay tribute to that and acknowledge his incredible achievements. I also wish him and Nimfa and his family the best for the next phase of his career.

This bill was first introduced by Labor while we were in government, and it was then referred to a committee, and so did not pass through the previous parliament before the last election. After the change of government, Senator Farrell reintroduced this bill as a private members’ bill, and he worked hard to ensure it had support from the government and the opposition, as well as the South Australian government.

The introduction of the bill by Labor while in government reflected our desire to improve coexistence in the area. The coexistence model provides greater certainty of access to the area for non-Defence users, including the resources sector, traditional owners and pastoralists. The bill gives the resources sector greater confidence and certainty in an area that is highly prospective, with a potential for an estimated $35 billion of resource developments possible over the next decade. As we all know, this future resource development will be incredibly
important for South Australia and South Australia's future. The closure of Holden, the postponing of the expansion of Olympic Dam and the uncertainty over the future of South Australia's shipbuilding industry have left a cloud over South Australia's employment and economic prospects. It is why this bill is so welcome; it provides part of the solution. It will provide the opportunity for further exploration, and it will provide the opportunity for South Australia to replace declining economic interests with new ones.

A key feature of the new legislation is the new management framework, which includes a timeshare model based on exclusion zones, determined according to defence requirements. The legislation also contains provisions relating to non-Defence user access rights, an access permit scheme, compensation and cost recovery arrangements, enforcement provisions and appeals processes.

Importantly, this bill recognises that the area contains significant Indigenous sites, and that Indigenous groups have native title rights and interests in most of the area. All permit holders under this legislation will be required to respect the rights of Indigenous groups and comply with all relevant laws pertaining to native title and the protection of significant Indigenous sites. Indigenous groups will retain their current access arrangements, and will not require separate permission under this proposed legislation. The coexistence scheme established by this bill will only apply to new users of the area.

I also want to acknowledge that there have been many parties involved in the development of this bill. I have mentioned, of course, my former colleague Senator Farrell, who has been a driving force, and Defence has also consulted extensively with the Department of Resources Energy and Tourism. Consultation was also undertaken with the Department of Finance and Deregulation; Treasury; Department of the Prime Minister and Cabinet; Department of Families, Housing, Community Services, as it was then; Indigenous Affairs; and the Attorney-General's Department. An extensive consultation was also conducted with the South Australian Department of Manufacturing, Innovation, Trade, Resources and Energy and Defence SA. Of course, we now also have bipartisan support for this bill.

This bill is an example of how state and federal governments and opposition can work together to achieve a result. It is also a bill that demonstrates that Defence can work with other groups—with farmers, with traditional owners, with resources developers—while looking after our national interests, and I commend the bill to the chamber.

Mr RANDALL (Canning) (11:09): It is my pleasure today to speak on the Defence Legislation (Woomera Prohibited Area) Amendment Bill 2014. I would like to concur with the member for Canberra's speech. This is an important bill, and she has essentially fleshed out the reasons for this bill as a coexistence model. But I need to say at the outset it has taken some time for this bill to eventually reach this parliament, and for that reason, I want to say that Senator David Johnston, the defence minister, should be applauded for bringing this forward and making it a priority.

I also concur with the member for Canberra about former Senator Don Farrell. He was a driving force. As a South Australian, he should be congratulated on making sure that this bill and this inquiry did not die. I hope that Senator Farrell, as a private citizen in South Australia now, will be able to continue his interest in this particular issue by being involved and working with the South Australian government to see that both federal and state governments pursue this bill in a way that will see it come to fruition as soon as possible for the benefit of

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South Australians in particular. South Australia is an economy that is under some stress so it
does need to be prioritised.

This bill—I am obviously going to repeat some of the things that others have said—is a
result of the investigation by the Hawke review. This Woomera Prohibited Area is in the
national interest, as has been explained in the Hawke review. Let me just put it in context.
Here I am, a Western Australian member of parliament, speaking about an area in South
Australia. I note on the speakers list that there is not one South Australian speaking on this
bill, which is quite strange when it is for the benefit of South Australians in particular. It is in
the national interest, but for South Australia this project is massive.

We have already been told that $35 billion worth of potential mineral wealth will be
uncovered in this Woomera Prohibited Area. Yet on either side—and I do not want to reflect
badly on our colleagues—I find it passing strange that no South Australian member in this
House is speaking on this bill today. I hope there is more interest shown when it gets to the
Senate. I hope there is more interest shown when it eventually arrives at the feet of the South
Australian government because it is particularly in their interests. In putting that on the table,
I want to alert people to the fact that this is a national parliament but you would have thought
a South Australian would be involved.

Ever since I was a child I have been aware of this huge area of South Australia that had
been a no-go zone for everybody except Indigenous people. In some respects it was made a
no-go zone for the Indigenous people of South Australia when we had the atomic testing at
Maralinga. Australia has been the place that has been used by the British in particular for
testing some of their weapons. The atomic testing done at Maralinga certainly degraded the
area in terms of its atomic fallout. The Montebello Islands is an area that was a no-go zone for
Australians for a long period. I noticed an article not so long ago which says that people are
now going back to the Montebello Islands. Coral is growing back again after this area of
Australia was also used for atomic testing by the British some time ago.

The half-life of uranium does not go off in 60-odd years, but it certainly makes it easier for
us to re-enter those areas for short periods of time. Because of the long-term effect of the use
of uranium in its weapons testing, this area is being sectioned off. I know that even the
Indigenous landowners were not allowed near that degraded area, for obvious reasons. There
were reports about Indigenous people who went back there and were having certain health
issues—burns et cetera. That needs to be put into context here. The green zone, as the
member for Canberra pointed out, is 75 per cent of this massive area, which is now going to
be made available to a whole range of people, whether it be for tourism or other land use, but
particularly for mining.

We will not know what particular wealth is in this area until it has been drilled, but we do
know that it is next door to the Olympic Dam area. The Olympic Dam is one of the treasure
troves of minerals in Australia. Casey Gavin and Ted Mayman once wrote a book called The
Mile That Midas Touched in terms of Kalgoorlie. It is a golden mile. There is Broken Hill,
founded by a stockmen rounding up cattle, which turned into one of the other great mineral
towns of this country. It is still going after all this time. Mount Isa is the other town.
Potentially, this area of South Australia could be another one of those massive minerals
deposits, which will benefit the South Australians of this nation in particular.
We know that South Australia has suffered some setbacks economically. One of the setbacks was the GFC and other factors saw the Olympic Dam expansion not go ahead. That was going to be worth billions of dollars, particularly to the South Australian economy. I notice that the member for Brand is here, so I will have to be a little bit gentle in relation to my comments about the mining tax. That is because there is no doubt in our minds that that was a negative factor for any expansion of mining ventures anywhere in Australia. As much as it has been denied and counterdenied, the expansion of Olympic Dam would have been a factor.

We have moved on since then and we hope to get rid of that tax in this parliament probably not this week but shortly, thanks to the changes in the Senate make-up. It is unfortunate that the Labor Party did not see the error of their ways and the error of having a mining tax that did not really collect any money and actually was a disincentive for people to be involved in this sector. Exploration was one of those areas. That is one of the downsides at the moment. This parliament needs to address it through such things as flowthrough shares or some other mechanism, because at the moment exploration in Australia has come to a sudden halt. We have seen today on the stock exchange that Boart, a mining services company, is under pressure because there is a lack of work for them. Drilling rigs lie idle and those involved in exploration need an incentive, because the lag time between finding a resource and producing it could be decades. I understand that Century zinc is called Century zinc because it took 100 years to bring it on. What we are doing in parliament today, in terms of this Woomera Prohibited Area, is trying to bring on a resource that could take years to develop. We will only know what is there once they start doing exploration work.

Other areas that have been mentioned, and I will just reconfirm them, are that there are going to be a lot of checks and balances which allow people to access this area. There will be penalties for those who access the area without permission, but the permission will be made far easier to access. The area contains recognised traditional owners, recognised areas for traditional owners and significant Indigenous sites. Under the bill, permit holders who gain access to the Woomera Prohibited Area will be required to protect these sites and comply with all relevant Native Title and Aboriginal heritage laws. Indigenous groups with current statutory access rights expressly retain these rights. They will not need to apply for access permission under this legislation, which does not disturb existing rights.

Section 400 is part of Maralinga Tjarutja lands. It was the site of atomic testing, as I said before, in the fifties and the sixties. In other words, access for the traditional owners—the Maralinga Tjarutja people—will not only be maintained but also will be enhanced. As I said, Defence has made it quite clear that the access through this area will come under the Minister for Defence and his department. They will take the necessary steps to excise section 400. Once completed, it will no longer be subject to the access restrictions that have applied under Defence Force Regulations 1952.

There is no point in repeating a whole lot of material that has been said by others. It is a very good coexistence model. This is jointly sponsored: it is a bipartisan piece of legislation that, as I have said, will enhance not only the South Australian and Australian economies but will also protect the rights of land owners. There will be a compensation regime in place for other land users. It will give miners greater surety to go in and spend the massive number of dollars to do exploration, which will be in the national interest.
As I said before the member for Grey came in and I will say it again, because the composure of this chamber has not changed, I find it passing strange that there is no South Australian here speaking on this bill. You would have thought that this was something exciting for those in South Australia. However, I understand that the member the Brand was born in South Australia, so there is some link there. It is a long bow, but I congratulate all those that are involved in supporting this bill and I recommend the bill to the House.

The DEPUTY SPEAKER: I was going to add to the member for Canning that my parents met in Woomera. My grandfather was in the Army and my father was there working at Maralinga.

Mr GRAY (Brand) (11:21): I am tempted to suggest that if you parents met at Woomera, that must have been on the occasion that the various rockets were taking off and sparks were flying through the air!

The DEPUTY SPEAKER: That is exactly right!

Mr GRAY: As the member for Canning reflects, I did grow up at Whyalla. I still remember evenings in the 1960s when we would go out, look into the horizon and know that a Skylark rocket was taking off. It was the original testing bed for those British-Australian cooperative rocketry research programs through the 1960s and 1970s. I also recall the great importance of the original discovery in the early 1970s of the Olympic Dam uranium find, which is one of the great finds that demonstrate the quality of Australian geophysical survey work and also shows the massive contribution to our economy—and in particular the South Australian economy—of that wonderful and innovative enterprise of Western Mining, which was under the leadership of Arvi Parbo. It found resources in remote parts of our country and helped build the magnificent, robust, reliable and innovative resources economy that we have today.

