**INTERNET**


Proof and Official Hansards for the House of Representatives, the Senate and committee hearings are available at http://www.aph.gov.au/hansard

For searching purposes use http://parlinfo.aph.gov.au

**SITTING DAYS—2012**

<table>
<thead>
<tr>
<th>Month</th>
<th>Date</th>
</tr>
</thead>
<tbody>
<tr>
<td>February</td>
<td>7, 8, 9, 13, 14,15,16, 27, 28, 29</td>
</tr>
<tr>
<td>March</td>
<td>1, 13, 14, 15, 19, 20, 21, 22</td>
</tr>
<tr>
<td>May</td>
<td>8, 9, 10, 21, 22, 23, 24, 28, 29, 30, 31</td>
</tr>
<tr>
<td>June</td>
<td>18, 19, 20, 21, 25, 26, 27, 28</td>
</tr>
<tr>
<td>August</td>
<td>14, 15, 16, 20, 21, 22, 23</td>
</tr>
<tr>
<td>September</td>
<td>10, 11, 12, 13, 17, 18, 19, 20</td>
</tr>
<tr>
<td>October</td>
<td>9, 10, 11, 29, 30, 31,</td>
</tr>
<tr>
<td>November</td>
<td>1, 26, 27, 28, 29</td>
</tr>
</tbody>
</table>

**RADIO BROADCASTS**

Broadcasts of proceedings of the Parliament can be heard on ABC NewsRadio in the capital cities on:

- ADELAIDE 972AM
- BRISBANE 936AM
- CANBERRA 103.9FM
- DARWIN 102.5FM
- HOBART 747AM
- MELBOURNE 1026AM
- PERTH 585AM
- SYDNEY 630AM

For information regarding frequencies in other locations please visit http://www.abc.net.au/newsradio/listen/frequencies.htm
FORTY-THIRD PARLIAMENT
FIRST SESSION—SEVENTH PERIOD

Her Excellency Ms Quentin Bryce, Companion of the Order of Australia

House of Representatives Office holders

Speaker—Hon. Peter Neil Slipper MP
Deputy Speaker—Ms Anna Elizabeth Burke MP
Second Deputy Speaker—Hon. Bruce Craig Scott MP

Members of the Speaker’s Panel—Hon. Dick Godfrey Harry Adams MP,
Mrs Yvette Maree D’Ath MP, Mr Steven Georganas MP, Ms Sharon Joy Grierson MP,
Dr Andrew Keith Leigh MP, Ms Kirsten Fiona Livermore MP,
Mr Geoffrey Raymond Lyons MP, Mr Robert George Mitchell MP, Mr John Paul Murphy MP,
Mr Robert James Murray Oakeshott MP, Ms Deborah Mary O’Neill MP,
Ms Amanda Louise Rishworth MP, Mr Michael Stuart Symon MP,
Mr Kelvin John Thomson MP, Ms Maria Vamvakinou MP,
Mr Anthony Harold Curties Windsor MP

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

Party Leaders and Whips

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

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

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

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

<table>
<thead>
<tr>
<th>Members</th>
<th>Division</th>
<th>Party</th>
</tr>
</thead>
<tbody>
<tr>
<td>Abbott, Hon. Anthony John</td>
<td>Warringah, NSW</td>
<td>LP</td>
</tr>
<tr>
<td>Adams, Hon. Dick Godfrey Harry</td>
<td>Lyons, TAS</td>
<td>ALP</td>
</tr>
<tr>
<td>Albanese, Hon. Anthony Norman</td>
<td>Grayndler, NSW</td>
<td>ALP</td>
</tr>
<tr>
<td>Alexander, John Gilbert</td>
<td>Bennelong, NSW</td>
<td>LP</td>
</tr>
<tr>
<td>Andrews, Hon. Kevin James</td>
<td>Menzies, VIC</td>
<td>LP</td>
</tr>
<tr>
<td>Andrews, Karen Lesley</td>
<td>McPherson, QLD</td>
<td>LP</td>
</tr>
<tr>
<td>Baldwin, Hon. Robert Charles</td>
<td>Paterson, NSW</td>
<td>LP</td>
</tr>
<tr>
<td>Bandt, Adam Paul</td>
<td>Melbourne, VIC</td>
<td>AG</td>
</tr>
<tr>
<td>Billson, Hon. Bruce Fredrick</td>
<td>Dunkley, VIC</td>
<td>LP</td>
</tr>
<tr>
<td>Bird, Sharon Leah</td>
<td>Cunningham, NSW</td>
<td>ALP</td>
</tr>
<tr>
<td>Bishop, Hon. Bronwyn Kathleen</td>
<td>Mackellar, NSW</td>
<td>LP</td>
</tr>
<tr>
<td>Bishop, Hon. Julie Isabel</td>
<td>Curtin, WA</td>
<td>LP</td>
</tr>
<tr>
<td>Bowen, Hon. Christopher Eyles</td>
<td>McMahon, NSW</td>
<td>ALP</td>
</tr>
<tr>
<td>Bradbury, Hon. David John</td>
<td>Lindsay, NSW</td>
<td>ALP</td>
</tr>
<tr>
<td>Briggs, Jamie Edward</td>
<td>Mayo, SA</td>
<td>LP</td>
</tr>
<tr>
<td>Broadbent, Russell Evan</td>
<td>McMillan, VIC</td>
<td>LP</td>
</tr>
<tr>
<td>Brodtmann, Gai Marie</td>
<td>Canberra, ACT</td>
<td>ALP</td>
</tr>
<tr>
<td>Buchholz, Scott Andrew</td>
<td>Wright, QLD</td>
<td>LP</td>
</tr>
<tr>
<td>Burke, Anna Elizabeth</td>
<td>Chisholm, VIC</td>
<td>ALP</td>
</tr>
<tr>
<td>Burke, Hon. Anthony Stephen</td>
<td>Watson, NSW</td>
<td>ALP</td>
</tr>
<tr>
<td>Butler, Hon. Mark Christopher</td>
<td>Port Adelaide, SA</td>
<td>ALP</td>
</tr>
<tr>
<td>Byrne, Hon. Anthony Michael</td>
<td>Holt, VIC</td>
<td>ALP</td>
</tr>
<tr>
<td>Champion, Nicholas David</td>
<td>Wakefield, SA</td>
<td>ALP</td>
</tr>
<tr>
<td>Cheeseman, Darren Leicester</td>
<td>Corangamite, VIC</td>
<td>ALP</td>
</tr>
<tr>
<td>Chester, Darren</td>
<td>Gippsland, VIC</td>
<td>Nats</td>
</tr>
<tr>
<td>Christensen, George Robert</td>
<td>Dawson, QLD</td>
<td>Nats</td>
</tr>
<tr>
<td>Ciobo, Steven Michele</td>
<td>Moncrieff, QLD</td>
<td>LP</td>
</tr>
<tr>
<td>Clare, Hon. Jason Dean</td>
<td>Blaxland, NSW</td>
<td>ALP</td>
</tr>
<tr>
<td>Cobb, Hon. John Kenneth</td>
<td>Calare, NSW</td>
<td>Nats</td>
</tr>
<tr>
<td>Collins, Hon. Julie Maree</td>
<td>Franklin, TAS</td>
<td>ALP</td>
</tr>
<tr>
<td>Combet, Hon. Greg Ivan, AM</td>
<td>Charlton, NSW</td>
<td>ALP</td>
</tr>
<tr>
<td>Coulton, Mark Maclean</td>
<td>Parkes, NSW</td>
<td>Nats</td>
</tr>
<tr>
<td>Cream, Hon. Simon Findlay</td>
<td>Hotham, VIC</td>
<td>ALP</td>
</tr>
<tr>
<td>Crook, Anthony John</td>
<td>O'Connor, WA</td>
<td>NWA</td>
</tr>
<tr>
<td>Danby, Michael David</td>
<td>Melbourne Ports, VIC</td>
<td>ALP</td>
</tr>
<tr>
<td>D'Ath, Yvette Maree</td>
<td>Petrie, QLD</td>
<td>ALP</td>
</tr>
<tr>
<td>Dreyfus, Hon. Mark Alfred, QC</td>
<td>Isaacs, VIC</td>
<td>ALP</td>
</tr>
<tr>
<td>Dutton, Hon. Peter Craig</td>
<td>Dickson, QLD</td>
<td>LP</td>
</tr>
<tr>
<td>Elliott, Hon. Maria Justine</td>
<td>Richmond, NSW</td>
<td>ALP</td>
</tr>
<tr>
<td>Ellis, Hon. Katherine Margaret</td>
<td>Adelaide, SA</td>
<td>ALP</td>
</tr>
<tr>
<td>Emerson, Hon. Craig Anthony</td>
<td>Rankin, QLD</td>
<td>ALP</td>
</tr>
<tr>
<td>Entsch, Warren George</td>
<td>Leichhardt, QLD</td>
<td>LP</td>
</tr>
<tr>
<td>Ferguson, Hon. Laurie Donald Thomas</td>
<td>Werriwa, NSW</td>
<td>ALP</td>
</tr>
<tr>
<td>Ferguson, Hon. Martin John, AM</td>
<td>Batman, VIC</td>
<td>ALP</td>
</tr>
<tr>
<td>Fitzgibbon, Hon. Joel Andrew</td>
<td>Hunter, NSW</td>
<td>ALP</td>
</tr>
<tr>
<td>Fletcher, Paul William</td>
<td>Bradfield, NSW</td>
<td>LP</td>
</tr>
<tr>
<td>Forrest, John Alexander</td>
<td>Mallee, VIC</td>
<td>Nats</td>
</tr>
<tr>
<td>Frydenberg, Joshua Anthony</td>
<td>Kooyong, VIC</td>
<td>LP</td>
</tr>
<tr>
<td>Members</td>
<td>Division</td>
<td>Party</td>
</tr>
<tr>
<td>-------------------------------</td>
<td>-------------------</td>
<td>---------</td>
</tr>
<tr>
<td>Gambaro, Hon. Teresa</td>
<td>Brisbane, QLD</td>
<td>LP</td>
</tr>
<tr>
<td>Garrett, Hon. Peter Robert, AM</td>
<td>Kingsford Smith, NSW</td>
<td>ALP</td>
</tr>
<tr>
<td>Gash, Joanna</td>
<td>Gilmore, NSW</td>
<td>LP</td>
</tr>
<tr>
<td>Georganas, Steve</td>
<td>Hindmarsh, SA</td>
<td>ALP</td>
</tr>
<tr>
<td>Gibbons, Stephen William</td>
<td>Bendigo, VIC</td>
<td>ALP</td>
</tr>
<tr>
<td>Gillard, Hon. Julia Eileen</td>
<td>Lalor, VIC</td>
<td>ALP</td>
</tr>
<tr>
<td>Gray, Hon. Gary, AO</td>
<td>Brand, WA</td>
<td>ALP</td>
</tr>
<tr>
<td>Grierson, Sharon Joy</td>
<td>Newcastle, NSW</td>
<td>ALP</td>
</tr>
<tr>
<td>Griffin, Hon. Alan Peter</td>
<td>Bruce, VIC</td>
<td>ALP</td>
</tr>
<tr>
<td>Griggs, Natasha Louise</td>
<td>Solomon, NT</td>
<td>CLP</td>
</tr>
<tr>
<td>Haase, Barry Wayne</td>
<td>Durack, WA</td>
<td>LP</td>
</tr>
<tr>
<td>Hall, Jill</td>
<td>Shortland, NSW</td>
<td>ALP</td>
</tr>
<tr>
<td>Hartsuyker, Luke</td>
<td>Cowper, NSW</td>
<td>Nats</td>
</tr>
<tr>
<td>Hawke, Alexander George</td>
<td>Mitchell, NSW</td>
<td>LP</td>
</tr>
<tr>
<td>Hayes, Christopher Patrick</td>
<td>Fowler, NSW</td>
<td>ALP</td>
</tr>
<tr>
<td>Hockey, Hon. Joseph Benedict</td>
<td>North Sydney, NSW</td>
<td>LP</td>
</tr>
<tr>
<td>Hunt, Hon. Gregory Andrew</td>
<td>Flinders, VIC</td>
<td>LP</td>
</tr>
<tr>
<td>Husic, Edham Nurreddin</td>
<td>Chifley, NSW</td>
<td>ALP</td>
</tr>
<tr>
<td>Irons, Stephen James</td>
<td>Swan, WA</td>
<td>LP</td>
</tr>
<tr>
<td>Jenkins, Harry Alfred</td>
<td>Scullin, VIC</td>
<td>ALP</td>
</tr>
<tr>
<td>Jensen, Dennis Geoffrey</td>
<td>Tangney, WA</td>
<td>LP</td>
</tr>
<tr>
<td>Jones, Stephen Patrick</td>
<td>Throsby, NSW</td>
<td>ALP</td>
</tr>
<tr>
<td>Jones, Ewen Thomas</td>
<td>Herbert, QLD</td>
<td>LP</td>
</tr>
<tr>
<td>Katter, Hon. Robert Carl</td>
<td>Kennedy, QLD</td>
<td>Ind</td>
</tr>
<tr>
<td>Keenan, Michael Fayat</td>
<td>Stirling, WA</td>
<td>LP</td>
</tr>
<tr>
<td>Kelly, Hon. Michael Joseph, AM</td>
<td>Eden-Monaro, NSW</td>
<td>ALP</td>
</tr>
<tr>
<td>Kelly, Craig</td>
<td>Hughes, NSW</td>
<td>LP</td>
</tr>
<tr>
<td>King, Hon. Catherine Fiona</td>
<td>Ballarat, VIC</td>
<td>ALP</td>
</tr>
<tr>
<td>Laming, Andrew Charles</td>
<td>Bowman, QLD</td>
<td>LP</td>
</tr>
<tr>
<td>Leigh, Andrew Keith</td>
<td>Fraser, ACT</td>
<td>ALP</td>
</tr>
<tr>
<td>Ley, Hon. Sussan Penelope</td>
<td>Farrer, NSW</td>
<td>LP</td>
</tr>
<tr>
<td>Livermore, Kirsten Fiona</td>
<td>Capricornia, QLD</td>
<td>ALP</td>
</tr>
<tr>
<td>Lyons, Geoffrey Raymond</td>
<td>Bass, TAS</td>
<td>ALP</td>
</tr>
<tr>
<td>McClelland, Hon. Robert Bruce</td>
<td>Barton, NSW</td>
<td>ALP</td>
</tr>
<tr>
<td>Macfarlane, Hon. Ian Elgin</td>
<td>Groom, QLD</td>
<td>LP</td>
</tr>
<tr>
<td>Macklin, Hon. Jennifer Louise</td>
<td>Jagajaga, VIC</td>
<td>ALP</td>
</tr>
<tr>
<td>Marino, Nola Bethwyn</td>
<td>Forrest, WA</td>
<td>LP</td>
</tr>
<tr>
<td>Markus, Louise Elizabeth</td>
<td>Macquarie, NSW</td>
<td>LP</td>
</tr>
<tr>
<td>Marles, Hon. Richard Donald</td>
<td>Corio, VIC</td>
<td>ALP</td>
</tr>
<tr>
<td>Matheson, Russell Glenn</td>
<td>Macarthur, NSW</td>
<td>LP</td>
</tr>
<tr>
<td>McCormack, Michael</td>
<td>Riverina, NSW</td>
<td>Nats</td>
</tr>
<tr>
<td>Melham, Daryl</td>
<td>Banks, NSW</td>
<td>ALP</td>
</tr>
<tr>
<td>Mirabella, Sophie</td>
<td>Indi, VIC</td>
<td>LP</td>
</tr>
<tr>
<td>Mitchell, Robert George</td>
<td>McEwen, VIC</td>
<td>ALP</td>
</tr>
<tr>
<td>Morrison, Scott John</td>
<td>Cook, NSW</td>
<td>LP</td>
</tr>
<tr>
<td>Moylan, Hon. Judith Eleanor</td>
<td>Pearce, WA</td>
<td>LP</td>
</tr>
<tr>
<td>Murphy, Hon. John Paul</td>
<td>Reid, NSW</td>
<td>ALP</td>
</tr>
<tr>
<td>Neumann, Shayne Kenneth</td>
<td>Blair, QLD</td>
<td>ALP</td>
</tr>
<tr>
<td>Members</td>
<td>Division</td>
<td>Party</td>
</tr>
<tr>
<td>---------------------------------</td>
<td>-----------------</td>
<td>-------</td>
</tr>
<tr>
<td>Neville, Paul Christopher</td>
<td>Hinkler, QLD</td>
<td>Nats</td>
</tr>
<tr>
<td>Oakeshott, Robert James Murray</td>
<td>Lyne, NSW</td>
<td>Ind</td>
</tr>
<tr>
<td>O'Connor, Hon. Brendan Patrick</td>
<td>Higgins, VIC</td>
<td>LP</td>
</tr>
<tr>
<td>O'Dowd, Kenneth Desmond</td>
<td>Flynn, QLD</td>
<td>Nats</td>
</tr>
<tr>
<td>O'Neill, Deborah Mary</td>
<td>Robertson, NSW</td>
<td>ALP</td>
</tr>
<tr>
<td>Owens, Julie Ann</td>
<td>Parramatta, NSW</td>
<td>ALP</td>
</tr>
<tr>
<td>Parke, Melissa</td>
<td>Fremantle, WA</td>
<td>ALP</td>
</tr>
<tr>
<td>Perrett, Graham Douglas</td>
<td>Moreton, QLD</td>
<td>ALP</td>
</tr>
<tr>
<td>Plibersek, Hon. Tanya Joan</td>
<td>Sydney, NSW</td>
<td>ALP</td>
</tr>
<tr>
<td>Prentice, Jane</td>
<td>Ryan, QLD</td>
<td>LP</td>
</tr>
<tr>
<td>Pyne, Hon. Christopher Maurice</td>
<td>Sturt, SA</td>
<td>LP</td>
</tr>
<tr>
<td>Ramsey, Rowan Eric</td>
<td>Grey, SA</td>
<td>LP</td>
</tr>
<tr>
<td>Randall, Don James</td>
<td>Canning, WA</td>
<td>LP</td>
</tr>
<tr>
<td>Ripoll, Bernard Fernand</td>
<td>Oxley, QLD</td>
<td>ALP</td>
</tr>
<tr>
<td>Rishworth, Amanda Louise</td>
<td>Kingston, SA</td>
<td>ALP</td>
</tr>
<tr>
<td>Robb, Hon. Andrew John, AO</td>
<td>Goldstein, VIC</td>
<td>LP</td>
</tr>
<tr>
<td>Robert, Stuart Rowland</td>
<td>Fadden, QLD</td>
<td>LP</td>
</tr>
<tr>
<td>Rowland, Michelle</td>
<td>Greenway, NSW</td>
<td>ALP</td>
</tr>
<tr>
<td>Roxon, Hon. Nicola Louise</td>
<td>Gellibrand, VIC</td>
<td>ALP</td>
</tr>
<tr>
<td>Roy, Wyatt Beau</td>
<td>Longman, QLD</td>
<td>LP</td>
</tr>
<tr>
<td>Rudd, Hon. Kevin Michael</td>
<td>Griffith, QLD</td>
<td>ALP</td>
</tr>
<tr>
<td>Ruddock, Hon. Philip Maxwell</td>
<td>Berowra, NSW</td>
<td>LP</td>
</tr>
<tr>
<td>Saffin, Janelle Anne</td>
<td>Page, NSW</td>
<td>ALP</td>
</tr>
<tr>
<td>Schultz, Albert John</td>
<td>Hume, NSW</td>
<td>LP</td>
</tr>
<tr>
<td>Scott, Hon. Bruce Craig</td>
<td>Maranoa, QLD</td>
<td>Nats</td>
</tr>
<tr>
<td>Secker, Patrick Damien</td>
<td>Barker, SA</td>
<td>LP</td>
</tr>
<tr>
<td>Shorten, Hon. William Richard</td>
<td>Mariibyrnong, VIC</td>
<td>ALP</td>
</tr>
<tr>
<td>Sidebottom, Peter Sid</td>
<td>Braddon, TAS</td>
<td>ALP</td>
</tr>
<tr>
<td>Simpkins, Luke Xavier Linton</td>
<td>Cowan, WA</td>
<td>LP</td>
</tr>
<tr>
<td>Slipper, Hon. Peter Neil</td>
<td>Fisher, QLD</td>
<td>Ind</td>
</tr>
<tr>
<td>Smith, Hon. Anthony David Hawthorn</td>
<td>Casey, VIC</td>
<td>LP</td>
</tr>
<tr>
<td>Smith, Hon. Stephen Francis</td>
<td>Perth, WA</td>
<td>ALP</td>
</tr>
<tr>
<td>Smyth, Laura Mary</td>
<td>La Trobe, VIC</td>
<td>ALP</td>
</tr>
<tr>
<td>Snowden, Hon. Warren Edward</td>
<td>Lingiari, NT</td>
<td>ALP</td>
</tr>
<tr>
<td>Somlyay, Hon. Alexander Michael</td>
<td>Fairfax, QLD</td>
<td>LP</td>
</tr>
<tr>
<td>Southcott, Andrew John</td>
<td>Boothby, SA</td>
<td>LP</td>
</tr>
<tr>
<td>Stone, Hon. Sharman Nancy</td>
<td>Murray, VIC</td>
<td>LP</td>
</tr>
<tr>
<td>Swan, Hon. Wayne Maxwell</td>
<td>Lilley, QLD</td>
<td>ALP</td>
</tr>
<tr>
<td>Symon, Michael Stuart</td>
<td>Deakin, VIC</td>
<td>ALP</td>
</tr>
<tr>
<td>Tehan, Daniel Thomas</td>
<td>Wannon, VIC</td>
<td>LP</td>
</tr>
<tr>
<td>Thomson, Craig Robert</td>
<td>Dobell, NSW</td>
<td>Ind</td>
</tr>
<tr>
<td>Thomson, Kelvin John</td>
<td>Wills, VIC</td>
<td>ALP</td>
</tr>
<tr>
<td>Truss, Hon. Warren Errol</td>
<td>Wide Bay, QLD</td>
<td>Nats</td>
</tr>
<tr>
<td>Tudge, Alan Edward</td>
<td>Aston, VIC</td>
<td>LP</td>
</tr>
<tr>
<td>Turnbull, Hon. Malcolm Bligh</td>
<td>Wentworth, NSW</td>
<td>LP</td>
</tr>
<tr>
<td>Vamvakinou, Maria</td>
<td>Calwell, VIC</td>
<td>ALP</td>
</tr>
<tr>
<td>Van Manen, Albertus Johannes</td>
<td>Forde, QLD</td>
<td>LP</td>
</tr>
</tbody>
</table>
Members of the House of Representatives

<table>
<thead>
<tr>
<th>Members</th>
<th>Division</th>
<th>Party</th>
</tr>
</thead>
<tbody>
<tr>
<td>Vasta, Ross Xavier</td>
<td>Bonner, QLD</td>
<td>LP</td>
</tr>
<tr>
<td>Washer, Malcolm James</td>
<td>Moore, WA</td>
<td>LP</td>
</tr>
<tr>
<td>Wilkie, Andrew Damien</td>
<td>Denison, TAS</td>
<td>Ind</td>
</tr>
<tr>
<td>Windsor, Anthony Harold Curties</td>
<td>New England, NSW</td>
<td>Ind</td>
</tr>
<tr>
<td>Wyatt, Kenneth George</td>
<td>Hasluck, WA</td>
<td>LP</td>
</tr>
<tr>
<td>Zappia, Tony</td>
<td>Makin, SA</td>
<td>ALP</td>
</tr>
</tbody>
</table>

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

Heads of Parliamentary Departments
Clerk of the Senate—R Laing
Clerk of the House of Representatives—B Wright
Secretary, Department of Parliamentary Services—C Mills
<table>
<thead>
<tr>
<th>Title</th>
<th>Minister</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Prime Minister</strong></td>
<td>The Hon Julia Gillard MP</td>
</tr>
<tr>
<td><strong>Minister Assisting the Prime Minister on Digital Productivity</strong></td>
<td>Senator the Hon Stephen Conroy</td>
</tr>
<tr>
<td><strong>Minister for Social Inclusion</strong></td>
<td>The Hon Mark Butler MP</td>
</tr>
<tr>
<td><strong>Minister Assisting the Prime Minister on Mental Health Reform</strong></td>
<td>The Hon Mark Butler MP</td>
</tr>
<tr>
<td><strong>Minister for the Public Service and Integrity</strong></td>
<td>The Hon Gary Gray AO MP</td>
</tr>
<tr>
<td><strong>Minister Assisting the Prime Minister on the Centenary of ANZAC</strong></td>
<td>The Hon Warren Snowdon MP</td>
</tr>
<tr>
<td><strong>Cabinet Secretary</strong></td>
<td>The Hon Mark Dreyfus QC MP</td>
</tr>
<tr>
<td><strong>Parliamentary Secretary to the Prime Minister</strong></td>
<td>Senator the Hon Jan McLucas</td>
</tr>
<tr>
<td><strong>Treasurer</strong></td>
<td>The Hon Wayne Swan MP</td>
</tr>
<tr>
<td>(Deputy Prime Minister)</td>
<td></td>
</tr>
<tr>
<td><strong>Minister for Financial Services and Superannuation</strong></td>
<td>The Hon Bill Shorten MP</td>
</tr>
<tr>
<td><strong>Assistant Treasurer</strong></td>
<td>The Hon David Bradbury MP</td>
</tr>
<tr>
<td><strong>Parliamentary Secretary to the Treasurer</strong></td>
<td>The Hon Bernie Ripoll MP</td>
</tr>
<tr>
<td><strong>Minister for Tertiary Education, Skills, Science and Research</strong></td>
<td>Senator the Hon Chris Evans</td>
</tr>
<tr>
<td>(Leader of the Government in the Senate)</td>
<td></td>
</tr>
<tr>
<td><strong>Minister for Industry and Innovation</strong></td>
<td>The Hon Greg Combet AM MP</td>
</tr>
<tr>
<td><strong>Minister for Small Business</strong></td>
<td>The Hon Brendan O'Connor MP</td>
</tr>
<tr>
<td><strong>Minister Assisting for Industry and Innovation</strong></td>
<td>Senator the Hon Kate Lundy</td>
</tr>
<tr>
<td><strong>Parliamentary Secretary for Industry and Innovation</strong></td>
<td>The Hon Mark Dreyfus QC MP</td>
</tr>
<tr>
<td><strong>Parliamentary Secretary for Higher Education and Skills</strong></td>
<td>The Hon Sharon Bird MP</td>
</tr>
<tr>
<td><strong>Minister for Broadband, Communications and the Digital Economy</strong></td>
<td>Senator the Hon Stephen Conroy</td>
</tr>
<tr>
<td>(Deputy Leader of the Government in the Senate)</td>
<td></td>
</tr>
<tr>
<td><strong>Minister for Regional Australia, Regional Development and Local Government</strong></td>
<td>The Hon Simon Crean MP</td>
</tr>
<tr>
<td><strong>Minister for the Arts</strong></td>
<td>The Hon Simon Crean MP</td>
</tr>
<tr>
<td><strong>Minister for Sport</strong></td>
<td>Senator the Hon Kate Lundy</td>
</tr>
<tr>
<td><strong>Minister for Defence</strong></td>
<td>The Hon Stephen Smith MP</td>
</tr>
<tr>
<td>(Deputy Leader of the House)</td>
<td></td>
</tr>
<tr>
<td><strong>Minister for Defence Materiel</strong></td>
<td>The Hon Jason Clare MP</td>
</tr>
<tr>
<td><strong>Minister for Veterans' Affairs</strong></td>
<td>The Hon Warren Snowdon MP</td>
</tr>
<tr>
<td><strong>Minister for Defence Science and Personnel</strong></td>
<td>The Hon Warren Snowdon MP</td>
</tr>
<tr>
<td><strong>Parliamentary Secretary for Defence</strong></td>
<td>The Hon Dr Mike Kelly AM MP</td>
</tr>
<tr>
<td><strong>Parliamentary Secretary for Defence</strong></td>
<td>Senator the Hon David Feeney</td>
</tr>
<tr>
<td><strong>Minister for Immigration and Citizenship</strong></td>
<td>The Hon Chris Bowen MP</td>
</tr>
<tr>
<td><strong>Minister for Multicultural Affairs</strong></td>
<td>Senator the Hon Kate Lundy</td>
</tr>
<tr>
<td><strong>Minister for Infrastructure and Transport</strong></td>
<td>The Hon Anthony Albanese MP</td>
</tr>
<tr>
<td>(Leader of the House)</td>
<td></td>
</tr>
<tr>
<td><strong>Parliamentary Secretary for Infrastructure and Transport</strong></td>
<td>The Hon Catherine King MP</td>
</tr>
<tr>
<td><strong>Attorney-General</strong></td>
<td>The Hon Nicola Roxon MP</td>
</tr>
<tr>
<td><strong>Minister for Emergency Management</strong></td>
<td>The Hon Nicola Roxon MP</td>
</tr>
<tr>
<td><strong>Minister Assisting on Queensland Floods Recovery</strong></td>
<td>Senator the Hon Joe Ludwig</td>
</tr>
<tr>
<td><strong>Minister for Home Affairs</strong></td>
<td>The Hon Jason Clare MP</td>
</tr>
<tr>
<td><strong>Minister for Justice</strong></td>
<td>The Hon Jason Clare MP</td>
</tr>
<tr>
<td>Title</td>
<td>Minister</td>
</tr>
<tr>
<td>----------------------------------------------------------------------</td>
<td>-----------------------------------------------</td>
</tr>
<tr>
<td>Minister for Families, Community Services and Indigenous Affairs</td>
<td>The Hon Jenny Macklin MP</td>
</tr>
<tr>
<td>Minister for Disability Reform</td>
<td>The Hon Jenny Macklin MP</td>
</tr>
<tr>
<td>Minister for Housing</td>
<td>The Hon Brendan O'Connor MP</td>
</tr>
<tr>
<td>Minister for Homelessness</td>
<td>The Hon Brendan O'Connor MP</td>
</tr>
<tr>
<td>Minister for Community Services</td>
<td>The Hon Julie Collins MP</td>
</tr>
<tr>
<td>Minister for the Status of Women</td>
<td>The Hon Julie Collins MP</td>
</tr>
<tr>
<td>Parliamentary Secretary for Disabilities and Carers</td>
<td>Senator the Hon Jan McLucas</td>
</tr>
<tr>
<td>Minister for Foreign Affairs</td>
<td>Senator the Hon Bob Carr</td>
</tr>
<tr>
<td>Minister for Trade and Competitiveness</td>
<td>The Hon Dr Craig Emerson MP</td>
</tr>
<tr>
<td>Parliamentary Secretary for Trade</td>
<td>The Hon Justine Elliot MP</td>
</tr>
<tr>
<td>Parliamentary Secretary for Pacific Island Affairs</td>
<td>The Hon Richard Marles MP</td>
</tr>
<tr>
<td>Parliamentary Secretary for Foreign Affairs</td>
<td>The Hon Richard Marles MP</td>
</tr>
<tr>
<td>Minister for Sustainability, Environment, Water, Population and</td>
<td>The Hon Tony Burke MP</td>
</tr>
<tr>
<td>Communities (Vice-President of the Executive Council)</td>
<td></td>
</tr>
<tr>
<td>Parliamentary Secretary for Sustainability and Urban Water</td>
<td>Senator the Hon Don Farrell</td>
</tr>
<tr>
<td>Minister for Finance and Deregulation</td>
<td>Senator the Hon Penny Wong</td>
</tr>
<tr>
<td>Special Minister of State</td>
<td>The Hon Gary Gray AO MP</td>
</tr>
<tr>
<td>Minister Assisting for Deregulation</td>
<td>The Hon David Bradbury MP</td>
</tr>
<tr>
<td>Minister for School Education, Early Childhood and Youth</td>
<td>The Hon Peter Garrett AM MP</td>
</tr>
<tr>
<td>Minister for Employment and Workplace Relations</td>
<td>The Hon Bill Shorten MP</td>
</tr>
<tr>
<td>Minister for Early Childhood and Childcare</td>
<td>The Hon Kate Ellis MP</td>
</tr>
<tr>
<td>Minister for Employment Participation</td>
<td>The Hon Kate Ellis MP</td>
</tr>
<tr>
<td>Minister for Indigenous Employment and Economic Development</td>
<td>The Hon Julie Collins MP</td>
</tr>
<tr>
<td>Parliamentary Secretary for School Education and Workplace Relations</td>
<td>Senator the Hon Jacinta Collins</td>
</tr>
<tr>
<td>(Manager of Government Business in the Senate)</td>
<td></td>
</tr>
<tr>
<td>Minister for Agriculture, Fisheries and Forestry</td>
<td>Senator the Hon Joe Ludwig</td>
</tr>
<tr>
<td>Parliamentary Secretary for Agriculture, Fisheries and Forestry</td>
<td>The Hon Sid Sidebottom MP</td>
</tr>
<tr>
<td>Minister for Resources and Energy</td>
<td>The Hon Martin Ferguson AM MP</td>
</tr>
<tr>
<td>Minister for Tourism</td>
<td>The Hon Greg Combet AM MP</td>
</tr>
<tr>
<td>Minister for Climate Change and Energy Efficiency</td>
<td>The Hon Mark Dreyfus QC MP</td>
</tr>
<tr>
<td>Parliamentary Secretary for Climate Change and Energy Efficiency</td>
<td></td>
</tr>
<tr>
<td>Minister for Health</td>
<td>The Hon Tanya Plibersek MP</td>
</tr>
<tr>
<td>Minister for Mental Health and Ageing</td>
<td>The Hon Mark Butler MP</td>
</tr>
<tr>
<td>Minister for Indigenous Health</td>
<td>The Hon Warren Snowden MP</td>
</tr>
<tr>
<td>Parliamentary Secretary for Health and Ageing</td>
<td>The Hon Catherine King MP</td>
</tr>
<tr>
<td>Minister for Human Services</td>
<td>Senator the Hon Kim Carr</td>
</tr>
</tbody>
</table>
# SHADOW MINISTRY