This piece of legislation, which opens the Woomera Prohibited Area for further minerals exploration and then potentially exploitation, is particularly important. It is particularly important in Adelaide but it is also important to our economy, as the mineralisation that we know exists through the Gawler Craton—which is expressed at what we now know as Roxby Downs, which is sometimes referred to as Olympic Dam—and those finds like the Carrapateena discovery in 2006 are all significant finds. They are all believed to be richly embedded in a uranium environment and all potentially highly productive for the South Australian economy and for our national economy.

This legislation saw its roots in a substantial piece of work commissioned by my predecessor, Martin Ferguson, and by the former Minister for Defence, Stephen Smith, in cooperation with the South Australian government. If I can just advise, I will speak for a short period of time to allow the member for Grey to speak on his own backyard. The work which had been done cooperatively and jointly in order to best utilise the highly prospective ground that formed the WPA is work that saw collaboration between the Department of Defence, the department of finance and the then Department of Resources, Energy and Tourism.

It is unfortunate that the final passage of that legislation through the Senate did not take place in the previous parliament. As we have been learning in recent weeks, and as I fear we will discover over the course of the next couple of years, the Senate can be a difficult place. This legislation was deliberately held up in the Senate in the previous parliament for no good
purpose. We now see it here today and it is the fervent desire of the opposition to see this legislation enacted and receive royal assent as soon as possible in order for the best framework to be put in place cooperatively with the Department of Defence, the South Australian government, traditional owners and communities in this area of northern South Australia so that its mineral potential can be realised, so that that mineral potential can be understood and so that future companies can make decisions to extract those minerals and export them through the ports of South Australia.

It is highly likely that the minerals that will be discovered in this area will be metalliferous, it is highly likely that there will be uranium based metals, it is highly likely that there will be a lot of copper and it is a near certainty that there will be a lot of iron ore. But what is also certain is that the importance of this economic development to South Australia underwrites future generations of South Australians in employment and in wealth generation. So I commend this bill to the House. The opposition wholeheartedly supports this bill.

I will conclude by making one final point. All Australians were disappointed in 2012 when BHP announced that it would not be progressing with its then scheduled expansion of Roxby Downs. It was argued at the time that the overheated construction economy and the Japanese response to Fukushima had reduced the spot price of uranium to very low levels—and the uranium price today is less than half of what it was in those days of 2012. The reasons that were given were the high cap ex, the decisions in Japan on nuclear fuels demand and the overheated resource economy. It is our fervent hope that, at a time when the resources construction economy has substantially cooled, it will be possible to seek an expansion of Roxby Downs, further extraction of copper and uranium ores, further employment and further wealth creation. The Woomera Prohibited Area, the WPA, being brought into the exploration environment is a good thing for South Australia and a good thing for our nation. I commend this bill to the House.

Mr RAMSEY (Grey) (11:28): I thank the member for Brand for his comments and welcome the fact that this bill, the Defence Legislation Amendment (Woomera Prohibited Area) Bill 2014, has bipartisanship support. I would suggest that perhaps the member for Brand might read Senator Fawcett's speech on the hitches to the progress of this bill in the Senate. I do not think you will find they were of a partisan nature; in fact, it was more about Senate mechanisms than about any particular intent to hold this legislation up—because you are right, Member for Brand, this is very important for South Australia.

Unfortunately, South Australia leads the charge as the worst-performing state economically in the Commonwealth at the moment. As a South Australian, that is a great concern to me. I remember well when a number of the top 20 companies in Australia had their headquarters in South Australia. There was a time when South Australia was looked to for innovation and leadership throughout the nation. Unfortunately, our population growth has declined—and, in fact, in 2004 we lost another federal electorate. We went from 12 to 11. Unless population predictions change, we will lose another one in the next 15 years. That is not because our population is not growing; it is just not growing as fast as the rest of Australia.

You have to ask yourself why this is. Largely, we had industry based around manufacturing, where it is increasingly difficult for us to compete around the world—and when I say 'us' I mean Australia generally—and we relied on our agricultural products. Our agricultural industries are going well and still expanding and I think they offer great
opportunity for the future. But it is in the mineral industries where South Australia, until relatively recent times, remained an unknown quantity. The geologists tell us now that the bulk of South Australia is covered by about 500 feet of sand and that has made it rather difficult to see what lies below. With the advent of magnetic surveys and other modern mineral detection methods we have found that in fact South Australia has a large number of very important resources. Quite often they are difficult to mine and expensive to get to because we have that overburden. The member for Brand mentioned the shelving of the expansion at Roxby Downs as an example of the impact that has had on South Australia and the disappointment it has caused, and that is true. Part of the reason for that is we have the best part of a kilometre of dirt to shift before we get to the ore body at Roxby Downs and that makes it a very expensive operation.

Roxby Downs is adjacent to the Woomera Prohibited Area—it is very close indeed. All the geologists believe there will be another Roxby Downs within the confines of the Woomera Prohibited Area. Already we have successfully mined Prominent Hill and three other iron ore mines with a significant upgrade at the moment of Southern Iron's, or Arrium's, northern province. About six million tonnes a year is currently being mined there and shifted by rail to Whyalla, where it is placed on barges and taken out to Cape-size vessels, adding to the six million tonnes that Arrium currently mines out of the Middleback Ranges.

I was very pleased when Dr Allan Hawke came to me, as the local member for the Woomera area, about two years ago and asked my advice on how we should open up this area for exploration and mining. I had met him and spoken to him about the review. He was very thankful that I was able to bring to the table, for the first time, the concerns and operations of the local pastoralists. We think about mining and sometimes forget about the people who are already making a living out of the land. In fact, he said some of the best advice he had came from the local pastoralists, who were able to tell him things about the land usage that others had not. So I was very pleased to be able to get their side of the argument into the equation.

The review sets up three different areas, which I think is a civilised and responsible way to give us an opportunity to open up new wealth for South Australia. As I said, we certainly need them. It seems that Defence has reached a very comfortable position in this area. There will, of course, be ongoing negotiation between those that choose to first explore the resource and then mine the resource, but we have a working paper from which we can launch ourselves forward. I hope it is going to lead definitely to more iron ore, because this is one of the keys to South Australia's future. I have mentioned the Arrium barging operation at Whyalla, but what we really need in South Australia is a genuine deep-sea port and we do not have one. Currently there is a large proposal on the Eyre Peninsula which has the ability to produce 20 million tonnes of ore a year and there is a proposal to build a port there. The rail system already runs past the Woomera region and the Braemar region, which is back up towards Broken Hill, all on the standard rail. If we can hook that back down to a new port development on the southern Eyre Peninsula we may have an iron ore industry in South Australia capable of producing between 60 million and 80 million tonnes a year. That is not the Pilbara, but let me tell you it is a seriously big pile of iron ore.

The opening up of the Woomera area actually feeds into that greater possibility for South Australia. As I said right at opening, it is difficult to see where South Australia is going to expand its economy if it is not going to come from the resources sector. Certainly we will
continue to grow our aquaculture and agricultural sectors and we will learn to make more money out of what we already do. In fact, we will be able to downstream process and further add value to our agricultural products, but there is no doubt that the resources sector will play a very important part in South Australia's future. It is my belief the Woomera Prohibited Area will play a very important part within that.

Mr ROBERT (Fadden—Assistant Minister for Defence) (11:35): In summing up the debate on the Defence Legislation Amendment (Woomera Prohibited Area) Bill 2014 I thank the members for their contributions today, especially the member for Grey—the only South Australian to have spoken here today about one of the major areas for expansion of the South Australian economy. It is great to see South Australia being so ably represented by my good friend and colleague the member for Grey, Rowan Ramsey.

The Defence Legislation Amendment (Woomera Prohibited Area) Bill 2014 gives effect to the recommendations of the Hawke review. The aim of course was to investigate the best use of the world's greatest rocket range in the national interest and how two parties, Defence and non-Defence users, can coexist. I think the bill has arrived at a sensible, negotiated outcome. It is an outcome where defence can continue to operate a rocket range longer than the British Isles—the biggest one in the world—in support of the work that we do.

This legislation recognises existing users and it preserves existing users' right, which is important for those who already have a stake in the area. It establishes a framework for those non-Defence users to actually come within the WPA and gives a level of certainty over what we in Defence will do and how the non-Defence users can work within that so that they can account for sensibly in a commercial manner the restrictions that will be provided—and the restrictions are small and they are not onerous. It allows users to make sensible commercial decisions with assurance of when we will ask them to leave the area—because, frankly, defence is using it to test weapons. Lastly, it protects the safety of all users in the WPA and ensures that the appropriate national security protections for an area that is used to test defence capability are indeed in place.

It is a good, negotiated outcome between Defence and non-Defence users. I think it will be good for South Australia. I thank the member for Grey for his astute comments in terms of the South Australian economy and his continual work in improving the South Australian economy and what it is doing. I hope this bill will go some way to assist him with the great task that he has ahead. I therefore commend the bill to the House.

Question agreed to.

Bill read a second time.

Ordered that this bill be reported to the House without amendment.

Corporations Amendment (Simple Corporate Bonds and Other Measures) Bill 2014

Second Reading

Debate resumed on the motion:

That this bill be now read a second time.

Dr CHALMERS (Rankin) (11:38): I rise today to speak on the Corporations Amendment (Simple Corporate Bonds and Other Measures) Bill 2014—and particularly to follow the wise
words of my colleague the member for Oxley. This bill does make it easier for companies to offer relatively simple corporate bonds to retail investors. These measures seek to reduce the regulatory burden on companies issuing bonds in Australia—helping to kick start a deeper and more liquid domestic corporate bonds market. This legislation is almost identical to the legislation that Labor introduced to the last parliament, where it unfortunately lapsed before the election. For this reason, the opposition will be supporting this bill.

This is fundamentally Labor legislation and is built on a very worthy aspiration. Indeed, some people think that developing a deep and liquid corporate bond market in Australia is one of the most important objectives of financial markets policy. I know, from having worked in this area of policy in former roles, that it is a very complex problem and there are not a whole lot of easy solutions.

The lack of liquidity and diversity in Australia’s corporate bond market was one of the key focuses of the last Labor government’s Johnson report, the report that members would be familiar with, called *Australia as a financial centre: building on our strengths*. Developing a deep and liquid corporate bond market in Australia is important also for a couple of other key reasons. The first one is that the experience of the global financial crisis tells us that a diversity of funding sources is key to a stable financial sector. As it stands, local companies are largely reliant on banks and offshore markets for their debt issuance. The corporates are missing out on a key source of diversity in debt funding—namely, the direct issuance of bonds to the domestic market. The direct issuance of bonds by corporates in Australia could act as a partial shock absorber to international economic fluctuations.

The second thing is that a more developed corporate bond market in Australia could see us play a greater role in facilitating non-bank corporate debt issuance in the Asia-Pacific region. We have all been witness to the huge and dynamic changes underway in the Asia-Pacific over the last couple of decades. In this respect I would highly recommend Andrew Charlton’s recent quarterly essay called ‘Dragon’s Tail’, which is a particularly good account of the hurtling growth in the region and Australia’s role in it. I would also encourage members to check out the contribution by John Edwards which tackles some of the same issues, even though it comes up with some very different conclusions.

The unprecedented investment in the Asia-Pacific region over the last decade or more has been accompanied by a much greater need for access to financial services. As we develop our trade relationships with our neighbours through processes like the Japan-Australia Economic Partnership Agreement, the Korea-Australia Free Trade Agreement and the Trans-Pacific Partnership, there is room for Australia to play a bigger role in the financial services sector. I might just thank some of the representatives of the industry that have spent time with me in the last few weeks as we go through some of the detail of the financial services components of some of the deals that the government is in the process of securing.

A deeper and more liquid corporate bond market is one key aspect of becoming a stronger competitor in the Asia-Pacific region in the financial services sector. The question is how we develop a stronger corporate bond market in Australia. In essence, when you think about it, it is really a classic chicken and egg kind of problem. As it stands, corporates do not issue enough bonds in the domestic Australian market because they can buy more cheaply by issuing bonds overseas. The greater liquidity and sophistication of the overseas bond markets...
make them more attractive because it means companies can issue larger volumes more easily and for longer tenures.

At the same time I am told investors would be happy to buy more Australian corporate bonds to diversify and balance their portfolios but currently there is not enough issuance here to make the market liquid and to offer a good range of investments at compelling valuations. In essence, corporates do not issue bonds here because there are not enough investors to buy them and provide liquidity, and investors do not generally buy the bonds issued here because there are not enough bonds issued to provide that liquidity and that competition. So the corporate bond market does need a catalyst to encourage corporates to issue bonds here and to encourage investors to buy their bonds here. It is the best way, probably, to develop a bigger and more liquid market in Australia because, like a positive feedback loop, this will lead to more competitive valuations and more interest from overseas markets leading to that greater volume and that greater liquidity that I keep coming back to.

The low interest rate environment over the last few years has been a partial catalyst for greater interest and focus on the Australian corporate domestic bond market. Over the last couple of years a few large multinationals have managed to issue debt locally in Australia after many years of absence from that market. For example, BHP Billiton raised about $1 billion with a tenure of five years in 2012 and Qantas raised $175 million over seven years in May 2013, and neither company had issued debt in Australia for more than a decade.

In a recent speech to the Economic Society of Australia—a fantastic group for advancing the economic debate in Australia—Guy Debelle, the assistant governor of the RBA and a highly respected player in that conversation, described the more significant pick-up in the domestic corporate bond market—namely, in lower-rated issuance at longer maturities than they would normally get from the bank. He is optimistic about the prospect that these developments in the corporate bond market will be long lasting, but he acknowledged that questions remained about the dependence of our bond market on the global interest rate environment.

This legislation is good policy. It is policy that will, hopefully, grow on and consolidate these recent developments in the market. It is, as I said at the outset, Labor legislation, effectively—almost identical to the bill we proposed in government which built on legislation we had passed to allow retail trading of Australian government bonds. Our reforms of Commonwealth government securities made it easier as well for mum and dad investors to buy government bonds. This was part of a general strategy to develop preferences among Australian investors for fixed income products rather than just shares. Australians have long held a bias towards investment in shares because of the long period of high growth in equities—the high returns prior to the global financial crisis, when it was not unusual to see returns greater than 20 per cent on shares.

Fostering demand for fixed income products is important not only to develop a higher volume and more competitive bond market in Australia but also because it leads to that greater diversity among the portfolios of Australian investors. It is still important, of course, for Australians to invest in equity, to grow local businesses and to have high growth products in their portfolios. Investment in growth products is important to Australians so as to grow our superannuation and provide for a more comfortable retirement. But investment in bonds—of both the corporate and the Commonwealth government type—does lower risk in their
portfolios and provides a bit more certainty for investors in otherwise uncertain times. The changes that Labor made in 2012 to allow trading of Commonwealth government securities was a good start to develop that domestic market for fixed income products.

The bill that we are discussing today builds on that CGS legislation by making it easier for corporates to issue those bonds. It does a couple of important things in that respect. First of all, it makes it more attractive for corporates to issue bonds to mum and dad investors by cutting out some of the really onerous, expensive and unnecessary disclosure documents they had to prepare each time. Instead, now they will be able to issue a really short and simple statement which tells the investor everything they need to know in very easy terms and references information that is already available to the public. In this way, a shorter and simpler document can actually enhance transparency and make it easier for investors to understand the products that they are investing in. Mum and dad investors are about as likely to read a 200-page bond prospectus as they are to sit down and read the full text of the federal budget papers.

The second important thing this bill does is reduce some of the overly severe liabilities that directors face in the case of inadvertently making incorrect disclosures or omitting certain types of information. In doing so, the drafters of the legislation were very careful to ensure that retail investors were properly protected. There is no reason a director should face a criminal offence for getting something wrong when they have made a genuine good faith attempt to understand and communicate all the risks, including relying on an expert. This type of overkill liability discourages directors from agreeing to their companies undertaking retail corporate bond issuances.

I would like to finish up on a few points. Getting a retail bond market going in Australia is only a very small part of the equation. There is a lot more work needed to kick off the wholesale market as well where the big super funds are the buyers rather than typical punters, but these measures are a step in the right direction. They will provide a clear signal to Australian companies that now is their time to contribute to the development of Australia’s corporate bond market. It is for this reason that Labor will be supporting the legislation, and we will continue to support the development of a deeper and more liquid corporate bond market in Australia.

Mr COLEMAN (Banks) (11:49): I am very pleased to have the opportunity to speak on this important legislation about the simplification of the debt issuance process in Australia. It is an area that I have a little bit of experience in from my previous career in the private sector. What this legislation really does is recognise the inadequacy of legislation currently to support the issuance of bonds to retail investors in Australia. I will come in a moment to how the legislation changes the existing situation.

But it is important to reflect on the reality of what an Australian company faces at the moment if they want to issue debt. Because the retail bond market is pretty much non-existent, you can issue an institutional bond, so to speak. What is more likely is that you would seek to obtain wholesale debt finance, and that basically involves going to banks and asking them for money. A lot of the time that happens overseas, because there is inadequate capital within the Australian market to raise the levels of debt that are often required.

I had occasion last year, on behalf of my former employer, to go to the United States and seek to raise a substantial amount of debt in the New York capital markets. Whilst that is a
very important part of the debt equation and will continue to be, it would be a much better situation if Australian companies had a realistic way of accessing debt from Australian households as well, because households have immense wealth in Australia. Our household wealth per capita is right at the top of the world, but virtually none of that wealth is currently accessed by corporations through direct investment by households in bonds.

Sensible policy is to give businesses as many opportunities as possible to access funding. When businesses can access sensible debt funding they invest more and, when they invest more, they contribute to greater economic activity. Why do we care about that? Because that means jobs. Ultimately, whilst this is a technical piece of legislation, what it comes down to is this: it helps Australian companies to issue debt and to have access to funding from households which in turn can enable them to grow and employ more people.

The global bond market is immense. It is about US$100 trillion, which is a hard number to conceptualise. It is an enormous number. About half of that is government, and about half of it is private sector. Within the private sector component much of that is issued by banks and financial institutions, but about 12 per cent of that total US$100 trillion is issued by corporations. Around the world, especially in the US, corporations are able to access funding from households. It is quite common for households in the US to purchase corporate bonds in well-established names. We are hopeful that the propensity of Australian households to invest in these products will increase following the passage of this legislation.

At the moment, according to the ABS financial accounts data, households provide only about one per cent of debt issued by Australian companies. When you contrast that to the huge investment in superannuation by Australian households, the huge equity investment, it frankly does not make sense that Australian households are so leveraged to equity products and to institutional products as opposed to directly investing in the debt of Australian companies, because giving those companies the capacity to raise debt is good for the investor. It is another investment opportunity, and it is good for the company itself.

In 2012 corporations issued only seven per cent as much debt as our financial institutions did overseas, whereas in the United States 40 per cent as much debt was issued by corporates as financial institutions. So that is a much lower ratio of corporate debt issuance relative to financial institutions—that is banks, basically, in Australia and the US. That again points to the difficulty of issuing bonds in Australia.

It is very interesting when you look back over a number of decades at the way the bond market in Australia has developed. If you go back 50 or 60 years, households were the biggest purchasers of corporate bonds in the Australian market. The ABS research by Susan Black, Josh Kirkwood, Alan Rye and Thomas Williams on this topic that was published in 2012 found that, back in the fifties, households took about 45 per cent of all corporate bonds. But then legislation started to make it a lot more complicated for households to invest in corporate bonds. There started to be very onerous disclosure requirements, sophisticated investor requirements and so on. So households basically said, 'This is all a bit too hard.' Between 1990 and 2010, households reduced the total amount that they invested in corporate bonds. When you look at a financial product, you look at the flow into that—how much money is flowing in and from what sources. Households over the last 20 years had a negative flow of investment into corporate bonds. That means they took money out of corporate bonds over the last 20 years, and that is not something that anyone wants to see.
Because households basically vacated this space, the slack was taken up by foreign investors, who in that 20-year period accounted for about 70 per cent of the entire Australian corporate bond market. So, whilst we of course want to encourage foreign investors to take up Australian bonds, we certainly also want Australian households to do so. There is clearly a need to do something here, and this is a very sensible and overdue effort to do just that.

Because of the way the rules work at present, it is very hard for someone to invest in a corporate bond unless they were described as a sophisticated investor. Sophisticated investors are almost always companies or institutions. The limit on investment is $500,000—the minimum. So, unless you have $500,000 to invest and unless you comply with the definition of a sophisticated investor, you basically do not proceed and, as a consequence, next to no investment in corporate bonds by households actually occurs.