<table>
<thead>
<tr>
<th>Title</th>
<th>Shadow Minister</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Leader of the Opposition</strong></td>
<td>The Hon Tony Abbott MP</td>
</tr>
<tr>
<td>Shadow Parliamentary Secretary Assisting the Leader of the Opposition</td>
<td>Senator Cory Bernardi</td>
</tr>
<tr>
<td><strong>Shadow Minister for Foreign Affairs</strong></td>
<td>The Hon Julie Bishop MP</td>
</tr>
<tr>
<td><strong>Shadow Minister for Trade</strong></td>
<td>The Hon Julie Bishop MP</td>
</tr>
<tr>
<td>(Deputy Leader of the Opposition)</td>
<td></td>
</tr>
<tr>
<td>Shadow Parliamentary Secretary for International Development Assistance</td>
<td>The Hon Teresa Gambaro MP</td>
</tr>
<tr>
<td><strong>Shadow Minister for Infrastructure and Transport</strong></td>
<td>The Hon Warren Truss MP</td>
</tr>
<tr>
<td>(Leader of The Nationals)</td>
<td></td>
</tr>
<tr>
<td>Shadow Parliamentary Secretary for Roads and Regional Transport</td>
<td>Mr Darren Chester MP</td>
</tr>
<tr>
<td><strong>Shadow Minister for Employment and Workplace Relations</strong></td>
<td>Senator the Hon Eric Abetz</td>
</tr>
<tr>
<td>(Leader of the Opposition in the Senate)</td>
<td></td>
</tr>
<tr>
<td>Shadow Minister for Employment Participation</td>
<td>The Hon Sussan Ley MP</td>
</tr>
<tr>
<td><strong>Shadow Attorney-General</strong></td>
<td>Senator the Hon George Brandis SC</td>
</tr>
<tr>
<td><strong>Shadow Minister for the Arts</strong></td>
<td>Senator the Hon George Brandis SC</td>
</tr>
<tr>
<td>(Deputy Leader of the Opposition in the Senate)</td>
<td></td>
</tr>
<tr>
<td>Shadow Minister for Justice, Customs and Border Protection</td>
<td>Mr Michael Keenan MP</td>
</tr>
<tr>
<td>Shadow Parliamentary Secretary to the Shadow Attorney-General</td>
<td>Senator Gary Humphries</td>
</tr>
<tr>
<td><strong>Shadow Treasurer</strong></td>
<td>The Hon Joe Hockey MP</td>
</tr>
<tr>
<td>Shadow Assistant Treasurer and Shadow Minister for Financial Services and Superannuation</td>
<td>Senator Mathias Cormann</td>
</tr>
<tr>
<td><strong>Shadow Minister for Education, Apprenticeships and Training</strong></td>
<td>Senator Mathias Cormann</td>
</tr>
<tr>
<td>(Manager of Opposition Business in the House)</td>
<td></td>
</tr>
<tr>
<td>Shadow Minister for Childcare and Early Childhood Learning</td>
<td>The Hon Sussan Ley MP</td>
</tr>
<tr>
<td>Shadow Minister for Universities and Research</td>
<td>Senator the Hon Brett Mason</td>
</tr>
<tr>
<td>Shadow Minister for Youth and Sport</td>
<td>Mr Luke Hartsuyker MP</td>
</tr>
<tr>
<td>(Deputy Manager of Opposition Business in the House)</td>
<td></td>
</tr>
<tr>
<td>Shadow Parliamentary Secretary for Regional Education</td>
<td>Senator Fiona Nash</td>
</tr>
<tr>
<td><strong>Shadow Minister for Indigenous Affairs</strong></td>
<td>Senator the Hon Nigel Scullion</td>
</tr>
<tr>
<td>(Deputy Leader of the Nationals)</td>
<td></td>
</tr>
<tr>
<td>Shadow Minister for Indigenous Development and Employment</td>
<td>Senator Marise Payne</td>
</tr>
<tr>
<td><strong>Shadow Minister for Regional Development, Local Government and Water</strong></td>
<td>Senator Barnaby Joyce</td>
</tr>
<tr>
<td>(Leader of the Nationals in the Senate)</td>
<td></td>
</tr>
<tr>
<td>Shadow Minister for Regional Development</td>
<td>The Hon Bob Baldwin MP</td>
</tr>
<tr>
<td>Shadow Parliamentary Secretary for Northern and Remote Australia</td>
<td>Senator the Hon Ian Macdonald</td>
</tr>
<tr>
<td>Title</td>
<td>Shadow Minister</td>
</tr>
<tr>
<td>----------------------------------------------------------------------</td>
<td>--------------------------------------------------------------------------------</td>
</tr>
<tr>
<td>Shadow Parliamentary Secretary for Local Government</td>
<td>Mr Don Randall MP</td>
</tr>
<tr>
<td>Shadow Parliamentary Secretary for the Murray-Darling Basin</td>
<td>Senator Simon Birmingham</td>
</tr>
<tr>
<td>Shadow Minister for Finance, Deregulation and Debt Reduction</td>
<td>The Hon Andrew Robb AO MP</td>
</tr>
<tr>
<td>Shadow Special Minister of State</td>
<td>The Hon Bronwyn Bishop MP</td>
</tr>
<tr>
<td>Shadow Minister for COAG</td>
<td>Senator Marise Payne (Mr Jamie Briggs MP)</td>
</tr>
<tr>
<td>Shadow Minister for Energy and Resources</td>
<td>The Hon Ian Macfarlane MP</td>
</tr>
<tr>
<td>Shadow Minister for Tourism</td>
<td>The Hon Bob Baldwin MP</td>
</tr>
<tr>
<td>Shadow Minister for Defence</td>
<td>Senator the Hon David Johnston</td>
</tr>
<tr>
<td>Shadow Minister for Defence Science, Technology and Personnel</td>
<td>Mr Stuart Robert MP</td>
</tr>
<tr>
<td>Shadow Minister for Veterans' Affairs and Shadow Minister</td>
<td>Senator the Hon Michael Ronaldson</td>
</tr>
<tr>
<td>Shadow Parliamentary Secretary for Defence Materiel</td>
<td>Senator Gary Humphries</td>
</tr>
<tr>
<td>Shadow Parliamentary Secretary for the Defence Force and Defence Support</td>
<td>Senator the Hon Ian Macdonald</td>
</tr>
<tr>
<td>Shadow Minister for Communications and Broadband</td>
<td>The Hon Malcolm Turnbull MP</td>
</tr>
<tr>
<td>Shadow Minister for Regional Communications</td>
<td>Mr Luke Hartsuyker MP</td>
</tr>
<tr>
<td>Shadow Minister for Health and Ageing</td>
<td>The Hon Peter Dutton MP</td>
</tr>
<tr>
<td>Shadow Minister for Mental Health</td>
<td>Senator Concetta Fierravanti-Wells</td>
</tr>
<tr>
<td>Shadow Parliamentary Secretary for Primary Healthcare</td>
<td>Dr Andrew Southcott MP</td>
</tr>
<tr>
<td>Shadow Parliamentary Secretary for Regional Health Services and Indigenous Health</td>
<td>Dr Andrew Laming MP</td>
</tr>
<tr>
<td>Shadow Minister for Families, Housing and Human Services</td>
<td>The Hon Kevin Andrews MP</td>
</tr>
<tr>
<td>Shadow Minister for Seniors</td>
<td>The Hon Bronwyn Bishop MP</td>
</tr>
<tr>
<td>Shadow Minister for Disabilities, Carers and the Voluntary Sector</td>
<td>Senator Mitch Fifield</td>
</tr>
<tr>
<td>(Manager of Opposition Business in the Senate)</td>
<td></td>
</tr>
<tr>
<td>Shadow Minister for Housing</td>
<td>Senator Marise Payne</td>
</tr>
<tr>
<td>Shadow Parliamentary Secretary for Supporting Families</td>
<td>Senator Cory Bernardi</td>
</tr>
<tr>
<td>Shadow Parliamentary Secretary for the Status of Women</td>
<td>Senator Michaelia Cash</td>
</tr>
<tr>
<td>Shadow Minister for Climate Action, Environment and Heritage</td>
<td>The Hon Greg Hunt MP</td>
</tr>
<tr>
<td>Shadow Parliamentary Secretary for Environment</td>
<td>Senator Simon Birmingham</td>
</tr>
<tr>
<td>Shadow Minister for Productivity and Population</td>
<td>Mr Scott Morrison MP</td>
</tr>
<tr>
<td>Shadow Minister for Immigration and Citizenship</td>
<td>The Hon Teresa Ganbaro MP</td>
</tr>
<tr>
<td>Shadow Parliamentary Secretary for Citizenship and Settlement</td>
<td>Senator Michaelia Cash</td>
</tr>
<tr>
<td>Shadow Minister for Innovation, Industry and Science</td>
<td>Mrs Sophie Mirabella MP</td>
</tr>
<tr>
<td>Shadow Parliamentary Secretary for Innovation, Industry, and Science</td>
<td>Senator the Hon Richard Colbeck</td>
</tr>
</tbody>
</table>

ix
<table>
<thead>
<tr>
<th>Title</th>
<th>Shadow Minister</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Shadow Minister for Agriculture and Food Security</strong></td>
<td>The Hon John Cobb MP</td>
</tr>
<tr>
<td><strong>Shadow Parliamentary Secretary for Fisheries and Forestry</strong></td>
<td>Senator the Hon Richard Colbeck</td>
</tr>
<tr>
<td><strong>Shadow Minister for Small Business, Competition Policy and Consumer Affairs</strong></td>
<td>The Hon Bruce Billson MP</td>
</tr>
<tr>
<td><strong>Shadow Parliamentary Secretary for Small Business and Fair Competition</strong></td>
<td>Senator Scott Ryan</td>
</tr>
</tbody>
</table>
CONTENTS

WEDNESDAY, 22 AUGUST 2012

Chamber
DOCUMENTS—
  Presentation ........................................................................................................... 9509
BILLS—
  Criminal Code Amendment (Cluster Munitions Prohibition) Bill 2010—
    Returned from Senate ......................................................................................... 9509
  Crimes Legislation Amendment (Slavery, Slavery-like Conditions and People
    Trafficking) Bill 2012—
    Report from Federation Chamber ........................................................................ 9509
    Third Reading ...................................................................................................... 9509
  Aviation Legislation Amendment (Liability and Insurance) Bill 2012—
    First Reading .................................................................................................... 9509
    Second Reading .................................................................................................. 9509
COMMITTEES—
  Human Rights Committee—
    Report .............................................................................................................. 9511
BILLS—
  Veterans' Affairs Legislation Amendment Bill 2012—
    Second Reading .................................................................................................. 9513
    Third Reading .................................................................................................... 9527
  Superannuation Legislation Amendment (MySuper Core Provisions) Bill 2011—
    Second Reading ................................................................................................. 9527
    Consideration in Detail ...................................................................................... 9551
    Third Reading .................................................................................................... 9558
  Health Insurance Amendment (Extended Medicare Safety Net) Bill 2012—
    Returned from Senate ........................................................................................ 9558
  Greenhouse and Energy Minimum Standards Bill 2012—
  Greenhouse and Energy Minimum Standards (Registration Fees) Bill 2012—
    Second Reading ................................................................................................. 9558
STATEMENTS BY MEMBERS—
  McCaffery, Mayor Genia ....................................................................................... 9574
  Bass Electorate: Department of Human Services .................................................. 9574
  Harvey, Mr David .................................................................................................. 9575
  Trans-Tasman Travel Arrangement ........................................................................ 9575
  Iran ......................................................................................................................... 9576
  Women in Business ............................................................................................... 9576
  Forde Electorate: Boral Ormeau Quarry ............................................................... 9577
  Homelessness ....................................................................................................... 9577
  Ryan Electorate: Community Service .................................................................... 9577
  National Disability Insurance Scheme ................................................................... 9578
QUESTIONS WITHOUT NOTICE—
  Carbon Pricing .................................................................................................... 9578
  Economy ............................................................................................................... 9579
**CONTENTS—continued**

<table>
<thead>
<tr>
<th>Topic</th>
<th>Page</th>
</tr>
</thead>
<tbody>
<tr>
<td>Distinguished Visitors</td>
<td>9580</td>
</tr>
<tr>
<td>Questions Without Notice—</td>
<td></td>
</tr>
<tr>
<td>Economy</td>
<td>9580</td>
</tr>
<tr>
<td>Australian Defence Force</td>
<td>9582</td>
</tr>
<tr>
<td>Electricity Prices</td>
<td>9583</td>
</tr>
<tr>
<td>Renewable Energy</td>
<td>9584</td>
</tr>
<tr>
<td>Economy</td>
<td>9585</td>
</tr>
<tr>
<td>Electricity Prices</td>
<td>9586</td>
</tr>
<tr>
<td>Health</td>
<td>9587</td>
</tr>
<tr>
<td>Distinguished Visitors</td>
<td>9588</td>
</tr>
<tr>
<td>Questions Without Notice—</td>
<td></td>
</tr>
<tr>
<td>Carbon Pricing</td>
<td>9588</td>
</tr>
<tr>
<td>Families</td>
<td>9589</td>
</tr>
<tr>
<td>Distinguished Visitors</td>
<td>9590</td>
</tr>
<tr>
<td>Questions Without Notice—</td>
<td></td>
</tr>
<tr>
<td>Carbon Pricing</td>
<td>9591</td>
</tr>
<tr>
<td>Schools</td>
<td>9591</td>
</tr>
<tr>
<td>Union Funds</td>
<td>9593</td>
</tr>
<tr>
<td>National Broadband Network</td>
<td>9594</td>
</tr>
<tr>
<td>Union Funds</td>
<td>9595</td>
</tr>
<tr>
<td>Mental Health</td>
<td>9596</td>
</tr>
<tr>
<td>Statements on Indulgence</td>
<td>9597</td>
</tr>
<tr>
<td>Smith, Mr Greg</td>
<td>9599</td>
</tr>
<tr>
<td>Personal Explanations</td>
<td></td>
</tr>
<tr>
<td>Questions to the Speaker—</td>
<td></td>
</tr>
<tr>
<td>Disruptive Conduct</td>
<td>9600</td>
</tr>
<tr>
<td>Documents—</td>
<td></td>
</tr>
<tr>
<td>Presentation</td>
<td>9600</td>
</tr>
<tr>
<td>Committees</td>
<td></td>
</tr>
<tr>
<td>Selection Committee—</td>
<td></td>
</tr>
<tr>
<td>Report</td>
<td>9600</td>
</tr>
<tr>
<td>Matters of Public Importance</td>
<td></td>
</tr>
<tr>
<td>Cost of Living</td>
<td>9603</td>
</tr>
<tr>
<td>Bills</td>
<td></td>
</tr>
<tr>
<td>Marriage Amendment Bill 2012—</td>
<td></td>
</tr>
<tr>
<td>Reference to Federation Chamber</td>
<td>9626</td>
</tr>
<tr>
<td>Greenhouse and Energy Minimum Standards Bill 2012—</td>
<td></td>
</tr>
<tr>
<td>Second Reading</td>
<td>9626</td>
</tr>
<tr>
<td>Consideration in Detail</td>
<td>9627</td>
</tr>
<tr>
<td>Third Reading</td>
<td>9628</td>
</tr>
<tr>
<td>Greenhouse and Energy Minimum Standards (Registration Fees) Bill 2012—</td>
<td></td>
</tr>
<tr>
<td>Second Reading</td>
<td>9628</td>
</tr>
<tr>
<td>Consideration in Detail</td>
<td>9629</td>
</tr>
<tr>
<td>Third Reading</td>
<td>9629</td>
</tr>
</tbody>
</table>
CONTENTS—continued

Customs Amendment (Smuggled Tobacco) Bill 2012—
  Report from Federation Chamber ................................................................. 9629
  Third Reading ............................................................................................... 9629
BUSINESS—
  Rearrangement .......................................................................................... 9629
BILLS—
  Statute Law Revision Bill 2012—
    Second Reading ......................................................................................... 9629
    Third Reading ............................................................................................ 9636
  Cybercrime Legislation Amendment Bill 2011—
    Consideration of Senate Message .............................................................. 9636
  International Monetary Agreements Amendment (Loans) Bill 2012—
    Second Reading ......................................................................................... 9638
    Third Reading ............................................................................................ 9647
  Electoral and Referendum Amendment (Improving Electoral Procedure) Bill 2012—
    Second Reading ......................................................................................... 9647
ADJOURNMENT—
  Local Government Super ............................................................................ 9656
  Employment .................................................................................................. 9657
  Queensland Economy ................................................................................... 9657
  Afghanistan .................................................................................................... 9658
  Telstra ........................................................................................................... 9660
  Biosecurity .................................................................................................... 9661
  United Nations Relief and Works Agency ..................................................... 9662
  Treloar, Mr John, AM .................................................................................... 9664
  National Broadband Network ....................................................................... 9665
  Bruce Highway .............................................................................................. 9667
  Film Screening ............................................................................................... 9668
  Northern Territory Election .......................................................................... 9669
  Kite, Mrs Delcia ............................................................................................. 9670
NOTICES .......................................................................................................... 9672
Federation Chamber
CONSTITUENCY STATEMENTS—
  Carbon Pricing ............................................................................................. 9673
  Bielski, Ms Joan Margaret, AO .................................................................... 9673
  Lifeline Australia ........................................................................................... 9674
  Deakin Electorate: Taralye ........................................................................... 9675
  Battle of Long Tan .......................................................................................... 9676
  Indigenous Employment: Australian Public Service .................................... 9676
  Road Infrastructure: Roe Highway ............................................................... 9677
  Corio Electorate: Railway Station ................................................................. 9678
  Swan Electorate: Roads ................................................................................ 9679
  China .............................................................................................................. 9680
CONTENTS—continued

BILLS—
  Customs Amendment (Smuggled Tobacco) Bill 2012—
    Second Reading........................................................................................................ 9680

STATEMENTS ON INDULGENCE—
  Operations of Bomber Command: 70th Anniversary.............................................. 9700
  Montevideo Maru........................................................................................................ 9702

Questions In Writing
  Defence—(Question No. 1061).................................................................................. 9714
The DEPUTY SPEAKER (Ms AE Burke) took the chair at 09:00, made an acknowledgment of country and read prayers.

DOCUMENTS
Presentation

BILLS
Criminal Code Amendment (Cluster Munitions Prohibition) Bill 2010
Returned from Senate
Message received from the Senate returning the bill without amendment.

Crimes Legislation Amendment (Slavery, Slavery-like Conditions and People Trafficking) Bill 2012
Report from Federation Chamber
Bill returned from Federation Chamber without amendment; certified copy of bill presented.

Aviation Legislation Amendment (Liability and Insurance) Bill 2012
First Reading
Bill and explanatory memorandum presented by Mr Albanese.

Second Reading
Mr ALBANESE (Grayndler—Leader of the House and Minister for Infrastructure and Transport) (09:03): I move:

That this bill be now read a second time.

This bill will modernise Australia’s arrangements for air carriers’ liability under the Civil Aviation (Carriers’ Liability) Act 1959 (the CA(CL) Act) and the Damage by Aircraft Act 1999 (the DBA Act).

The bill will deliver on one of the key commitments announced in the government’s aviation policy white paper by significantly increasing the outdated cap on carriers’ liability for domestic travel and the level of mandatory insurance required by air carriers.

In addition, the bill will update technical provisions relating to the scope of liability for air operators.

The increase in the cap on carriers’ liability for domestic travel to $725,000 per passenger represents a 45 per cent increase on the current arrangements.

This is necessary to ensure that victims of aircraft accidents are adequately compensated.

The cap has not been adjusted since 1994.

The new level will reflect 21st century realities, not those of almost 20 years ago.

While Australia has a proud aviation safety record, it is important that the government puts in place this much-needed and welcome increase in compensation for domestic passengers or their families affected by aviation accidents in Australia.

Third Reading
Mr ALBANESE (Grayndler—Leader of the House and Minister for Infrastructure and Transport) (09:02): by leave—I move:

That this bill be now read a third time.

Question agreed to.

Bill read a third time.
The bill also seeks to increase the amount of mandatory passenger insurance for domestic travel.

Mandatory passenger insurance legislation was introduced in 1995 in response to the tragic Monarch Airlines fatal accident.

This accident led to a requirement that our domestic airlines insure against the full extent of potential liability under the CA(CL) Act.

The bill proposes an increase in the level of mandatory passenger insurance proportionate to the proposed increase in the cap on carriers' liability.

As it is a strict liability regime, it is important that there are adequate funds available for the complete compensation of air crash victims in accordance with the air carriers' potential liability.

In terms of the cost impacts on airline operators, the government is advised that insurance represents only a small component of the total cost base; that is, around two to three per cent of total costs for smaller operators, and significantly less for larger operators.

For smaller aircraft, the majority of the insurance premium also relates to the cost of insuring the aircraft hull, rather than liability risks covered by this bill.

Raising mandatory passenger insurance requirements from $500,000 to $725,000 per passenger would therefore have only a modest impact on insurance premiums.

But it will, of course, represent a significant improvement in the compensation available to a passenger in the event of an accident.

The bill also harmonises Australia’s commitments under the Convention for the Unification of Certain Rules for International Carriage by Air, signed 28 May 1999 (the Montreal convention) by amending references in the CA(CL) Act concerning ‘personal injury’ and substituting it with ‘bodily injury’.

This brings our domestic liability arrangements in line with the international framework established under the Montreal convention and implemented by more than 100 states around the world.

This will mean that domestic carriers will no longer be liable for mental injuries irrespective of whether other ‘physical injuries’ have also been incurred.

A similar measure is proposed for the DBA Act.

Limiting carriers’ liability under the domestic system to ‘bodily injury’ will ensure that compensation for injuries is treated consistently for both domestic and international aviation.

Taking into account the outcomes of previous litigation (Cook v Aircar Moree 2008), the bill also makes amendments to the DBA Act.

It rectifies an anomaly in the DBA Act whereby a defendant could not previously mitigate their loss by proving contributory negligence on the part of the victim.

The government recognises that it would be very rare that a third-party victim could be considered partly negligent in causing the damage that they suffered.

However, it is appropriate that defendants retain the opportunity to argue that their liability should be reduced if they can show that the victim was partly negligent in causing the damage.

The bill has also been strengthened so that defendants can seek a contribution towards damages for which they are liable from other parties who have contributed to the damage claimed under the DBA Act.

In conclusion, this bill is an important and vital step in improving the rights of air
accident victims flying domestically in Australia. I commend the bill to the House.

Debate adjourned.

COMMITTEES

Human Rights Committee

Report

Mr JENKINS (Scullin) (09:09): Madam Deputy Speaker, in the spirit of the member for Braddon, I wish you a good morning, and may you have a top day in the carrying out of your duties today.

On behalf of the Parliamentary Joint Committee on Human Rights, I present the committee's report entitled Examination of legislation in accordance with the Human Rights (Parliamentary Scrutiny) Act 2011: bills introduced 18-29 June 2012.

In accordance with standing order 39(f) the report was made a parliamentary paper.

Mr JENKINS: by leave—In tabling the first report of the Parliamentary Joint Committee on Human Rights of 2012 I would like to take this opportunity to draw the attention of the House to the approach the committee has adopted in examining each of the bills referred to in this report. Members will recall that the committee is established under the Human Rights (Parliamentary Scrutiny) Act 2011 to examine and report to parliament on the compatibility of bills and legislative instruments with Australia's human rights obligations under seven core human rights treaties specified in section 3 of the act.

The committee is able to examine existing legislation and conduct broad inquiries into matters relating to human rights as referred to it by the Attorney-General. Before discussing the committee's consideration of bills in this report, I would like to emphasise the significance that the committee attaches to the statement of compatibility.

As I said in my statement to the House on 20 June this year, the committee views statements of compatibility as a key element in the parliament's consideration of human rights in the legislative process. The requirement for each new bill and each legislative instrument to be accompanied by a statement of compatibility has the potential to significantly increase transparency and accountability in the development of policy and legislation. It is obviously a significant starting point for the committee's consideration of bills and instruments.

The committee considers that the preparation of a statement of compatibility should be the culmination of a process that commences early in the development of policy, and not as a 'tick-box' exercise at the end. In this way, a statement of compatibility can reasonably be expected to reflect in appropriate detail the assessment of human rights that took place during the development of the policy and the drafting of the legislation. The statement of compatibility should take the objective of the proposed legislation as its point of reference, identify the rights engaged, indicate the circumstances in which the legislation may promote or limit the rights engaged and set out the justification for any limitations, in an appropriate level of detail, together with any safeguards provided in the legislation or elsewhere.

I now turn to this first report of the committee. The committee has considered 17 bills introduced during the period 18 June to 29 June 2012. Having examined these bills, the committee has approached them in the following way. Five of the bills do not engage human rights; however, one of these bills was introduced with a statement of compatibility that does not accord with the committee's expectations. The committee therefore proposes to write to the relevant minister and provide advice that it hopes will
assist in the preparation of statements of compatibility of a similar nature in the future.

The committee has identified a further four bills that were each introduced with a statement of compatibility claiming the bill does not engage human rights but for which the committee considers it requires further information before it is able to form its own view. In each case the committee proposes to write to the proponent of the bill and invite them to elaborate on the information provided in the statement of compatibility.

This leaves eight bills that engage human rights. The committee has formed the view that five of these are compatible with human rights and that it requires further information to assist in its consideration of the remaining three bills.

I would like to make it clear that it is not the committee's intention to name and shame anyone in this report. I want to emphasise that at this relatively early stage in the implementation of this process the committee is committed to working constructively with ministers, agencies and individual members and senators as they familiarise themselves with these requirements. In this context I draw your attention to a particular matter that the committee has considered in this report.

Two of the bills examined in this report contain strict liability and reverse burden offences. In each case, the statement of compatibility claims that these offences have been drafted in light of guidelines provided by the Criminal Justice Division of the Attorney-General's Department and are consistent with these guidelines. In considering this claim, the committee has not accepted at face value the inference that the guidelines themselves are fully consistent with human rights.

The committee has therefore examined the relevant part of the guidelines and is generally satisfied that strict liability and reverse-burden offences that are drafted in accordance with these guidelines are likely to be compatible with human rights. However, the committee will continue to consider such offences on a case-by-case basis.

The committee intends to adopt this approach in its consideration of all provisions that are said to be drafted in accordance with specific guidelines or drafting conventions. I therefore draw the attention of the House to the committee's consideration of the Commonwealth Government Securities Legislation Amendment (Retail Trading Bill) 2012 and the Maritime Legislation Amendment Bill 2012. I would like to emphasise that the committee considers that both of these bills are compatible with human rights.

In closing, I would like to take this opportunity to once again place on record my thanks to the deputy chair, the member for Hasluck, and other members of the committee for the constructive and collegial approach to the committee's work. I also indicate the committee's thanks to the very small secretariat that supports us under secretary Jeanette Radcliffe, and thank them for the efforts in this very early stage of establishing the committee. I say to you, Madam Deputy Speaker, that members and senators should be aware that there is great interest in the work of this committee, from a wide-ranging stakeholder base; that there is a lot of onus on us as members of the committee, as individual members and senators, of executive government, through ministers and the bureaucracy, to ensure that the intentions of the legislation for proper parliamentary scrutiny of human rights is put in place, is sustainable and is credible. I thank the House.
BILLS
Veterans' Affairs Legislation Amendment Bill 2012
Second Reading

Debate resumed on the motion:
That this bill be now read a second time.
to which the following amendment was moved:

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

“the House declines to consider this bill until such time as the Government introduces legislation to index military superannuation pensions for Defence Forces Retirement Benefit (DFRB) Scheme members and Defence Force Retirement and Death Benefits (DFRDB) Scheme members aged 55 and over in the same manner as aged and service pensions are currently indexed.”

The DEPUTY SPEAKER: The original question was that this bill be now read a second time. To this the member for Fadden has moved an amendment that all words after 'That' be omitted with a view to substituting other words. The immediate question is that the amendment be agreed to. I call the member for Gippsland.

Mr CHESTER (Gippsland) (09:17): Thank you, Madam Deputy Speaker. I take pleasure in joining in the debate on the Veterans' Affairs Legislation Amendment Bill 2012. As other speakers from this side of the chamber have indicated, the legislation proposed by the government makes a series of minor, technical amendments to various pieces of legislation which affect veterans. It is non-controversial in nature and the coalition intends to support the measures contained within it.

But there is another aspect to the legislation, and amendment put forward by the member for Fadden, which is somewhat more controversial and has been the subject of great debate, both in this place and in the broader community. We believe there is an opportunity before the House today to make this legislation better, and the coalition is seeking to do so. We are seeking to legislate for fair indexation as a requirement for the passing of this legislation. As a member who represents a large constituency of Defence Force personnel, with the RAAF base at East Sale, and also as a member who regularly attends Anzac Day services and participates in a whole range of activities in commemoration of the service provided by men and women of the armed forces throughout Australia's history, I believe very strongly in the unique nature of military service—as I believe those opposite do. Australia's service personnel, the men and women both past and present, have given an enormous amount to our nation. I believe that they deserve to live out their lives in the knowledge that they have financial security.

And that is the very essence of the amendments put forward by the member for Fadden and supported so strongly by members on this side of the House.

As I said, the bill before the House makes a number of important legislative changes, which the coalition will support. However, we believe that the government has the opportunity now to introduce fair, just and equitable arrangements for military superannuants.

We are in a position in this place to make a very real difference here today. The time for fair indexation has come, and it is time this parliament delivered it. I am sure members and senators on both sides would be very much aware of the ongoing campaign by individuals and veterans groups regarding this important issue. There would not be a member in this place who has not been approached by a veterans group expressing concerns with the current situation. The coalition has committed itself to beginning the process of military
superannuation reform. That is why the coalition made the commitment, more than two years ago now, to provide fair indexation for Defence Forces Retirement Benefits and Defence Force Retirement and Death Benefits Scheme superannuation pensioners.

The coalition's commitment will see DFRB and DFRDB military superannuation pensions being indexed in the same manner as the aged and service pensions. This commitment will benefit in the order of 57,000 ex-service men and women and their families. It concerns me that as we stand here today, and as I speak to the chamber, the coalition—the Nationals and the Liberal Party—are the only parties in the Australian parliament that have shown their commitment to fair indexation of DFRB and DFRDB military superannuation pensions. To be fair, there are members from other parties and within the ranks of the crossbenchers who have expressed strong support for the position taken by the veteran community. But, as we stand here today, only the Liberals and National Party members are prepared to actually vote in support of this measure. It remains to be seen what happens when the crossbenchers enter the parliament later on today.

To show why this is important, I would like to refer to a very practical example in my own electorate. As I said, I have had the chance to meet with members of the veteran community in the Gippsland region, who have expressed their concerns with the current situation. To say that they are angry and disappointed would probably be an understatement. A typical letter is the one I have here from a Mr Ken Phelps in Traralgon, who outlines the process as it currently stands and then goes on to say:

The purpose of pension indexation is to maintain the purchasing power of our pension. Until 1997 CPI was considered the relevant index but the Australian Bureau of Statistics (ABS) concluded that 'the tight nexus between movements in the CPI and wage and salary adjustments no longer exists.' In 2001 ABS said that '… CPI is not a measure of the cost of living.'

It goes on to say:

In 1997 the Government acted to maintain the purchasing power of Age and other Welfare pensions by changing indexation to CPI or MTAWE whichever was the greater. More recently it included another index factor, the New Pensioner and Beneficiary Living Cost Index (PBLCI).

Nothing however has been done for Military Superannuants, even though a number of Senate inquiries have recommended a form of wage-based indexation be introduced. And:

Military retirement and disability pensions now stand out as being more harshly treated than almost every other long-term Commonwealth payment that is subject to regular indexing to maintain its value.

Mr Phelps goes on to say, in conclusion:

Service in the ADF is unique and it must be treated that way. It is the military who use every firepower resource available to kill or capture the enemy. The military endure the greatest hardships and it is the military who give up their personal freedoms to carry out the Government's orders. We must not contaminate the uniqueness of military service by including other non-military members or organisations. If the DFRDB superannuants are treated separately funds could be available to provide a higher benchmark for indexation.

Mr Phelps attached his DFRDB benefit statement from 20 June 2012. It is the most bizarre situation of all that we have Mr Phelps receiving a statement saying that his fortnightly pension increase is going to be the princely sum of 62c. He is going to receive a pension increase of 62c. And I can only describe as bizarre that the end result for Mr Phelps is that, because he gets tipped into another tax bracket, he actually ends up
being worse off. His net fortnightly payment drops by $23.38.

So I have written to the Minister for Veterans’ Affairs and Minister for Defence Science and Personnel, Mr Snowdon, on this matter to explain the situation, and I attached the documentation to go with it. I wanted to make the case on behalf of one constituent of mine—and there are about 20 who have contacted me on this issue—that we have people like Mr Phelps who rightly feel aggrieved that they are actually going to be worse off under the current arrangements. He is concerned that he and his fellow military superannuants are being unfairly penalised at a time when everyone in the community appreciates the cost-of-living increases and other increases related to government policy, such as the carbon tax. The military superannuation is simply not keeping up with those costs. I have written to the minister and sought his advice on that matter, and I look forward to hearing what he has to say.

I have another example that concerns a veteran named Ralph Faber, from Stratford, who in an email to me puts it somewhat more dryly. He writes:

A few weeks ago I told my good wife that when 1 July comes we would get an increase in our DFRDB pension. I salivate at the prospect of no longer having to share our one serving (two slices) of raisin toast with our coffees.

Well, notification arrived today and advised that I will receive the princely increase of 88 cents … that's right, 88 bloody cents. Even a mini dim sim costs a dollar. 88 cents … that is about as useful as being the world's tallest midget. Oh well … back to sharing the raisin toast.

At least Ralph has kept his sense of humour, but I believe he has every right to be angry, frustrated and disappointed with the current situation. I appreciate that in the contributions from those opposite they have asked why we did not fix this situation, given that we had the opportunity during more than 11 years in government. Perhaps that is a valid argument. I think I heard the minister himself make that argument. Perhaps we could have done better in that regard.

But we stand here today trying to make an improvement to the situation. We have the capacity in this place to actually make a difference for people like Ken and Ralph and about 20 other people in my electorate who have directly contacted me on behalf of other ex-service personnel.

The coalition has been committed to beginning the process of military superannuation reform. I am concerned that the government took a position before the 2007 election that, if not a direct promise, certainly gave a nod and a wink to the veterans community that the government would be taking action in this regard. But the government has failed repeatedly to deliver on its commitment before the 2007 election. The coalition, and I imagine every member in this place, has probably had the same experience as me in that they would have been approached by veterans, ex-servicemen and ex-servicewomen, ex-service organisations and current ADF personnel expressing concern about this issue.

I fear that not only has Labor failed veterans when it comes to military superannuation reform but if the vote does not go the way we would like it to go in the coming days and weeks this parliament will continue to fail veterans when it comes to military superannuation reform. I acknowledge that members opposite may say the cost of fair indexation is too high. But I do suggest that we have a situation where we have a government with twisted priorities in that regard. We have seen the government’s home insulation debacle, whereby it cost $1 billion to put the insulation in and another $1 billion to take it out. We have seen the
wastage associated with the school halls program: a $16 billion program that was not based on needs but was based on shovelling the money out the door to provide some level of economic stimulus. Even Ken Henry admitted as much as a year or two later that the first priority was not to achieve value for money for taxpayers' dollars—which I found to be quite a staggering admission. So we had the wastage associated with that program and the home insulation debacle, and right now as the government attempts to recover its position in the polls we are seeing $36 million being spent on carbon tax propaganda. So we are telling veterans that we cannot afford to assist them with fair and equitable indexation of their superannuation payments but we can afford to find $36 million for a carbon tax propaganda campaign. That is a government with a twisted set of priorities.