There are other issues in the existing law where directors are deemed to have a liability for any misleading or inaccurate statement that might be in a prospectus that accompanies a corporate bond, as opposed to the general principle of needing to establish that the person was in fact involved in the production of the prospectus. That is a problem as well because, for obvious reasons, a director is going to be very reluctant to authorise the issuance of corporate debt to households if they will be personally liable for things that might go wrong in that process. That is why the government has moved in this legislation to introduce some important changes.

The very first change is to the disclosure regime. At the moment, if a corporate bond is to be issued, a very detailed document is required to be lodged with ASIC. That document has to be specifically tailored to the circumstance of that particular issuance and must be comprehensive in nature. If there are 200 matters that are relevant to the company in the issue of the bond, then all 200 of those matters need to be disclosed in the prospectus. As you can imagine, it is often the case that preparing all that information is very onerous. It will often already exist in some other form—on the company’s website or through the continuous disclosure requirements to ASIC or, indeed, in a prospectus that has been lodged for other purposes. So it should be possible for a company to simply refer to those pre-existing documents in its prospectus for a corporate bond issue rather than having to reinvent the wheel every time it seeks to raise debt in this market.

Basically, under the legislation the precise terms of the particular offer need to be covered in the offer-specific prospectus. But, beyond the points that are very specifically related to that prospectus, the prospectus may refer to a broader base prospectus that has been previously lodged with ASIC. That is a good thing because, again, it means that the corporation is not required to reinvent the wheel, go back to page 1 and gather a whole lot of information that has in fact already been stated.

There is an important time period here. Within 13 months of the issue of the offer-specific prospectus, if the company wants to issue a further amount of bonds under that same offer, it can do so without having to go through a whole new process. It can also refer to a base prospectus for up to three years. So it needs to publish a base prospectus, and then, as the offer-specific prospectuses are subsequently published, as long as they are within a three-year period of that base prospectus, that is all well and good and can be proceeded with. It is a very sensible change, stopping the need for companies to reinvent the wheel and get involved in a whole lot of very onerous activity.
The other important change in the legislation is the change to directors liability provisions. Previously, directors were personally liable for any defects in bond issue documentation, even if those directors had in fact no involvement with the preparation of the prospectus at all. As I said before, that did not lead to a lot of enthusiasm on the part of directors to issue such a prospectus if they were going to be personally liable for anything that went wrong. This bill sensibly says that, if something is inappropriate, if something is unlawful, either through a statement or omission in the prospectus, then absolutely there is an action on the part of any wronged parties, but that action is against the company itself—anyone who underwrote the prospectus or was otherwise involved in the creation of it. There is no strict liability of the directors. That is a sensible reform because the consequence of that strict liability was that prospectuses were not getting issued and corporate bonds were not circulating in the market.

The other important thing that this bill says is, 'In order to comply with these provisions and these simple rules, you need to issue at least $50 million worth of bonds.' We want to encourage the trading of bonds in a secondary market and we do not want a situation of lots of dribs and drabs of very small issuances without the capacity to really foster a strong secondary market, which is so important.

It is a very good piece of legislation. It will hopefully get us to a situation where Australian families can once again look at investing in corporate bonds. Fifty years ago, they invested very heavily in corporate bonds. They basically stopped doing that for various reasons, including the failure of the previous legislation, so it is a good thing for Australian companies. Rather than being so much at the mercy of banks, be they foreign or domestic, Australian companies will now have a much more serious option of accessing the immense wealth of Australian households by issuing corporate bonds. I am very pleased to speak in support of the legislation.

Dr LEIGH (Fraser) (12:04): The Australian Financial Centre Forum's report, _Australia as a financial centre: building on our strengths_, generally known as the Johnson review, recommended that government should reduce the regulatory requirements on corporate debt issuance to retail investors. The rationale for that is that the Australian corporate bond market has traditionally been too shallow. The number of Australian companies issuing bonds is quite small. On average, over recent times only around 30 bonds have been issued in the domestic market every year, with just a few more being issued in the offshore market. On the benefits to Australian corporations, the Johnson review argued that non-bank corporate debt financing within the Asia-Pacific region would increase over time and that Australia could potentially play a role in facilitating the issuance of this type of debt and in managing Asia-Pacific corporate debt portfolios. So this bill is to be welcomed.

The total Australian corporate bond market is currently too small and Australian corporations could benefit from a larger corporate bond market. This is an issue which was important to the former Labor government. I had the privilege as the then Parliamentary Secretary to the Prime Minister of officially launching exchange traded Australian government bonds at the Australian Stock Exchange on 20 May 2013. The government's rationale for encouraging the ASX to relaunch exchange traded Australian government bonds was in order to assist the creation of a deeper and more liquid domestic corporate bond market. That, in our view, allowed Australian banks to reduce their reliance on offshore funding markets and, in turn, had benefits for Australian investors and consumers. The 2010
competitive and sustainable banking reform platform that Labor put forward had as a major plank the creation of a deeper and more liquid domestic corporate bond market. The creation of exchange traded Australian government bonds created an instrument against which corporate bonds could be pegged, as well as, of course, providing an investment opportunity for superannuation funds and allowing another way for Australian investors to diversify risks.

Regarding the bill before the House, the former Labor government introduced many of these changes in schedule 1 of the Corporations Amendment (Simple Corporate Bonds and Other Measures) Bill 2013, which lapsed with the 2013 election. Schedule 1 of that bill was virtually identical to the bill that the House is debating today. The key difference is that, under the bill Labor introduced, the term of a bond could be no more than 10 years and this bill changes that to no more than 15 years. But both bills are grounded in the Johnson report and the bipartisanship that that report enjoys in this House. Both sides of the House are keen to reduce the regulatory burden on the issuers of corporate bonds, while making sure that fair standards of consumer protection are maintained. Under the changes in this bill, the issuance of certain corporate bonds to retail investors requires the provision of a two-part simple corporate bond prospectus and that simple corporate bonds be able to be traded using simple retail corporate bond depository interests. The bill also makes changes so that directors and proposed directors of a body making an offer have liability for any misstatement in, or omission from, the disclosure document only when they are involved in a contravention of section 728(1).

The measures in the bill, as I have noted, are part of Labor's broad commitment to a stronger corporate bond market, which is part of ensuring that Australia plays an important role as a regional financial centre. Australia has many strengths in attaining this. A strong education system, great diversity of languages being spoken and our time zone are among them, but it is important that our regulatory settings are appropriate to attaining that goal. In recent years, the United States has been rocked by revelations of high-frequency trading. Michael Lewis's book Flash Boys has highlighted vividly the harm that can be done to investors of front running, in which buyers of shares do not get a fair price in the market because they are outbid by milliseconds by a computer program. Australia, thankfully, has not seen the sorts of high frequency trading problems that have beset the United States market, and that is another strength for our region and for the aspiration for Australia to be a regional financial centre.

The Johnson review, of course, had a range of other recommendations which are going to take time to implement. I believe the removal of state insurance taxes is a goal which is supported by both sides of this House. It was a high priority of the Henry review which noted that insurance taxes penalise the sort of behaviour that governments should be encouraging. People hedging their own risk should not be penalised for so doing. The recommendations of the Johnson review are an important underpinning of Australia as a financial centre.

It is also important that we ensure we have a strong public service and the right policy settings to underpin the growth of the financial sector in Australia. I am concerned by recent developments of this government; for example, the decision to axe 3,000 staff from the Australian Taxation Office which, according to evidence given by ATO officials at a Senate hearing, will cost, for every dollar of staff wages saved, between $1 and $6 of lost revenue to
the budget. This is, as my colleague the member for Griffith said in an interview, penny-wise but pound-foolish.

We have seen today revelations from Australian Taxation Office insiders that they believe the revenue collection ability of the Australian Taxation Office will be ‘gutted’ as a result of the government's staff cuts to the Australian Taxation Office. A good, strong taxation system is fundamental to Australia as a financial centre because, when some firms are able to dodge tax with impunity, others feel a lack of confidence about the institutional structures.

The same issue affects the government's approach to multinational profit shifting. Australian domestic firms—a mum and dad cafe, a small business set up to produce products for the domestic market—do not have the opportunity of engaging in profit shifting, using instruments such as differential pricing assets or pricing debt. But to the extent that the government has chosen to leave open $1.1 billion worth of loopholes, it is unfairly advantaging firms, which are able to use clever structures to avoid paying their fair share of tax.

We on this side of the House are deeply troubled by the way the government is talking the talk of the G20 about cracking down on multinational profit shifting, but it is failing to walk the walk. We have seen recently revelations of the low amount of tax paid by Glencore, formerly Xstrata. The Treasurer is apparently concerned about these reports. I would say to the Treasurer that he could well put his concerns into action. He could act to crack down on multinational profit shifting by implementing the full gamut of Labor's reform put together by Wayne Swan and David Bradbury, David Bradbury now having taken over a senior job in taxation in the OECD.

That was a $4 billion package which has now been taken down to a $3 billion package by this government, which is now seeking to re-present it to the Australian people as though it is getting tough with multinational profit shifting. It is as though the Treasurer has received a box of chocolates for one Christmas, taken out a quarter of the chocolates, eaten them, and is now trying to re-wrap the package and present it to the Australian people as a terrific Christmas gift for next time around. The fact is that the government is not serious about tackling multinational profit shifting and, again, that raises concerns about the fairness of corporate income tax. Those Australian firms which pay the 30 per cent rate will look askance at multinational companies that are able to avoid their fair duty to contribute to building a better society—which is what taxes do—by multinational profit shifting.

I am also concerned about the message that is sent by the government's hasty deal with the Palmer United Party over the Future of Financial Advice laws. This is a deal done very, very quickly but lacking the backing of peak interest groups such as National Seniors and Choice.

Mr Ciobo: Mr Deputy Speaker, I raise a point of order on relevance. This has absolutely nothing to do with the bill.

The DEPUTY SPEAKER (Mr Randall): Yes, I would encourage the member for Fraser to speak to the bill.

Dr LEIGH: Thank you, Deputy Speaker; I appreciate your guidance. I was simply referring to the importance of seeing this bill in the broader context of what the government is doing across the financial sector. This bill enjoys bipartisan support, but it is important to recognise that the bill, which contains a number of measures brought forward by the former
Labor government, is but one part of what we are doing. When we are debating legislation in this place it is important to give bills their proper context.

I commend the government for its commitment to expanding the corporate bond market. At the same time I am concerned about cuts to the tax office, deals on financial advice and measures which ultimately do not shore up the integrity of the financial system, as we need to do. A strong financial sector is vital for Australia not just because it creates jobs but because finance is the lifeblood of the economy. We have seen recently in places such as Greece that when the financial sector gums up, the entire real economy suffers. A strong financial sector is important for all Australians.

I am concerned about suggestions from the government that, for example, they might step back from the four-pillars policy, a policy which both sides of the House have been committed to, which prevents mergers among the big four banks. The notion that Australia needs more consolidation at the top of the financial sector is a strange one indeed. I hope the government will clearly state—perhaps the parliamentary secretary might do so today—its commitment to the four-pillars policy as a way of ensuring that the Australian financial sector retains a strong sense of integrity and health within it. I commend the government for their support for the corporate bond sector. I encourage them to pursue with the same vigour across the spectrum of financial reforms this commitment to openness, transparency and the integrity of the financial sector.

Mr THISTLETHWAITE (Kingsford Smith) (12:18): I am pleased to support this bill, the Corporations Amendment (Simple Corporate Bonds and Other Measures) Bill 2004. I believe this legislative reform being debated here today provides a wonderful opportunity for the Australian economy to tap into the wonderful growth that is occurring in the provision of financial services particularly in the Asian region, as much of the South-East Asian economy in particular begins to develop and more and more members of that economy move from situations of poverty into urban environments, into higher paying jobs and incomes and, of course, into financial services.

Financial services is Australia's largest income provider in terms of industries. It is one of our largest employers and it is a growing area of our economy. It represents a wonderful opportunity for Australia to be involved in exporting some of that expertise and further integrated with the Asian economy when it comes to the provision of financial services. That is why Labor supports the establishment of a retail corporate bond market in Australia. The establishment of a deep and liquid retail corporate bond market in this country was a key priority of the former Labor government. That is why we are pleased to support this reform.

It is actually a reform that was initiated by the previous, Labor government through the then minister, David Bradbury, and the then Treasurer, Wayne Swan. Unfortunately, the provision was introduced into the parliament, but the last parliament ran out and the bill lapsed. I am pleased to see that this government is now proceeding with this reform and has Labor's full support.

In December 2010, as part of its competitive and sustainable banking system initiative, the former Labor government signalled that it would be introducing changes to facilitate the development of a deeper and more liquid corporate bond market in Australia. These changes included launching the trading of Commonwealth government securities on financial markets accessible to retail investors and reducing the regulatory burden associated with issuing
corporate bonds to retail investors, including streamlining disclosure requirements and prospectus liability regulations.

Labor had introduced the Corporations Amendment (Simple Corporate Bonds and Other Measures) Bill 2013, but, as I mentioned earlier, that bill lapsed. Schedule 1 of that bill is virtually identical to the bill that we are debating today. The key difference is that Labor's bill introduced a term of a bond that could be no more than 10 years. This bill changes that period to no more than 15 years. A well-performing and efficient retail corporate bond market will provide alternate sources of funding for Australian companies and increase competitive pressures on lending rates to Australian businesses. This bond market is a significant source of funds for many Australian financial and non-financial corporations. Correspondingly, this financing activity provides investment opportunities for Australians and non-residents.

The Johnson report, entitled *Australia as a financial centre: building on our strengths*, examined the lack of liquidity and diversity in Australia's corporate bond market. It discussed why the lack of liquidity was a significant weakness in the overall assessment of Australia's financial system. At the retail level it was considered that one action the government could take to overcome this weakness was to introduce regulatory changes that could assist with the development of the market. The bill before the House does that. It seeks to reduce the regulatory burden on issuers of corporate bonds while, at the same time, ensuring that appropriate standards of consumer protection are maintained.

The bill follows the passage of the former Labor government's legislation to facilitate retail trading of Commonwealth government securities in 2012. Having an active retail CGS is an important step in establishing a wider retail corporate bonds market by providing a visible pricing benchmark for retail investors in corporate bonds. This bill delivers on Labor's former commitment to reduce regulatory burdens and barriers for offerers of corporate bonds to retail investors. The bill contains three major elements which do that. Currently, the issuance of a corporate bond to retail investors requires the provision of a full prospectus. Under the changes in this bill, the issuance of certain corporate bonds to retail investors will require the provision of a two-part, simple corporate bond prospectus. Secondly, currently simple retail corporate bonds, like other bonds, can be traded directly, but they are not able to be traded as depository interests. Under this bill, simple corporate bonds will be able to be traded as simple corporate retail bonds depository interests. And, finally, currently directors and proposed directors of a body making an offer have a liability for any misstatement in or omission from the disclosure document, whether or not that director was involved in a contravention of subsection 728(1) of the act. This bill changes that so that directors and proposed directors of a body making an offer have liability for any mismanagement in or omission of the disclosure document only where they are involved in that contravention. That is making it much more specific and is relaxing some of the controls that were in place before, to ensure that there is much more encouragement for corporations to be involved in the issuance of bonds and hopefully improve the liquidity of the market.

The measures in this bill are another major initiative of the previous Labor government. It is evidence that we were delivering on our long-term commitment to encourage the development of a deep and liquid corporate bond market in Australia. The measures provide companies with another source of fundraising and a signal that it is their time to contribute to the development of Australia's corporate bond market. It provides a wonderful opportunity for
Australia to be involved in growth in financial services in the Asia-Pacific region and for 
Australia to be a key player, a key financial hub, in the provision of our services that will 
ultimately grow jobs and our economy in Australia. And with that, Labor and I commend this 
bill.

Mr CIOBO (Moncrieff—Parliamentary Secretary to the Treasurer) (12:25): I would like 
to thank those members who have contributed to this debate. The reforms in this bill will aid 
the development of a deep and liquid retail corporate bond market in Australia to provide 
benefits to business and investors. The strong retail corporate bond market gives businesses 
greater flexibility in where they source their funding and creates greater opportunities for 
investors to diversify their risk and access a new source of fixed income. Because of the 
reforms in this bill, bond issuers will be able to issue bonds with less red tape. The bill is 
another step along the path on the government's commitment to reduce regulatory burdens on 
business and reduce unnecessary costs.

The measures in this bill require companies to offer simple corporate bonds through an 
offer specific prospectus provided they have lodged a base prospectus with ASIC for the 
purpose of making an offer under the new two-part simple corporate bond prospectus regime. 
The new disclosure regime will reduce costs for bond issuers as it will enable the bond issuer 
to incorporate or refer to information already disclosed by the bond issuer as part of the 
disclosure material. Another part of the significant reduction in disclosure burden is the 
prospectus documents will also be able to be used for subsequent tranches of bond issues 
where the information remains current.

The bill also removes the deemed civil liability that applies to company directors when 
offering corporate bonds and provides clarification around the reasonable steps required to 
satisfy the due diligence requirements in respect of directors' criminal liability. This is being 
done whilst still maintaining appropriate standards of consumer protection are maintained. 
The bill also contains amendments that will put in place a framework in the Corporations Act 
to enable parallel trading of simple corporate bonds in the wholesale and retail markets, and I 
commend the bill to the House.

Question agreed to.

Bill read a second time.

Ordered that this bill be reported to the House without amendment.

Meteorology Amendment (Online Advertising) Bill 2014

Second Reading

Debate resumed on the motion:

That this bill be now read a second time.

Mr IRONS (Swan) (12:28): The Australian government has many dozens of websites. 
Each department has its own website, and all of these websites are designed to provide 
services and information on matters of interest to the Australian people. But there is one 
website in particular that massively outperforms others in the number of hits it gets—that is, 
the Bureau of Meteorology's website. Commonly known as the BOM, the bureau's website 
racks up in excess of 471 million visits per year. It would seem then that Australians are 
certainly enthusiastic followers and observers of the weather and this House often reflects this
interest in the weather with all our discussions on climate—not only daily, but annually and decade wise.

There are certainly good reasons for this. Australia's climate is unlike the climates of Europe and indeed most other settled parts of the world. It is, and has been, distinguished by its great unpredictability and experience of extremes. We know from the detailed records available that Australia's climate has always been unpredictable. This unpredictability was encountered by European settlers in Western Australia, who struggled in the early years with arable agriculture, due in part to the difficulty of predicting the first rains of winter. And we see this unpredictability today with years of great rains and floods in Queensland, for example, prompting motions in this House, followed by drought just a few short months later, prompting the drought relief package put forward by the Minister for Agriculture. So in its unpredictability, Australia's weather has largely defied modelling and made longer term predictions more difficult.

We also know from the records that Australia's climate has been characterised by extremes. Throughout history we have not only had long painful droughts but also devastatingly prolonged floods. We have had major fires whipped up by strong winds and heatwaves as well as cold snaps and avalanches in the same state. And, again, you do not have to look too far back through the record books to see this pattern. Just a couple of years, or indeed a couple of months, will do. I know that during the bushfires in Victoria in 2009, my sister, who lives in Healesville, had about 10 fire trucks out there and they had six helicopters drop enormous amounts of water on their property just to save the property. The 173 fatalities in that particular bushfire is a great example of what extreme weather conditions can do in Australia.

These characteristics of Australia's weather tend not to be limited geographically but to apply right across Australia. In fact, as much as they apply in Western Australia, they are perhaps accentuated even further in the eastern states with the polarising impact of the El Nino and La Nina climate events of the Pacific impacting particularly on that region. However, that being said, researchers did in recent years link the La Nina effect to a local issue in my electorate of Swan. A major mosquito plague in 2010-11 spurred calls for action from many of my constituents, some of whom formed the Waterford action group. Michael Hopkin at the West Australian reported at the time, on 6 April 2011:

Perth is enduring a mosquito plague as a by-product of the La Nina weather pattern that has blighted Australia …

Populations of mosquitoes throughout the city have been boosted by the high tides triggered by La Nina, bringing misery to many.