The cost to the Commonwealth of fair indexation over the next four years is something on the order of $100 to $150 million. It is not the inflated $1.7 billion that the Labor Party claims. I think the minister should be honest with the veterans community in that regard. The coalition has already come up with savings proposals in terms of how you could find the funds necessary to implement this important change. As we have this debate I want to stress that there does not appear to be any philosophical divide in this chamber in relation to this issue. There are members opposite who we know want to do the right thing by our veterans. Also, members of the cross bench have indicated they want to do the right thing by our veterans. I note that in his speech even the member for Eden-Monaro—and I acknowledge his service to our nation in the armed forces—after going through his attack lines on the coalition concluded with what I would say was quite a remarkable statement on the coalition's commitment to fair and equitable arrangements for military superannuants. I will quote the last line from the member for Eden-Monaro's comments:

I am intent on actually delivering a result. I really believe we can do this, we can find a way to do it, and I will never cease my efforts to achieve an outcome in this respect. I am committed to work for as long as it takes to achieve that result.

I say to my good friend and electoral neighbour the member for Eden-Monaro that this is exactly what we are attempting to do today. The member for Eden-Monaro can actually help us achieve the result he so obviously believes in and spoke about in his own contribution in this place.

So there is no philosophical divide on this. This is about the government being prepared to make this a priority, to find the savings, if necessary, to support our veteran community and to recognise the extraordinary contribution they have made to our nation and the uniqueness of the service they have provided to our country. There is no philosophical divide. If we want to find the money, we can find the money and we can provide a fairer outcome for our veteran community.

In conclusion, as I said, the coalition announced this fair indexation commitment more than two years ago, in June 2010. We have been strong and consistent in our support for veterans and in our advocacy on this issue in the chamber and in the wider community. Our commitment extended fair indexation to superannuants aged 55 and over to DFRB and DFRDB scheme members. Under a Liberal-National government their pensions will be indexed in the same manner as age and service pensions. We took that commitment to the 2010 election.

It is history now that we did not quite achieve a majority or secure the opportunity
to govern with the crossbenchers. Despite losing that election we introduced our legislation to the Senate on 18 November 2010 to provide fair, just and equitable indexation for DFRB and DFRDB military superannuants. There have been already more than half a dozen inquiries, all of which supported our approach towards fair indexation.

As I have stressed in my contribution here this morning, there is no philosophical divide on this issue. There are members opposite who strongly believe in what we are trying to do. There are members on the crossbench who strongly believe in what we are trying to do. And, of course, members of the Liberal and National parties are also advocating very fiercely on this issue. The time for action on this important issue is now.

In closing, I would simply like to congratulate the member for Fadden for his dogged pursuit on behalf of the veteran community. I thank the House.

Mr BALDWIN (Paterson) (09:32): I rise to speak on the Veterans' Affairs Legislation Amendment Bill 2012. This bill seeks to make some minor measures and amendments to legislation affecting our veterans and ex-servicepeople. Most importantly, the bill seeks to clarify the arrangements regarding the payment of travel expenses for treatment under the Veterans' Entitlement Act and the Australian Participants in British Nuclear Tests (Treatment) Act. It also makes exemptions from income tax for reimbursements under the Repatriation Pharmaceutical Benefits Scheme, MRCA Pharmaceutical Benefits Scheme, and the new Veterans’ Pharmaceutical Reimbursement Scheme. The bill also exempts bereavement payments in respect of Indigenous veterans or members from social security income tests. However, as welcome as these amendments are, I, in concert with my coalition colleagues, believe that they do not go far enough. As I said back in May 2010 when I spoke on the Veterans' Entitlements Amendment (Income Support Measures) Bill:

This government seems to believe that tinkering on the edges of policy development and introducing administration bill after administration bill on veterans' affairs issues are wholesale substitutes for policy reform. It is disappointing that I again stand here and debate yet another bill that fails to deal with the No. 1 issue that affects our veteran community, an issue that the then Rudd and now Gillard Labor Party said prior to the 2007 election it would fix.

I speak about the promise to fix the indexation of military superannuation pensions. It is as live an issue today as it was back then—perhaps even more so. However, before I address the indexation issue I want to address the issue of the Veterans' Pharmaceutical Reimbursement Scheme. For those who do not remember, this government went to the 2007 election with much fanfare, promising our ex-service community a Veterans' Pharmaceutical Reimbursement Scheme. As with so many of their promises which they had failed to deliver during their first term of office, they then took the scheme for a second time to the 2010 election. However, what was eventually delivered—by regulation I might add, not by legislation in this parliament—was a poor imitation of what had been initially promised and it has not been widely welcomed by the veteran and ex-service community.

The wholesale changes that the veteran community were expecting after the promises made by Labor at the 2007 and 2010 elections and since then have simply failed to materialize. Like the Rudd government before it, the Gillard Labor government promised much to the veteran community but have repeatedly failed to
deliver, due to their own self-interest and poll-driven policy paralysis.

Like the government, the coalition also promised a veterans' pharmaceutical reimbursement scheme at the 2010 election. However, unlike the government scheme, which only gave those veterans with qualifying service and in receipt of a disability pension help with their out-of-pocket expenses, the coalition promised that all veterans and ex-service people in receipt of disability pension paid above 50 per cent of the general rate would qualify for the scheme. The coalition believes the government's Veterans' Pharmaceutical Reimbursement Scheme creates two classes of disabled veterans and is unfair, to say the least. More importantly, it means that 1,500 of our most disabled ex-servicemen who receive a disability pension are not eligible for the scheme. The coalition during Senate estimates asked the government for the advice used to introduce the scheme by regulation, which it has refused to provide. It is for this reason that we on this side of the House have introduced amendments to this bill to correct what we perceive as a flaw in the scheme that was introduced by regulation.

Saturday was the 46th anniversary of the Battle of Long Tan. As I said at the two Vietnam Veteran Day ceremonies I attended in my electorate in the Medowie and Forster, the day was an opportunity to pause, reflect and remember the sacrifice over 10 years between 1962 and 1972 of nearly 60,000 Australians who served in the Vietnam War. Throughout the campaign 521 were killed in action and more than 3,000 were wounded. For many Vietnam veterans, Australia's involvement in the war is as vivid and fresh today as it was all those years ago, even though the conflict for all intents and purposes ended 39 years ago. General Westmoreland, the commander of US forces in Vietnam, said of the Australian troops at an Anzac Day service, 'I have never seen a finer group of men. I have never fought with a finer group of soldiers.' Yet their return home was not a happy one for the Vietnam War had divided our nation. There were no welcome home matches, no garlands placed around their shoulders, no tributes to their gallantry. Many have told me of the hardships they faced and the feelings of rejection and alienation from a nation that was looking to put the Vietnam War behind it.

Passing this legislation with the coalition's amendments would be a significant win for our veterans. The RSL has already called for the abolition of out-of-pocket pharmaceutical expenses for all veterans, something that has also been supported by Legacy, the Vietnam Veterans Association of Australia and Vietnam Veterans Federation of Australia. This would be a strong step in that direction.

Recently the House paid tribute to the service of Sergeant Blaine Diddams, whose parents, Peter and Cath, live in Pacific Palms in my electorate. He was tragically killed on 2 July during an engagement with insurgents on his seventh tour of operation in Afghanistan. As a member of the Special Operations Task Group from the Special Air Service Regiment, he was a true hero who leaves behind a wife and two children. Working so closely together in the services, mateship is like no other. This is something we were reminded of in the family statement on Sergeant Diddams' death, which read, 'His mates really became members of our family and the men he stood side-by-side with in the SASR were his brothers in every sense of the word.' His death again brought home to me the sacrifices our soldiers today are prepared to make for our country and those that our veterans have made from lines that run from Gallipoli through Kokoda to also reach into Long Tan and Tarin Kowt.
As my phone call expressing my deepest condolences over the loss of their son drew to a close, I asked what I could do to help the family. Sergeant Diddams' father Peter, himself a Vietnam veteran who retired in 1998, simply asked that I should do all I could to look after our troops. We should never forget the sacrifice of all 33 of the Australians who have died in Afghanistan and neither should we forget the troops who have died in all conflicts that our nation has been involved in, from the first Australian soldiers killed in South African wars in the last years of the 19th century to recent operations in Afghanistan. However, we can honour their memory by looking after all of those veterans who have returned. Today we recognise that the way the Vietnam veterans came home at the end of that conflict was not our country's finest hour. It is therefore time to heed Sergeant Diddams' father's call to look after our troops and honour all veterans.

As I alluded to earlier, the number one issue for our veteran community is to achieve a fair indexation for the 57,000 military superannuants and their families, something the coalition is determined to see happen. That is why the coalition will support this legislation while seeking to introduce two significant amendments.

The fair indexation of military superannuation has been an ongoing campaign, most notably by the Alliance of Defence Service Organisations and the Defence Force Welfare Organisation campaign, which calls for a fair go.

In this House we have all received ongoing correspondence on this matter. I have received hundreds of emails and letters from many of my constituents regarding the paltry increases in the DFRDB pensions this year. Dave from Medowie asked:

I notice from the news that the federal MPs will receive a three per cent pay increase, which is the second in three months. This news came to me the same day that I was advised from DFRDB that my pension would increase by 0.1 per cent for the year. How is it that your pay increase is by a factor of 30 compared to mine?

Brian from Raymond Terrace wrote:

I received my DFRDB update that informed me the CPI had risen by 0.1 per cent, thus raising my pension by 66 cents. With the carbon tax and increasing costs on everyday essentials this seems bizarre in the extreme. Can you look into this unfair and possibly discriminatory action, not just for me but for all military pensioners?

Ernie from Salt Ash wrote:

After 20 years service to queen and country I received my six-monthly self-funded update of that pension. It was 0.1 per cent. This equates to 86 cents per fortnight until the next CPI increase. I feel insulted and sad.

Ernie concluded by asking, 'Is there no way that the subject can be raised again?' Well, Ernie, like all DFRDB recipients in my electorate Paterson—indeed, across our nation—you deserve better. I believe, as do my colleagues, that it is not acceptable for parliamentarians to bestow upon themselves pay increases, whether awarded by an independent body or otherwise, without looking after those veterans, such as Dave, Ernie and Brian, who have served our nation in a much greater capacity.

Veterans' organisations have also been making strong representations on this issue. The submission to the Senate committee on the coalition's Defence Force Retirement and Death Benefits Amendment (Fair Indexation) Bill 2010 by the Alliance of Defence Service Organisations noted:

In no other calling, occupation or profession has the State the power to accept or demand the surrender of these rights [Universal Human Rights]. The Unique Nature of Military Service deserves unique solutions and also places a great burden on the Government as the “employer” to ensure that ADF members are looked after both during and after Service.
The submission by the Returned and Services League of Australia, the RSL, further argues that the differences between the legislation for military superannuation schemes and other Commonwealth superannuation schemes is a policy aberration. It says:

An examination of legislation for the Australian Defence Force shows that in almost all respects, the Parliament has been consistent since Federation in regarding the nation's armed forces as a separate and quite distinctly different part of Australian society.

I have been calling for indexation for some time now. In fact, prior to the last election my colleague Louise Markus, who is now the member for Macquarie, and I developed the policy to increase the DFRDB that was taken to the election. We feel very strongly about this issue. That is why I am delighted the coalition have heard these calls and have responded, as we are doing here today.

The coalition is committed to seeing the DFRB and the DFRDB military superannuation pensions being indexed in the same manner as the aged pensions. Last year, in Melbourne, the Leader of the Opposition recommitted—to our last election campaign commitment—to fairly index the DFRB and the DFRDB. This was during his address to the RSL national conference. In fact, he signed a pledge this March to deliver fair indexation.

On 18 May this year the member for Lyne gave notice of a motion which called for fair indexation of these pensions. Today is the day that he can join in and support the coalition and deliver on his commitment in that notice of motion. The member for Denison, back in October 2011, also spoke in favour of this measure—

**Mr Katter:** Madam Deputy Speaker, I rise on a point of order. Some of us do want to know whether voting for the opposition's amendment—

**The DEPUTY SPEAKER (Mrs D'Ath):** Order! What is your point of order? The member for Kennedy will get his time to speak shortly.

**Mr Katter:** will negate all the benefits that are in here.

**The DEPUTY SPEAKER:** Order! The member for Paterson has the call.

**Mr Baldwin:** That is an unusual interjection from a preposterous fool. The member for Denison, back in October 2011, also spoke in favour—

**Mr Baldwin:** I will withdraw, for the expediency of the House. The member for Denison, back in October 2011, also spoke in favour of this measure.

**Mr Katter:** Madam Deputy Speaker, as I understand it, that gratuitous insult was directed at me, and I want an apology.
The DEPUTY SPEAKER: The statement has been withdrawn, as has been requested by the House.

Mr Katter interjecting—

The DEPUTY SPEAKER: The member for Kennedy will get his time to speak very shortly.

Mr BALDWIN: As I said before I was interrupted, the member for Denison, back in 2011 also spoke in favour of these measures—again, this will be an opportunity to vote for what he has previously said, instead of just blatantly lining up with the government. I am sure there are others on the crossbenches who must be in favour of a better deal for our superannuants.

However, these are amendments that all members of this House should be able to support. By coming together in a bipartisan manner in this House, we can show Australians that we always do the right thing by those who give so much to our nation through their service. Sergeant Diddams father, Peter, whose son made the greatest sacrifice of all, has asked us to look after those who have served our nation and returned home. By supporting these amendments we are able to do that.

Mr KATTER (Kennedy) (09:47): We come in this place to debate, to reach an intelligent consensus. I asked the opposition spokesman a reasonable question and I got by way of reply a gratuitous insult. Let him reflect upon whether this place is a place where we have intelligent debate or whether it is a name-calling political party escapade.

Mr Baldwin interjecting—

Mr KATTER: I am not grandstanding; you are the one who grandstanded. Madam Deputy Speaker, would you shut him up please, so I can continue with my speech? Let me say that, when a minister or an opposition spokesman asks us to vote for a proposal, it is reasonable for us, because we have not been able to get it out of his office, to ask: What are the implications of the amendment he is moving? I am more than happy to take the interjections from the opposition spokesman. The question that I asked the opposition was: as we understand it, your amendment throws out all these benefits. That is the question I ask. Would someone in the opposition like to answer that?

Mr Robert interjecting—

The DEPUTY SPEAKER: Does the member for Fadden wish to raise a point of order?

Mr Robert: I am simply responding as the opposition spokesman in this area.

The DEPUTY SPEAKER: No, the member does not have the call; the member for Kennedy has the call.

Mr KATTER: We are simply asking these people—they are not going to tell us, obviously; we ask for some information and we cannot get it off them. But, as we understand the implications of what they are doing, these benefits that are needed and wanted will not flow if the opposition gets their way. What you are looking at here is a re-run of the Malaysia solution: 'Oh, no; if we get a solution then that will not be to our political benefit.' It would be nice if they thought a little bit about the benefit to their country, and the servicemen. Quite frankly, if you are going to throw these benefits out, one would have to question your sincerity.

Mr Robert: Madam Deputy Speaker, a point of order on relevance: you cannot equate it with the Malaysia solution. Secondly, I misspoke—

The DEPUTY SPEAKER (Mrs D'Ath): No. You have made your point of relevance. I am not going to allow the member for Fadden to enter into debate.
Mr KATTER: I volunteered to go to Indonesia as a lad of 18. We had to give out three telephone numbers, and we were on 24-hour call-up to go over there. I want to make the point that I do not think I was being very patriotic; I just assumed everyone was going. My logic at the time was that it was better to get in first. So I do not want to make out that I was a hero, because I most certainly was not.

My electorate takes in Townsville and has for a long time, so I am very familiar with the biggest Army base in Australia and the people who man that Army base. The family breakdowns in the Army are horrifically higher than in any other areas in Australian society. Mining is another very bad area. Because of fly-in mining, people are away from home all the time, and loneliness creates problems in family relationships. There are forced separations. There is the Child Support Agency, which makes it very easy now for a woman to leave. And then there is a very oppressive regime that falls upon the soldier, because now he has to make child support payments and is left with no money.

So when you go into the Army there is a very grave risk to your family. When you go into the Army you go and fight, and there is a grave risk to your life. We recently had probably one of the most moving events in North Queensland's history in the last 20 or 30 years: Ben Chuck's funeral. He was from a very prominent and well loved family up on the Atherton Tablelands. The Prime Minister—God bless her—and the Leader of the Opposition—God bless him—both turned up to honour a man who had given his life for his country. If you knew that family, you would never doubt for a moment that—unlike me, who joined up because everyone was joining up, not for the best of reasons—they really are very patriotic people. Ben was a very, very patriotic person. My chief of staff was at school with Ben. You would never doubt their patriotism. And they made that point that his death will not be used as an argument with respect to Afghanistan. It is the decision of our country to be there, and it is our patriotic duty to stand by our country. That is the line they took—and I hope I am interpreting that correctly.

Service men and women are just very patriotic people. They risk their life, they risk their family—out of all proportion to anyone else in our society. And because of these factors, particularly the marriage one, we have a very high attrition rate in the Army. People start thinking about it and then decide they do not want to be in the Army, so we lose people with very great attributes that our country simply cannot afford to lose. When the opposition spokesman spent his time passing gratuitous insults to me and wasting three or four minutes of his speech time—rather stupidly, I thought—I was thinking: 'Well, you were there for 12 years. If this was so dreadful and horrific and terrible, why didn't you do something about it in the 12 years you were there, as the government of Australia?' I, amongst many others, including some of your own members, were screaming for action on the indexation issue with respect to our soldiers. You stand here in a position of colossal hypocrisy, because you were there for 12 years and you did nothing about it. If these are such burning questions, were you just a bunch of numskulls who did not understand it or were you very callous people who did not even bother about it?

The government and the opposition agree, as do the crossbenchers, although I speak for myself and not for them, that these are good moves. The people in the Army I have spoken to have advised that these are very good little things. The pharmaceuticals is one; travel is another. It sounds like a small thing but it is not. It is 20 bucks to get a taxi
to go anywhere these days, and $20 is a hell of a lot of money to a veteran on a pension. To be able to do that afterwards is very important, because you get sick and you cannot ring up and get permission in a time frame that is acceptable. The bereavement payment and clean energy are very good things. But I am not going to go through them all as other members have already done so. There are a lot of good things here.

The second reason we will be voting for this is that as we understand it—I cannot get any sense out of the opposition on this—if we vote for the opposition’s amendment all of this is lost. I cannot see any purpose in losing all of this.

Mr Neville: That’s not right, Bob.

Mr KATTER: The honourable member said that that is not right. Well I wish somebody on his side would explain it to us. If people are of limited ability intellectually they do not like taking interjections. I understand that. But if you are a spokesman—

The DEPUTY SPEAKER: Order! The member for Kennedy will resume his seat. The member for Fadden on a point of order.

Mr Robert: Standing order 90 requires that a member not impugn a motive upon another member. The member for Kennedy cannot say of another member that they have limited intellectual abilities.

The DEPUTY SPEAKER: Are you saying that you have been personally—

Mr Robert: No, I am stating that he cannot impugn the other member he was speaking about.

Mr KATTER: I retract that. I apologise for saying 'limited intellectual abilities'.

There are three options, and I think that most people probably understand this. It can be indexed on male average weekly earnings, 27.7 per cent, on the CPI or on the fairly complex pension benefit arrangement that exists at present. So, there are three different ways it can be indexed. As I understand it, the decision by successive governments—which is a good decision—is that they choose the best of those three for the Australian pensioner. All we are saying is: for heaven’s sake, surely our returned servicemen should get the same treatment.

I ask the government: why wouldn’t you do this for these people? I ask the minister again to put this before his government. Other crossbenchers and I will be moving legislation along these lines yet again. We plead with you to go down this path. It is not a lot of money. You have cut four thousand million dollars out of the Army budget. Surely you can give back a little bit. But you are losing very valuable personnel at present. These people suffer death on the front line defending the things we believe in, and they have family breakdowns. Really, they should be entitled to a better deal than we in this place have with our indexation arrangements or even, God bless them all, Australia’s pensioners. These people should get the best deal of all, but they are not. They are getting a second-rate deal at present.

I strongly agree with the opposition on this. If they did nothing in 12 years at least they are doing something now. As to what their motives are, I am not going to impugn them for that. I am just going to say, ‘Good on you, Mr Opposition. We hope that you continue to fight for the best outcome, which is simply putting them in line with all of the other pensions.’ I think that is more than warranted.

I can see absolutely no point in depriving our servicemen of these benefits. It would appear to me that the opposition is doing that, and, I hate to say it, but they are doing it for political reasons. That seems to be the clear and unequivocal interpretation that I
can put upon what is happening here. If I am wrong someone can come and explain it to me. I would be quite happy to listen to them.

We thank the government for these changes, but we must emphasise that there is no logic, and there most certainly is no humanity involved, in the continuing position by the government of not accepting the preferable alternative as far as indexation of the pensions goes. It is a point of view that my own party will be hammering continuously and continually. Many of the people in the services are closely associated with us and we most certainly intend to be their champions. I think that every single person here should be their champions, but for 12 years the opposition were not and for three years the government has not been. But we will be the first to congratulate either side if they move forward to a serious indexation of the pensions.

I, like many members here, am very gravely embarrassed by us getting parliamentarians' indexation through—indexation of a very generous nature—while having to face these people who have risked their lives, risked their families and sacrificed themselves in a very tough occupation for our sake. I really do think that—unlike myself—a lot of these people act out of patriotism.

Mr SNOWDON (Lingiari—Minister for Veterans' Affairs, Minister for Defence Science and Personnel, Minister for Indigenous Health and Minister Assisting the Prime Minister on the Centenary of ANZAC) (10:01): I thank all of those who have contributed to this debate. I am not sure that I can agree with everyone, obviously, because, as the member for Kennedy rightly points out, if the proposal of the opposition were passed it would deprive those potential beneficiaries of the benefits contained in the amendments we are putting before the House. That, to me, is just silly. What it highlights is the political stunt that is being pulled here by the opposition to highlight an issue which they have got out of the public domain about their attitude towards DFRDB indexation. I will come to that in a moment.

What we need to do is to concentrate on this bill. The bill, as you would be aware, exempts from income tax reimbursements made under the Veterans' Pharmaceutical Reimbursement Scheme and the MRCA Pharmaceutical Reimbursement Scheme. The payments are due to commence in the first quarter of 2013, benefiting 50,000 veterans. Why should we deprive those veterans of the benefits that will flow as a result of this legislation? There is absolutely no reason for us to do so. To have this bill hijacked for a political stunt is, to my mind, something which we should be very concerned about.

There will also be amendments to the Income Tax Assessment Act to make it clear that treatment costs reimbursed under the Australian Participants in British Nuclear Tests (Treatment) Act are exempt from income tax. There were 155,000 claims for reimbursement processed in 2010-11. That is an important element. This will clarify administrative arrangements for the payments of travel expenses under the Veterans' Entitlements Act and the Australian Participants in British Nuclear Tests (Treatment) Act. There will be amendments to the Defence Service Homes Act to ensure that those with operational service as part of Operation DAMASK VI in 1993 are eligible for subsidised home loans and insurance under the act—another important benefit.

This bill will ensure bereavement payments for funeral expenses in respect of indigent veterans or members is exempt income for the purpose of the social security
income test. There are amendments to the definition of 'Australia' to authorise clean energy payments under the VEA and MRCA to residents of Norfolk Island. That is important to the residents of Norfolk Island but clearly not important to the opposition. And the bill will provide for more timely provision of special assistance under the VEA and MRCA via legislative instrument, instead of the current arrangements, which require regulation. The bill will ensure that debt recovery provisions will be applicable to all relevant provisions of the VEA, the regulations and any legislative instruments made under the VEA, and amend the MRCA to replace obsolete references to pharmaceutical allowances and telephone allowances.

There are important things. Many of them are small but they are very important to the veteran community and they should not be side-tracked and put off as a result of this stunt by the opposition to try and get us to accept an amendment which would have the House decline to consider the bill. Let us be very clear about this: whilst I appreciate the integrity of some in the debate—and I understand full well the intensity of the debate—I think we need to appreciate a number of points.

The first point is—and the member for Kennedy rightly pointed this out—the opposition did nothing during the 11 years they were in power to address the issue they now say is at the front of their minds. Why is that? Perhaps it is because the then government took a conscious decision not to do so. We know that because of a contribution recently made by Nick Minchin, the former finance minister, to the Australian on 2 May. In this letter to the editor, he said that this claim to change indexation:

... was properly rejected by the Howard Government, of which I was a member ... There is no inherent logic to the proposition that a public sector employment-related superannuation payment should be indexed in exactly the same fashion as a means-tested welfare benefit in this case, the aged pension.

I table that correspondence.

Let me make it very clear. One of the furphies of this debate is that somehow, by supporting this amendment by the opposition today, we should come to agree that we are equating a superannuation benefit—an employment benefit—with income support payments. How different are they?

Let me just take you through what the DFRDB scheme provides. It has generous benefits: payment of benefits on retirement after 20 years of service—I might just point out that 75 per cent of the people who are beneficiaries under the DFRDB after 20 years of service retired before their mid-forties—they are 45 before they retire—that is three-quarters of them; the ability to commute between four and five times the annual retirement pay in exchange for a reduction in retirement pay—this option has been exercised by 99 per cent of members; a higher employer contribution to other schemes, around 30 per cent from the Commonwealth, compared to the current community standard; and, since 1988, a separate three per cent productivity benefit fortnightly that is available as a lump sum on retirement. What does that mean? Let me put this in context. For example, a colonel aged 55 with 35 years of service, retiring at the beginning of 2012 would, it is estimated, receive a payment without commutation of approximately $84,000 a year. If they decided to commute a proportion of it, they would receive a lump sum of $420,000—that is, five times their annual pay—and a reduced annual payment of $64,000 per year.

What we are being asked to do here is equate that $64,000 a year which can be received at age 55 with the income support payments made to a pensioner at age 65.
They are very different. One is a superannuation benefit, a worker entitlement; the other is an income support payment. Should a former member of the Defence Force have an income below the threshold, they will be eligible for—potentially, depending on their service—a service pension at age 60 or, if not, an age pension at 65. I might also point out that this proposal being put forward by the opposition does nothing for the 150,000 service men and women who joined after 1991, who are on the MSBS payments—nothing.

Let us be very clear about it. What we are being told here is that we should equate a superannuation benefit with an income support payment. This is not the place to have that debate. We have been diverted from discussing the intention of this legislation. It is a political stunt by the opposition to try and put off the benefits that will come as a result of this legislation if it passes through the chamber. If it does not—if we do not get this legislation through and we fall, a sop to the opposition's proposal—this House will decline to consider the bill. That will mean none of the benefits outlined in this legislation will flow on to veterans who are entitled to those benefits. Let us be very clear, this is a stunt.

Mr Robert interjecting—

Mr SNOWDON: I am sick and tired of listening to the banal comments coming from the opposition about this matter. We can certainly have a discussion about it, but this is not the time. We should be looking at the benefits that can accrue to veterans as a result of the legislation being put through the House. We should pass the bill and move onto the next stage of the legislation—and reject the opposition's amendment.

The DEPUTY SPEAKER: The question is that the amendment be agreed to.

The House divided. [10:15]

(The Deputy Speaker—Ms AE Burke)

Ayes ...................... 68
Noes ...................... 69
Majority................. 1

AYES

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

Question agreed to.

Bill read a second time.

Message from the Governor-General recommending appropriation announced.

Third Reading

Mr SNOWDON (Lingiari—Minister for Veterans’ Affairs, Minister for Defence Science and Personnel, Minister for Indigenous Health and Minister Assisting the Prime Minister on the Centenary of ANZAC) (10:21): by leave—I move:

That this bill be now read a third time.

Question agreed to.

Bill read a third time.

Superannuation Legislation Amendment (MySuper Core Provisions) Bill 2011

Second Reading

Debate resumed on the motion:

That this bill be now read a second time.

Ms BRODTMANN (Canberra) (10:22): Superannuation has changed the way many people save for their retirement. It is easy in our younger years not to think far into the future and make decisions that will have an impact when our working lives come to an end. Retirement is a distant prospect, and for many young people it is just not on the radar. It is a great fear of mine that we do not give enough consideration to these matters—that we do not plan for our futures or take the time to plan for a comfortable retirement.

As the member for Canberra, going out to community forums and going out into mobile offices and spending time out in the
community, I often meet with people, particularly women, who unfortunately have not had the opportunity to save much for their retirement. Many of them are renting houses and struggling on the pension, and it makes it really difficult for them to make ends meet. They tell me of their plight and wish they had had a greater understanding of superannuation and put more aside for their retirement.

This is where the great power of compulsory superannuation can come in. It provides a significant source of savings, untouched and continuing to grow until such time as we need it. Planning for the future and ensuring that we make adequate provisions to support our chosen lifestyle is a message I am very keen to promote. And as Australia's population ages and more baby boomers reach retirement age, it is vital that the government looks at the way superannuation is operating and finds ways of improving the long-term outcomes for Australians.

The Superannuation Legislation Amendment (MySuper Core Provisions) Bill is another example of Labor's commitment to ensuring we have a fair, regulated superannuation industry in Australia—a superannuation industry that Australians can have faith in as they work hard to save for retirement. I really want to send this message to young Australians today: think about your retirement now.

As I have said in this place on previous occasions, superannuation is a Labor policy through and through. It was a Labor government that first introduced the compulsory superannuation guarantee, and it is a Labor government that is now reforming super to ensure the retirement savings of Australian workers are better protected.

The Gillard Labor government is committed to strengthening super, and we are doing this through a historic increase in the superannuation guarantee from nine to 12 per cent, funded by the Minerals Resources Rent Tax. Around 8.4 million Australians will benefit from the increase in this superannuation guarantee. For example, a 30-year-old on full-time average weekly earnings will now be around $108,000 better off at retirement. We are also working to make sure superannuation concessions are fairer for up to 3.5 million low-income earners. Overall, our historic super reforms will lift retirement savings by $85 billion over 10 years and $500 billion by 2035.

The bill we are debating today, the Superannuation Legislation Amendment (MySuper Core Provisions) Bill, implements the core framework for MySuper products. MySuper products are simple, cost-effective products that will replace existing default investment options in default funds. Superannuation funds will be able to offer MySuper products from 1 July 2013. To this end, the bill amends the Superannuation Guarantee (Administration) Act 1992 and the Superannuation Industry (Supervision) Act 1993.

The bill establishes the framework for registrable superannuation entity, RSE, licensees to be authorised by the Australian Prudential Regulation Authority, APRA, to offer a MySuper product. Trustees that obtain authorisation to offer a MySuper product may offer it from 1 July 2013. However, for employees who do not have a chosen fund, employers are required from 1 October 2013 to make contributions to a fund that offers a MySuper product. This provides a three-month transitional period from when MySuper products may be offered to the date at which it becomes mandatory for employers to make contributions to a fund that offers a MySuper product. The bill also generally
requires that each member who holds a
MySuper product must be charged the same
fees.

The bill also sets out the requirements for
authorisation of MySuper products by APRA
that must be met by trustees of
superannuation funds that wish to offer a
MySuper product, as well as the key
characteristics of the MySuper products and
the permitted fees and associated fee-
charging rules for the products.

This is good policy. It is in the national
interest to encourage Australians to save
more for their retirement. MySuper will be a
low-cost default superannuation product and
it will improve the simplicity, transparency
and comparability of default superannuation
products. MySuper will benefit workers
because it will have a number of features
designed solely with the interests of
members in mind.

I am pleased to be able to speak on this
bill today, because MySuper is ultimately the
signature reform from the Cooper review
into superannuation. The focus of these
reforms is on lowering fees and improving
efficiency in superannuation so that
members’ savings are maximised.

MySuper will complement the govern-
ment’s policy to increase superannuation
from nine to 12 per cent and is further
evidence of Labor’s unwavering commitment
to superannuation to help Australians save
for a comfortable and enjoyable retirement.
That is a particularly important theme with
Canberrans I meet, particularly the women I
mentioned before who are over 60 and are
doing it tough and have not had the
opportunity to save for a comfortable and
enjoyable retirement. It has been a theme of
many speeches I have made in the two years
I have been the member for Canberra. I gave
a speech early on in my term on finance
being a feminist issue. I encourage women,
the sisters of Canberra, to actually engage in
understanding their financial health and to
become literate about their finances so that
they will know what they need for today to
have a comfortable lifestyle and, most
importantly, what they will need in savings
in the future to ensure a comfortable
retirement. As I have said, a number of
Canberrans I have met are unfortunately not
enjoying a comfortable retirement.

I know my own mum, who did it tough for
most of her life, only had about $5,000 in
super when she retired. She is now on the
pension. She is supplementing that by
cleaning houses. My sisters and I are helping
her out with funding for holidays and for the
theatre—she is a great theatre fan—and so
that she can enjoy a comfortable lifestyle and
some of the simple pleasures that she enjoys.
They have not been accessible to her
because, unfortunately, she did not have
enough money in the bank in terms of
superannuation when she retired.

This bill will require employers to pay the
superannuation guarantee contributions on
behalf of an employee to a fund that offers a
MySuper product unless the employee has
made an eligible choice of fund for their
contributions to be paid to. Employers that
pay default superannuation guarantee
contributions to a fund that does not offer a
MySuper product will be in breach of their
superannuation guarantee obligations and
will be liable for the superannuation
guarantee shortfall.

The bill will also require a trustee of a
superannuation fund that wishes to offer a
MySuper product to be authorised by the
Australian Prudential Regulation Authority.
The bill only permits trustees to be
authorised for one MySuper product per fund
unless they qualify for one of two exceptions
to be able to offer more than one product.
Firstly, trustees will be able to offer tailored
MySuper products, to large employers who contribute to the fund for at least 500 employees, designed to suit the needs of that particular workplace. Secondly, funds will also be able to offer multiple MySuper products in certain limited circumstances to preserve an existing corporate brand. The branding goodwill exemption will allow merged funds, in which there was material-branding goodwill prior to the merger, to maintain their existing brand names and continue offering different MySuper products. Trustees that wish to offer more than one MySuper product will be required to be authorised for each MySuper product they wish to offer.

The bill outlines the core characteristics of MySuper products and the process to apply for authorisation of a MySuper product. The characteristics include: there is a single diversified investment option, which can be a lifecycle approach; all members have access to the same options, benefits and facilities, and the same process is adopted in crediting and debiting member accounts; and a member's interest cannot be transferred without the member's consent except to another MySuper product in the fund or as required or permitted under a law of the Commonwealth.

In addition, trustees will only be permitted to charge four types of fees within a MySuper product and will be required to charge fees to members under one of the fee-charging rules. This will facilitate members, employers and market analysts to make direct comparisons of MySuper products based on the actual fees paid.

As I said, this bill introduces the core elements of the MySuper reforms. The remaining elements of the MySuper reforms—including enhanced trustee duties, insurance arrangements and disclosure—are dealt with in other tranches of legislation.

This is a good bill. It will encourage the industry to become more competitive, and the people who will benefit the most will be young workers. We know that in order to maximise your retirement income it is important that your super fund, particularly if it is a default fund, is a low-key, high-performing fund. This legislation will maximise retirement incomes by making sure that only those super funds that deliver and continue to deliver for their members will be able to be included as a default fund option in modern awards and enterprise agreements.

It is estimated that 4.5 million Australians will hold a MySuper account once this legislation is fully implemented and that those people have the potential to be $40,000 better off in retirement. That should be reason enough to introduce this important legislation.

MySuper has been implemented in response to the Cooper review, with the final report highlighting that not everyone wants to make a choice about their superannuation, and that often default members are not adequately protected and can find they are paying for services that they do not necessarily need. Although I am a strong advocate for financial literacy, particularly for women and particularly when it comes to superannuation, we also need to balance self-empowerment—which I strongly encourage through a range of seminars that I have with women and in speeches—with adequate regulation of the industry. This is the best way to protect the retirement savings of workers and encourage more confidence in the superannuation industry.

As you can see, Labor has a very clear plan when it comes to superannuation and helping Australians save more for their retirement.
But there must also be an onus on the superannuation industry itself to facilitate higher retirement savings through greater efficiency and lower fees. This latest tranche of legislation will ensure our superannuation system has a simple, cost-effective product so that members' savings are maximised. I commend the bill to the House.

Mr BUCHHOLZ (Wright) (10:35): The Superannuation Legislation Amendment (MySuper Core Provisions) Bill 2011 follows the Cooper review into Australia's superannuation system and has the aim of introducing a new low-cost superannuation product, known as MySuper, to replace existing default superannuation fund products, as outlined in the superannuation system review of 2011. Specifically, the bill defines what a MySuper product is and sets out rules for payments, contributions and account transfers for MySuper products. It also sets out the fees which can be charged and the basis on which those fees can be charged to members of a MySuper fund. The coalition has been consistent in supporting changes to the superannuation system which make it more efficient, more transparent and competitive, with the ultimate objective being to improve the value of super funds for members.

Under the bill, from 1 October 2013 employers will have to make default superannuation contributions for employees who have not chosen a fund which offers a MySuper product. However, I note today that the government has chosen to introduce last-minute amendments to push the date out to 1 January 2014. Why should we be surprised at anything that comes from this Labor government, a government which has refused to open the default fund market to competition and choice?

The bill contains a number of what many Australians would deem minuscule changes. However, each one of these changes is important and I want to make sure the people of Wright, whom I am proud to represent, get the best possible deal. I support constructive, healthy changes which make our superannuation system more efficient, transparent and competitive and thus improve value for super fund members. As members have heard me say before, it is critical that appropriate policies be implemented for the benefit of the Australian people—I speak specifically for the people of my electorate of Wright—who want a government which can lead and support them, and it is our duty to make sure that we get it right. The best way to maximise value for consumers across all parts of superannuation—and the value proposition includes fees, fund performance and service—is to maximise competitive tension in an appropriately transparent system.

The first point I want to make is about implementation. I do not believe that any member on this side of the House is surprised that the bill seems rushed, disorganised and poorly constructed. The initial MySuper proposal, to design a superannuation product and impose pricing through legislation, would have created unnecessary inefficiencies and left many consumers worse off. Research from well-known superannuation consultants Chant West found that the originally proposed version of the bill was going to mandate that only a particular fee level could be charged. Some 750,000 Australians would have been forced to pay higher fees than they were then paying. The coalition is certainly pleased that the government has decided to back away from that approach.

Unfortunately, the bill mandates that from 1 January 2014—if the government amendments are successful, of course—employers can make default superannuation contributions to MySuper products for...
employees who have not chosen a fund. That is, while every default fund has to be a MySuper product, not every MySuper product will be available as a default superannuation fund. The decision about which funds are selected as default funds will be made through a secretive, non-transparent and non-competitive process which will remain with Fair Work Australia. Given Fair Work Australia's performance in recent times—I refer to delays of up to four years, in some instances, on union issues—I do not trust Fair Work Australia to deliver outcomes on this in an appropriate time frame.

I recall that in August 2010 Labor promised, in addition to their other promises, that an elected Gillard government would ask the Productivity Commission to design a transparent, evidence based and competitive process for the selection of default funds under the modern awards. Unsurprisingly, that promise has also not been fulfilled.

The regime to be introduced in this bill only negatively adds to the uncompetitive idea of the current modern award system as it applies to competition in the superannuation sector. Given the consumer safeguards prescribed by MySuper products under this legislation, any MySuper product should be available for selection by any employer as a default fund to make default super contributions for employees who do not have a chosen fund. Unfortunately, the government has failed to take this opportunity to expand the range of default superannuation funds that employers can choose to make contributions to. The government should act to fix this issue by removing the need for Fair Work Australia to select which MySuper products can be used as a default fund in each award.

It is of no consequence that these arrangements are to the advantage of the industry funds and public sector funds, and it is those funds that are closely aligned with—you guessed it—the union movement. It seems that each bill brought to the House by Labor has three motives: it gives more support to its union buddies; it puts its hands in the pockets of mums and dads, looking for new taxes; or it somehow manages to get an increase from the Public Service sector. This bill just looks after union mates.

I want to highlight briefly the failure of competitive neutrality in the way that intra-fund advice is treated. The explanatory memorandum indicates that a superannuation fund would be able to charge for expenses incurred in the provision of intra-fund advice as part of its overall administration fee charges to fund members of a MySuper product. Intra-fund advice is a term commonly used to describe financial advice that a superannuation fund provides to its members. This advice fee would not only be bundled into an administration fee but also be charged to all fund members, irrespective of whether they access such advice. I cannot think of any situation in the commercial world where you would be charged for not asking or receiving anything. It is quite hypocritical.

The provision for the intra-fund advice has been included by the Minister for Financial Services and Superannuation. This hidden fee or secret commission is completely inconsistent with the changes the government is seeking to impose on small business financial advisers under the FOFA. The coalition's proposed amendments to this bill ensure that no fees for personal financial advice can be bundled into an administrative fee for the purpose of a MySuper product and charged to the fund members irrespective of whether they access the service or not.
The Australian people want and need to be given every opportunity to face the challenges that lay ahead. With this bill they want good policy that proves to be beneficial to their super and keeps the economy strong. We do not want to see mums and dads and hardworking business owners—everyday Australians, like the hardworking families in my electorate of Wright—left behind. This is what will happen if we do not make every effort to work together to get an effective policy.

Unfortunately, this proposed superannuation legislation amendment, MySuper Core, once again puts forward the government's inconsistent approach to its selection of default funds. Australians—more specifically, the people of Wright, whom I represent—have the right to know the basis upon which default funds are selected. MySuper funds should, according to the government, provide cost-effective measures for employers. However, if this system does not perform to that standard then it is the members who will suffer, because it is their money, the money they are counting on to support them later in retirement, which will end up going towards more administration costs.

This government has a duty to protect the Australian people. By hiding behind Fair Work Australia's approach to the selection of default funds and adopting a lazy attitude to honesty and transparency, they are only accentuating their own attitude to healthy, productive policy. That goes without saying. It is an act that my constituents in the electorate of Wright can see straight through.

Dr LEIGH (Fraser) (10:44): Retiring with dignity after a lifetime's effort and contribution should not be a luxury reserved for a few. Thanks to successive Labor governments and their vision for the future to introduce, enhance and defend the superannuation guarantee for all Australian workers, retiring with dignity is a rite of passage for Australians. Addressing the Australian Graduate School of Management in 1991, Paul Keating said of the superannuation guarantee:

It will make Australia a more equal place, a more egalitarian place and hence a more cohesive and happier place.

Prime Minister Keating said it was the safety net most Australians would need when they retire.

The Labor tradition of looking after Australians through adequate retirement savings continued at the 2010 election. At that election our government made a commitment to introduce a simple cost-effective superannuation product to replace existing default superannuation products. That flowed out of the Cooper review and the choice architecture framework in the Cooper review. The Cooper review was commissioned by Senator Nick Sherry, one of the greatest champions of superannuation that the parliament has ever known, on 29 May 2009 when he was then the Minister for Superannuation and Corporate Law. The review, chaired by Jeremy Cooper, noted that all members want to make choices about their superannuation. It noted that the current assumptions that underpin the superannuation system are that all members want to make choices about their superannuation and that all members are interested in receiving a variety of superannuation services.

But the report noted that that was not always the case. It recommended that the government introduce a new, simple, low-cost default superannuation product called MySuper that was based on providing a simple, cost-effective product for those who have chosen not to have direct engagement in their superannuation decision making. The philosophy in the early nineties was that
everyone would choose the best fund and choose the best plan within that fund. But behavioural economics has taught us that that is not always the way that people approach decision making. Most people take the default fund and the default plan.

So the focus of MySuper needed to be to make sure that defaults were good plans. By having lower fees and more efficiency, we maximise members’ savings. On one estimate, the movement to MySuper products with lower fees can be the equivalent of an extra one per cent of earnings going into superannuation—that is, the philosophy of MySuper underpinned by behavioural economics. Behavioural economics has come strongly into the public policy world thanks in part to the terrific book Nudge: Improving decisions about health, wealth, and happiness by Richard Thaler and Cass Sunstein. They came up with a concept they call ‘libertarian paternalism’ which is based on the notion that, as Milton Friedman said, people should be free to choose. Thaler and Sunstein like to say that libertarian paternalists want to make it easy for people to go their own way.

MySuper takes away no-one’s freedom. What it does is recognise that in busy lives people are often attracted to default. As the Cooper review noted, libertarian paternalism is:

… the idea that the outcomes experienced by inert or disengaged consumers should have inbuilt settings that most closely suit those consumers’ objective needs, as assessed by the expert providers of the product or service in question.

It went on to say:

Importantly, this does not amount to a centrally-determined ‘boilerplate’ option for everybody, as it must at all times have regard to the collective characteristics of the particular consumers affected, any of whom can at any time opt out if they want to take more control for themselves.

That is the philosophy: high quality defaults but choice if you want to exercise it.

A report by the Industry Super Network, called Supernomics, also focused on some of the new insights flowing out of behavioural economics. That report noted that only around three per cent of members switch fund every year. It noted that the majority of superannuation consumers are passive consumers and, indeed, that most members who were either not aware that they had a choice or did not exercise a choice could end up being at a disadvantage. It noted the reasons for this passivity. There is myopia—a sense of focusing on the present, not on the benefits of retirement savings that will be felt in decades to come. The problem with this is that if young workers are myopic then they are making the wrong choices at the time it matters the most. Making a bad investment choice when you are at the beginning of your career means that you miss out on benefits that will continue to accumulate later.

The Supernomics report also referred to risk aversion, a shying away by young workers from investment choices, such as stocks, that have a high risk but a higher long-term return. Research indicates that people place greater weight on avoiding losses than on achieving equivalent gains. We saw that, sadly, during the global financial crisis when, at the bottom of the market, a substantial number of superannuation switchers moved from shares into cash. That meant, of course, that they locked in their losses. There is a reluctance to switch funds, even when fund switching could benefit workers in the long term.

The Cooper review noted that members who chose the default superannuation option in their fund did not have adequate protection from underperformance. They could be paying for services they did not need, did not request or did not receive. The
Cooper review also noted that trustees of superannuation funds were not always focused on maximising members’ retirement incomes in an efficient and cost-effective way. I commend those who worked on the super review, including Treasury executive director David Gruen—who, as it turns out, is the brother of Nicholas Gruen, possibly Australia’s most passionate behavioural economist.

The solution that came out of the MySuper report is a single diversified investment strategy. It can be a life-cycle approach. Life-cycle investing is the notion that investment products should be riskier at the early stage and then move towards less volatile products as the person approaches retirement. It emphasises that it ought to be simple and that consumers ought to be able to compare on the basis of the fees that a fund charges.

For employees who have not made a choice of fund, superannuation accumulation will be paid into MySuper. But we are not taking away choice. All members will have access to the same options, benefits and facilities. For a super fund to be named in an award, it must offer a MySuper product that is reviewed by Fair Work Australia. Funds can tailor MySuper products to employers with over 500 employees to meet the needs of their particular workplace. MySuper trustees must articulate the targeted rate of return over a rolling 10-year period, with the level of risk determined appropriate for its MySuper members. Fees are limited to the following: an administration fee; an investment fee, including a performance based fee; an exit fee, which must be limited to cost recovery; buy and sell spreads, again limited to cost recovery; and a switching fee, also limited to cost recovery. All the fees charged for a MySuper product must be able to be included under those standard descriptions. That will help members, employers and market analysts make direct comparisons—apples with apples—of MySuper products based on the actual fees paid.

The bill requires that in any performance based fee arrangement with a fund manager in respect to assets of the MySuper product, trustees have to include measurement of performance on an after-tax basis, a reduced base fee that reflects the potential gains the investment manager receives from performance based fees, and provisions for the adjustment of the performance based fee to recoup underperformance.

Trustees wanting to offer a MySuper product will be required to hold a specific licence issued by APRA. All APRA regulated funds will be required to offer life and total and permanent disability cover on an opt-out basis, and would consult on implementation. Trustees must at a minimum allow members to opt out of life and total and permanent disability insurance within 90 days of the member joining a fund, or on each anniversary of the member joining the fund. That is important because we do know of instances in which members are being both under-insured and on occasion over-insured and are being defaulted into insurance options that they would not choose if they were not the default products. Members must be able to increase or decrease their insurance cover without having to leave MySuper. In this sense we have unbundled the insurance and retirement adequacy components of superannuation, ensuring that individuals can make a choice of the right investment strategies and the right insurance options for them.

Those opposite, as has traditionally been the case, have taken a raft of different positions on superannuation. When Labor introduced universal superannuation in the early 1990s, the opposition said it would be a
bust to business. It said that businesses would never be able to sustain the cost of superannuation. Of course, that was wrong then and the coalition’s opposition to superannuation is again wrong now.

The history of superannuation is that Labor universalises it and the coalition is unwilling to extend those increases. In 1996 we saw the Howard government block the planned increase of the superannuation contributions. On 23 March the Leader of the Opposition said: ‘Well, we strongly oppose the superannuation increase. We have always as a coalition been against compulsory superannuation increases.’ The Leader of the Opposition now appears to be saying that if the coalition were to come to office they would continue the increases in superannuation. It is quite unclear what those opposite think about superannuation. But they ought to think first and foremost about the interests of retirement adequacy for Australians. Those opposite, as is the case for all members of this place elected after 2004, receive 15 per cent superannuation contributions. So, 15 per cent is appropriate for them, but somehow they believe that for their constituents nine per cent will do. We do not believe that. We believe that 12 per cent of earnings ought to be the bare minimum that Australians put into superannuation, because that is appropriate to maintain retirement adequacy.

In his opposition to compulsory superannuation, the Leader of the Opposition faces the challenge that he intends to repeal the mining tax, which funds the increase in compulsory superannuation. Yes, superannuation comes from earnings, but because it is taxed concessionally each additional percentage point of universal superannuation costs the government about a billion dollars. So, increasing compulsory superannuation does have a budgetary impact through forgone taxation, and those opposite are going to have to identify where the money is coming from if they support the increase from nine to 12 per cent, as they should.

We on this side of the House are proud to be the party of superannuation. We are proud to be the party that will see the superannuation system grow to $6 trillion by 2035. And in these reforms we are recognising the new insights in behavioural economics, which demonstrate that defaults must be great because most Australians do not spend a great deal of time focusing on their choice of fund and their choice of investment strategy.

We need higher superannuation contribution rates, from nine to 12 per cent, but, complementing that, we need a MySuper product, flowing from the work of the Cooper review, that ensures that Australians get the best deal, have the lowest fees and the highest returns, because that is how they will ensure a dignified retirement.

Ms O’NEILL (Robertson) (10:59): I rise today to speak on the Superannuation Legislation Amendment (MySuper Core Provisions) Bill 2011, which will be another delivered election promise from this Labor government. The bill is all about providing a simple, clear superannuation alternative for thousands of Australians. We believe that superannuation is a right owed to working Australians. It should be simple and it should be there to support the many in our community. We certainly would not have had superannuation if those opposite had had their way at the time. This bill is very obviously based on Labor values, because it is making a positive difference to the real lives of ordinary Australians.

For many Australians superannuation will be the only substantial source of major savings for their retirement—apart from the family home, that is. As we are living longer
after retirement it is vital that people are given clear and concise options about their retirement income. The superannuation industry was created by a government of vision, based on compulsory savings required by government. It is fair that this industry, which benefits so much from the compulsory savings system in Australia, gives back to the community with higher retirement savings through greater efficiency and lower fees.

From its introduction in the nineties, by another reforming Labor government looking after the interests of working Australians, superannuation has become a key pillar of our nation's retirement income system. Superannuation investment will grow and grow as more Australians make voluntary contributions for their future and compulsory contributions increase over the coming years, from nine per cent to 12 per cent. The importance of the superannuation system to the retirement income of everyday Australians means that there is a strong public interest in ensuring the system operates effectively to invest retirement savings with the ultimate goal of providing adequate benefits to members in their retirement.

Despite its importance, many Australians do not make choices about where their super goes. The fact of the current situation is that about 60 per cent of income earners are put into default accounts not tailored to individual needs or goals. I wonder at this time, when football fever is at a pitch, whether it is fair to make a comparison between the energy Australians invest every week in picking their winning teams for the footy comp and the engagement they have with superannuation. I am sure that they are both important in their own way, but the reality is that the dryness of some of the decisions that we make about how we invest our money seems to be very disengaging to very many Australians. I am also mindful that I have one of my local schools, Umina Public School, visiting this place today. I will be going to meet them at hospitality shortly after this to welcome them to the parliament. For them, certainly, ideas about superannuation are not the regular conversation of the playground, and understanding about what it could mean for their life in the future is quite limited. I will ask them whether they have considered anything in this area, because there are precocious young ones who might have an interest in it.

For many of us, retirement is a distant horizon that some dream about and others perhaps fear. But it is not something we seem to commit much time or thought to during our working lives, except for mid-afternoon daydreaming. For others, the reality is that the superannuation system is too complicated to deal with. People fear making the wrong decision without even knowing it, so default options are considered by many to be a safe alternative. The superannuation industry caters well for people who want flexibility and who know what they want and need out of their investment. Self-managed super funds provide ultimate freedom for those who want to take that extra risk, but what is lacking are clear and concise options so that people can figure out what they are getting when they sign up. I will take this opportunity, as I do on every occasion that I talk about self-managed super funds, to indicate that they are a very effective investment vehicle, but those who are in self-managed super funds should know that they are not protected against theft or fraud. The recent work of this parliament on the Trio collapse has made that very clear. It is a vital piece of public information that we need to make sure is understood widely in our community.
The introduction of MySuper products will improve the experience of those members who accept the default option, by placing them in a product that is appropriate and that ensures that their financial interests are protected. The MySuper provisions will lift the standards of super products available to all Australians and deliver on Labor's commitment to reduce the cost of living for working Australians. If you are going to have your money working for you in a superannuation scheme, you want the scheme to be a no-frills model if you are not going to engage with it. You want to get the best value for all that money you are putting in for your future. The licensee funds that will offer these products will have heightened obligations to act in the best financial interest of members. You would think that that would be common sense, but, sadly, we have seen cases where some providers have put their own interest ahead of the people on whose behalf they are making investments. It is a significant change that is being introduced by this Labor government. The licensee will also need to consider actively whether their MySuper product has access to sufficient scale to provide net returns that are in the best financial interest of members. Importantly, MySuper products will not allow commissions to be paid from a customer's investment. This is something that seems to be common sense when we say it out loud, but the reality is that, before this government undertook significant reform in this area, commissions were being paid to providers of financial services to direct people in particular ways, not always in the customer's best interest but, rather, in the interest of the financial provider. This legislation makes the changes necessary to ensure that does not occur.

MySuper products will also be beneficial for members who do not require additional services, just a no-frills variety. For people who say: 'I want my super and I want to know it is being looked after. I don't want to have to spend too much time on it,' the MySuper product is really going to be a fantastic transformation in the superannuation industry. MySuper will simplify and standardise the default superannuation product available to Australians, which will make comparisons much more manageable by having a much more definable and comparable set of super products. So instead of having to try to figure out all the fine print and compare apples and oranges and bananas, you will actually be able to have a look at MySuper 1, MySuper 2 and MySuper 3 and see what they offer and do a comparison against an established set of scales.

To bring simplicity and clarity to the super industry, MySuper products will be restricted in the types of and names of fees charged to accounts. So it will be easier for customers than it currently is to compare across funds and it will allow the industry to monitor returns in a way that communicates clearly to their customer base. The independent Cooper review found that fees in superannuation are currently too high—and I do not think any of the people in my seat of Robertson who have spoken to me would disagree with that; in fact, they are very keen to see this reform come through. There are situations currently where members may well be paying fees for services that they do not want and certainly have not requested. This is unfair for the majority of members, and it has taken this Labor government to implement these protections.

Every dollar that is taken in fees or other unnecessary costs is a dollar that does not make it into the pocket of the retiree. That is clearly where our focus is—looking after the ordinary, working Australians, too busy out
there doing a hard day's work to come home and check their financial balances a day at a time. They need to be sure that the product that they have is simple and that they are getting really good value for that investment. Individuals can lose tens of thousands of dollars over their working lives, making being self-sufficient in retirement much harder and reducing the time spend over a person's working life. Higher than necessary fees can total tens of thousands of dollars of lost retirement income. So this is not a small matter.

Australians should have confidence in the thought that, while they continue to work, their superannuation investment is under the care of fund managers and that, when they eventually begin drawing on their fund, fees and deductions have not left it barren. Those opposite, however, seem quite willing for this to continue. We must remember that they were the miserly voice in the public for some decades. They said year in and year out: 'Superannuation is too expensive. It'll send us broke. We can't afford it.' That is the same relentless negativity that we sadly see in so much of the debate in this place at the moment—a lack of vision for this country, a lack of willingness to do the hard work to set up structures that benefit the many in Australia rather than an entrenchment of privilege for the few.

Where do we stand now? We stand as one of the world's strongest economies. These are important reforms that will make a strong institution stronger. MySuper licensees will only be able to charge the following fees in relation to MySuper products. For people who are interested, these are the only things that they will be paying: an administration fee, an investment fee, a buy-sell spread, a switching fee, an exit fee and an activity fee. Super funds will be prohibited from charging any other types of fees in relation to MySuper products. This will prevent licensees from being able to deduct more exotic fees or unnecessary fees, which seem to have crept into the system, sometimes under such innocuous titles as 'entry fees'. By no means are these funds required to charge these fees for the MySuper products; however, if the decision is made, any of the fees charged must be one of the ones on the list above.

In addition, the Australian Prudential Regulation Authority will collect and publish data on MySuper products to ensure they are transparent and comparable. People will be able to go online and see the information and make comparisons at their own speed in their own time. The bill also requires MySuper products to meet minimum standards. These are that all customers will be able to access from their MySuper agency the same options and facilities and that the same processes are used when dealing with each customer's accounts. So everybody gets a go. There are not some who get a rolled gold version and others who are denied access. They should be able to get the same access. These standards will ensure that those Australians for whom a default super account is sufficient will receive adequate information and protection of their funds.

All superannuation guarantee contributions made by employers on behalf of employees that do not have a chosen fund and have not elected in writing to the RSE licensee to have their contributions made to a specified choice product will be paid into a MySuper product. This bill will have minimal impact on the obligations of employers' contributions. It is expected that most major superannuation providers will be licensed to offer MySuper products and most employers will still be able to utilise preferred funds already in use for super guarantee contributions. New employers, and employers making contributions to a fund that does not offer a MySuper product, will
have to select a default fund that does offer a MySuper product. To make this process easier on the employer, it is intended that APRA will publish on its website a list of all funds that are authorised to offer a MySuper product.

While licences will not be issued to funds with fewer than five members, employers that pay contributions for more than 500 employees will be able to receive dispensation to tailor MySuper where it is viable to offer a distinct product to suit the particular needs of the workplace. These products will also be available to direct relatives of employees of large employers.

The government has been advocating for a number of years the benefits of making voluntary contributions to one’s superannuation. Under these changes, no contribution limitation can be imposed on MySuper products. Contributions must be accepted to a MySuper product, whether they are made by an employer or the member directly. The kinds of contributions that may be made by or on behalf of members include, but are not limited to, superannuation guarantee contributions, salary sacrifice contributions, after-tax contributions and spouse contributions.

In summary, this legislation is key Labor legislation. It expresses our belief in the right of all working Australians to a dignified retirement which will be funded from superannuation and we continue to make it better and more accessible for ordinary working Australians. I commend this bill most heartily to the House.

Mr MELHAM (Banks) (11:14): The Superannuation Legislation Amendment (MySuper Core Provisions) Bill 2011, which we are debating today, represents the essence of Labor Party values—a fair go for all. The 2009 ALP platform states in its preamble:

The concept of the minerals resource rent tax is based on our fundamental principles of equity and of assisting all Australians now and into the future. The bill we are debating today is part of the strategy the government is employing to ensure equitable distribution of the national wealth.

MySuper is a key part of the government's broader Stronger Super reform package. Stronger Super also includes reforms to make the process of everyday transactions in the super system easier, cheaper and faster through the SuperStream package of measures; to improve the governance and integrity of the superannuation system, including the rules that apply to superannuation trustees; and to improve integrity and increase community confidence in the self-managed superannuation fund sector. Together, these reforms will reassure Australians that they can have confidence in the superannuation system that will support them into their future beyond work.

It was the Fisher Labor government that expanded and increased the old age pension, introduced a payment to mothers on the birth
of a child and legislated for a national workers compensation act. The Scullin Labor government increased social service payments for people facing the Great Depression. The Curtin government introduced the first national system of widows pensions, expanded the child endowment, increased pensions for invalids and began funding hospitals for the first time. It was Ben Chifley who secured a major change in the Commonwealth Constitution to give the federal government power over social services, introduced legislation for a public health system that was to pave the way for a universal health scheme and invested in affordable housing for returned soldiers and the less fortunate. The Whitlam government introduced Medibank, legislated for free universal university education, introduced the land rights act, increased the age pension and introduced and passed the Racial Discrimination Act.

The Hawke Labor government introduced Medicare, reformed industrial relations, introduced the Sex Discrimination Act and the equal opportunity employment act and increased investment in the housing, health and education of Indigenous Australians. Prime Minister Keating promoted the causes of reconciliation and respected and protected native title through the Mabo legislation. It was the Hawke-Keating government that took the historic decision to introduce the reform of a national superannuation guarantee for all Australians. That, of course, was then opposed by the coalition, just as the initiatives that we are talking about today are being opposed by the coalition. The current Labor government abolished Work Choices; increased pensions; increased hospital funding by 50 per cent; massively invested in education infrastructure as well as roads, ports and rail infrastructure; is building the National Broadband Network; addressed climate change; and with this legislation is set to invest in the future of all Australians.

In my electorate of Banks, there are 50,500 working people who stand to benefit from the superannuation increase that will flow from the minerals resource rent tax. This will add almost $108,000 to the projected retirement incomes of an average 30-year-old worker in my electorate. This is what the Labor Party stands for and always has—taking those measures which will ensure a comfortable retirement for everyone, not just the wealthy. We are taking these measures which mean that all Australians benefit from the resource boom, not only the mining companies.

The first words of the Australian national anthem rightly state:

Our land abounds in nature's gifts.

What we in the ALP are about is sharing nature's gifts. The government appreciates the fact that many Australians do not currently reap the benefits of the resources boom. We understand that some small businesses and households are doing it tough. We have to make sure that we have a future beyond the mining boom and that we share the benefits with future generations.

This bill contains reforms for the long term that will benefit millions of our citizens through their superannuation savings and provide direct benefits to small businesses. Labor believes in this reform so all Australians can benefit from the mining boom, as I said, not just the mining companies. The direct result of this measure will be an increase in superannuation as the guarantee is lifted from nine per cent to 12 per cent for around 8.4 million working people, increasing retirement savings by $500 billion by 2035, as well as providing 3.6 million low-income earners with concessions worth $800 million a year on employer super contributions.
This bill introduces the core elements of the MySuper reforms. These will be simple, cost-effective default superannuation products that will replace existing default products. Authorised superannuation funds will be able to offer MySuper products to members from 1 January 2014. MySuper will be limited to a common set of features to make it easier for members, employers and other stakeholders to compare performance across MySuper products, placing downward pressure on fees. These reforms deliver on Labor's election commitment to provide a better deal for the many Australians who choose not to take an active role in managing their superannuation but who rely on superannuation funds to act in their best interests.

In contributing to the appropriations bills debate in 1992, I said of the achievements of the Hawke government:

Social justice is about the quality of life. It is about recognising the differences which exist in society and implementing policies and programs which will ensure a fairer and more prosperous society. The Government is rightly proud of the reforms achieved in social security and health over the last decade.

... ... ...

The Government will continue to implement policies and programs which will benefit all Australians. It will continue to address the needs of the less fortunate in our community while seeking to raise the standard of living for all Australians.

I am proud to say that, almost 20 years later, those words still ring true about a Labor government. I commend the bill to the House.

It seems to me that the difference between those on this side and those on the other side can be summarised by the fact that we in the Labor Party have a safety net. We look after those who are disadvantaged, those who are underprivileged, and Indigenous Australians.

True equality requires differential treatment to try and bring people to a level of equality.

Those on the other side have a different belief. They believe in upper middle-class welfare and business welfare. That was the hallmark of the 11 years of the Howard government: a redistribution upwards to those who could afford it; and those who could least afford it were the ones who paid for it and subsidised it. That was the basis behind the regressive 10 per cent consumption tax that was applied across the board. That tax applied equally to Kerry Packer and to an Indigenous Australian. That tax added 10 per cent to the burden of providing a funeral for someone at the end of their life. It was regressive. Why? Because there is a view that the privileged should become more privileged. That is what the mineral resources tax is all about for the coalition—to give the rich more. What we on this side say is that we want to create a productive environment for business. We want productivity and this superannuation bill before the House—

Mr Billson: The House was affording the member for Banks quite a wide range there, but the member has belatedly thrown a life-saving ring towards the topic that he is supposed to be speaking about. I recognise his dexterity there and I encourage him to be more dextrous if he is going to stray off the reservation like that!

Mr MELHAM: The importance of this measure—and let us recognise it—is that the state cannot afford in years to come for measures like this not to pass the House. We have to assist that section of our community who can make provisions for their own retirement so that the remainder who are vulnerable—women who are not in the
workforce, Indigenous Australians and others—can be looked after through our pension system.

It beggars belief that those on the other side would not support a MySuper package as a trade-off in fairness and a trade-off in equity. At the same time as the conservatives sit mute, the states are increasing the cost of production for mining companies in those states—because they are Liberal states. The minister at the table, my good friend Mr Crean, is a former ACTU president. He understands this through his working experience before he came into this place and through his experience in this place.

The role of government is about measures like this bill that is before the House today. It is interesting that, historically, the conservatives have opposed this measure every time a Labor government has sought to introduce it. It is interesting that once a measure is passed, they are reluctant to tamper with it. What we are seeing here is an engagement in a political exercise. It is a lot easier for me to support the minerals resource rent tax when the trade-off is the legislation that we have got here today—fair, equitable, balanced legislation that is in the national interest.

Mr ZAPPIA (Makin) (11:26): I rise to speak in support of the Superannuation Legislation Amendment (MySuper Core Provisions) Bill 2011. Can I begin by commending the member for Banks for his contribution to the debate on this legislation. He has summed up the issues very well.

This legislation arises from the Cooper review of superannuation that was commissioned by this government and which I understand contained many, many recommendations; in fact, if my memory serves me correctly, something like 70-plus recommendations. As the minister said in his second reading speech on 3 November 2011, 8½ million Australians have superannuation funds with the total pool of super funds estimated to be in excess of $1.3 trillion.

The concerning point with respect to those statistics is that 60 per cent of Australians do not actively choose where those funds are placed. We know that with superannuation payments rising from nine to 12 per cent over the next decade the pool of funds will grow, and more Australians will have money invested in superannuation accounts. We also know that currently people who have money in superannuation accounts pay on average $85 in monthly administration fees. Paying $85 per month in administration fees results in less funds at the time of retirement. In fact, I have looked at some statements where, as a result of those administration fees, at the time that the contributors cease working at a particular place of employment, they end up having less money than they started with.

This legislation enables a simpler and less costly super option. An example, as others have said, is that under this legislation a 30-year-old on full-time average earnings could be $150,000 better off at retirement. I said a moment ago that over the next decade superannuation contributions would increase from nine to 12 per cent. Superannuation contributions are not just voluntary contributions—they are compulsory savings and not a matter of choice. They are savings that are, effectively, made by employees who forgo increases in their earnings entitlement on a weekly basis, through productivity gains and the like, that they might otherwise have received through their enterprise negotiations, so that those monies can be put into a superannuation account so that it is available for them at the time of their retirement.

Employers are required to make the necessary contributions with respect to those
superannuation payments. For employers those contributions also become tax deductions and that in turn means that the broader Australian public has also made a contribution, through that tax deductibility, for the funds that end up in superannuation accounts. In other words the cost is borne by all Australians. The only choice that the employees have about their super funds is in which fund their money is placed. Let me be clear about who those funds belong to; they belong to the working Australian people who forgo wage rises in order to make the superannuation contribution possible.

Superannuation fund companies are, in turn, regulated by APRA. Can I say in respect to that that I support and appreciate the changes that have already been made as part of the Superannuation Legislation Amendment (Trustee Obligations and Prudential Standards) Bill 2012 to ensure that APRA has more powers with respect to overseeing where those superannuation funds are placed and how the various companies manage the funds placed with them. Having said that, it is still of some concern to me that the regulation does not guarantee that the total funds deposited will always be there on retirement. If bad investments are made by superannuation companies, losses can occur. Those losses are in turn passed on to the individual superannuation fund account holders. In fact, over the last few years we have seen significant evidence of that when, as a result of stock market crashes around the world, people have lost a substantial portion of their superannuation funds. If they have not lost it entirely, they have certainly seen their funds eroded. Hopefully, because the funds are still in those accounts they might rebound as a result of stock market improvements.

The point I make about stock markets, however, is that when funds are placed with the stock market they are put at some risk. It is that risk that is still of concern to me. Passing the blame by claiming that employees choose their fund, and therefore the risk, is in my view an unacceptable excuse by those who seek to deflect blame and responsibility. Personally, I would much rather see less risk taken, and lower returns, than any losses being made at all. I welcome the simpler and easier option brought in by this legislation of allowing employees to choose where they place their funds.