The extreme tidal conditions have increased the inundation of tidal salt marshes where the insects breed …

Mr Deputy Speaker Randall, you were probably one of those people who experienced those mosquito plagues due to the location of where you live. Another of my constituents, a Mr Wilson Tuckey of Ascot, was also concerned about this issue and felt prompted to write to me in 2011 and seek some help. There was even the trouble of getting mosquito traps and baits put in place as they were being used over in the east for the mosquito activity associated with the Queensland floods of that year. Fortunately, we were able to get some action at the local council level at the time for some emergency mosquito control.
Flooding has affected the people of Perth in the past, and I have mentioned the challenges faced in the early days of settlement in Perth, but there has been very little major flooding of the Swan River since the 1960s. The walling of the river and reclamation of land has somewhat mitigated the flood risk as the Swan becomes a wide estuarine channel as it passes the City of Perth before it meets the Indian Ocean at Fremantle. Also the dredging of channels that has taken place to allow navigation and prevent algal blooms has acted to reduce the risk of flooding. But this does not mean that the risk is not still there as a high rainfall winter and a combination of tides could again see a flooding event.

The last 100-year flood in Perth was recorded in 1872. A 10-year flood was recorded as far back as 1983. So you could say that Perth is due a major flooding event. And my electorate of Swan, with river frontage on three sides, would certainly once again be impacted. Many people in the Waterford area, as well as in Como and in South Perth, would also be impacted. The state should be prepared for such an event, and we can only hope that complacency has not slipped in following a number of years without flooding.

The 1872 flood is the most significant on record and caused considerable property damage in Perth. The Parliamentary Library has stated that the *Perth Gazette* and *W.A. Times* on 26 July 1872 reported:

In and about Perth, the water owing to the force of the incoming seas at the mouth of the river presented a scene of a great lake, all the jetties were submerged, the high roads to Fremantle covered, and passage traffic rendered impossible quantities of sandalwood lying along the banks of river were washed away, and the inhabitants of the suburban villas on the slopes of Mount Eliza obliged to scramble up the hill sides to get into Perth.

The 1926 flood was also considered extremely damaging and is still distinguished as one of the highest rainfall events in Perth's history. The event caused the collapse of the Fremantle rail bridge.

In my electorate of Swan, there was extensive damage as well. The member for Swan at the time was Mr Henry Gregory of the Country Party who served a long stint as the member for Swan, from 1922 to 1940. No doubt he had his work cut out helping the residents with the clean-up. I know that in your time as the member for Swan, Mr Deputy Speaker Randall, you would have helped many residents in the clean-up of issues and items in the electorate of Swan as well.

The Parliamentary Library quotes an article in the *Western Mail* of 29 July 1926 which notes:

The people of the Mill Point area [South Perth] were in dire need of practical assistance ... During the night no fewer than fourteen houses situated in Suburban Road between Scott Street and the Point, were invaded by the rising waters. Two houses in Stone Street and one in Melville Terrace were also flooded ... Along the whole road to Mill Point, from the Scott Street intersection as far as eye could see, water flowed—not dully and placidly, but actively, in high surging currents flecked with foam and breaking here and there into waves. A yacht in full sail went up Suburban road ...

Perth is subject to frequent severe storms that roll in off the Indian Ocean during winter. Perhaps one of the most severe storms in recent times was the famous hailstorm in March 2010, when golf ball sized hailstones up to six centimetres in diameter pelted the city and caused great damage.
The Premier, Colin Barnett, declared the storm a natural disaster, but it was also an economic disaster for the insurance industry, with many cars written off. In fact, at the time, as *WA Today* reported in an article on 22 March 2010, the Insurance Council of Australia declared the storms to be a general insurance catastrophe. To this day, if you visit Perth you will see cars with golf ball dents still driving around in the city and in all the suburbs. At the time, the Premier was reported as saying the storm was an extreme and freak event. On my own property, there was about $3,000 worth of damage to windows, patio roofs and things like that. It took 18 months for a lot of people to get their places repaired.

I also mention the work we have been doing in the House of Representatives centred on the subject of skin cancer. We know that in summer UV levels can rise, and this is another element that people of Australia do face and have to monitor. Skin cancer has been called Australia's national cancer. We have found that it is certainly an issue which affects people right across Australia, in some places more than others. Australians have always had to not only follow the weather but also predict it. Thankfully, this is slightly easier today than in the past, thanks to our meteorologists and our Bureau of Meteorology website. As the parliamentary secretary noted during his contribution, the Bureau of Meteorology is relied upon every day by the Australian community to deliver accurate and timely information, particularly during events where life and property are at risk.

In 2012-13, a trial of advertising took place on the BOM website. This followed the 2011 Munro review of the bureau's capacity to respond to future extreme weather and natural disaster events and to provide seasonal forecasting services. It recommended that options be explored to obtain revenue from advertising on the bureau's website. The trial was considered a success and was introduced permanently on 1 July 2013.

However, the Australian Government Solicitor recommended in August 2012 and June 2013 that, while the trial could be supported, there was a real risk that once the bureau officially commenced advertising it would not be supported by any statutory power or by the executive power of the Commonwealth. The Solicitor-General specifically advised that it would be advisable as soon as possible to put the position beyond doubt by legislating to expressly amend the Meteorology Act to empower the director of the bureau to accept paid advertising. In fact, these concerns were later borne out to be correct when Fairfax Media challenged the bureau's ability to disallow some of its advertising of its own weather provider. Why the previous government did not act on this advice from the Solicitor-General, I do not know. Perhaps it was something to do with all the chaos in the Labor Party at the time and the changes in the ministers associated with the changes from prime ministers Rudd to Gillard and back to Rudd again. Whatever the reason, we are acting today to put this matter beyond doubt. I am encouraged by the enthusiasm displayed by coalition members on the speakers list who are the only ones talking on this bill.

The government brings forward today the Meteorology Amendment (Online Advertising) Bill to confirm the powers of the Director of Meteorology to accept paid advertising on the bureau's website. At the same time, it will also require the director to develop and publish guidelines determining the types of advertising that may be accepted on the bureau's website. I pay credit to the bureau for proceeding with these measures, which will not only enable them to advance the services that they provide but also save the taxpayers some money at a time when the country is in a significant amount of debt. It is a testament to the success of the
website, which include short-term forecasts, including UV index information, a system of warnings for information on long-term weather trends and also long-term record collection and trends. The media also takes information from the Bureau of Meteorology, especially when there are extreme events and weather warnings in place. It is an essential website and a source of information that can save lives.

I would like to make a few brief comments on government websites in general. In June, the Minister for Communications held a briefing on the UK government's digital strategy with Liam Maxwell, Chief Technology Officer of Her Majesty's government. The UK government had a similar issue to the one Australia experiences now: a multitude of different government websites across departments and tiers of government, all costing the taxpayers millions of dollars in waste. The UK government project centralised IT and it has saved the UK taxpayer billions of pounds while delivering better services to constituents and focused on delivering what the people actually need to do when they visit a government website. The Bureau of Meteorology's website is a great example of a government service widely used and valued and, thanks to this legislation, largely paying its way. It is clearly well used because there is a demand for advertising.

In conclusion, I would like to make the point that there will clearly be many benefits to taxpayers from following the approach that the UK have commenced. I am sure that this is a path that the Minister for Communications will be considering. In the advice to the coalition party room, they said that by outsourcing and changing the way they put their IT and everything together they saved the UK £16 billion. It is something that I am sure we as a government should be able to look at as well. I commend the bill to the House.

Mr Coleman (Banks) (12:42): This is a good piece of legislation which does something very sensible, which is to allow the very popular website of the Bureau of Meteorology to take advertising. It is good that the previous government intended for this to occur and it is good that the now opposition is supporting it. It is of course unfortunate that the previous government did not dot the i's and cross the t's on this process, leading to the advice from the government Solicitor-General of the need for this specific piece of legislation.

It is important to reflect on the Bureau of Meteorology and the important role that it plays in our society. It is one of the most respected institutions in the nation. It means a lot of things to Australians and it is something that we are all very pleased to support in this place. In the cities the Bureau of Meteorology provides you with information that might be more about whether you need to water the garden, or what to wear, or something relatively trivial like that. But in rural and regional Australia the information provided by the bureau is central to the economic livelihood of literally millions of people around the country. If you are growing crops, running a farm, the weather is one of the biggest factors in determining what is going to happen in your business and you need a robust source of information.

One of the great things about the internet is its immediacy—the fact that information can be updated in real time. Whereas previously people would have relied on the bureau's daily forecasts, now they can go on the bureau's website and there is real-time information about what is happening right around the country. If you are in rural areas that is particularly important because you need to know what to do with your crops on a daily basis and you need to be able to track weather conditions as they change. This is relevant not only from an economic perspective but also from a community safety perspective. We have seen a number
of extreme weather events in recent years that have led to floods and fires. The information that the bureau provides about the likelihood of those events is literally critical to the operation of our emergency services.

Emergency services need to know the likelihood of various weather factors combining to produce a bushfire or flash flooding. It is the integrity and reliability of the bureau that is so critical. In my electorate of Banks we have the Georges River, which is one of the great waterways of our nation and the beating heart of the electorate. In times of extreme rain, that river can flood and lead to problems in the sewerage and water systems. The advice provided by the bureau about the likelihood of those events is critical to the Water Board and others in managing potential overflows.

It is good that the previous government moved to put in place what is a sensible economic measure. Those of us on this side of the House are very strongly in favour of sensible economic management. That is not something that we saw frequently from the previous government, so you could sort of say, when it came to economic management from the previous government: online advertising for the Bureau of Meteorology, good; most other matters, bad. It is a sorry tale, a litany of mistakes and errors in the area of economic management. But clearly when it came to this issue of online advertising on the Bureau of Meteorology website, narrow though it is, the previous government made a sensible decision, although they then failed to execute it correctly.

It is an important contrast. Economic management is at the heart of our nation and the government has moved to make important changes to our financial situation to get the budget back on track. Measures like this one, small though it is, do assist in that overall effort. We did see a situation where Labor spending went up by 50 per cent in six years and the budget position went from $50 billion in the bank to $200 billion of debt, with a trajectory of $667 billion of debt—which is two-thirds of a trillion—in the next decade unless this government acts. That is precisely what we are going to do.