I want to make a comment on some specific matters. The first is in relation to the fees. The basis for calculating fees must be transparent and it must reflect the real cost of managing those funds. In fact, I question why any fees are charged at all and why the fees, totally, should not be deducted from the total earnings of the company and not passed on directly to each account holder. This would be similar to what banks do if you have money invested in a savings bank account. In the past no fees were charged because the fees would have been deducted from the profits accrued by the bank in having those funds.

Secondly, I question why funds cannot be lodged directly with banks in a fixed deposit scheme, with similar withdrawal conditions to those that apply to superannuation companies. It would seem to me that if you are entitled to deposit your money with a superannuation fund, with conditions relating to the withdrawal of those moneys, then you could apply a similar regime to allow someone to deposit their money directly with a bank.

Thirdly, my view is that all super funds should be used to support nation-building public infrastructure, which would in turn justify a government guarantee of funds. One option for investing could be in building houses. I note that former Prime Minister Paul Keating recently made this very point
when he suggested that super funds could be used as a source by the banks for the purpose of providing home loans. If super funds could be accepted by banks, that would be possible. It is a view that I share. In fact, I would probably go further with respect to the use of funds to support banks, but I will leave that for another debate on another day.

In the last couple of decades Australian housing prices have escalated. Home ownership has become more difficult. Housing prices are a good indicator of economic conditions, and rising housing prices may be a positive reflection of a strong Australian economy. But for young home owners and home-owning aspirants, high housing prices are not good news at all. Not surprisingly, home ownership rates have fallen in recent years. Between 2006 and 2011 home ownership rates for families with children have fallen from 79.5 per cent to 77.2 per cent. It might only be two per cent, but in reality that is a significant drop when compared with home ownership rates over recent decades in this country. In fact, Australia has always prided itself on the level of home ownership amongst families. Nationally, over the same period, household monthly mortgage repayments have gone from $1,300 to $1,800, and weekly rentals have risen from $191 to $285.

Interestingly, home ownership has become more difficult since the closure or sell-off of public banks like the State Bank of South Australia or the Commonwealth Bank, nationally. The State Bank of South Australia got into financial difficulties, but not because of housing funding, for which it was purposely established. It ran into difficulties because it ventured into non-housing projects and risky commercial dealings. Had the State Bank of South Australia stuck to housing, it would have remained viable and been able to continue to serve a valuable public purpose.

In the absence of government owned banks, the use of super funds to build housing has considerable merit. It would result in more affordable housing, higher home ownership, less demand for rental homes and more stable families and communities.

Turning back to the specifics of this bill, the MySuper core provisions of this bill, I believe, should be welcomed by everybody. This is legislation that, as I said from the outset, enables super account holders to choose with much more ease where those funds are going to be lodged. It enables those funds to be managed much more simply and, hopefully, more cheaply, which ultimately means more funds at retirement for workers throughout Australia. The legislation, I believe, is a vast improvement in managing the $1.3 trillion of superannuation funds that currently exist throughout Australia. I commend the bill to the House.

Ms GRIERSON (Newcastle) (11:38): It is a pleasure to rise and follow the member for Makin, who I think captured so well the Labor principles and policies we have introduced and why we have introduced them into superannuation reform. I too rise to speak in support of the Superannuation Legislation Amendment (MySuper Core Provisions) Bill 2011. This bill seeks to amend the Superannuation Guarantee (Administration) Act 1992 and the Superannuation Industry (Supervision) Act 1993 creating a cost-effective no-frills superannuation default product. It was the Australian Labor Party, under the Keating government, that first introduced compulsory superannuation, and today in 2012 our present government is building upon our great legacy by strengthening superannuation, by creating options for ordinary consumers and by increasing superannuation from nine to 12 per cent. With this bill we are implementing the central elements of MySuper and delivering
on our government's election commitment to deliver a simple and affordable super product that will replace existing default super products. These reforms are part of Labor's Stronger Super package. It is a very extensive one and one that all of us on this side of the House take great pride in.

This bill authorises APRA (Australian Prudential Regulation Authority) regulated super funds to offer a MySuper product from 1 July 2013. The bill will make it mandatory for an employer to make superannuation contributions to funds that offer a MySuper product from 1 October 2013 ensuring that superannuation guarantee requirements are met. I must say that in all the time I have been here, one of the proudest achievements for me personally has been making sure the Australian Taxation Office took very seriously the matter of contributions from ordinary people, and from the businesses that employ them, actually being put away. I have seen the ATO become much more aggressive on that and I have seen government follow the recommendations. To see people die in their workplace only to find their superannuation entitlements were not being put away has a devastating personal impact on families and on people left behind.

This suite of legislation is something that we really should be very proud of, all of us. It makes it mandatory for an employer to make those contributions to funds that offer this product. Employers that pay default super contributions into funds that do not offer a MySuper option will, from that date, be in breach of their obligation and, as such, liable for the shortfall. This is about fairness for ordinary working people and ensuring that they have more money to retire with.

Within this bill are also the requirements for authorisation of MySuper products, as outlined by APRA, that must be met by fund trustees offering a MySuper product. It also contains the key features of such a product, as well as the permitted fees and charges associated with them. I think we know how important that is. There has not been consistency. There has been great inconsistency about fees in superannuation funds, and we want to see a downward pressure on those so that people do have confidence that the money they are putting aside is accumulating at the right rate and is not being eroded by a fee schedule that is too high.

The key features of a MySuper default product include a single diversified investment option. All members must have access to the same options, benefits and facilities. The same process must be adopted in crediting and debiting member accounts. Member's interests cannot be transferred without consent except to another MySuper product within the fund. To add to this, trustees will be permitted to charge only six types of fees within a MySuper product. These fees must also be described in the same way, ensuring that members, employers, advisers and analysts can make direct comparisons of MySuper products based upon actual fees paid. APRA will make this information publicly available, ensuring that those offering the MySuper product are acting in a transparent and accountable manner. How important is that for young people who are often not very aware of where their money is being put, or how it is being managed in superannuation funds, and who may be in several superannuation funds in part-time work?

MySuper will build upon and improve the standards of default funds, with RSE licensees having increased obligations to act in the best financial interests of those members of default funds. BT Financial Group has indicated that within 10 years our nation's superannuation pool will double to around $2.8 trillion. Superannuation is for
many Australians their only source of private savings for retirement. By 2035, our superannuation system is expected to grow to $6.1 trillion, according to Treasury projections. Such a large industry and one than it is compulsory deserves our ongoing attention as a government to ensure that the financial interests of all Australians are managed effectively and efficiently. It is our responsibility as a Labor government to ensure that this vast pool of money is secure and managed in the best interests of working Australians and their families, now and for future generations of retirees.

Our strong super reforms have come about in response to the Cooper review into the governance, efficiency, structure and operation of Australia's superannuation system, commissioned in 2009 by our government and handed down the following year. As then minister for superannuation, Minister Bowen, stated:

However, with challenges such as the ageing of the population, we must improve the system for the future. Every dollar we save in unnecessary fees and costs will help Australians' retirement savings go further.

Australians are ageing. That is something our government recognises and is preparing for, not only in our reforms to superannuation but also through our $3.7 billion aged care reforms, ensuring that options are available for older Australians to retire with in comfort and security.

On 20 June the *Sydney Morning Herald* reported that many Australians should expect to spend around one-third of their lives in retirement. The Age Discrimination Commissioner, Susan Ryan, stated that half the girls born today will live beyond 95. This clearly shows a vast difference between life expectancy during the time when superannuation was first introduced and the long and productive lives that our youngest generations today will enjoy into the future.

Research commissioned by National Seniors Australia indicates that almost 50 per cent of their current members have delayed, or intend to delay, their retirement to ensure their ongoing financial security into retirement. This clearly indicates that not enough is being saved. Of course, we have had the problem of the global financial crisis and the equity market underperforming. Is the reason for most of this that workers are not putting enough of their earnings aside, is it the way in which superannuation funds are structured or is it that money intended for retirement is being spent on the management of default superannuation funds?

Throughout the preparation of the Cooper review significant consultation occurred, with over 450 formal submissions. The review states:

The current superannuation system assumes that all members want to make choices about their superannuation and are interested in receiving a variety of superannuation related services. Default members are not adequately protected and can find themselves paying for services that they do not need or did not request and, on some occasions, they do not actually receive. Trustees are not always focused on acting for the benefit of members and maximising members' retirement incomes in an efficient and cost-effective way.

The simple fact is that consumers have said they would like access to a simple, low-cost, no-frills default option that maximises their interests and that does not want—and that is what MySuper will deliver to them.

While there are those who plan meticulously ahead for their retirement, approximately 60 per cent of people in Australia do not actively participate in making choices when it comes to their superannuation fund or its ongoing management. That is understandable. Generally when a person begins a new job or career, perhaps in their late-teens or twenties,
and begins their superannuation savings pool, retirement to them is far beyond the horizon, a distant and remote place in the future, something they never even think to consider.

But there is a correlation between high fees and the fact that consumers are not exercising the choices available to them. Unnecessary or unwanted options and services are being provided in cases where they are not requested or utilised. High fees ultimately mean a reduced funding pool for retirement. This is something our Labor government wants to reverse. We want to see lower fees and greater security and greater returns for older Australians—and that is what stronger super reforms are all about.

It is incredibly important that Australians have access to low-cost superannuation funds. Minister Shorten has stated that, on average, Australians pay approximately $85 each month in super fees. Compared to other monthly household bills—food, telephone, electricity and water—it is a considerable amount. Most people do not even know they are paying $85 in fees. Because superannuation is generally paid without us noticing, we lose track of the money trail, often blind to those ongoing fees.

Under our reforms trustees will be able to offer tailored MySuper products to employers of considerable size—those that contribute for at least 500 employees. Multiple MySuper products will only be offered by individual funds in limited circumstances to preserve any existing corporate brand that may currently operate. Of course, such trustees must have each product authorised as well.

By the middle of this century one-quarter of our population will have reached retirement. Today we must ensure that Australians will have enough money in their pockets at the time in their lives when they will need it the most. Labor's ongoing reforms to superannuation will ensure that, into the future, older Australians will have some peace of mind in their retirement, knowing that they will have—we hope—more money in their pocket because of our actions in this parliament today. Because of Labor's reforms, a 30-year-old full-time worker on average earnings will receive over $100,000 extra when they retire. Over the coming years we are gradually lifting superannuation from nine per cent to 12 per cent, benefiting over 8.4 million working Australians and their families.

Members of parliament get to travel around the world, and very few countries have a superannuation scheme such as ours. Many of them have a pension scheme of some kind, but when you consider the longer life span of people and the cost to government of an ageing population, that is not sustainable—and certainly some of the European countries are finding that out now. Yet superannuation contributed to by employers and by employees is one of the strongest policies we have ever seen in this country—it is the envy of the world. By lifting it from nine per cent to 12 per cent we are not just benefiting 8.4 million working Australians and their families but we are leading in terms of a very sensible approach to the demographics that Australia and the world are experiencing and the need for retirement security.

My government is delivering an extra super contribution to 3.6 million low-income Australians earning up to $37,000. Labor is also removing the age limit on the Super Guarantee, which means that over 50,000 Australians aged over 70 years will continue to be entitled to contributions. And people do make the choice to work longer. In the past it has been a disadvantage for them to work longer because of the fact that they were not able to benefit from any contributions to...
super. Our reforms will boost Australia's savings pool by $500 billion by 2035. This further strengthens our economy and ensures a fair Australia. MySuper is a Labor reform, and I commend the bill to the House.

Mr SHORTEN (Maribyrnong—Minister for Financial Services and Superannuation and Minister for Employment and Workplace Relations) (11:51): I would like to thank all the members who have participated in this debate. In particular, the contribution by the member for Newcastle captures a lot of what this bill is all about. This bill delivers on the government's 2012 election commitment to introduce a new simple low-cost default superannuation product called MySuper. It represents yet another step forward in improving the efficiency, competition, transparency and governance arrangements of the superannuation industry and, most importantly, improving the chance that people will have more money to retire on than they currently do.

However, MySuper is just one part of the government's comprehensive agenda to make superannuation simpler, fairer and more efficient, therefore delivering that very important goal of better retirement incomes. This includes making the process of everyday transactions in the superannuation system easier, cheaper and faster through SuperStream; reforms to improve the governance and integrity of the superannuation system; and removal of commissions through the Future of Financial Advice reforms recently passed by this parliament into law.

MySuper will provide a default superannuation product that all Australians can rely upon. It will be limited to a common set of features to make it easier for members, employers and other stakeholders to compare performance across MySuper products, placing a very important downward pressure on fees. Funds will be able to begin offering MySuper products from 1 July 2013. From 1 January 2014 it will be mandatory for employers to make contributions to a fund that offers a MySuper product for any employee who has not chosen a fund for themselves.

MySuper will also ensure that trustees exercise a higher level of care and an even greater responsibility for their default members. However, MySuper is not just for those who choose not to take an active interest in superannuation. MySuper products will set a new benchmark for transparency and comparability of key performance information on fees, costs and returns. Therefore, MySuper is designed to be an attractive option for members seeking to choose a simple, commission-free and cost-efficient superannuation product. Trustees will be required to be authorised by APRA for each MySuper product they wish to offer. APRA will be able to accept applications for authorisation of MySuper products from 1 January 2013.

Today the government will move two amendments to this bill to ensure that there is a smooth transition to MySuper products. Firstly, the amendments defer the date when employers must make contributions to a fund that offers a MySuper product from 1 October 2013 to 1 January 2014. While funds will still be able to offer MySuper products from 1 July 2013, the amendment will provide an additional three-month transition before it becomes mandatory for relevant contributions to be made to a MySuper product. This will provide more time for funds and employers to prepare for MySuper, facilitating a smoother transition to the new order. Secondly, the amendments respond to stakeholder concerns by allowing trustees that operate a life-cycle investment strategy for their MySuper product to charge
more than one investment fee. APRA will authorise MySuper products with different investment fees within a life-cycle investment strategy if it is satisfied that certain criteria are met. One condition is that the investment fee charged to each member of an age cohort is the same. There is a maximum of four age cohorts and therefore no more than four investment fees and the investment fees for the age cohorts reflect a fair and reasonable attribution of the investment costs of the fund between the age cohorts. This will ensure that members invested in assets with lower investment costs do not cross-subsidise members invested in assets with higher investment costs because they are in different stages of the life cycle.

I acknowledge that some stakeholders have raised concerns in relation to the process for authorisation of MySuper products for large employers. It has been suggested that there should be no separate up-front APRA authorisation of tailored large-employer MySuper products. However, up-front authorisation will provide certainty for employers and their employees that the product will not be disallowed by APRA after it has been put in place and already receiving contributions. If a MySuper product was allowed to commence before it was authorised and then disallowed by APRA, this would be very disruptive, causing the employer to find another default fund at short notice and causing the superannuation of employees to be moved to a different superannuation fund. Recognising that tailored MySuper products will often be based on a fund's main MySuper product, APRA has stated in draft guidance material that, where a trustee has already been authorised to offer a main MySuper product, the authorisation of subsequent tailored MySuper products will only need to focus on key differences from the fund's main MySuper product. Some funds were concerned about this. Let me reassure them that where there are few differences in a tailored MySuper product the authorisation process is expected to be quicker and require significantly less effort by a trustee.

The government believes that this approach strikes the right balance between certainty for employers and employees and a smooth and functional application process for trustees. However, I have asked the Treasury to conduct a review of the authorisation process within two years of the commencement of the MySuper regime. This review will assess the efficiency of the authorisation process, including any impacts on commercial tender processes. The review will also specifically examine the time taken by APRA to assess and decide applications for authorisation of tailored MySuper products.

I would like to acknowledge the very constructive approach of industry in providing feedback on the reforms. As the member for Newcastle presciently observed, by 2050 almost one in four Australians will have reached retirement age, compared with one in seven today. In combination, our government's superannuation reforms are estimated to increase retirement superannuation balances by almost $150,000 for a 30-year-old worker earning average full-time wages. MySuper will benefit the estimated 80 per cent of working Australians who are currently in the default investment option of a default fund. Clearly, this is a reform that will bring long lasting benefits to a large cross-section of the Australian community, and I commend the bill to the House.

The DEPUTY SPEAKER (Dr Leigh): I thank the minister for his contribution. The question is that the bill be now read a second time.
Question agreed to.
Bill read a second time.

**Consideration in Detail**

Bill—by leave—taken as a whole.

**Mr BILLSON (Dunkley) (11:58):** by leave—
I move amendments (1) to (10) as circulated in my name:

1. Schedule 1, item 6, page 4 (line 4), after "29T", insert "or satisfies the provisions of section 29TB".

2. Schedule 1, item 9, page 9 (line 14), omit "or 29TB".

3. Schedule 1, item 9, page 9 (line 19), omit "or 29TB".

4. Schedule 1, item 9, page 10 (line 33) to page 11 (line 5), omit paragraph 29TB(1)(b), substitute:
   
   (b) that employer is a large employer in relation to the fund (see subsection (2)); and

5. Schedule 1, item 9, page 11 (line 28) to page 12 (line 4), omit subsection 29TB(2), substitute:

   2 An employer is a large employer in relation to a regulated superannuation fund if there are 500 or more employees of the employer, or an associate of the employer, at the time the beneficial interest in that class is first issued and at the end of each annual reporting period.

6. Schedule 1, item 9, page 12 (after line 4), at the end of section 29TB, add:

   3 An RSE licensee with a MySuper authorisation must report the details of MySuper products for large employers to APRA on an annual basis. APRA may disallow a large employer MySuper product at any time where it does not comply with subsection 29TB(2).

7. Schedule 1, item 9, page 14 (line 25) to page 15 (line 3), omit paragraph 29U(2)(b).

8. Schedule 1, item 9, page 18 (after line 24), after subsection 29VA(2), insert:

   (2A) An administration fee must not include any fee for personal advice (as defined by subsection 766B(3) of the Corporations Act 2001) except for personal advice solely in relation to a member's beneficial interest in the fund.

9. Schedule 1, item 9, page 21 (line 10), omit "sections 29TB and", substitute "section".

10. Schedule 1, item 12, page 25 (line 12) to page 26 (line 15), omit the item.

As was indicated by the Shadow Treasurer, my friend and colleague the member for North Sydney, the coalition has three batches of amendments encapsulated in those circulated in my name. The series of amendments that we are putting forward have been outlined by Mr Hockey in his speech during the second reading debate. The first of those relates to reporting responsibilities of large employer funds to APRA—and these are amendments (1), (2), (3), (4), (6), (7), (9) and (10) that have been circulated in my name. The bill as drafted would require a superannuation fund with a MySuper licence to apply to APRA prior to providing superannuation services to large employers. Five organisations—BT, Mercer, the Corporate Super Specialist Alliance, the Association of Superannuation Funds of Australia and the Financial Services Council—all argued strongly at the Parliamentary Joint Committee on Corporations and Financial Services hearing that this additional authorisation process for tailored MySuper products for large employers is unnecessary. This is because all funds offering such tailored plans are already authorised to provide a MySuper product.

The superannuation industry made the strong point that this additional process would be cumbersome, time consuming, unnecessary and costly. They also expressed strong concerns that this additional authorisation process would move APRA away from its proper and very important role as prudential regulator focused on risk and governance into areas of commercial interest between funds and large employers which have nothing to do with APRA’s regulatory role. If this provision is not amended, fewer Australian workplaces will have super
arrangements which reflect their employees' needs. Australians will have a reduced suite of products in a less competitive market, and further unnecessary cost and regulation will be introduced into the financial services industry. The coalition amendments will require superannuation funds to report the existence of these arrangements rather than apply to APRA prior to issuance. We believe one licence to operate a business in any industry is sufficient.

The amendments would still allow APRA to disallow a non-complying fund. Such a process would address the public policy concern that APRA must be able to track the existence and number of employer plans. It would achieve this without undermining the efficiency, competitiveness and commerciality of tender processes. The coalition amendment would also ensure that APRA continues to fulfil its proper role as the prudential regulator, which should be focused on risk and governance, without entangling it in commercial matters.

The second set of amendments, relating to the definition of 'large employer', comes under amendment (5) circulated in my name. There is significant industry concern about the benchmark above which large employers can tailor MySuper funds for their employees. The provisions of the bill allow for such tailoring where an employer contributes to a fund on behalf of 500 or more members. Many participants in the superannuation industry submitted to the parliamentary joint committee inquiry that the threshold in its current form is complex, unworkable and may have a number of unintended consequences. The organisations expressing these strong concerns included the Financial Services Council, the Corporate Super Specialist Alliance, Mercer and the Association of Superannuation Funds of Australia. This coalition amendment replaces the complex and unworkable threshold with a simple, easily quantifiable and effective test that defines the large employer threshold as an employer that has 500 or more employees at the relevant time.

The final area of amendments falls under amendment (8), relating to intrafund advice. Intrafund advice is the provision of financial advice by superannuation funds to their members. Currently, the term 'intrafund advice' and the advice provided by various superannuation funds can include very general advice, product-specific advice, advice on retirement options or even more specific or individualised 'holistic' financial advice. (Extension of time granted)

The committee inquiry into the bill received evidence from a number of participants expressing strong concerns about how intrafund advice would interact with the MySuper legislation, particularly given that it is only briefly referred to in the explanatory memorandum of the bill currently before the chamber. These concerns included a risk that such intrafund advice could lack transparency, could lead to some super fund members cross-subsidising others through the fees they pay, and also the risk of secret commissions.

At the committee hearings even Treasury appeared uncertain as to how intrafund advice would be treated under MySuper. The coalition considers that if intrafund advice is to continue to be provided in the future it should be provided under the same legislative and regulatory framework as all other financial advice. Despite intrafund advice clearly being a type of financial advice, there is no definition or scope of such advice provided in either the MySuper legislation or the government’s Future of Financial Advice, FoFA, legislation. There is no limitation placed on what may constitute intrafund advice and there are no provisions
determining who should pay for such advice in any of the proposed legislation.

The coalition considers that the complete lack of consideration, definition or restriction of intrafund advice within both the MySuper and the FoFA legislation is a serious omission on the part of the government that exposes consumers to severe risks. This is particularly the case because intrafund advice would not be subject to the best-interests duty being introduced by the FoFA legislation and because many industry super funds currently fund such intrafund advice by levying fees for this advice on all fund members. This would not be permitted if the FoFA legislation applied, as FoFA essentially bans the provision of advice in circumstances in which the cost of providing the advice is not met by a direct and transparent payment from the recipient of the advice. Given the reliance of many industry super funds on the provision of intrafund advice for marketing advantage and the attraction of new members, we are concerned that the government has avoided defining and limiting the scope of intrafund advice because it has bowed to the interests of the union dominated industry super funds.

The coalition members of the committee strongly recommended a number of changes. First, that intrafund advice should be defined in both the MySuper and the FoFA legislation; second, that there should be express limitations included in the legislation to ensure that such advice is general in nature only—similar to the provisions relating to basic banking products; third, that any financial advice accessed within a superannuation fund beyond such general advice should be expressly subject to the best interests duty and be paid for by the person accessing this advice without any cross-subsidy from other fund members. The coalition amendment achieves this by ensuring that any financial advice provided within the context of a MySuper product which is considered to be personal advice, as defined in the Corporations Act, cannot be bundled into the administrative fee of the MySuper product. The sole exception is, of course, where the advice relates specifically to the member's interest in the fund.

The coalition amendment ensures that MySuper members who do not seek to access such advice do not end up cross-subsidising those members who do access advice through their fees. It also gets rid of any secret commissions bundled into the advice fees charged as part of the administration fee. The amendment does not prohibit MySuper funds from providing advice; in fact, it actually assists them to do so by providing clear boundaries on what fees they can charge and who pays those fees. In the case of personal financial advice, it will be the person who accesses that advice, and not those members who do not use the advice, who will pay for the service.

I commend to the House the coalition amendments, and I hope that the parliament is persuaded by the strong logic that supports them.

Mr SHORTEN (Maribyrnong—Minister for Financial Services and Superannuation and Minister for Employment and Workplace Relations) (12:07): At the outset I say that I do acknowledge the quality of the advocacy of the member for Dunkley but that there are some concerns I have to express. The opposition has moved three substantive amendments. The first opposition amendment would mean that a tailored MySuper product for a large employer would not have to be authorised by APRA. This would allow a trustee to accept contributions even if APRA had not assessed the product. Such an approach would be unique. Most licensing regimes generally do not allow anything to commence until the regulator has
made a decision; there is no reason put forward by the opposition that authorisation for a MySuper product should be any different. APRA has said repeatedly that authorisation is an important entry control for MySuper products. It ensures that there can be an upfront assessment that the MySuper product meets the legislative criteria before members' contributions are placed in the product. This reasoning applies equally to tailored MySuper products established for a large employer. A tailored MySuper product for an individual large employer can differ in every respect from the main MySuper product that a fund may offer—including in its fees, administration, services, financial advice and investment strategy. Therefore it is important that tailored MySuper products meet all of the same requirements as other MySuper products, including authorisation.

Up-front authorisation of tailored MySuper products will provide certainty for employers and employees that the MySuper product will not be disallowed by APRA after it has been put in place and started to receive contributions. This would be very disruptive and cause the employee to find another default fund. APRA has already indicated in draft guidance material that, where a trustee has been authorised to offer a MySuper product, authorisation of subsequent tailored MySuper products will only need to focus on key differences from the fund's main MySuper product. As such, where there are few differences in a tailored MySuper product, the authorisation process is expected to be relatively quick.

The second set of opposition amendments aims to amend the bill to base eligibility for a tailored MySuper product on 500 employees. At one level I can understand why the opposition advocates this, but the reality in the real world is that a test based solely on employees would allow an employer to obtain a tailored MySuper product for substantially fewer than 500 members—for example, where the employer is required to contribute to a different default fund under the relevant award. This would undermine the purpose of the test, which is to ensure that each MySuper product has sufficient size and is viable. That is why the government's bill requires an employer to contribute to the fund, and for 500 of their employees to be eligible. Initially I was attracted to the idea of 500 employees, but the research and due consideration shows that the 500 members test is a much more pragmatic and workable test and that it will ensure that there is sufficient scale for each MySuper product. Furthermore, the opposition amendments on eligibility just do not work. They would in fact appear to prevent APRA from disallowing tailored MySuper products if they fail to satisfy any of the other legislative criteria.

It is unclear what the opposition is trying to achieve through its third set of amendments, which are on intra-fund advice. Limiting a trustee in charging for personal advice that relates to the member's beneficial interest in the fund is already achieved by the government's model for intra-fund advice. That said, if the opposition amendment is trying to prevent intra-fund advice covering personal advice, the ability of Australians to access advice about one of their most important financial assets in a cost-effective manner would be significantly and unfairly inhibited.

For these reasons and after due consideration of the case by the opposition, the government has concluded that it does not support the amendments moved by the opposition.

The DEPUTY SPEAKER (Ms AE Burke): The question is that the
amendments moved by the member for Dunkley be agreed to.

The House divided. [12:16]

(The Deputy Speaker—Ms AE Burke)

Ayes ................. 70
Noes ................. 72
Majority .............. 2

AYES

Alexander, JG
Andrews, KL
Billson, BF
Bishop, JI
Broadbent, RE
Chester, DJ
Ciobo, SM
Coulton, M (teller)
Dutton, PC
Fletcher, PW
Frydenberg, JA
Griggs, NL
Hartseyker, L
Hockey, JB
Irion, SJ
Jones, ET
Keenan, M
Laming, A
Macfarlane, IE
Markus, LE
McCormack, MF
Morrison, SJ
Neville, PC
Prentice, J
Ramsey, RE
Robb, AJ
Roy, WB
Schultz, AJ
Secker, PD (teller)
Smith, ADH
Southcott, AJ
Tehan, DT
Tudge, AE
Van Manen, AJ
Washer, MJ

NOES

Adams, DGH
Bandt, AP
Bowen, CE
Brodmman, G
Butler, MC
Champion, ND

Clare, JD
Combet, GI
Danby, M
Dreyfus, MA
Ellis, KM
Ferguson, LDT
Fitzgibbon, JA
Georganas, S
Gray, G
Griffin, AP
Hayes, CP (teller)
Jones, SP
King, CF
Livermore, KF
Macklin, JL
McClelland, RB
Mitchell, RG
Neumann, SK
O'Neill, DM
Parke, M
Pilbrow, TJ
Rishworth, AL
Roxon, NL
Saffin, JA
Sidebottom, PS
Smyth, L
Swan, WM
Thomson, CR
Vamvakoulis, M
Windsor, AHC

PAIRS

Abbott, AJ
Gillard, JE
Gash, J
O'Dwyer, KM

Collins, JM
Crean, SF
D'Ath, YM
Elliot, MJ
Emerson, CA
Ferguson, MJ
Garrett, PR
Gibbons, SW
Grierson, SJ
Hall, JG (teller)
Jenkins, HA
Kelly, MJ
Leigh, AK
Lyons, GR
Marles, RD
Mehlum, D
Murphy, JP
Oakeshott, RJM
Owens, J
Perrett, GD
 Ripoll, BF
Rowland, MA
Rudd, KM
Shorten, WR
Smith, SF
Snowdon, WE
Symon, MS
Thomson, KJ
Wilkie, AD
Zappia, A

Question negatived.

Mr BANDT (Melbourne) (12:20): by leave—I move amendments (1) to (5) together:

(1) Schedule 1, page 3 (after line 2), after Part heading, insert:

Corporations Act 2001

1A At the end of subsection 1017B(1A)

Add:

; and (c) without limiting paragraph (a) or (b)—any replacement of a kind specified in regulations made for the purposes of this
paragraph of a beneficial interest of a class that is
a MySuper product with a beneficial interest of
another class in a superannuation entity.
(2) Schedule 1, item 9, page 12 (line 34) to page
13 (line 2), omit paragraph 29TC(1)(g), substitute:

(g) a beneficial interest of that class in the
fund cannot be replaced with a beneficial interest
of another class in the fund, unless the person
who holds the interest consents in writing to that
replacement no more than 30 days before it
occurs; and
(3) Schedule 1, item 9, page 13 (lines 6 to 8),
omit subparagraph 29TC(1)(h)(i).
(4) Schedule 1, item 9, page 13 (line 9), omit
"otherwise".
(5) Schedule 1, item 9, page 13 (line 12), after
"new interest", insert "no more than 30 days
before it occurs".

I will be supporting the MySuper legislation.
It is a very good way of offering better
protections for Australians. There is one
issue, though, which could do with some
improvement, and it is to address the
situation where a worker leaves their
employment and has not made arrangements
to take their MySuper fund with them. At the
moment, there is nothing stopping the fund
flipping them into a higher fee account
without their knowledge, and this would
mean that it is quite possible that a person,
by the time they find out that their
superannuation fund has been moved into a
higher fee fund, may have lost several
hundred dollars of their savings in fees. In
fact, some research has suggested that it
could be somewhere in the order of $300 per
year. The amendments will stop that process
happening without the employee's consent. It
will still be possible for the fund to switch
them from one MySuper account to another,
but it would need the employee's consent
first to do that.

These are, I think, fair amendments. They
will not stop superannuation funds changing
products if that is found to be necessary, but
they will mean that, for the many thousands
of people who shift jobs—and, with higher
turnover in the workforce, there are many
people who are in that situation of shifting
jobs—without having made prior
arrangements about their super, their super
will be protected in the fund they were in,
and it will be protected in the fund they were
in unless they decide otherwise. So they are
sensible amendments, and I commend them
to the House.

Mr BILLSON (Dunkley) (12:22): The
Greens amendments seek to prohibit moving
an individual's investment from a tailored
MySuper product into another without their
consent. This means that, if an employee
who is defaulting into their employer's
superannuation fund leaves a large employer,
then the superannuation fund will no longer
be able to switch them out to another public
MySuper product. We understand the
government is planning to support these
Greens amendments, and the coalition has no
objection to them.

Question agreed to.

Mr SHORTEN (Maribyrnong—Minister
for Financial Services and Superannuation
and Minister for Employment and
Workplace Relations) (12:23): I present a
supplementary explanatory memorandum to
the bill and seek leave of the House to move
government amendments (1) to (6) on sheet
BG233, as circulated, together.

Leave granted.

Mr SHORTEN: I move amendments (1)
to (6) on sheet BG233:
(1) Clause 2, page 2 (table item 2), omit “1
October 2013” (wherever occurring), substitute
“1 January 2014”.
(2) Schedule 1, item 9, page 21 (after line 15), at
the end of section 29VA, add:
Lifecycle differentiated investment fees
(9) This rule is satisfied if:
(a) the fee is an investment fee; and
(b) the fee would satisfy one of the charging rules in subsections (2) to (4) if the rule were applied to an age cohort identified in the governing rules in relation to the MySuper product for the purposes of this subsection, rather than in relation to all members of the fund who hold the MySuper product; and
(c) the governing rules identify no more than 4 age cohorts in relation to the MySuper product for the purposes of this subsection; and
(d) the investment fees for the age cohorts reflect a fair and reasonable attribution of the investment costs of the fund between the age cohorts.

(3) Schedule 1, item 12, page 26 (line 1), omit “1 October 2013”, substitute “1 January 2014”.

(4) Schedule 1, item 12, page 26 (line 6), omit “1 October 2013”, substitute “1 January 2014”.

(5) Schedule 1, item 12, page 26 (line 10), omit “1 October 2013”, substitute “1 January 2014”.

(6) Schedule 1, item 13, page 26 (line 18), omit “1 October 2013”, substitute “1 January 2014”.

The amendments defer the date from when employers must make contributions to a fund that offers a MySuper product from 1 October 2013 to 1 January 2014. While funds will still be able to offer MySuper products from 1 July 2013, the amendments will provide an additional three months transition before it becomes mandatory for contributions to be made to a MySuper product. This will provide more time for funds and employers to prepare for MySuper, facilitating a smoother transition to the new regime. In particular, the amendments will benefit employers in the case where their superannuation fund may have been unable to obtain a MySuper authorisation by the 1 October 2013 deadline.

The amendments also relate to investment fees for life cycle investment strategies. The amendments respond to stakeholder concerns by allowing trustees that operate a life cycle investment strategy for their MySuper product to charge more than one investment fee. APRA must authorise MySuper products with different investment fees within a life cycle investment strategy if it is satisfied that certain criteria are met. In order for them to charge different investment fees, APRA must be satisfied that the following conditions are met: the investment fee charged to each member of an age cohort is the same; there is a maximum of four age cohorts and therefore no more than four investment fees; and the investment fees for the age cohorts reflect a fair and reasonable attribution of the investment costs of the fund between the age cohorts.

This will ensure that members invested in assets with lower investment costs do not cross-subsidise members invested in assets with higher investment costs because they are in different stages of the life cycle. This amendment means that members can be treated fairly and will only have to pay the investment costs that relate to them. This is consistent with a key tenet of MySuper, which is to ensure that members do not pay greater fees than they need to.