The Bureau of Meteorology website is one of the top 50 most popular sites in Australia. In fact, according to Alexa, which is a web statistics company owned by Amazon, it is the No. 46 website in Australia, so it is right up there. This underscores the opportunity here for the bureau to make a sensible effort to get advertising on that site. Some big-name websites are actually smaller than the Bureau of Meteorology's website. Telstra, SBS and The Australian newspaper have less traffic than the Bureau of Meteorology, as indeed does Australia Post and a business that I used to have some involvement with, carsales.com, which is a very large business. The Bureau of Meteorology website is bigger than all of them. The bureau has also done a really good job of providing information in mobile formats. The internet is changing very rapidly, and the consumption of internet content is changing rapidly. Whereas a few years ago the vast majority of internet consumption was at PCs—sitting at a desk—or maybe at laptops, that is changing very fast, and it is all about tablets and mobile devices. Online advertisers are moving to develop products that work well in those mobile environments. That is the opportunity that the bureau will have here.

The online advertising market in Australia has grown at a phenomenal rate in recent years. Prior to coming to this House I spent the majority of my career working in that industry, so I have some understanding of the space. It is now a $4 billion industry. More than a quarter of all advertising in Australia is now online. That is the opportunity which the bureau can now
access. Of that $4 billion, $2 billion is in search advertising. Then there are classifieds—like car sales, which I mentioned before—and over $1 billion in what the industry calls 'general display advertising'. Those are graphic ads that you see on web sites and other display formats.

The bureau is very well placed, not only because of the amount of traffic but also because of the quality and the specificity of that traffic. Advertisers are reluctant, generally, to put their names against brands which are not well known or well trusted, or where there is uncertainty about what might appear. There are some environments on the internet where a corporate brand would not necessarily want its name to appear, but the bureau is the exact opposite environment, because it is an extremely well respected name and it offers a very high-quality, well-respected service.

The other thing the bureau does is provide information on a geographical basis. If an advertiser sees that somebody is looking into the weather conditions in rural WA there is a good chance that they live in rural WA. If they live in rural WA there is a good chance that they are involved in pastoral or mining activities so there is a good chance that advertising of that nature might be of interest. That is why the bureau represents such a potentially attractive opportunity for advertisers.

The task that the bureau and its advisers will now need to address is how to access that market and how to ensure that taxpayers are well served in that process. The general display market—$1.1 billion was spent there in 2013—is the obvious market for the bureau. As the No. 46 web site in the entire nation the bureau should be able to access a reasonable proportion of that advertising. This should not be a trivial source of revenue; it should be fairly meaningful.

More than 470 million people visited the bureau web site last year. The Munro report, back in 2011, which did the initial work in this area, recommended that advertising be taken. In a bipartisan fashion, it was good to see that trial process begin in 2012-13. But we need to talk a little bit about why we are in this position of needing to legislate. The Australian Government Solicitor had to advise the previous government that express legislation was required, because it was not entirely clear that the past enabling legislation was sufficient. That is what led to the litigation that my colleague the member for Swan referred to previously, involving another media outlet.

It will be important that this advertising is done in a sensitive manner. The advertising must be consistent with the interests of the bureau and that there is no inappropriate content. It will be important that, whilst the bureau does seek the commercial opportunity of this capacity to advertise, it also is sensible about the nature of the advertising that it undertakes.

Under this law, the director of meteorology will have the express power to accept paid advertising and will also have the express power to prohibit advertising that is not in the bureau's interest. So there will not be any uncertainty anymore. It is important, of course, that senior public servants are given the tools they need to act, and that is what this legislation will do.

The bureau does a fantastic job. It is one of the most respected names in Australia. It is good to see a sensible bipartisan approach to this issue. It is a big opportunity for the Bureau
Mr CRAIG KELLY (Hughes) (16:00): I rise to speak on the Meteorology Amendment (Online Advertising) Bill 2014. This amendment confirms the power of the director of the Bureau of Meteorology to accept paid advertising and will require that the director develop and publish guidelines on the type of advertising that the bureau will display, allowing the director to prohibit advertising that is considered not to be in the Commonwealth or the bureau's interest.

The bureau actually first trialled advertising on their website for 12 months in 2012-13. It became a permanent measure in 2013. So this is not something new; it is just confirming the director's powers. It also should be noted that there was a challenge by Fairfax Media to the ACCC, and the Government Solicitor advised the bureau that refusal to carry any online advertising of the Weather Company did not contravene section 86 of the Competition and Consumer Act.

When it comes to our Bureau of Meteorology, we should think of the father of meteorology in Australia. A gentleman named Watkin Tench came to Australia on the First Fleet and with him he brought some thermometers. With Lieutenant William Dawes, he set up an observatory right under what are today the pylons of Sydney Harbour Bridge. You think back to that year of 1788, when they came out to the unknown Australian continent. The concern for the science that these great men had in accurately recording the weather and all the meteorological observations of the time was truly amazing and we owe great credit to them.

One thing that Dawes and Watkin Tench noticed was the extreme heat of February 1791. One of the hottest days ever recorded in Sydney was back in 1791. In fact, on that day the temperature hit 109 degrees Fahrenheit, or 42.8 degrees Celsius. Tench wrote in his journal, over 200 years ago:
It felt like the blast of a heated oven.

He also wrote:
But even this heat was judged far to be exceeded in the latter end of the following February, when the north-west wind again set in, and blew with great violence for three days. At Sydney, [the temperature] fell short by one degree of what I have just recorded—
which was 109 degrees Fahrenheit—
but at Rosehill—
modern-day Parramatta—
it was allowed, by every person, to surpass all that they had before felt, either there or in any other part of the world. Unluckily they had no thermometer to ascertain its precise height.

They also noticed the effect of the heat at that time on the wildlife. He wrote in his diary, in February 1791:

An immense flight of bats driven before the wind, covered all the trees around the settlement, whence they every moment dropped dead or in a dying state, unable longer to endure the burning state of the atmosphere. Nor did the parrottes—
which is the old term for parrots—
though tropical birds, bear it better. The ground was strewn with them in the same condition as the bats. Governor Philip also noted the heat on an extreme day. He said:

… from the numbers [of dead bats] that fell into the brook at Rose Hill—

modern-day Parramatta—

the water was tainted for several days, and it was supposed that more than twenty thousand of them were seen within the space of one mile.

We have the work of the great settlers of this country to help us understand some of our climatic history, and our modern-day weather bureau follows in their footsteps and in their great traditions.

It would be very nice not to have to worry about the government raising a few dollars from advertising, but the fact is that we in this country now need every single cent of government revenue that we can get. Our challenge that we have ahead of us is that we need to come with $1 billion—which is $1,000 million—every single month of the year just to pay the interest on the debt that the previous Labor government ran up in six years. Seventy per cent of that actually flows out of the country, because we borrowed that money from overseas. We have got to pay that interest overseas. That is $12 billion a year.

Right now in the House, they are debating the cost of the Pharmaceutical Benefits Scheme. That is one of the most generous schemes in the world, which enables all Australians to have access to life-saving medicines. That scheme will cost $9.3 billion this year. We are spending more on the interest of Labor's debt than we actually spend to subsidise pharmaceuticals in this country. That is the position we have ourselves in. You know what? We are still borrowing money to pay that interest. One day, sometime in the future, we are going to have to pay that debt back. We as government simply cannot turn our backs on one single cent of revenue, otherwise that is going to harm the most vulnerable people in Australia.

The bureau's website is rather popular. Last year, it had 471 million visits to its website. With the issue of climate change and global warming as one of the most prominent issues in our media, especially as we lead up to the next election, it looks like the issue of the carbon tax will again be the major issue running up to the next election. The next election again looks like it will be a referendum on carbon tax. There will be a lot of interest in what actually happens on the climate and the weather. Where most people go for that information is to our Bureau of Meteorology.

One thing we hear from many people in this House is about how cyclones are increasing and cyclones are getting worse. If they were actually able to inform themselves and go to the bureau's website, they would find that that is a complete furphy. In fact, on the bureau's website, it says:

Trends in tropical cyclone activity in the Australian region (south of the equator; 90–160°E) show that the total number of cyclones appears to have decreased…

This is completely contrary to what we continually hear from members of the opposition and from members of the Greens, which is that cyclones are increasing all the time. Here we have it on the bureau's own website, confirming that the number of cyclones has decreased. They actually print a very neat little graph, although I know the bureau has been rather tardy at keeping the graph up-to-date, and just a quick glance of the eye clearly tells you that cyclones have been on the decrease.
The other issue is global sea ice, which also has information on the bureau's website. We are continually told that the sea ice is melting. Yes, while it may be true that there is a declining trend of sea ice in the Arctic, it is the exact opposite in the Antarctic. In fact, if you add the two together and if you look at the decrease in the Arctic and the increase of sea ice in the Antarctic, the actual global sea ice at the end of June was higher than what it has been on average for the last 30 years. On a lot of the myths and furphies that we are hearing, if people like you go to that bureau's website, they can actually find the truth, find the details and not be taken in by the scaremongering.

The other issue is also what will happen with global temperatures. The IPCC have made certain predictions in their computer modelling. We often hear members of this parliament coming in and saying, 'I believe in climate change.' What they are actually saying is that they believe in the IPCC's computer modelling. The test is to measure that theoretical computer modelling against the actual empirical measurements. That is the test. It is not whether you believe in this or you believe in that. We can actually do that test with the Bureau of Meteorology. What that actually shows—even though, yes, there has been warming from around the mid-1970s up until the year 2000—from the year 2000 or from 1997-98 onwards, for the last 16 or 17 years, is that those temperatures have plateaued. That is completely contrary to what the IPCC's computer predictions tell us should happen.

I think no-one can accurately forecast where those temperatures will go in the next 10, 20 or 30 years. There are many respected scientists in the world today that actually predict, due to low sunspot activity, that we will be in for a significant period of global cooling over the next century. I hope they are desperately wrong, just as I hope that those that predict runaway global warming are also desperately wrong. But we need to make sure we are monitoring it accurately. We are looking at the empirical measurements against these predictions so we can make the correct policy decisions in this House. Therefore, I commend this bill to the House.

The other reason I commend it to the House is because of the precedent it sets. If we are able to run effective online advertising and gain government revenue from the Bureau of Meteorology's website, it is a principle that we can extend elsewhere. I would suggest that perhaps the first place we could look is the ABC. We know the ABC at the moment is taking over $1 billion of taxpayers' money without any net revenue coming back to government. Surely if it is good enough for the Bureau of Meteorology to run some online advertising, we should be looking at the success of this and extend that principle to the ABC.