Mr BILLSON (Dunkley) (12:25): Government amendments (1), (3), (4), (5) and (6) relate to delaying the start date of the legislation from 1 October to 1 January 2014. The coalition views this as a sensible move and will support this. Government amendment (2) relates to life cycle differentiated investment fees and seeks to make the parameters around provisions for those fees more flexible. This additional flexibility relates to age cohorts for investment fees, as the Minister for Financial Services and Superannuation has outlined, and allows the MySuper product to apply differentiated fees to individuals depending on their age cohort. The coalition will support this measure, as we recognise the need for flexibility when dealing with
differing investment strategies and in turn the fee structures involved, particularly when considering the stage of life cycle and an individual's appetite for risk when it comes to planning for their superannuation. The coalition also acknowledges that the government has been receptive to industry representations.

Question agreed to.

Bill, as amended, agreed to.

Third Reading

Mr SHORTEN (Maribyrnong—Minister for Financial Services and Superannuation and Minister for Employment and Workplace Relations) (12:27): by leave—I move:

That this bill be now read a third time.

Question agreed to.

Bill read a third time.

Health Insurance Amendment (Extended Medicare Safety Net) Bill 2012

Returned from Senate

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

Greenhouse and Energy Minimum Standards Bill 2012

Greenhouse and Energy Minimum Standards (Registration Fees) Bill 2012

Second Reading

Cognate debate.

Debate resumed on the motion:

That this bill be now read a second time.

Mr HUNT (Flinders) (12:28): It is a great pleasure to speak on behalf of the coalition on the Greenhouse and Energy Minimum Standards Bill 2012 and to offer our support for it. Our points in relation to this bill are very simple. With regard to energy efficiency, the environment and reduction of greenhouse gases, there are three critical points: (1) we agree on the science, (2) we agree on the targets and (3) we disagree on the mechanism where it involves a carbon tax, which is in effect an electricity tax. We propose an incentives based scheme which does practical things, rather than one which, in the end, requires having to purchase $3½ billion of foreign carbon credits each year, every year. That figure will increase from 2020 onwards.

Where does this bill fit in? It fits in against a background of long coalition support for practical action to do real things such as ensure that we have energy efficiency measures in place in our country that are not about imposing a massive electricity tax. This bill is part of the positive agenda, which we support, but it stands in stark contrast to the carbon tax, which we do not support.

Let me begin by dealing with the negative side, which we cannot and will not support and which we will repeal. The problem with the carbon tax, first and foremost, for all of those concerned with greenhouse gas abatement, is simple: it does not do the job. Our domestic emissions will go up rather than down. They will go up from 578 million tonnes in 2010 to 621 million tonnes in 2020. That is almost 43 million additional tonnes—about two tonnes per person right across Australia—more than was the case a decade earlier. So throughout the period of the first eight years of the carbon tax our emissions will go up, not down. The tax will not do its job.

We have ventilated elsewhere our absolutely clear concerns about electricity, gas and refrigeration prices that will rise on a truly astronomical scale and about the impact that will have on small businesses, farmers,
families and seniors. That is something that is well and clearly constructed, and I think the public knows that. But what is of surprise to me and to others, on both sides of this House, who want to see an improvement in efficiency and a reduction in emissions, is that it does not do its job. That is the extraordinary part about it, and that is where the relationship to this bill is so fundamental. Emissions will go up, not down; electricity prices will go up, not down. At the same time, nothing will happen; our emissions will simply continue to increase. People may well ask: 'Why is that the case? Surely that is counterintuitive?'

The problem with taxing electricity is that it is a singularly ineffective mechanism. Electricity is an essential service and therefore is a largely inelastic good. It is not perfectly so, but in terms of pure price responsiveness it is largely inelastic. We will see that electricity prices will go up but that demand will not be affected in any significant way. Other elements can affect demand. I spoke with the head of the Australian Energy Market Operator yesterday. There is no doubt that the provision of solar panels has helped reduce demand for grid based electricity and that other elements, including the hollowing-out of the Australian manufacturing industry, have had a significant impact. There have also been seasonal impacts. But price alone has been a wildly ineffective mechanism. Work from around the world shows that, in a developed economy, electricity is an essential service and therefore significantly price inelastic. That is why driving up the price of electricity will not decrease our emissions in any significant way. That is the tragedy of the carbon tax: all of this pain with no fundamental or apparent gain. Those are the problems.

Let me move from the fact that we know—we believe, we are convinced—that the carbon tax is not going to achieve its objective to this bill. This bill builds on a set of national standards for the energy efficiency labelling of products in Australia. It is quite a practical measure. It is in line with our approach of direct practical initiatives. It allows the government to ensure that there is a set of uniform national labelling standards that will replace existing state and territory labelling that fulfils the same purpose—in other words, it consolidates into a single, national set of standards. That is what we want. That is what we believe in. That is what we want to occur. It is a very positive outcome.

The bill delivers a national expanded Equipment Energy Efficiency Program that enables Australian governments to ensure that, among other measures, there are common product types and standards—products that use forms of energy other than electricity; products, such as window glass and air-conditioning ducting, that affect energy consumption and standards for the identification of the greenhouse gas intensity of particular products. That is all practical information which is not overly onerous. It builds on the agreement of the Council of Australian Governments and the steps taken by it. The scheme was designed to accelerate energy efficiency efforts and to streamline roles and responsibilities across different levels of government. Those are all positive elements.

I am pleased that the responsible member of the executive, the Parliamentary Secretary for Climate Change and Energy Efficiency, the member for Isaacs, is in the chamber. Our senators, in their inquiry into this bill, raised concerns about the treatment of the lighting sector. They were worried that there would be issues about the confidentiality of sales data and that the bill was overly onerous in its imposition of reporting requirements. Whilst we have many disagreements with the government, I thank
the parliamentary secretary and his office for directly addressing the concerns, knowing that what we say in this place has an impact under the Acts Interpretation Act on the interpretation of the legislation. I thank the government. They have made commitments which we regard as adequate, significant and important. I will trust that the parliamentary secretary will deliver on those.

Against that background, we agree on the targets and on the need for practical action; we disagree on the mechanism. But this is one point where we can happily provide agreement. On that basis, I am delighted to offer support for the Greenhouse and Energy Minimum Standards Bill 2012.

Mr NEUMANN (Blair) (12:37): I rise to speak in support of the Greenhouse and Energy Minimum Standards Bill 2012 and the Greenhouse and Energy Minimum Standards (Registration Fees) Bill 2012. The speech we heard from the shadow minister is not a speech he would have made at any time during his student days when he wrote a thesis urging a price on carbon. It is not a speech he would have made as a candidate in 2007 when he stood with John Howard, the then Prime Minister, and urged a price on carbon. It is not speech he would have made when Brendan Nelson was the Leader of the Opposition when he urged a price on carbon.

All through his life he has been a passionate supporter—correctly—of putting a price on carbon. As the Productivity Commission has recommended, it is the most environmentally effective and economically efficient way to deal with the challenges of dangerous carbon emissions in our atmosphere which have an impact on our environment and our economy. For all his life, he has been an advocate for doing that. It is not a speech he would have made just three years ago in this place. Let us not kid ourselves: that speech was made in the political interest of the Leader of the Opposition and the shadow minister and not the national interest. It is in the national interest to put a price on carbon because it is good for our environment and, long term, it is good for our economy.

We believe it is important to do this. Those opposite have the same targets with respect to reducing carbon emissions by 2020. A carbon price will see reductions in annual emissions of 159 million tonnes by 2020. It is the equivalent of taking 45 million cars off the road. I do not know where the shadow minister was when the information was circulated, but it does not come from our caucus. It comes from those who assess these things. It comes from Treasury and the Department of Climate Change and Energy Efficiency.

Those opposite will impose a tax on our economy of about $48 billion, hitting every household with a tax slug of $1,300. It is effectively a carbon price of about $62 a tonne. He did not say that when he came in here. We have an emissions trading scheme. It will be a fixed price for a few years and then a sliding price. On one hand, there is the carbon price. On the other hand, there is the legislation that we are dealing with today. It complements what we are doing.

Australians are already acting. We know that. They are switching off their lights; they are switching off their appliances. We know they are looking to invest in efficient products and appliances. We can see that. In ads on TV, in brochures in the mailbox and on internet sites you can see that there are appliances and products being sold by retail outlets that advocate this because obviously
consumers are discerning. They want to be energy efficient. They know it is good for their pocket and they know it is good for the environment, so they are taking steps already.

ABARES thinks that 55 per cent of our target to reduce carbon emissions by 80 per cent by 2050 can be effected by energy efficiency measures. This is an important thing. We have seen already in the last few years a 13 per cent reduction in emissions this way. Business as usual is not what Australians believe. In their personal lives—through recycling, insulating their homes, putting solar panels on their roofs and looking at energy efficient hot water systems—they are taking steps in a practical way already. What we are doing here is putting in a national framework, getting rid of the inefficiencies of state based arrangements. We applaud those arrangements. We know that they have had an impact. But when I have a Queensland retailer like R.T. Edwards who wants to distribute its products into New South Wales and Victoria, I want to make sure that it does not have to deal with eccentricities, inefficiencies and regulatory burdens. I want to make sure that there is a national framework. This will have the impact of adding about $5.2 billion to our economy. That is $5.2 billion added to our GDP that we can have in our economy that lifts the burden on business.

Those opposite always claim that they are the champions of business and free enterprise. But it always takes a Labor government to do these things. We are the real champions of the business community and small business. It is quite clear that that is the case. We stood up for business during the GFC. We stood up for them when those opposite were asleep at the wheel. We are standing up for business with respect to the carbon price and energy efficiency.

We think this is particularly important. As I say, we will see about $5.2 billion being added back to our economy by 2020 through these particular measures. This is part of a commitment that we took to the 2007 election and a commitment that was made through COAG in 2009—that is, to establish this national framework, the Equipment Energy Efficiency Program, known as the E3 Program. We are replacing those state based legal frameworks with a single national framework. We are replacing the four state based regulators with a single energy efficiency regulator. It is an important step, ensuring consistency between the states and territories and getting rid of what I call the energy dingo fence between the states. It makes sure that the burden of regulation can be lifted so that when one company, like R.T. Edwards in Ipswich, has its products labelled we know that it can sell it interstate.

The E3 Program consists of two elements. I will deal with them briefly. They are the minimum energy performance standards, which set the mandatory requirements for energy efficiency, and the energy rating labels to assist consumers to choose the most energy efficient appliances.

We love appliances. We have them all throughout our houses. There are air conditioners, TVs—often multiple TVs—DVD players, stereos and the like. They are all through modern Australian homes; you can see that whenever you go into them.

The benefits are quite clear to consumers. Energy bills are reduced and consumers have informed choices, and they will make choices. I can recall that years ago in Queensland, in south-east Queensland in particular, we thought demand for water was inelastic. But we knew that during a seven-year drought water demand became elastic. We took steps to make sure that we reduced consumption of water. We made sure of that.
That is clearly the case, and when we lifted the burden of restrictions, what happened was that Queensland consumers kept the same consumption of water.

We know energy is the same. We know people have taken steps to reduce their consumption of energy. We have seen, for example, that since the energy rating labelling began in New South Wales in 1986 the energy used by domestic refrigerators and freezers has decreased by 67 per cent. That is a very significant reduction over a period of time. Delivering these efficiencies is important for consumers. I think we need to reduce the barriers to a national framework that have been set up by state based arrangements. I think consumers want this and this goes hand in glove with putting a price on carbon.

I think the member for Tangney is speaking next for those opposite, and I would be interested to see his passionate support for the coalition's attempts to reduce carbon emissions, because from every speech I have ever heard in this place from him I am not necessarily convinced that he even believes that we should be taking action on climate change. I will be fascinated to hear his speech in relation to this matter. I am not even sure whether he thinks it is going to be a waste of time doing this, but we think it is important. On one hand we are putting a price on carbon and on the other hand there are energy efficiency measures. Lifting the burden of regulation is in the national interest. While we are pursuing the national interest, the economic interests and the environmental interests of this country, those opposite are pursuing their own sectional and political interests and running a reckless, irresponsible campaign against what is economically efficient and environmentally friendly for our economy.

Dr JENSEN (Tangney) (12:47): I am sure the member for Blair will be listening with interest. Let it be clear that the coalition is committed to a cleaner future. We have a holistic plan and a green army. The effect of the carbon tax is well documented and I will not dwell on that. This bill highlights the philosophical differences between the coalition and Labor. I will briefly touch on a number of issues with the bill and how shifting the philosophical paradigm could produce better results.

The ethos of this bill is regulation—regulation of bads, as opposed to incentivisation of goods. Regulatory approaches are slow, costly and ineffective. Incentivisation and market based policies work faster and more cheaply and are more sustainable. Think of a virtuous cycle. The literature on market theory and contestable markets would inform you of that. The member for Blair obviously was not quite so interested because he is leaving the chamber.

This GEMS bill is based on the need to comply with the UNFCCC guidelines. There are two issues here: (a) the premise is flawed, insofar as anthropogenic climate change is based on loose scientific ground and (b) even if the science is accepted then the targets are not realistic. Is a five per cent CO2 reduction from 2000 levels by 2020 and an 80 per cent reduction by 2050 realistic under the carbon tax? Luckily Labor does not work in business, because in business we talk about plans being SMART, where the 'R' stands for realistic.

The reality of the carbon tax is that carbon dioxide emissions will go up by 2020, from approximately 580 million tonnes per annum to about 630 million tonnes per annum. The way that you get the five per cent reduction is sophistry and spin, which has to do with the purchase of rubbish overseas carbon credits. So Australia will not be reducing its
carbon dioxide footprint, regardless of what those on the benches opposite say. The reality is that global problems require global solutions, and there is simply nothing remotely approaching a global solution or a global view of the need to reduce CO2 emissions or indeed the mechanism by which you would do that.

As I have said, the principal reason for pursuing GEMS is deeply flawed. I take issue with the scientific sources cited in the bill. The reports referenced are from bodies with vested interests—for example, ClimateWorks Australia. These bodies are engaging in rent seeking behaviours in order to justify their existence and enlarge the money allocation for the next financial year. The objectives at hand include reducing CO2. I thought it was about reducing global average temperatures, but of course we dare not speak about that because the reality is that even if you accept the IPCC position you know for a fact that the effect is negligible to none. The other objectives are cleaning up the environment and making electrical products more energy efficient.

A better way is to reallocate the resources that would otherwise be used to regulate, distort markets and stunt imagining. Why not reallocate that money and invest it in early intervention and R&D prizes—not programs but prizes to spur, not stunt, imagination? Put money into the cheap end of the innovation pipeline. Get rid of the fungibility issues and rent seeking behaviours dominant in the research industry. This mindset is losing the West our historic lead over China and other developing nations. Compliance does have a cost.

Small business cannot afford more green tape. This bill will affect all electrical products, insulation, energy, refrigerators—even cows. Labor do not stand for the working person any more. Why would they increase the price of everything, even of making a cup of tea—the cup, the water, the kettle? They are negative. They want to punish people. Labor do not trust or believe in the ingenuity of Australians to invent our way to a new tomorrow; the coalition is excited about the creativity of our people.

The bill makes reference to the 'reticence' of the government. They should be reticent, given their spectacular failures, such as the Home Insulation Program, the Green Loans Program, Green Start, school halls, set-top boxes and the NBN—I could go on all day. What makes them think that they can deliver now, when they could not deliver before? Moreover, seeking to harmonise state legislation—as this bill explicitly sets out to do—sounds good but in practice will have desultory results in the long run.

Vision is what the coalition is all about. The coalition believes in the fundamental brilliance of the competitive marketplace of ideas. This is true in the arena of legislation as well, where incremental amelioration must fight radical innovation. This creative destruction is the nature of capitalism. Innovative legislation breeds an innovative environment, and hence innovative products.

My strongest objection must come from the application of history and evidence. We know from the European Union and specifically the ECB that one-size-fits-all policy rarely works. The implications of unintended consequences can be seen today as a principal contributory factor to the depth of the financial crisis in the EU.

Optimal environmental outcomes require a policy that is flexible and that is tailored. What works in WA will not necessarily work in Victoria; what works in Victoria will not work in Queensland; and what works in Queensland will not work in Tasmania—but nothing works in Tasmania! Policy
optimisation is contingent on local knowledge, flexibility, and case-specific environmental factors. The coalition is seriously concerned about the impact of green tape. It is having a real and measurable effect on small business, families and foreign direct investment decisions. That is why a living impact statement is required.

Like the government itself, this bill is tired and troubled. It means well, and perhaps that should be good enough, but when it comes to the future, and the future of our environment, good enough is never enough.

Mr CHEESEMAN (Corangamite) (12:56): I rise today to speak in favour of the government's Greenhouse and Energy Minimum Standards Bill 2012 and the related Greenhouse and Energy Minimum Standards (Registration Fees) Bill 2012. The Australian government has committed to reducing national greenhouse gas emissions by at least five per cent on 2000 levels by 2020, and by a further 80 per cent by 2050. A number of measures have been implemented by the government to meet its commitments. There has been a raft of policy initiatives, including the Renewable Energy Target scheme, which aims to increase the use of renewable energy by some 20 per cent. We have also introduced the clean energy future package, which uses a range of mechanisms including a price on carbon to create incentives for reducing greenhouse gas emissions in our economy.

Energy consumption by appliances and equipment is a major source of greenhouse gas emissions. That is what we are here to talk about today. For many of these products there is considerable potential to improve energy efficiency at minimum cost. In 2007, the Australian Bureau of Agricultural and Resource Economics and Sciences estimated that 55 per cent of Australia's emissions reduction target to 2050 could be met through energy efficiency improvements.

These bills, which together make up the greenhouse energy minimum standards legislation, implement a 2007 election commitment and a 2009 commitment by the Council of Australian Governments to achieve nationally consistent regulation of equipment energy efficiency across the nation. That makes sense; if we did not go down this path, we would end up with the states and territories having different laws, different standards and different reporting requirements, which would be a compliance nightmare for those that manufacture equipment or import equipment into this country. By passing these bills, we can create a system which will enable consistency across the nation.

Australia's energy efficiency regulation began with energy labelling for household refrigerators and freezers way back in 1986 in New South Wales, followed soon after by Victoria. In 1992, a national program was established and funded to collectively coordinate energy efficiency regulation across all states and territories. Today, the E3 program also includes New Zealand and covers 23 product types in residential, commercial and industrial sectors, delivering energy and financial savings in a transparent way to households and businesses. The E3 program relies on two main tools, mandatory minimum efficiency levels and energy-rating labels, to provide consumers an opportunity to compare product for product.

Minimum energy levels help to keep the most inefficient products out of the Australian market. For instance, inefficient lighting products in the Australian market can be phased out. Energy-rating labels help Australian consumers and businesses to compare products based on energy use, which not only is good sense but would lead
to consumers being able to, in the long term, properly value a product that they might consume, because the labelling will provide them with useful information of energy consumption. When consumers go shopping they will be able to use star-rating systems which will provide them with an easy mechanism to determine the energy efficiency of products.

In 2005, 83 per cent of consumers surveyed reported referring to the energy efficiency label when purchasing major household products. If it was 83 per cent in 2005, I could predict that it will certainly be higher now. With a price on carbon consumers will, quite rightly, be even more intensely focused on finding products that are energy efficient. It makes a lot of sense. Another example of savings is switching from a one-star to a seven-star television, which could save households some $100 a year in their energy bill. I think consumers will, quite rightly, be using the star-rating system on TVs to provide them with guidance about what the energy costs might be in the future. This is about empowering consumers to take account of the energy use of particular products.

The Council of Australian Governments agreed in 2009 to establish national legislation to regulate energy efficiency. As I mentioned earlier, if the Council of Australian Governments had not decided to take that course of action, then we would have seen a situation in which states took action themselves to inform their consumers. That would have meant that, ultimately, we would have ended up with different laws around the country dealing with this matter. It would have made an absolute nightmare for producers of goods and for those who import products into Australia that consume energy, such as TVs, refrigerators, kettles or any other number of products.

It makes sense that the Council of Australian Governments agreed to the approach that the Labor government had proposed. I think we have some common sense legislation as a consequence. The legislation will harmonise Australia's energy efficiency program and remove administrative inconsistencies in its application for both business and government. I think this is a very worthwhile exercise. It is my understanding that consumer groups, groups concerned about the need to take action of climate change and the business sector all support having a consistent approach across the nation and therefore, as I understand it, approve of the government's desire with respect to this matter.

I think I might leave my contribution at that. I certainly commend the work of the ministers who have had carriage of this portfolio area. The consistent approach across the nation makes an enormous amount of sense. Empowering consumers is something that I value, and I know consumers very much want to have information that is readily accessible, that makes sense in a simple format and that enables them to pick products on the basis of energy or on any other number of measures. I commend the bill to the House and look forward to its implementation.

Mr McCormack (Riverina) (13:05): The coalition has a good record of caring for the environment, while restricting green tape. The coalition does this through coordinated, considered policies rather than through the incongruous group of complex and inconsistent schemes that have blown out of control and proportion under Labor, particularly since the last election. The coalition seeks to reduce green tape in a number of schemes to deliver consolidated air, land, water and energy schemes through a national structure.
The Greenhouse and Energy Minimum Standards Bill 2012 and associated bill only take into account a national scheme within the energy component. It is a good start, but a lot more can and needs to be undertaken. The largest imposition of green tape is the carbon tax, which started on 1 July. The carbon tax, as we all know, is a $9 billion a year tax and it will hit every Australian through their electricity and gas bills.

Australia had low-cost power at one stage and had affordable energy. That is why we were a country so beneficial to business and industry. But that does not exist any more. The carbon tax hit Snowy Hydro, an electricity generation and retailing company that owns, manages and maintains the Snowy Mountains Hydro-Electric Scheme. It helps power New South Wales, Victoria, Queensland, South Australia and the Australian Capital Territory. It provided, in 2010, 4,500 gigawatts of clean renewable energy or 37 per cent of all renewable energy in the mainland electricity market in that year.

The Greenhouse and Energy Minimum Standards Bill 2012 puts in place a set of national standards for the energy efficiency labelling of products in Australia. The bill allows the government to set uniform national labelling standards, taking over from all existing state and territory legislation for the same purpose. The bill will deliver a national expanded Equipment Energy Efficiency E3 program, which will enable Australian governments to regulate all electrical product types; products that use forms of energy other than electricity, for example, diesel or gas; products that affect energy consumption of other products such as insulation, window glass and air-conditioning ducting; the greenhouse gas intensity of products; minimum performance requirements for regulated products, such as the temperature at which refrigerators must operate; and potentially negative environmental and health effects relating to regulated products.

Agreement was made by the Council of Australian Governments, COAG, in October 2008, to begin the scheme. The Australian government pledged $37.1 million over four years in the 2012-13 budget to finance the Australian government's share of the cooperative E3 program. After initial stakeholder consultations, the strategy was themed around four key areas. Sourced from COAG meeting outcomes, the document on the National Strategy on Energy Efficiency came out in April 2009, firstly, to assist households and businesses to transition to a low-carbon future—not that the amount of money or the number of families and households it covers will go anywhere near compensating for increased power bills, fuel prices and grocery costs under the clean energy bills. As for business, they have no hope of covering costs and must absorb the so called cleaner energy bills' imposition. There is little government help and it is difficult to pass costs on to consumers—secondly, to reduce impediments to the uptake of energy efficiency; and, thirdly, to make buildings more energy efficient. Local governments have also taken up the cudgels in this area, perhaps too officiously.

Government working in partnership and leading the way would be desirable yet it would be considered almost idealistic in this day and age with this Labor government.

Energy efficiency labelling is currently regulated by individual states and territories. Contained within the Greenhouse and Energy Minimum Standards Bill 2012 is an upgrade to the existing star rating scheme for the energy efficiency labelling of products to a national system. Having identified various legislative options, in January 2010 the government published a regulation impact statement and held a further six public
information sessions. This was followed by a supplementary discussion paper, which drilled down on compliance obligations and enforcement measures, and another consultation period followed that. On 31 May this year the bill was referred to the House Standing Committee on Climate Change, Environment and the Arts. The House committee referred the bill to the Senate Environment and Communications Legislation Committee. The ECA committee delivered its report on 20 August, just this week.

The report called for the bills to be passed. The coalition supports passage of the legislation but has dissented specifically on noting the concerns of the Lighting Council Australia in respect to certain criminal sanctions. The coalition is concerned about the heavy burden of regulation and red tape—some might call it green tape—imposed on business across all areas of government. There is concern the legislation adds to that onerous regulation. Coalition senators also note the numerous issues raised by the Senate Scrutiny of Bills Committee in respect of an individual's personal rights and liberties. However, the matter has been raised directly with the government. We understand it is being looked at. We will have to take Labor in good faith—if only the public had similar confidence in what Labor says and what Labor does.

While I am not normally accepting of government undertakings, on this occasion the government has been reasonably cooperative, has addressed the coalition's concerns that have been raised and in particular has given an appropriate undertaking that it will do so as part of the discussion of this particular bill. These undertakings have effect under the Acts Interpretation Act. I acknowledge the government for its cooperation yet note this is a win for coalition senators.

The major stakeholders of this bill are Master Builders Australia, the Australian Chamber of Commerce and Industry, the National Electrical and Communications Association and CHOICE. All industry groups mentioned have given this bill in-principle support. Master Builders Australia and the National Electrical and Communications Association have expressed concern about possible duplication of regulations under this bill and a further inquiry through a parliamentary committee is needed to fully understand the bill's implications. ACCI has indicated that it has no concerns with the overall intentions of the bill provided the bill itself does not add to increased regulatory burdens for the industry. That government's exposure draft on the bill has noted that the government intends to work with industry to allow individual contributions from each affected industry during the regulation impact statement process. In August 2011 the draft GEMS bill was released and submissions were accepted over a two-week period. In response to concerns of stakeholders, the government did publish a consolidated response to the main issues raised at that particular time.

The star energy system is good because it is so simple. The beauty of it is in its simplicity. As the member for Corangamite stated, it empowers consumers when they are buying such products as televisions and refrigerators. When I refer to televisions, we live in an age of high-definition and digitalisation that has caught up with and well passed by a lot of pensioners. If only a simple system had been in place for many pensioners. Many in my electorate have expressed a lot of concern about the rollout of the set-top box program. Quite frankly, it would have been cheaper in many circumstances for the government to have bought a new high-definition television for
pensioners rather than roll out this nonsensical set top box program, which is going to ultimately cost the taxpayer and Treasury.

Also, whilst referring to the six-star rating, it is great that we have a star rating system on the fridge door, but what about the labelling of the food inside the fridge? I would encourage anybody who is listening to go to YouTube and search for 'orange dumping'. There is a video there by Rocco Pirrottina, of Distant Light Productions, posted on 1 August this year, showing the dumping of oranges. It is a sad video to watch. It is the dumping of oranges from the back of a truck—oranges freshly grown in the Murrumbidgee Irrigation Area, some of the best oranges you will ever see in Australia—on a paddock for as far as you can see. And that was not just happening on 1 August; it has been happening every day since. That is because there is so much cheap imported juice concentrate and so many overseas oranges coming through. And they are poorly labelled. Our labelling system is not as good as it ought to be. It is a shame that the government cannot put forward a bill similar to this one so that consumers, when they open their six-star rating fridges, can look inside and take out food which is also properly labelled. That would prevent these sorts of videos going up on YouTube showing the tragic dumping of fresh, tasty Australian fruit which is meant for metropolitan and regional markets right throughout Australia but is unfortunately being ploughed into paddocks as we speak.

This bill is agreed to by the coalition but with certain conditions. The bill has already been referred for inquiry to the House Standing Committee on Climate Change, Environment and the Arts. We have put forward our concerns about it. There are some other aspects of it which still need to be looked at, but, overall, it is good. It will empower consumers, when they buy household appliances, to see whether they are energy efficient and make their choice accordingly.

**Mr Zappia (Makin) (13:17):** I speak in support of the Greenhouse and Energy Minimum Standards Bill 2012 and the Greenhouse and Energy Minimum Standards (Registration Fees) Bill 2012. To put this debate into context I want to quote directly from the Senate Environment and Communications Legislation Committee report of August this year following its inquiry into this legislation:

The Australian Bureau of Resources and Energy Economics estimates that residential households accounted for around 11 per cent, or 440 petajoules, of Australia's total final energy consumption in 2009-10. Household energy is used for various purposes such as operating household appliances, space heating and cooling, water heating and cooking. Household appliances include lighting, refrigerators, freezers, televisions, information technology equipment, washing machines, clothes dryers, microwaves and dishwashers. Since 1989-90, household energy consumption in Australia has grown by 41 per cent, or an annual rate of 1.6 per cent. It is anticipated that, by 2020, household energy consumption will increase to 467 petajoules as the population and number of households increases. Energy consumed by appliances and equipment is a major source of greenhouse gas emissions in Australia. The report goes on to say:

The stationary energy industry in Australia produced 201.4 million tonnes of carbon dioxide equivalent emissions in 2010, representing 54.1 per cent of Australia's net emissions, excluding land use, land use change and forestry. It is predicted that, by 2020, Australia's total stationary energy emissions will increase to 332 million tonnes of CO₂ equivalent emissions, 33 per cent above 2000 levels.

I think that sets the framework under which this legislation was established. The increase in Australian energy use arises from there being many more home appliances than
in years gone by, by homes themselves being larger and sometimes less energy efficient—today we are supposed to be constructing more efficient homes, but I am certainly not convinced that that is being achieved by some of the designs that I have seen—and by an increase in population, which automatically flows on to more energy requirements.

Reducing energy consumption by the use of more efficient household appliances can make substantial savings in total greenhouse gas emissions. In 1992 the National Equipment Energy Efficiency Program, otherwise known as E3, was established to coordinate several state based schemes. The E3 program is a mandatory scheme which requires that appliances for sale display an energy rating label. In July 2009 a COAG agreement was reached to improve the E3 standards. That agreement included trying to establish a nationally consistent policy framework which streamlined the process and simplified compliance and enforcement regimes, as well as reducing total transaction costs.

In August 2009 the Australian government released a discussion paper, and six public hearings were held around Australia to gain feedback on the proposed changes to the E3 scheme. In January 2010 a regulation impact statement was proposed on the national scheme, and an additional six public hearings were held around the country. Since their introduction into this parliament, the bills have been referred to the Senate Scrutiny of Bills Committee, the Senate Environment and Communications Legislation Committee and the House Standing Committee on Climate Change, the Environment and the Arts. I do not think any other piece of legislation has had as much scrutiny as this legislation.

Consultation with industry has been very widespread. Whilst consultation has taken place, it is my understanding and recollection that the only parties to respond to the Senate inquiries were the Clean Energy Council of Australia and the Australian Lightning Association. I suspect that is because there was no substantial concern with the legislation as it currently stands. Subsequent to those inquiries, I made a statement in the House on behalf of the Standing Committee on Climate Change, the Environment and the Arts discharging our obligations in respect of our inquiry. Our committee largely relied on the work that was carried out by the Senate committees because we were not going to duplicate that work. In particular, the committee took note of the responses from the department and from the minister to concerns raised by the Senate committees. Our committee was satisfied that the legislation ought to be brought back into the House to continue the debate.

The changes proposed under this legislation are significant and important—important to the broader industry and important to the country. To the broader industries it means a streamlined process, in which there will not be different legislation across the different jurisdictions. The intent is to have everything nationally consistent. I have no doubt that that will be welcomed by the industry sector. It will be welcome because it will make their obligations much easier and it will save them considerable funds in the process. For the nation it will make a huge difference because we will have consistent standards and by having consistent standards, I believe, we will be able to achieve our targets of reducing greenhouse gas emissions much more easily. In fact, it is estimated that by 2020, under the existing scheme, energy consumption will be reduced by about 13 per cent and there will be something on the order of a $5.2 billion
saving across the country as a result of the current E3 program. The changes to the legislation will further reduce energy output by around 15 per cent. If we are making those sorts of savings right now, what will the savings be if energy output is further reduced by 15 per cent?

The other aspect of this legislation is that the existing E3 scheme only targets businesses that supply products in Australia and does not regulate businesses that purchase their products overseas. Again, that is inconsistent. These bills will end that double standard and close loopholes currently existing in state laws that may encourage business to purchase overseas products. Under the legislation the regulator will have powers to issue infringement notices and where appropriate to take court action, but it will also empower the regulator to ensure that the scheme is properly administered across the country. Again, that is important. I think there would be little disagreement that in today's market the energy rating scheme used by suppliers and manufacturers goes a long way towards their total sales. In fact, I understand that something like 85 per cent of consumers, according to research, choose their appliances based on the energy rating label attached to them. That being so, it is important to ensure that those energy labels are accurate. It is also important because it encourages investment in more efficient appliances by manufacturers. If they know that by making a more efficient appliance they will increase their sales, that will encourage the necessary research and development and investment. There are huge consequences to having a labels system in place.

These bills will make that whole process much easier, much simpler, and will streamline it for all concerned. I believe that they are an important step not only in reducing our energy output across the country but also in attracting investment into manufacturing industries throughout this country. I commend the legislation to the House.

Ms OWENS (Parramatta) (13:28): Like the member for Makin, I am very pleased to speak on the Greenhouse and Energy Minimum Standards Bill 2012 and the Greenhouse and Energy Minimum Standards (Registration Fees) Bill 2012. These bills for me push three important buttons. The first is reducing greenhouse emissions as we move toward a clean economy. The second is empowering consumers to drive innovation and reduce their own electricity costs. The third is something this government has worked on consistently since coming to power in 2007—the removal of duplication across states in order to simplify the red tape burden for business. The legislation deals with the way businesses and consumers communicate with each other about the energy efficiency of appliances. We all know about the E3 system. The familiar energy rating label is one of the best recognised brands in Australia. In 2005, 83 per cent of consumers reported that they referred to the label when purchasing major household appliances. We have all seen those star rating stickers on appliances when we shop.

The Greenhouse and Energy Minimum Standards Bill 2012, the GEMS Bill, establishes national legislation for the Equipment Energy Efficiency Program, the E3 Program—one of the better acronyms I have seen in a while. The GEMS Bill implements a 2007 election commitment and a 2009 commitment by the Council of Australian Governments to establish national legislation to regulate equipment energy efficiencies.
Since the program's inception at state level in 1992, things have gone quite well. There has been a lot of work at state level and one can only say that the program has been successful. But a large number of inconsistencies and inefficiencies have arisen in what is essentially a state regulated E3 program. By replacing the seven state based legal frameworks with a single national framework and replacing four state regulators with a single energy efficiency regulator, we are significantly reducing the red tape burden for industry in this area and simplifying things for consumers.

The GEMS Bill will also allow the expansion of the energy efficiency program to a wider range of products. The program originally started in 1986 with domestic refrigerators and freezers. It has grown significantly since then but still focuses on electrical products. This bill will allow energy efficiency regulation for products that use other forms of energy, such as gas, and products that affect energy use, such as insulation and windows. The GEMS Bill will deliver a more consistent and expanded E3 Program which is all about reducing Australia's greenhouse gas emissions and reducing power costs for Australian households and businesses. The GEMS Bill is appropriate and adapted to implementing Australia's commitments under the United Nations Framework Convention on Climate Change. The Greenhouse and Energy Minimum Standards (Registration Fees) Bill 2012 supports the main GEMS Bill with a legislative basis for the national regulator to charge registration fees, consistent with the process in the existing E3 Program.

The energy consumed in the operation of appliances and equipment in the home is a major cost to householders. Most of us do not really know what the energy cost is appliance by appliance. We are becoming more and more aware of leaving appliances plugged in that are drawing power 24 hours a day. We are now aware of the need to turn things off when they are not being used. But there is still a long way for us to go. In many cases, people are completely unaware of the amount of energy their appliances use, how much that costs and how much it contributes to emissions.

There is considerable potential to improve the energy efficiency of many products at minimal cost. When I am talking about this to people, I use a related analogy. In the United States of America, power points do not have switches on them: when you plug something in it stays on, whereas in Australia we have switches on our power points and we often have switches on our appliances. For many decades it was believed that this was a relatively cheap form of power. There is no practical reason that that was the case; it is just the way it was. There are many things in our own houses that are very similar to that. There are things that we do because we always have done them that way, but we are actually using considerably more power than we need to use.

This legislation implements a commitment that we made at the 2007 election to establish national legislation to regulate the energy efficiency of products and appliances supplied in Australia. COAG also made a commitment to that in 2009. The E3 Program comprises two elements. Minimum energy performance standards set mandatory energy efficiency requirements for equipment and appliances sold in Australia and prohibit the sale of the worst-performing products. As consumers, we are becoming more aware that certain products that we use in the house draw considerable power but are used for only short periods of time. Setting minimum energy performance standards is a very important element of reducing greenhouse gasses.
Energy rating labels assist people to choose the most energy-efficient product at the point of purchase, using the familiar star-based rating system: the more stars shown on the label, the more efficient the appliance. This is a system that Australians have become quite used to. When you buy a new appliance, it is quite common for people to ask, ‘How many stars does it have?’ It is one of the first things that my family consider when we are buying an appliance. It is always a great pleasure to remove the old item with one or two stars and replace it with something with five, six or more stars.

The benefits to consumers are clear: energy bills are reduced and there is better consumer information to inform the choices that consumers make. Because the consumers have more choice and power, they will drive innovation themselves. As consumers become more aware and choose the better rated appliances, manufacturers will respond. Giving consumers the power to drive innovation is a very important part of moving towards a clean energy future.

Since energy-rating labelling began in New South Wales in 1986 with domestic refrigerators and freezers, energy used in those appliances has decreased by 67 per cent—an amazing achievement just by giving consumers choice. Refrigerators have become cheaper in real terms, and their effective size has increased. I will repeat that number, because it is quite amazing: with the use of energy-rating labels since 1986, the energy use of domestic refrigerators and freezers has decreased by 67 per cent. At present, people are upgrading their televisions for all sorts of technological reasons. If you switch from a one-star to a seven-star television, it could save your household about $100 every year in energy bills.

The GEMS legislative package will deliver efficiencies to regulated businesses and government by replacing seven state and territory laws with one national law and by replacing four state regulators with a single national regulator. The national legislation will correct the different treatment of suppliers and importers that exists in state law, so ensuring a level playing field for Australian businesses and cutting regulatory burdens. This government has been diligent over the last four years in reducing duplication across state borders and simplifying the business activity of companies which trade across borders. We hear of many cases where these changes have made a substantial difference to the way businesses operate. Now, for the first time, the same regulations will apply to businesses that import products for commercial use. The fact that this same regulatory system did not in the past apply to the import of products for commercial use has made the playing field somewhat uneven for domestic manufacturers. This legislation contains regulations that will level the playing field for domestic manufacturers.

It is estimated that the GEMS legislative package will drive energy efficiency gains that will deliver $5.2 billion in energy savings in 2020 and reduce household power consumption by up to 28 per cent compared to power consumption under business-as-usual conditions. In 2007 we committed to do this, and the nation has been moving towards it since 1986 with a great deal of success. It is great to see this package of legislation, which takes a national approach. I commend the bills to the House.
significant bills. I also thank my state and territory counterparts for their continued cooperation on the legislation. The Greenhouse and Energy Minimum Standards Bill 2012 and cognate bills implement a key reform in Australia's national strategy on energy efficiency. This reform goes to the heart of two of Australia's most important policy objectives: assisting households and businesses to reduce their energy bills and reducing greenhouse gas emissions. It is a timely reform when energy prices have risen so dramatically before the introduction of Australia's carbon price and when Australia's international partners are coordinating to develop a global response to climate change.

The legislation arises from a commitment by the Council of Australian Governments to improve Australia's 20-year-old equipment energy efficiency program by introducing national legislation. The E3 program has delivered significant energy savings efficiency for households and businesses over 20 years. In 2010 alone, energy efficient air conditioners and refrigerators promoted by the E3 programs saved Australian households and businesses over $1 billion in electricity costs. The total energy savings are forecast to reach more than $5 billion in the year 2020.

Despite past successes, all Australian jurisdictions recognise the opportunities that come from creating a truly national program. A national program will allow for greater consistency in energy efficiency regulation and provide a more level playing field for businesses and consumers. The Australian government will realise these improvements with the GEMS legislation and deliver continuing energy savings for Australian households and businesses.

I thank industry for their very important contributions and support; this is a widely supported measure. In particular I thank Lighting Council Australia, whose submission I will come to, and the Clean Energy Council. The Clean Energy Council welcomed the government's commitment to establish a national legislative framework for regulating the energy efficiency of products supplied in Australia. The Clean Energy Council has stated:

Energy efficiency remains one of the most important policies that governments can deliver to both reduce emissions and to protect consumers from rising electricity prices.

The Clean Energy Council was particularly supportive of the establishment of a single national regulator and of the harmonisation of standards, registration processes and fees. The Clean Energy Council was also supportive of the expansion of measures to cover a greater range of products, and the closing of loopholes in state laws that allow imported products to enter Australia without meeting minimum efficiency standards. The support of the Clean Energy Council is very welcome and attests to the benefits of this legislation.

I turn to responding to a few of the matters that have been mentioned in today's debate. I thank those opposite for supporting the government on this legislation, which will save money for both households and businesses. This legislation compliments Australia's carbon price and promotes energy efficiency by addressing non-price barriers that impede the uptake of energy-efficient products in the Australian market. Addressing non-price market barriers complements the carbon price and addresses market forces that lie beyond the reach of a price-based mechanism. But without a carbon price Australia cannot achieve the emissions cuts we have agreed to. The carbon price will see Australia's annual emissions reduced by at least 160 million tonnes in 2020 from where they would otherwise have been. This is the equivalent
of taking around 45 million cars off the road. Without our carbon price, Australia cannot move to a clean energy future.

Labor's plans will cut carbon pollution and drive investment in clean energy technologies and infrastructure such as solar, gas and wind. It will help build the clean energy that future generations deserve. It will help not just us but also our children and our grandchildren. In stark contrast, families would be worse off under Tony Abbott's plan. They would be $1,300 worse off from higher taxes which would be handed straight to the big polluters.

I note the remarks made by the member for Tangney. I can best summarise the member's remarks by quoting the Leader of the Opposition, who has said that the science of climate change is 'absolute crap'. After hearing the member for Tangney speak, no one can be in any doubt that a refusal to accept the science of climate change continues alive and well in the opposition ranks. We should again note that there is clear consensus among climate scientists that climate change is real, that it is currently being observed and that it will have significant future impacts if no action is taken to reduce global greenhouse gas emissions. The CSIRO, the Bureau of Meteorology and the Australian Academy of Science, along with science academies around the world, agree that human activity is almost certainly causing climate change. It is clearly in Australia's national interest to continue to work towards the international goal of limiting warming to below two degrees. To do this, it is imperative that we play a responsible role in international action and that we do so by taking strong action at home. This means that we must actually reduce our emissions of carbon pollution into the atmosphere. To do this, we have to drive reform across our economy. Because the Australian economy is so directly dependent on pollution, the only way to abate and reduce pollution is to transform our economy so that we can create a clean energy future.

Debate interrupted.

STATEMENTS BY MEMBERS

McCaffery, Mayor Genia

Mr HOCKEY (North Sydney) (13:45): I want to pay tribute to Genia McCaffery, who is retiring as the Mayor of North Sydney after having served four terms and also having served as President of the Local Government Association of New South Wales and President of the Australian Local Government Association. Genia is a very decent person, and she has been an outstanding Mayor of North Sydney. She has been a community fighter. She is someone who has stood up for our local community in the face of very challenging circumstances.

I took great pleasure in campaigning with her to try and obtain Graythwaite as an accessible site for the people of North Sydney. We failed in that endeavour, but she was incredibly successful in having the coal loader preserved as a community facility on Sydney Harbour.

Genia has always put the interests of the people of North Sydney first. She has dedicated herself full time to what is an important job and a challenging job. It is a diverse community in North Sydney. From commercial interests to residential interests, the community has been served extremely well by Genia. I thank her for her service and wish her well for the future.

Bass Electorate: Department of Human Services

Mr LYONS (Bass) (13:46): I recently hosted Senator the Hon. Kim Carr, the Minister for Human Services, in my electorate of Bass. We spent a very productive day visiting key department sites in Launceston. A visit to the local Centrelink
office was a great opportunity for the minister and me to meet staff who are responsible for the administration of support that the Australian government provides to families, job seekers, students and pensioners.

We also went to Australian Hearing, which provides hearing assessments, hearing devices and rehabilitative programs to assist eligible clients in managing their hearing impairment. The minister and I met some patients who have benefited from this service, which is provided through the Department of Human Services.

The minister and I had the privilege to present awards to two members of the Centrelink call centre in Launceston. Nicole Bailey received a national customer service award, and David Hallett received a 10-year recognition award for his service to the call centre. By all accounts both of these awards were well deserved, and it was a pleasure to meet Nicole, David and their colleagues.

I know that the minister appreciated the opportunity to meet these individuals, who work hard and deliver programs for his department. I commend the work he is doing and thank him and his staff for an enjoyable and productive day in the great seat of Bass, in Tasmania.

Harvey, Mr David

Mr IRONS (Swan) (13:48): I stand to record my regret for the passing of David Harvey at 5.50 pm on Monday night, after a long and painful battle with a form of carcinoma. David, a resident at Bentley Park in my electorate of Swan, was known by residents and his family for being a caring and gentle person, as well as an all-round nice bloke. Reports from David's family indicate that he fought bravely, not giving up at all and even enduring two courses of chemotherapy in the past two weeks.

A message from his son, Keith Harvey, reads:
While I am sure that each of us had different last words with Dad, the last thing he said to me was to ask "Have I let anyone down?" He did not hear my answer; so I will tell you: "Dad, the answer is an unequivocal No!" "Your gentle and caring ways and generous service to the community, choosing the neediest of causes, will be remembered for at least my life time.

In accordance with David's wishes, a private memorial service will be held this Friday, followed by a few beers. I would like to record my well wishes to David's family and his friends during this sad time and also congratulate David for his great representation for the village of over 1,000 residents at Bentley Park.

Trans-Tasman Travel Arrangement

Mr KELVIN THOMSON (Wills) (13:49): This past 12 months, the parliament has been in uproar over the arrival of 9½ thousand asylum seekers by boat, but there has not been a word said about the 54,000 New Zealanders who moved to Australia in the 12 months to July, even though this is a 7½ thousand increase on the previous year and 3½ times the 16,000 who came here from New Zealand in 2002-03.

The Trans-Tasman Travel Arrangement we have with New Zealand means that we have no control over this border. We are obliged to accept as many of New Zealand's 4.4 million residents who want to live here. If this trend continues, Australia's annual intake from New Zealand will exceed 100,000 within five years.

Open-ended migration from New Zealand is one of the drivers of Australia's runaway population growth, which is fuelling traffic congestion, unaffordable housing and rising electricity, gas, water and council rates. The Trans-Tasman Travel Arrangement with New Zealand should be renegotiated to do
away with the open door and capped to allow between 30,000 and 40,000 New Zealanders to come to Australia every year, as well as their being able to apply under our normal migrant worker and family reunion programs.

Interestingly, while some New Zealanders have dryly observed to me that New Zealanders coming to Australia increases the IQ of both countries, others share my concern, saying that it is a mistake for New Zealand to educate and train young New Zealanders only to see them gravitate to Australia, with our higher wages and lower unemployment.

**Iran**

**Mr SIMPKINS (Cowan) (13:50):** In the Western world, we know the dangers and the imminent threat that a nuclear armed Iran represents. Iran is not a real democracy, and its ruling elite, with a nuclear missile, poses a severe threat to the safety of the world, to the Middle East and to the state of Israel, a democracy that Iran's leadership has said it would wipe off the map. That is why Australia must send a clear and firm message to Iran.

Today, the *Australian* newspaper has a report about the federal government sending two envoys to the Non-Aligned Movement conference in Tehran, the capital of Iran. That represents an endorsement of the Iranian regime and gives an unwarranted legitimacy to that regime, and all for the pursuit of a seat on the Security Council. I say to the government that the price is too high. Don't do it. And I hope that the member for Melbourne Ports will also rise to speak against this.

So far we have had a pretty good relationship—a pretty good stand on Iran. We have been very clear. But what this means is a step back. This means that the message becomes equivocal. What we should be doing is making a firm stand: not having anybody at that conference—not giving any oxygen to the regime in Tehran. And also we should make sure that our sanctions are consistent and take up those sanctions against the Iranian central bank, which is all part of the regime in Iran. So I call upon the government to make these changes and I say: do not send anyone to that conference.

**Women in Business**

**Ms BRODTMANN (Canberra) (13:52):** I wish to pay tribute to the Women in Global Business Speaker Series recently held here in my electorate of Canberra. Only 10 per cent of women in business actually export, and the speaker series aims to increase female participation in international trade and deliver greater economic benefits as well as to create more jobs. This series provides information and resources, support and advocacy, and it helps connect female entrepreneurs who are considering starting or who have just begun to start an international business. This series is a joint initiative of state and territory governments and the Australian government. It is an initiative that has been supporting and building a network for Australia's international businesswomen since December 2010. The series hosts seminars presented by prominent businesswomen who have succeeded internationally in growth markets. These businesswomen are not only role models; they are also mentors, providing help, advice and encouragement to other women entering into the competitive export game.

Presenters share their valuable insights and dispense practical advice on how other women can break into growth markets or expand their businesses in the international field. One of the most important contributions of the series is in connecting less-experienced businesswomen with those
who already have substantial experience in the international trade and investment markets. In Canberra, we heard from F!NK Design and Lollypotz about their experiences. These mentors share their challenges and successes and offer a framework of support to other businesswomen wanting to learn about the global challenges they may face. The series plays a very important role in mentoring businesswomen and helping more women— (Time expired)

Forde Electorate: Boral Ormeau Quarry

Mr VAN MANEN (Forde) (13:54): I rise today to speak in support of the efforts by the community in Ormeau to have Boral, the operator of a quarry in that area, comply with the approval requirements that have been imposed on them for the expansion of the quarry. It is clear from Boral's activities over the past few years that they are resistant to complying with the approvals that have been granted in relation to the operation of their quarry, to the extent that a surveyor's report in 2007 clearly stated that the land that they had utilised for quarrying operations had encroached into the Pimpama Creek, which was well outside of approvals, and the recommendations from the surveyor were for them to lodge a notification with natural resources to either purchase that land or to remediate the creek. They have failed to do that in the five years since that advice.

In addition, they continue to fail to comply with the council obligations imposed on them in terms of numbering trucks, operating within the approved operating hours for the quarry, and ensuring that dust and noise suppression obligations are adhered to. So I call on Boral, as a good corporate citizen, to comply with the obligations that have been set on them. (Time expired)

Homelessness

Dr LEIGH (Fraser) (13:55): On 9 August it was my pleasure to attend Homeless Connect Day at Pilgrim House on Northbourne Avenue. Homeless Connect Day is a one-day event for homeless people, or those at risk of homelessness, to access services, support and essentials. On the day there was a range of services available to people who were homeless or at risk of homelessness: free food, clothing, haircuts, massage, personal care packs, health advice and even entertainment. I was grateful to see the folks from Canberra FM there as well, drawing public attention to one of the real challenges that Australia faces.

In Australia it is estimated that over 100,000 people are homeless on any given night. In Canberra alone that is estimated to be around 1,300 people. Homeless Connect allows those people who are homeless to recognise that they are not alone in their plight. The theme of Homeless Persons Week is 'Homing in on the real issues of homelessness', and I pay tribute to those who were there—social workers, community sector workers, people providing entertainment and health care services—assisting with one of Australia's challenges. I pay tribute to Minister Macklin, who is here in the chamber, for her hard work, along with the team, in reducing the rate of homelessness in Australia.

Ryan Electorate: Community Service

Mrs PRENTICE (Ryan) (13:57): Volunteers are the backbone of our communities, and I was delighted to present a Ryan Community Service Award to Grace Walker, a student at The Gap State High School, and Jean Clarke of Kenmore. The Ryan Community Service Awards recognise and celebrate the tireless work of individuals and groups in the Ryan community. Grace Walker is the youngest person to receive the
award. Grace is a committed volunteer and gives her time to her local Rotary Club and is her school's Interact President. She has also been a Lions Youth of the Year metropolitan finalist and spends time beyond school hours teaching English to a local refugee family.

Jean Clarke is another dedicated volunteer who is involved with VIEW—Voice, Interests and Education of Women, a part of the Smith Family. As a national councillor, Jean supervisors and assist volunteers offering support to women and providing sponsorship for disadvantaged students to stay in school. Jean is a member of the Anglican Church of Kenmore-Brookfield, where she runs monthly friendship meetings for women. She is also an active member of the Country Women's Association, Brookfield Museum and the Brookfield Show Society. Both Grace and Jean are great inspirations to the entire Ryan community. I congratulate Jean and Grace on receiving their award and wish them well for their future endeavours.

National Disability Insurance Scheme

Mrs D'ATH (Petrie) (13:58): I wish to speak about an event I held in my electorate during the winter break. It was an NDIS event. The invitation went out to not just those people who have disabilities, and their carers, but to families and anyone in the community who has an interest in this matter, to lift their awareness of what the NDIS is all about. I want to thank the Minister for Disability Reform, the Hon. Jenny Macklin, and Parliamentary Secretary Jan McLucas for coming along to that event. I also want to thank Fiona Anderson who is the Queensland coordinator for the Every Australian Counts campaign.

Not only did we have participants who wanted to come along and find out more about the NDIS, we had many stalls there on the day from disability service providers in the local area so that we could let people know what services already exist for people with disabilities and their carers in our local area. I want to thank all of those stallholders for coming along and supporting our community. We also had special schools in attendance that day. I acknowledge the Redcliffe RSL, which was the host of the event.

I know that a lot of people are interested in the NDIS; a lot of people are signing up to the Every Australian Counts campaign. I encourage everyone in the electorate of Petrie and across the country to get involved in the campaign and to support the NDIS. Queensland should be a launch site and we should be getting on board to make that happen.

The DEPUTY SPEAKER (Ms AE Burke): Order! In accordance with standing order 43, the time for members’ statements has concluded.

QUESTIONS WITHOUT NOTICE

Carbon Pricing

Mr ABBOTT (Warringah—Leader of the Opposition) (14:00): My question is to the Prime Minister. I refer her to the fact that on the first stage of the Olympic Dam expansion the carbon tax will cost BHP Billiton tens of millions of dollars and to the statement from its chairman, Jac Nasser, who said:

… uncertainty about Australia's tax system is generating negative investor reaction.

I ask the Prime Minister: if BHP Billiton delays its massive expansion of Olympic Dam, will she accept responsibility for the uncertainty and extra cost her carbon tax has created?

Ms GILLARD (Lalor—Prime Minister) (14:00): We believe that the Olympic Dam project is a very important project for the future of South Australia, which is why every step of the way we have worked
strongly with BHP, the proponents of Olympic Dam, in order to see this project realised for South Australia. Of course, BHP has to go through all of its internal processes and decision making, as is proper, but the government has worked consistently with BHP and will continue to do so.

The Leader of the Opposition refers to a statement from Mr Jac Nasser about uncertainty in tax policy. The source of that uncertainty is the Leader of the Opposition. The tax policies and plans of this government are clear and are there for all to see. We have legislated the minerals resource rent tax. There is no uncertainty: every mining company in Australia is well aware of the rules. We have legislated carbon pricing. There is no uncertainty: every mining company, indeed every business that has to pay a carbon price—a very limited number of them, well under 1,000—is well aware of the rules. We have set up a business tax working group. You could not take a more consultative approach to the future of business taxation.

We on this side of the House wanted to deliver a one per cent reduction in the company tax but ran into the destructive negativity of the Leader of the Opposition, who has prevented businesses around Australia, whether BHP or any other, from realising that one per cent tax cut. The Leader of the Opposition actually plans a company tax increase for businesses like BHP. So, on this side of the parliament there is responsible economic policy, a budget coming to surplus, certainty for the business community and a consultative approach about the future; on that side of the parliament, yes, there is risk—you betcha!

Mr ABBOTT (Warringah—Leader of the Opposition) (14:03): My supplementary question is to the Prime Minister. Has the carbon tax made the Olympic Dam expansion more or less likely?

Ms GILLARD (Lalor—Prime Minister) (14:03): BHP will make its investment decisions, as is proper. We have legislated carbon pricing so BHP, when it is making those decisions, can do it against a backdrop of certainty. Yes, amongst some sections of the business community, carbon pricing has been controversial, but overwhelmingly the thing that the business community has said to the government about carbon pricing is that it knew that, inevitably, a carbon price was coming. It had diagnosed that from the fact that both major political parties went to the 2007 election promising a carbon price. It had diagnosed that from the fact that—

Mr Simpkins interjecting—

The DEPUTY SPEAKER: The member for Cowan is warned!

Ms GILLARD: it was the policy of the government and that it was a policy supported by every living Liberal leader. The business community diagnosed that it was inevitable that there would be a carbon price. So, knowing that there would be a carbon price, its call was for certainty. We have given certainty. The Leader of the Opposition might want to turn his back on the facts and he might want to turn his back on reason, but in fact the uncertainty for BHP and Olympic Dam, the uncertainty for every business in this country, comes from the destructive negativity of the Leader of the Opposition and his reckless attempt to roll back every economic reform that makes sense for this country and that will build our prosperity—including the carbon tax. (Time expired)

Economy

Ms ROWLAND (Greenway) (14:05): My question is to the Prime Minister. How is the government getting on with the job of implementing policies to support everyday
Australians, and why is it important that we make the right choices for Australia's future?

Ms GILLARD (Lalor—Prime Minister)  

(14:05): I thank the member for Greenway for her question and I thank her for her concern and representation of her local community. She understands that it is the obligation of government to work as hard as it can to give people in communities like hers the benefit of jobs and prosperity. That is why we have made the right choices to keep our economy strong. We made the right choices during the days of the global financial crisis to keep people in work. We have created 800,000 jobs, but we have also understood that there is nothing about the future that can be taken for granted. If we want to be a prosperous country in this changing world, if we want to be a prosperous country living as we do in this incredible region of change, we have to take the right decisions now to build that prosperity. The right decisions, now, include  

increasing the skills and capacities of the Australian people—there is nothing more important than investing in education and skills for the prosperity of the future. They include building our infrastructure—traditional infrastructure like roads, rail and ports—but also having broadband around the country because of the clear prosperity and productivity benefits of such broadband. The member for Greenway is in a very expert position to speak about that, given her experience before she came into the parliament. They include seizing a clean energy future and making sure that as our economy continues to grow we are cutting carbon pollution and that we decouple economic growth from creating more and more carbon pollution. It is about ensuring that we get each of these policies right in order to build prosperity.

Having done that, you can then keep investing strongly in the things that help people make a life and that help people in times of need—things like the National Disability Insurance Scheme and our record investments in health. We on this side of the House are determined to keep making the right choices to build a strong economy and not have reckless vandalism that destroys economic progress; build a budget surplus, not a $70 billion black hole which would require the slashing and burning of the services that families rely on; build future prosperity by recognising and acting on challenges like carbon pollution and a need for broadband, not denying that those challenges exist or trying to play a reckless, destructive fear campaign with them; and build Australia's education system and invest in Australian schools, not put schools around the nation on a hit list so you can cut back their funding.

DISTINGUISHED VISITORS

The DEPUTY SPEAKER (Ms AE Burke)  

(14:08): I inform the House we have present in the gallery this afternoon a former Speaker of the House, the honourable Neil Andrews, and Mrs Andrews. On behalf of the House, I extend a very warm welcome. I also notice in the gallery members of Meningococcal Australia, who have been in the building raising awareness for the disease.

Honourable members: Hear, hear!

QUESTIONS WITHOUT NOTICE

Economy

Mr HOCKEY (North Sydney)  

(14:08): My question is to the Treasurer. I refer the Treasurer to his statement on ABC Radio National that the government will need to make very substantial savings to fund programs like the National Disability Insurance Scheme, massive increases to school funding and massive blow-outs on border protection costs. Given that the
Treasurer claimed tax increases of $16 billion as savings in this year's budget, will he rule out further tax increases to pay for his big spending promises?

**Mr SWAN** (Lilley—Deputy Prime Minister and Treasurer) (14:09): I thank the shadow Treasurer for that question. He certainly knows all about high-taxing government. He was a member of the highest taxing government in Australia's history. Tax to GDP peaked at 24.2 per cent under the Howard government. We are committed to keeping the tax-to-GDP ratio at or below the level that we inherited. The tax-to-GDP ratio is just 22.1 per cent in 2012-13. So I think by any measure we have demonstrated that we can put in place a very strong fiscal policy and that we can make the savings in our budget to fund our Labor priorities—and that is what we have been doing.

**Mr Hockey:** Madam Deputy Speaker, I rise on point of order that goes to relevance. He was asked whether he would rule out tax increases.

**The DEPUTY SPEAKER:** The member for North Sydney will resume his seat. The Treasurer has the call.

**Mr SWAN:** We have a proven track record of making room for Labor priorities, such as our Paid Parental Leave scheme. Those opposite want to put tax up to fund their parental leave scheme. They have a commitment to jack up company taxes under the Leader of the Opposition, the shadow Treasurer and the shadow finance minister—the three stooges who are in charge of economic policy on that side of the House.

**The DEPUTY SPEAKER:** The Treasurer knows that he is not to use that reference. The Treasurer will withdraw.

**Mr SWAN:** I do withdraw. We on this side of the House will put in place—and we are putting this in place—very strict fiscal discipline. We have made the savings to fund Labor priorities and we will continue to do that. We will meet our commitment to keep the tax-to-GDP ratio below the level that we inherited from those opposite.

Of course, we know why we are getting these questions today. It is because the shadow Treasurer over there on breakfast television—

**Mr Hockey interjecting—**

**Mr Pyne interjecting—**

**The DEPUTY SPEAKER:** Member for North Sydney and Manager of Opposition Business, the Treasurer has the call.

**Mr SWAN:** The shadow Treasurer over there on breakfast television told tens of thousands of viewers of _Sunrise_—he was sitting next to the minister for the environment—that he had a $70 billion—

**Mr Pyne interjecting—**

**The DEPUTY SPEAKER:** The Manager of Opposition Business will resume his seat. The Treasurer will return to the question before the chair.

**Mr Hockey interjecting—**

**The DEPUTY SPEAKER:** The member for North Sydney is warned.

**Mr SWAN:** We are bringing our budget back into surplus in 2012-13 and we are doing it because we have put in place expenditure restraints, the type of expenditure restraints you did not see from the shadow Treasurer over there or the shadow finance minister when they were in government.

**Mr Pyne:** Madam Deputy Speaker, I rise on a point of order. Under standing order 91(c), it is disorderly conduct to persistently and wilfully refuse to conform to a standing order. He is persistently and wilfully refusing to conform to the standing order on direct relevance.
Mr SWAN: I am. I am referring to taxation. I am referring to our commitment to keep the tax-to-GDP ratio below the level that we inherited from those opposite, who were the highest taxing government in our history. I am referring to our record of making savings to make room for our Labor priorities. I am also referring to the fact that there is a $70 billion crater in their budget bottom line, which is one of the reasons they have committed at this stage to jacking up the company tax rate. So there is a very clear contrast between the fiscal discipline we see on this side of the House and the clowns that are running economic policy on that side of the House. (Time expired)

Australian Defence Force

Ms SAFFIN (Page) (14:14): My question is to the Minister for Defence. Will the minister please update the House on the findings contained in the Sex Discrimination Commissioner's report into the treatment of women in the Australian Defence Force?

Mr STEPHEN SMITH (Perth—Minister for Defence and Deputy Leader of the House) (14:14): I thank the member for Page and acknowledge her longstanding interest in Defence matters. The Australian Human Rights Commission report into the treatment of women in the ADF was tabled in the House this morning. The Sex Discrimination Commissioner, who prepared the report, has made some public remarks—as have I and the Minister for Defence Science and Personnel and the Chief of the Defence Force.

This is a deeply significant report. In the aftermath of the so-called ADFA Skype incident in April 2011, the government commissioned a range of reviews—cultural reviews and reviews of the use of alcohol, the use of social media, personal conduct and the like. The results of those reviews were encapsulated in the document prepared by the Chief of the Defence Force and the secretary, called Pathway to change, which sets the prism through which personal conduct in the ADF is now to be judged. At the same time, I asked the Australian Human Rights Commission to investigate and review the treatment of women at ADFA and in the ADF generally. Commissioner Broderick's report into ADFA was made public in November last year, and today we see her broader work on the treatment of women in the Australian Defence Force. At the same time, members may recall that the government decided and announced that any restrictions on combat roles for women would be removed.

I thank Commissioner Broderick and her team for this work. I thank the Chief of the Defence Force, the secretary of the department and the service chiefs for their very close cooperation with the commissioner in the preparation of her report. The government accepts the report and agrees in principle with its recommendations. I have asked the Chief of the Defence Force and the service chiefs to implement the report and to do that in a detailed way. There is a built-in review by the Sex Discrimination Commissioner of that implementation progress in 12 months time, as there is with the ADFA report.

To give members a flavour of the report and its recommendations, as asked by the member for Page, the starting point for the report is that the equal treatment of women should be at the core of any Australian workplace and should be a core Defence value. The equal treatment of women should be a core Defence value not just for equality reasons but because to not do so undermines the operational effectiveness of the Australian Defence Force. In the modern era,
with modern platforms, we are not just talking about physical strength; we are talking about intellectual strength and attributes. We know from other areas of Australian society that women can do this equally as well as, if not better than, men.

There will be a report tabled every year with the annual report marking the progress which Defence needs to make to get to this ideal, to get to this positive outcome where women are treated equally in Defence, in particular and including the senior leadership roles, which are advisedly no longer to be restricted to those people who have undertaken a core combat role. This is a deeply significant report and I commend it to all members of the House. (Time expires)

**Electricity Prices**

Ms GAMBARO (Brisbane) (14:17): My question is to the Prime Minister. I refer the Prime Minister to this electricity bill from Dunlop Park Memorial Pool in the electorate of Moreton which shows that their power costs have increased by $1,200 as a direct result of the carbon tax. Given that this business has already cut hours from casual employees and expects to make further cuts, can the Prime Minister explain why she is letting small business bear the brunt of her carbon tax without a cent in compensation?

Ms GILLARD (Lalor—Prime Minister) (14:18): First, we will check the facts, because our experience this week is that the opposition’s campaign of falsity includes questions that it comes into this parliament and asks. Facts have been wrong in questions all week—things misrepresented to add to the fear campaign. So we will check the facts because of that experience this week as part of the fear campaign. Second, I have answered this question on more than one occasion this week. The opposition may want to keep running its fear campaign despite the facts, but the facts are these. The carbon price is paid by a very limited number of businesses that generate a lot of carbon pollution.

*Opposition members interjecting—*

**Ms GILLARD:** Yes, the fools in the opposition think that laughing loudly changes a fact. But that is a fact and no amount of laughing or overacting changes that fact. Fact No. 2: we have always said that there would be some flow-through impact on electricity. When the opposition was wandering around the country falsely claiming that this would be astronomical, what we did was patiently go about our work and the regulators backed the government on the facts. That is what has happened. As a result of those increases in electricity—yes, it is true that some small businesses have seen increases in their electricity—we have put the consumers of the products of those businesses in a position where they have been assisted with tax cuts, family payment increases and pension increases. What that means, of course, is that on average the assistance provided to a family has been $10.10 a week. They are the facts.

The member who asked the question has been in this parliament in one way or another over a considerable period of time. She is the sort of person who stood happily in the Howard government as they said they would have an emissions trading scheme. That is, she is the sort of person who has gone out to her community and said she supports carbon pricing. Well, she is in good company: John Howard, Brendan Nelson, Malcolm Turnbull and this Leader of the Opposition. No amount of spin and falsity from the opposition changes the fact that they support carbon pricing or changes the fact that if they were ever in government again they would keep the price on carbon. I trust the member will tell her constituents those facts.
Ms Gambaro: I seek leave to table the electricity bill so that it may assist the Prime Minister.

Leave not granted.

Renewable Energy

Mr WINDSOR (New England) (14:21): My question is to the Minister for Climate Change and Energy Efficiency. Is the minister aware of the exciting work being done by MBD Energy and others at James Cook University and the Tarong Power Station in relation to the growing of algae from coal fired power station flue gases for high-protein food products and renewable energy? Given that the existing market for algae food products in Asia alone is valued at $8 billion and is only constrained by limits on current production, what opportunities does the minister see for innovation such as this to be assisted by the clean energy packages— (Time expired)

Mr COMBET (Charlton—Minister for Industry and Innovation and Minister for Climate Change and Energy Efficiency) (14:22): I thank the member for New England for his question. I am aware of MBD Energy and James Cook University's cooperation on this issue. In fact, the government recently announced, through my colleague the Minister for Resources and Energy, a $5 million grant to assist this particular project. The grant is a tremendous example actually—

The DEPUTY SPEAKER: The member for Goldstein is warned.

Mr COMBET: of the type of innovative project that can make a difference and help us establish a clean energy future for this country. MBD Energy is in fact at the forefront of the biofuels industry. It has projects across a wide range of clean tech industries. This particular grant I mentioned is for the macro-algae fuel program, which is developing methods for abating greenhouse gas emissions from facilities such as coal-fired electricity stations and using those gases as inputs in the algae growth and, ultimately, into biomass feedstock, which, as the member for New England indicated, has a number of potential applications, particularly in important growth markets in the Asia-Pacific region. This is a matter that many electricity generators—including one in my own electorate—have been examining, but it is something that becomes feasible as we put a price on greenhouse gas emissions in our economy.