As I said, in the years to come we are going to need every single cent that we can get. We want to finance the NDIS. We want to make sure that we have enough money in the PBS scheme to be able to ensure all Australians have access, as quickly as possible, to the new and wonderful drugs that are coming on stream—drugs to treat all types of cancers and blindness and diabetes. But the only way we can do it is if we run a lean and efficient government. That is why this parliament simply cannot pass up opportunities like this. We need to make sure that every cent that we can get goes into government coffers—firstly, to pay the interest repayments and, secondly, to start paying down the debt so that our kids, our grandkids and our great-grandkids are not inheriting this and are not going to have that debt and those interest repayments strung around their neck in decades to come. I commend the bill to the House.
Dr JENSEN (Tangney) (16:12): At the outset I commend the member for Hughes on his speech. It was not planned that we would be playing a bit of a tag team. I will get onto the issue of data integrity a little later on, which the member for Hughes spoke a bit about. This amendment to allow commercial advertising on the Bureau of Meteorology website is, in the main, something that should be welcomed. As the member for Hughes has pointed out, the previous government saddled us with a massive debt that needs to be repaid. The interest on that debt is $2,000 for a family of four every single year—just interest repayments. So finding new sources of sustainable revenue for government and creative ways of monetising long-run sunk investment is something that I specially welcome.

However, I do have concerns with respect to the specific text of the bill. I am principally concerned about the level of safeguards and oversight in the bill. I feel that, while it is undoubtedly a good thing to get more money into the bureau, this bill gives too much power to the director of the Bureau of Met. This is not to say that the current director of the Bureau of Met would use this legislation as something like an enabling piece of legislation or as a tool for nefarious purposes. But, in simple terms, this bill gives the director the final call when it comes to what advertising gets up on the Bureau of Meteorology website. On the face of it, that seems to be fair enough.

However, there is some quite insidious wording in the bill. Indeed, when looking over the parliamentary secretary's second reading speech on the issue, and the honourable member for Riverina confirmed my fears, there is the phrase 'in the bureau's interest'. Regulatory capture, rent-seeking behaviours and soft-touch self-regulation are things that do not serve the community interest. I put it to members of this place that, instead of reading 'the bureau's interest', the bill should make it explicitly clear that it needs to be in the community interest. Community interest may, and could, include groups of companies sceptical of climate change, which could be fairly described as a position that is not necessarily in the bureau's interest. For example, there are specific issues relating to data manipulation conducted by the Bureau of Meteorology that may be questioned by a body that chooses to advertise on the website. To explain: the data gathered from what are known as the ACORN-SAT sites, which are the designated sites from around Australia from which temperature and other data is collected—and these feed into Australian and global statistics—are processed using a term known as 'homogenisation'. It is these homogenised data, and not the raw data, that are then used for compiling the temperature data statistics. But is homogenised data a more correct representation of what is real than the raw data?

I went to the Bureau of Met in Melbourne to discuss this and some other issues. Based on this discussion, some interesting things came to light. These issues are very important when the Bureau of Meteorology starts talking about differences in records in mere hundredths of a degree as being significant. Take the case of thermometers. When an ACORN-SAT site is checked, the thermometer that is at that site is checked against a calibrated thermometer. If it is out by 0.3 degrees centigrade it is still designated as fit for purpose—an error which is much greater than the Bureau of Meteorology is claiming as significant.

The homogenisation itself has a trend. I asked the Bureau of Meteorology for the homogenised and raw data trends for each ACORN-SAT site. I also asked for the physical area that they covered to be able to apply a weighting factor for each site. I got the former, but not the latter. So assuming equal weighting, which was the only thing that I could do, the
homogenisation trend would be about 0.3 degrees centigrade for the last 100 years. In other words, if the raw data showed no warming whatsoever over the last century, the homogenised data would indicate that Australia is 0.3 degrees hotter today than it was 100 years ago. This homogenised data is generated using an algorithm comparing data from the ACORN-SAT site with sites that may be 1,000 kilometres away.

I looked at the specific case of Bourke and questioned them on the homogenisation used there. In particular, in the early and the mid-1950s there was a homogenisation in the temperature data increasing the temperature by around half a degree. In a very short space of time it is almost a straight line vertical of approximately half a degree. The problem is the Bureau of Met was unable to explain physically why this adjustment was made; it was just that the algorithm had done its thing. As a scientist, I would say that the first thing that should be asked is: 'What physical factor caused this?' If none can be found, the raw data should be used in preference to the processed data. The lack of curiosity—for want of other terminology—is very concerning. This indicates a predisposition to simply trust the computer models rather than accept the data. This is a problem because, after all, there are assumptions built into the computer models.

On a slight tangent, this is why I have called for an audit of the Bureau of Meteorology by the Bureau of Statistics. I was very concerned to find that there is only one formally trained statistician in the Bureau of Meteorology. The data and the statistical handling of that data is critical. An audit of the Bureau of Met's handling of the data and the methodologies that they use is very important. How would the Director of the Bureau of Met respond to advertising by a group that sought to point out and contest or contradict the Bureau of Meteorology's data and data handling?

A division having been called in the House of Representatives—

Sitting suspended from 16:20 to 16:39

Dr JENSEN: I have no doubt that they would determine that the advertising would be considered not in the bureau's interest. They could also determine that said advertising was misleading or deceptive. The problem with this is that the definitions, as spelled out in the explanatory memorandum, are too broad. What may not be in the Bureau of Meteorology's interest may very much be in the Commonwealth or national interest. The problem with the definitions as they stand is there appears to be an implicit assumption that what is in the Bureau of Meteorology's interest is also in the Commonwealth's interest and vice versa. This is not necessarily the case and this aspect needs some rethinking to ensure that it does not, by default of the potential bias of the organisation, become the antithesis of another point, which is advertising of a political nature. In other words, the decision not to allow some advertising may, in effect, become political in itself.

This bill originates from the 2011 Munro review whose modus operandi was to find new ways for the bureau to respond to extreme weather events in the future. New revenue sources could go a long way to address that goal. New money could be put to greater investments in IT and data collection systems. Moreover, new money could go a long way if invested in communications infrastructure. As with most things in government, finding a home for new money is never much of a problem. So, yes, I agree with the move to give clarity to the Bureau of Meteorology regarding advertising on its website. This move is overdue and should be replicated by other government agencies and departments. Information, viewer attention,
brand recognition and click loyalty are all very valuable resources that many government departments and agencies own but do not currently utilise.

In the current economic situation, it is welcome and necessary to see greater innovation and utilisation of capital. However, I am gravely concerned regarding the provision that is given to the director of the Bureau of Meteorology to reject advertising that causes offence. This bill is in many ways too prescriptive as to what cannot be included on the website or what groups can advertise on the Bureau of Meteorology's website. I am of the belief that we should open this opportunity up to as wide a potential pool as possible. The one caveat that I would have is around protecting the integrity and good name of the bureau and, consequently, the Australian government. The same belief goes for protecting scientific integrity. Scientific integrity, to my mind, means recognising other and all credible scientific voices in the community. This means recognising the legitimate concerns many in the community have regarding the Bureau of Meteorology's upward homogenisation of its datasets.

Perhaps one improvement to this bill would be a community interest charter that could inform how a director makes his or her call on what advertising gets up. In turn, if done correctly—in other words, through wide-ranging consultation with community stakeholders—this charter could then be rolled out to other government websites. This would save a great deal of time, money and energy in the long run as well as give certainty to future direction.

Mr HUNT (Flinders—Minister for the Environment) (16:43): May I thank all of the speakers who have contributed to this debate. May I particularly acknowledge the work of the parliamentary counsel and the departmental officers as well as my own staff and, most especially, the Parliamentary Secretary for the Environment, Senator Birmingham.

Recently, during the federal budget process, we were successful in securing for the Bureau of Meteorology funding support for a new super computer. The public might rightly ask what the purpose of this is. It massively expands the capacity of the bureau to deliver early warnings in the case of floods, fires, cyclones—the events which have been such a part of Australia's lived experience over the last thousands and thousands of years but events which will continue, on all the advice we have received from our own scientific agency, to be at risk of worsening either in frequency or intensity.

Against that background, this bill attempts to provide the Bureau of Meteorology with additional resources. It does so by tapping the public's desire to engage with the Bureau of Meteorology. It boosts the capacity of the Bureau of Meteorology and it boosts the capacity of the public to engage with the bureau.

In particular, the Bureau of Meteorology's website is one of Australia's most popular websites. It has over 470 million visits a year, and that continues to grow dramatically each year. It is a website trusted by Australians. It provides vital information to Australians on a daily basis, as I said at the start. Whether it is in relation to weather forecasts or warnings or assisting industries whose operations are reliant on, or impacted by, weather, it is a website that is used by a large proportion of Australians at some time, as they go about their daily business.

I am certain that for rural communities, the boating community, the transport and aviation community, holiday makers and those who are involved in weather dependent industries, the Bureau of Meteorology website is an almost daily source of vital information. Against that
background the bureau and its brand are of paramount importance. The maintenance of high-quality services is essential to the bureau and to the government. That is why we have invested in a super computer. That is why we are also taking steps to introduce the Meteorology Amendment (Online Advertising) Bill 2014—this bill—to amend the Meteorology Act 1955.

The government wants to provide certainty to ensure the Director of Meteorology's powers include advertising in connection with the Bureau of Meteorology services, and determine the types of advertising that the bureau displays. This particular bill ensures that the director has the power to prohibit advertising considered to be not in the Commonwealth's or the bureau's interests—advertising of things such as tobacco, alcohol, gambling, violence, weapons and advertising that has a sexual content as examples.

The bill ensures that any challenges from companies who wish to advertise wares that are not in line with the bureau's standards and the national interest are void. This bill will also remove any doubt and make it explicitly clear that the BOM can accept paid advertising. This allows the bureau to further diversify its sources of funding as was set out in the Munro review—as has been the consistent goal of governments of both persuasions. The bill therefore requires the Director of Meteorology to develop and publish guidelines on the types of advertising that the bureau will display. I am happy to guarantee that we will consult with members of this House, as has been requested by some during the course of this debate.

The parliamentary secretary, I am certain—I will speak to him to this effect—will so do. The Meteorology Amendment (Online Advertising) Bill 2014, amends the Meteorology Act. It will ensure that the bureau can act with surety in the decisions made in relation to advertising on its web site without compromising its standards or its services. I commend the bill to the House.

Question agreed to.

Bill read a second time.

Ordered that this bill be reported to the House without amendment.

Federation Chamber adjourned at 16:50