It is in fact but one example of the many changes that a carbon price is already driving in our economy. For example, grants have started to be made under the Clean Technology Program, which is a one billion-dollar program funded from carbon price revenue and directed towards assistance to the manufacturing sector to improve its energy efficiency and its emissions intensity. For example, one facility that I visited at Emu Plains called Crafty Chef has come up with changes that will reduce by 54 per cent the amount of electricity they use to produce a frozen meal for distribution through Woolworths outlets. That has cut their energy consumption per unit of output by 54 per cent—

Opposition members interjecting—

Mr COMBET: It is a big joke, according to the Leader of the Opposition, but it is actually pretty important. It means they can freeze a meal within one and a half hours, not ten hours, they will increase their turnover from $20 million to $50 million, and they will employ more people—that is, it will create jobs through clean technology.

I also visited Richgro Garden Products at Jandakot in Western Australia, who are installing a waste-to-energy plant that uses organic waste to generate electricity, and there are numerous other examples that can
be pointed to of constructive changes in the economy, and particularly in manufacturing and food processing, that are happening right now. That will continue under a carbon price. And that is why at the end of the day the coalition will not and cannot repeal this legislation. *(Time expired)*

**Economy**

Mr CHEESEMAN (Corangamite) (14:25): My question is to the Treasurer. Will the Treasurer outline for the House Australia's strong jobs record? Why is it important that we invest in education and training to keep this record strong?

Mr SWAN (Lilley—Deputy Prime Minister and Treasurer) (14:25): I thank the member for his question. The Australian economy is the strongest developed economy in the world. We have impressive growth, we have low unemployment and we are outperforming every other major advanced economy. Unemployment, at 5.2 per cent, is less than half of that in countries across Europe. Inflation is at a 13-year low and official interest rates are lower than at any time under the previous government. That is a remarkable combination of economic fundamentals for any developed economy to have.

Something like 800,000 jobs have been created in this country in the period of the Labor government, because jobs have been our number one priority. We understand that access to skills, access to training and access to education not only gets Australians into jobs but also gets them into better paid jobs. It produces more jobs, but it produces higher quality jobs. That is why we on this side of the House are absolutely committed to lifting the standard of education and making sure that no kid anywhere in our country is left behind. We believe in a better education for every Australian.

Those on the other side of the House believe that too much money is being spent on public schools. The Leader of the Opposition said this was an injustice. That speaks volumes about the values of the Leader of the Opposition, but I think it does sound a warning bell about opposition plans to cut investment in public education in Australia. They are absolutely desperate to cut basic public services, particularly in health and education.

We know that the shadow Treasurer let the cat out of the bag when he admitted on *Sunrise* on 12 August last year that there was a $70 billion crater in the Liberal party's budget bottom line. He sat there beside the environment minister and made that statement, but now he goes out there and says he never said it—then who was impersonating the shadow Treasurer on 12 August last year?

The fact is, there is a secret agenda here: to slash education and to slash public health. It is a secret agenda that is straight from the playbook of Premier Campbell Newman in Queensland. His approach was to not say anything about these cuts until after the election. There has been a bit of a change in the strategy today because we now have the shadow Finance Minister out there with his new plan in the *Financial Review*, 'Coalition's radical new federalism', detailing coalition plans to offload jobs to the states. Do you know what the plan is? He wants to outsource government to government. That is his plan. But when you drill down a bit, what you actually see is that they want to outsource their slashing and burning to the Liberal state premiers. That is what this plan is all about. We on this side of the House will continue to invest in skills. They will slash it. *(Time expired)*
Electricity Prices

WYATT ROY (Longman) (14:28): My question is to the Prime Minister. I refer the Prime Minister to this electricity bill from FoodWorks Burpengary in my electorate that shows their off-peak power has increased by 80 per cent as a direct result of the carbon tax. As owner, Craig, stated:

The carbon tax is going to cost people their jobs and hurt them in the hip pocket. We’ll absorb as much as we can but we can’t possibly absorb 100 per cent of the cost of the carbon tax.

How does the Prime Minister reconcile Craig’s reality with her claim that small businesses will not pay the carbon tax?

Ms GILLARD (Lalor—Prime Minister) (14:29): I thank the member for his question. To the member’s question I would remind him of the facts, and no amount of fear campaigning from the opposition changes the facts, as inconvenient as they are for the opposition. So, they will shout, they will go and pull stunts and they will come in and ask questions where they have the facts wrong, but nothing changes the facts. The facts are, of course, as I have just said to the member over here, that it is only big businesses that generate a lot of carbon pollution that pay the carbon price. That is the design of the scheme. Had Prime Minister Howard been re-elected in 2007, that would have been the design of his scheme, and the Leader of the Opposition would have been travelling the length and breadth of the country to advocate for it.

With a scheme designed that way, yes, there is some flowthrough impact; we always understood that. We said to small businesses, who do not have to fill in any additional forms—unlike the crushing burden of paperwork that fell on top of them when the GST was implemented by the former Howard government—that they should pass those costs through. And let us remind ourselves of the magnitude—in terms of the cost of living, 0.7 per cent, less than a cent in a dollar. In order to help Australian families with that we have provided tax cuts.

The member would represent people in this parliament earning less than $80,000—indeed, he would represent thousands of them—who have a tax cut. He would represent some working women who have gone from paying tax to paying no tax. He would represent some pensioners who have seen a historic pension increase and now, on top of it, 20 per cent more assistance than they need to deal with the average impact of carbon pricing.

Mr Robb interjecting—

The DEPUTY SPEAKER: The member for Goldstein might be listening from the outside of the building soon.

Ms GILLARD: He would represent people with families who have seen an increase in their family payments, and will see one again from this government from the proceeds of the Minerals Resource Rent Tax, because we believe in sharing the benefits of the boom.

They are the facts. No amount of distortion from the opposition changes those facts. I think you can see it written all over their faces today. They are like mice running around on the same wheel. They run and run, and there is a lot of activity but they do not get anywhere.

The DEPUTY SPEAKER: Is the member for Longman seeking to table a document?

Wyatt Roy: I do seek leave, Madam Deputy Speaker. This electricity bill shows in black and white the increase.

The DEPUTY SPEAKER: The member for Longman will resume his seat. The Leader of the House has indicated that leave
is not granted. The member for Petrie has the call.

Health

Mrs D'ATH (Petrie) (14:32): My question is to the Minister for Health. Will the minister update the House on the federal government's partnerships with the states and territories to deliver health and hospital services for Australians? Why is state cooperation vital in making sure that families can get access to these services?

Ms PLIBERSEK (Sydney—Minister for Health) (14:32): I thank the member for Petrie for that very important question. I have to say that, by and large, the Commonwealth and the states have worked very well and very cooperatively together on health reform. In fact, last year we struck a deal that will increase hospital funding by $20 billion over the next decade. In the case of Queensland, Labor have committed about $13½ billion for health facilities and for hospital services under that agreement. These investments have ranged from very big ticket items, like almost one quarter of a billion dollars for the Townsville Hospital upgrade or $210 million for seven regional cancer centres across Queensland, to smaller but no less important investments, like half a million dollars for the extension of the Bloomhill cancer therapy house, which I was delighted to open with Senator Claire Moore recently. Indeed, in the member for Petrie's electorate there is investment like $7 million into the North Lakes hospital renal unit.

I hear today that there are plans from those opposite to outsource health to the states. I am all for devolving decision making to a local level where we can. Indeed, that is why we have established 136 local hospital networks and that is why we have established Medicare Locals. It is curious, however, that the only single health policy we have heard from those opposite is the smashing of Medicare Locals. So, on the one hand, we have the finance shadow minister talking about outsourcing health to the states and then, on the other hand, we have another shadow minister talking about smashing devolution—

Mr Dutton interjecting—

The DEPUTY SPEAKER: The member for Dickson.

Ms PLIBERSEK: and smashing the very services that deliver better after-hours care, better access to psychological services—

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

Mr Pyne: Madam Deputy Speaker, I rise on a point of order and draw your attention to the ruling of the Speaker in 1981, which was that the minister will—

Government members interjecting—

Mr Pyne: You don't believe in precedence?

The DEPUTY SPEAKER: The Manager of Opposition Business has the call.

Mr Pyne: The ruling was that the minister will answer the question and not engage in irrelevancy such as contrasting the government and the opposition. I put it to you that the Minister for Health is engaging in the irrelevancies—

The DEPUTY SPEAKER: The Manager of Opposition Business will resume his seat. I have heard the question. The minister has the call.

Ms PLIBERSEK: We have smashing outsourcing and we have outsourcing. What you see when you outsource health to Queensland are cuts. We have seen cuts to Breastscreen Queensland. We have seen reported cuts of $80 million to hospital services in Brisbane. We have seen plans to cut 4,000 jobs from the health service, the
axing of 30 beds from the Prince Charles Hospital in Chermside and surgeries put on hold at the Princess Alexandra Hospital. You know what? We wanted to build 55 mental health beds in Queensland. Here it is in this 2011 budget press release—

**The DEPUTY SPEAKER:** The minister will not use props.

**Ms PLIBERSEK:** bids in Bundaberg, Hervey Bay, Maryborough and Toowoomba, but it is all of a piece. Queensland did not want those beds under Campbell Newman because this Leader of the Liberal Party, when he was health minister, cut $1 billion out of hospital services.

*Opposition members interjecting—*

**Ms PLIBERSEK:** It's wrong, is it? Here it is in your own budget papers. Here it is—minus, minus, minus, minus—$1 billion out of hospital services.

**The DEPUTY SPEAKER:** The minister will no longer use the prop.

**DISTINGUISHED VISITORS**

The DEPUTY SPEAKER (14:36): Before I call the member, I inform the House that we have present in the gallery this afternoon the Speaker of the National Assembly of the Seychelles, the Hon. Dr Patrick Hermelin. On behalf of the House, I extend to him a very warm welcome.

*Honourable members: Hear, hear!*

**QUESTIONS WITHOUT NOTICE**

**Carbon Pricing**

**Dr STONE** (Murray) (14:36): My question is to the Prime Minister. I refer the Prime Minister to this power bill from Michael and Melissa Farrant, dairy farmers in Murray, that shows an increase of 15 per cent in their power bill because of the itemised carbon tax charge. Despite planting 14,000 trees to offset carbon emissions, the Farrants are now worried that they will not survive Labor's new carbon tax. Prime Minister, what are the Farrants supposed to do given they cannot pass this new tax on and there is no compensation? (Time expired)

**Ms GILLARD** (Lalor—Prime Minister) (14:37): To the member who asked the question, once again we reserve the right to check the facts because we have found consistently this week, including in the area involving agriculture, meatworks and the like, that the opposition has come into this parliament and claimed things that are simply wrong. So we reserve the right to check what is being asserted by the member. Why would we be surprised at all that the opposition would be asserting things that are wrong? This is the same opposition that said Whyalla would be wiped off the map. This is the same opposition that said-there would be no coal mining anymore. This is the same opposition that said there would be astronomical increases in the price of living. This is the same opposition that has gone up and down the country peddling fear instead of facts.

I would remind the member who asked the question that in assessing the impact of carbon pricing on a small business, what we find from the opposition is that they are coming in here and either getting it entirely wrong or are seeking to misrepresent the position. Electricity prices are only one component—

**The DEPUTY SPEAKER:** The Prime Minister will resume her seat. Before the member for Murray puts a point of order, I will ask the Prime Minister to return to the question before the chair.

**Ms GILLARD:** I was just about to say, for businesses electricity prices are only one component of their costs. For the vast majority of businesses, total electricity costs are two per cent or less of their turnover,
making a carbon price impact of around 0.2 per cent. Then, when you have truly assessed the carbon price impact, there are various ways of businesses working to reduce their carbon emissions, to reduce their electricity usage, to adopt clean energy measures and energy efficient measures. The government is working with business to provide assistance with a number of those measures.

I hope the member is not so blinkered that she is participating in the fear campaign or that she is not doing things like providing information to her constituents about the $40 million Energy Efficient Information Grants program, which is helping small businesses cut energy costs. I hope she is not so determined to be out there peddling fear that she is not pointing to all aspects of this package.

Once again, I would remind the member for Murray, who is a member of long standing in this place, that she was a supporter of a price on carbon. She asked her constituents to vote for her in 2007 on the basis of supporting a price on carbon. She proudly supported John Howard's emissions trading scheme and the truth is if she was—

The DEPUTY SPEAKER: The Prime Minister will return to the question before the chair.

Ms GILLARD: The truth is she can say to this business that if she was to sit on the government benches again she would be supporting a price on—(Time expired)

The DEPUTY SPEAKER: Is the member for Murray seeking to table a document?

Dr STONE: The Prime Minister asked for this information in her answer. This is the itemised bill showing the charge.

The DEPUTY SPEAKER: The member for Murray is seeking leave to table a document. Is leave granted?

Mr Albanese: The member for Murray is welcome to send it across but, as far as tabling is concerned, the answer is no.

The DEPUTY SPEAKER: The member for Murray will resume her seat. The Leader of the House has indicated he will not grant leave. I will indicate again there is no requirement for the documents to be shown before leave can be granted.

Families

Mr HAYES (Fowler) (14:42): My question is to the Minister for Families, Community Services, Indigenous Affairs and Disability Reform. Will the minister update the House on how the government is supporting families around the country. Minister, what risks are there to this support?

Ms MACKLIN (Jagajaga—Minister for Families, Community Services and Indigenous Affairs and Minister for Disability Reform) (14:42): I thank the member for Fowler very much for his question and for all the work he does for the families in his electorate. He knows this Labor government has a very strong record in delivering for Australian families. Most recently we have delivered millions of household assistance payments to families around the country. Next year there is more to come. There will be the Schoolkids Bonus at the start and in the middle of next year. Also in the middle of next year there will be further increases in family payments to help those families make ends meet.

What we know now is that the Leader of the Opposition and all these Liberals over there have got a secret plan to cut this support to Australian families. All of us read—

Mr Simpkins interjecting—
The DEPUTY SPEAKER: The member for Cowan is warned.

Mr Dutton interjecting—

The DEPUTY SPEAKER: The member for Dickson is warned.

Mr Lyons interjecting—

The DEPUTY SPEAKER: The member for Bass is warned.

Ms MACKLIN: What we know is that this Leader of the Opposition wants to outsource support for families and outsource support for people with disabilities to his mates in the states that have now got a very clear record of slashing and burning support for families. What we can see is that in Victoria, in New South Wales and in Queensland families are losing support for playgroups, losing support for disability services and losing family payment support. If you look at what has happened in Victoria, the Victorian government cut the School Start Bonus so that 40,000 low-income families lost support because of the Victorian government’s budget change. The Liberals in Queensland are up to it every single day of the week. The Liberals in Queensland have cut the extra support to people with disability. They have cut support to domestic violence services. They have cut support to tenancy advice services and, just today, they slashed Queensland’s child protection watchdog. That is the latest effort from the Premier of Queensland. Families know that this Leader of the Opposition will do exactly what his Liberal mates are doing in every state in the country—(Time expired)

Mr Robb: Madam Deputy Speaker, a point of order: the comments of the minister have been both offensive and disorderly. They totally misrepresent the points that I made in the paper today. Under standing orders 91 and 92, I ask you to tell the minister to withdraw those comments.

Ms MACKLIN: We know that Liberal governments around the country are slashing and burning, and this Liberal Party opposite will do exactly the same to fill its $70 billion budget black hole.

Mr HAYES (Fowler)(14:46): Madam Deputy President, I ask a supplementary question. Could the minister update the House on what the government’s assistance for families will mean in my electorate of Fowler?

Ms MACKLIN (Jagajaga—Minister for Families, Community Services and Indigenous Affairs and Minister for Disability Reform)(14:46): I thank the member for Fowler very much for this question. This government is delivering to people in his electorate, who we know are having a lot of trouble making ends meet. I can inform the member for Fowler that, in his electorate alone, 63,000 people have received household assistance support from this government in the last few months—families, pensioners and others who need that support. And we know that all of them will face having that clawed back by the Leader of the Opposition.

We also know that people in the electorate of Fowler fear not only the Leader of the Opposition but also the Premier of New South Wales, who has decided to claw back some of this money and hike up public housing rents because he wants to take the money out the pockets of families, out of the pockets of pensioners, to fill his budget black hole, just like the Leader of the Opposition will.

DISTINGUISHED VISITORS

The DEPUTY SPEAKER (14:47): I inform the House that we have present in the gallery this afternoon the Chief Whips of the
National Council of Provinces of South Africa. On behalf of the House, I extend a very warm welcome to our visitors today.

Honourable members: Hear, hear!

QUESTIONS WITHOUT NOTICE

Carbon Pricing

Mr JOHN COBB (Calare) (14:48): My question is to the Prime Minister. The electricity bill of a cold store owner in Blayney in my electorate has increased by over $5,000 as a direct result of the carbon tax. As most of the produce in the cold store is exported into overseas markets without a carbon tax, this business cannot pass these costs on. Why is this business being hit with a carbon tax of over $5,000 a month when the Prime Minister continues to claim that small business will not pay the carbon tax?

Ms GILLARD (Lalor—Prime Minister) (14:48): I thank the member for this question. I would direct him to the comments made by the Minister for Climate Change during the course of this question time—I believe it was in answer to a question from the member for New England. He outlined some of the support and work that is happening to help cold storage businesses—it was a business that was refrigerating meals—to cut their electricity costs and seize a clean energy future. I refer the member to the Minister for Climate Change's answer because it is pointing him to parts of the clean energy future package, the carbon pricing package, that may work with the sort of business that he is describing. I would say to the member that, rather than going out and peddling fear and falsity, it would be better if he directed that business to aspects of the carbon pricing package which may be able to help them seize a clean energy future. That is the kind of thing that local members do.

Can I also say in respect of the member's question about carbon pricing that I am a little surprised that this seems to be the only day on which the Leader of the Opposition has not come into this parliament and backed in his stunt for the day by raising it as a question. He has talked about Olympic Dam but he has not talked about the cost-of-living-impacts of carbon on families. He was out with a family today. I am wondering if was too frightened to raise that because one of the members of that family was a public servant. Maybe he thought this was a particularly bad day to be talking about the cost of living for a family whose job he is trying to destroy—like those of 12,000 others. He is destroying not only jobs but also health and education services.

Unlike the opposition, we will continue to get this nation ready for a prosperous future. A clean energy future is part of that. The member who asked the question stood for a price on carbon in the 2007 election. If he wants to talk to his constituents about the future, he should make sure he tells them that John Howard supports a price on carbon, Brendan Nelson does, Malcolm Turnbull does and so does this Leader of the Opposition.

Mr John Cobb: Madam Deputy Speaker, I would like to table the power bill in question.

Leave not granted.

The DEPUTY SPEAKER: The member for Calare will resume his seat—and count himself lucky.

Schools

Ms OWENS (Parramatta) (14:51): My question is to the Minister for School Education, Early Childhood and Youth. Will the minister inform the House on the government's plans to make every school a great school?

Mr GARRETT (Kingsford Smith—Minister for School Education, Early
Childhood and Youth) (14:52): I thank the member for Parramatta for her question. As people know, the government commissioned an independent review into school funding led by the Sydney businessman Mr David Gonski, with a number of eminent panel members from across the political spectrum, because we care about the future of education. Importantly, the panel found that our existing school funding system is broken, leaving too many schools and too many students behind. It also found that funding should match student need, so that all students—whatever school they are in—can reach their potential. Those at the coalface of education—the parents, the principals and the teachers—have overwhelmingly agreed with these findings. Some members of the coalition, it seems, are tending that way too.

Despite the findings of this independent panel, the Leader of the Opposition disagrees, saying very clearly—and he repeated it just in case somebody missed it—that 'the current funding for government schools is an injustice'. It seems that 'justice' in the mind of the Leader of the Opposition would be if school systems were funded purely on their share of enrolments. He does not agree that there should be additional funding according to need—just a straight split in funding between school systems based on enrolments.

I challenge the Leader of the Opposition to visit schools working in difficult circumstances around the country and repeat his comment that their funding represents an injustice. He should turn up at a few P&C meetings over the next couple of months—he could move for a suspension of standing orders, because that is what he knows something about—and then address the P&C and say, 'There is no question of injustice to public schools; if anything the injustice is the other way', and then repeat it: 'If anything the injustice is the other way.' Perhaps the members for Parkes, Mallee and Durack would welcome the opposition leader to an awards ceremony at one of their schools in remote or rural Australia, schools that receive additional funding based on their circumstances rather than just the number of students. The opposition leader could open his remarks to those schools by telling the parents gathered there: 'You know what? The great injustice in school funding in Australia is that public schools, such as the schools in regional Australia, receive too much money.' I think if he opened his address in that way, he would not get too many return invitations. The fact of the matter is that the opposition leader is suggesting that if in fact we have a split in funding based on school enrolments that would represent a cut to government schools of $2.5 billion a year. On top of the $2.8 billion that the opposition has on the slate for cuts to school funding, the opposition leader, by saying it is an injustice to fund government schools, has added to that figure. (Time expired)

Ms OWENS (Parramatta) (14:55): Madam Deputy Speaker, I ask a supplementary question. How will the government's plans benefit students and schools in my electorate?

Mr GARRETT (Kingsford Smith—Minister for School Education, Early Childhood and Youth) (14:55): I thank the member for Parramatta for that question because, as I have done in the House in the last couple of days, I am able to point out to those opposite and those listening that in the electorate of Parramatta that some 58 schools have received over $100 million in investment for new education infrastructure. She has over 9,000 families benefiting from the Schoolkids Bonus. A number of schools—like the Holy Trinity Primary School, the Rydalmere Public School, the Arthur Phillip High School—are participating in our national partnerships,
which are directed at making sure that we can help students in those schools improve their education. That is what our approach is as a government and that is why we want to continue that process of education reform through the issue of education funding.

The fact of the matter is that we are focused on making schools better, and parents in the electorate of Parramatta can already see that this government has been fair dinkum about education. They then have to think for a moment or two about what the opposition leader has said—his remarks about the injustice of funding government schools. They may also think for a moment about the comments of the shadow spokesperson on education—'Let's cut one in seven teachers.' And then they may think about the opposition's response to the Gonski panel's findings—they dismissed them out of hand within 20 minutes and said they would repeal the legislation even before they have had a chance to read it. (Time expired)

Union Funds

Ms GILLARD (Lalor—Prime Minister) (14:57): I thank the shadow minister for education for his question. I am not at all surprised that the question is not about education, given that the opposition is trying to cover up its plans to cut public schools to get one in seven teachers out of the teaching service.

Opposition members interjecting—

The DEPUTY SPEAKER: The Prime Minister will refer to the question before the chair.

Ms GILLARD: I refer the member for Sturt to an answer to a question from 13 May 2010. It was a question from Senator Michael Ronaldson in the Senate where his matter arising out of Senate estimates was dealt with. I refer him to the paragraph dealing with the Industrial Registrar telephoning—

Mr Pyne: On a point of order, Madam Deputy Speaker: the Prime Minister is not even attempting to answer the question. The question was about the statement that was released last night—

The DEPUTY SPEAKER: The Manager of Opposition Business will resume his seat.

Ms GILLARD: I was referring to this paragraph in the answer:
The Industrial Registrar telephoned Mr Ben Hubbard (then Chief of Staff to—me as Deputy Prime Minister—on 8 April and advised that inquiries under section 330 of Schedule 1 of the Workplace Relations Act 1996 had been commenced in relation to the Health Services Union National Office and Victorian No 1 Branch and that investigation(s) under section 331 may ensue. Mr Williams also indicated he would not be making any public comment on the matter.

That paragraph is accurate and has been on the public record now since 13 May 2010—the best part of 2 ½ years.
Mr PYNE (Sturt—Manager of Opposition Business) (14:59): My supplementary question of course goes to the fact that the call was from the chief of staff to the industrial registrar. I refer the Prime Minister to the revelation in the report that her chief of staff asked the registrar, 'Has the name Craig Thomson come up?' What knowledge did the Prime Minister's office have about the member for Dobell that suggested his involvement in the HSU scandal? (Time expired)

Ms GILLARD (Lalor—Prime Minister) (15:00): Back in the usual sleaze from the opposition—the paragraph I referred to correctly summarises the matter.

An incident having occurred in the gallery—

The DEPUTY SPEAKER: The Prime Minister has concluded her answer.

Mr Pyne: Madam Deputy Speaker, on a point of order: are we to believe that the Prime Minister has no intention of answering that question?

The DEPUTY SPEAKER: The Manager of Opposition Business will resume his seat.

National Broadband Network

Ms BRODTMANN (Canberra) (15:01): My question is—

Opposition members interjecting—

The DEPUTY SPEAKER: Order! The member for Canberra will resume her seat. The clock will be dealt with when the member for Canberra is again asked to commence her question, and I will only do so when I have silence—and that is silence from everybody.

Ms BRODTMANN: My question is to the Minister for Infrastructure and Transport representing the Minister for Broadband, Communications and the Digital Economy. Will the minister update the House on the government's plan to deliver fibre-to-the-home services through the National Broadband Network? How does this compare with the investment in other countries?

Mr ALBANESE (Grayndler—Leader of the House and Minister for Infrastructure and Transport) (15:02): I thank the member for her question. Indeed, this is a government that is getting on with the job of building the infrastructure that we need, including the National Broadband Network. This is an investment to transform our economy and deliver superfast, affordable and reliable broadband to all Australians, no matter where they live.

Those opposite have sought to wreck the NBN reforms all the way, while having no alternative credible policy. After 22 failed broadband plans when they were in government, the latest thought bubble is to model their policy on British Telecom's fibre to the node. But even the Tory minister for communications in the UK describes this as 'a temporary stepping stone to fibre to the home'. Peter Cochrane, the former chief technology officer of British Telecom, describes this system as 'one of the biggest mistakes humanity has made'. The truth is that their broadband policy, if you can call it that, just does not stack up, which is why on 20 August Alan Kohler wrote an article in Business Spectator—and you do not have to read it all to get the gist of it—headlined 'The Coalition's NBN policy is madness'. That is what he suggests about their policy, and he suggests that they will dump their policy sometime between now and the election. This upset the member for Wentworth a bit, so he had a long chat, according to Alan Kohler. After the chat, Alan Kohler wrote another article the next day—and you do not have to read all of it to get the gist of it—headed 'Sorry Malcolm, it's still crazy'. I table that article for the benefit of members.
It is indeed crazy to lock Australia into a second-rate broadband policy reliant on an ageing copper wire system. At the same time that the member for Wentworth is trying to lock Australia into an inferior broadband network, he is investing in world-class broadband to future-proof France’s digital economy, because he is investing in France Telecom, which is building a fibre-to-the-home broadband network in France to 15 million homes. He wants to spend billions of taxpayers’ dollars here on a second-rate network, but when it comes to his own money he puts it into fibre to the home in France.

We just require a bit of consistency. We know they know about the internet because we see them dealing off the issues that are on the internet time after time and we see their connections to the Tea Party—they were evident in the gallery earlier today. (Time expired)

Mr Billson: Probably HSU members, mate.

Mr SHORTEN: I thank the member for her question and for her interest in workplace relations. In terms of the proposition about what the government is doing to make sure that the governance of registered organisations is good, there has never been a time under this government when there has been such strong regulation of registered organisations. Let me go through the evidence to support the proposition I advance today. Under this government we have increased the penalties for people who are found to have breached their obligations under the Fair Work (Registered Organisations) Act. We are the ones who put an administrator into the troubled parts of the Health Services Union—that is, the HSU East branch. Under this government we have increased the educational standards required of people who hold fiduciary positions in registered organisations. Under this government we have strengthened the powers of the General Manager of the Fair Work Act. So we have a record of talking the talk and walking the walk.

The only disappointment I have here is that, when it comes to workplace relations, the opposition only ever want to talk about one issue.

Ms Julie Bishop: Madam Deputy Speaker, I rise on a point of order. On relevance: I also asked about the Australian Workers Union. I would ask the minister to address that issue.

Mr SHORTEN: I am entirely confident that in recent years the Australian Workers Union has been very well administered. Let me go further on this question, because we know where the question is coming from.
We know that there have been attempts by the Liberal Party to smear and muckrake; what we also know is that that dog is not going to hunt. Only this side of parliament will ever stand up for workers. I am proud to be in a labour movement that stands on the side of getting workers pay rises. I am proud to be part of a government that stands on the side of better health and safety for workers. I am proud to be part of a government that stands for secure jobs. I am proud to be part of a government and a labour movement that stands for the accomplishments of unions. I am also proud to be part of a government, led by our Prime Minister, that stands up for the issues of working people no matter what the topic.

Need I remind the House of the National Disability Insurance Scheme? Need I remind the House of what we intend to do to improve the funding of schools, wherever they are and regardless of the postcode? Let me also make it clear that we on this side of the House will never be part of the antics we see from the 'mini-me's' of the coalition federally—I refer of course to the East Coast state premiers. We will never be part of the wholesale job cuts that Campbell Newman is proposing in Queensland; we will never be part of Barry O'Farrell's attack on injured workers; and we will never be part of Ted Baillieu's attack on TAFE.

Mental Health

Mr MITCHELL (McEwen) (15:10): My question is to the Minister for Mental Health and Ageing, Minister for Social Inclusion and Minister Assisting the Prime Minister on Mental Health Reform. I have just had a headspace centre announced in my electorate of McEwen. This will make a significant difference to young people with mental health issues. Will the minister outline what other policies are available to assist the one in five Australians who are living with a mental health issue?

Mr BUTLER (Port Adelaide—Minister for Social Inclusion, Minister for Mental Health and Ageing and Minister Assisting the Prime Minister on Mental Health Reform) (15:10): I thank the member for McEwen for his question. I know that he has been talking closely with youth organisations and other community and health providers in his electorate for some time now about the headspace model. I enjoyed spending some time with him last Friday in Wallan with the new secondary school there and a range of other providers who are very excited about the headspace announcement for the member for McEwen's part of North Melbourne.

Before the last election, the Prime Minister committed her government in the second term to making mental health reform a priority. Last year's budget delivered on that commitment with the largest ever package of new mental health initiatives in the Commonwealth's history. Over the course of this year we have been busy delivering on those initiatives—many of which, like headspace, are directed at younger people in the community because, unlike most major health conditions, mental illness tends to emerge early in life. A quarter of disorders emerge before the age of 12, two-thirds emerge before the age of 21 and three-quarters emerge before the age of 25. We know that young people, particularly young men, are less likely than any other cohort in the community to seek and access treatment. That is why building services where young people and their families feel comfortable going is such a critical part of our reform agenda.

Forty headspace services are now open. Each of them is receiving double the core funding that they used to receive. Fifteen more now have lead agencies and will be
open this summer. In the last fortnight I announced 15 more locations. They are in the member for McEwen's area, in the member for Kooyong's area—and the member for Kooyong has been advocating very strongly for a headspace in his part of Melbourne—and in many other areas across the country.

Since October, headspace has been operating a phone and internet counselling service 24 hours a day, seven days a week, 365 days a year.

Mr Pyne interjecting—

Mr BUTLER: I do note, Christopher. It is also funded to deliver a crisis outreach service to schools impacted by suicide, which tragically still occurs two or three times per week on average.

This month I also announced the results of round 1 of the early psychosis youth centres. Every jurisdiction expressed interest in this round, and it will see up to four services established in New South Wales, one in the Northern Territory and two in Western Australia, with service planning ongoing in Victoria and a second round which will open in September.

In addition to these and other initiatives targeted particularly at young people, there are several other initiatives already being delivered to support adults with mental illness. While there is more to do, these initiatives are transforming the services available to the millions of Australians who live with mental illness.

Mr Dutton: On behalf of the coalition I join the minister in supporting headspaces. They were initiated under Tony Abbott as health minister with a $1.9 billion investment. We supported headspace at the last election, and we continue to support the proliferation of headspace centres because they do provide an incredibly valuable service to young people, in particular, with a mental illness.

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

PERSONAL EXPLANATIONS

Mr ABBOTT (Warringah—Leader of the Opposition) (15:14): Madam Deputy Speaker, I seek leave to make a personal explanation.

The DEPUTY SPEAKER (Ms AE Burke): Does the Leader of the Opposition claim to have been misrepresented?

Mr ABBOTT: Serially, in question time today.

The DEPUTY SPEAKER: Please proceed.

Mr ABBOTT: First of all I was misrepresented by the Treasurer and by the education minister, who claimed that it was my policy to cut funding for public schools. It is not. No school will be worse off under the coalition, because we think the existing policy is fine.

Secondly, I was misrepresented by the Treasurer, who said that it was the coalition's policy—my policy—to increase company tax. Wrong; there was a 1.5 per cent company tax cut at the last election, and there would be no net increase in tax.

Thirdly, Madam Deputy Speaker, by the Minister for Health—

Mr Albanese: Madam Deputy Speaker—

The DEPUTY SPEAKER: The Leader of the House will resume his seat. The Leader of the Opposition must demonstrate where he has been misrepresented.

Mr ABBOTT: Thirdly, Madam Deputy Speaker, I was misrepresented by the Minister for Health, who said that it was my policy to and that I had in fact cut funding for public hospitals. During my time as health minister, public hospital funding went
from $7.49 billion to $9.76 billion, a 30 per cent nominal increase and a 17 per cent real increase.

And finally, I was misrepresented by the Prime Minister, who said that it was the opposition's policy—it was my policy—to retain the carbon tax. When I say there will be no carbon tax under the government I lead, I am telling the truth.

The DEPUTY SPEAKER: The Leader of the Opposition will resume his seat.

Ms PLIBERSEK (Sydney—Minister for Health) (15:15): Madam Deputy Speaker, I table the budget paper that indeed shows the cuts, and I table the report where John Howard confirms a billion-dollar cut.

Mr HOCKEY (North Sydney) (15:16): Madam Deputy Speaker, I seek leave to make a personal explanation.

The DEPUTY SPEAKER (Ms AE Burke): Does the member for North Sydney claim to have been misrepresented?

Mr HOCKEY: I do.

The DEPUTY SPEAKER: Please proceed.

Mr HOCKEY: The Treasurer again today said that I had claimed that there is a funding challenge of $70 billion for the coalition. I never said that.

Mr PYNE (Sturt—Manager of Opposition Business) (15:16): Madam Deputy Speaker, I seek leave to make a personal explanation.

The DEPUTY SPEAKER (Ms AE Burke): Does the Manager of Opposition Business claim to have been misrepresented?

Mr PYNE: Yes, most grievously by the Minister for School Education, Early Childhood and Youth.

The DEPUTY SPEAKER: Please proceed.

Ms GAMBARO (Brisbane) (15:17): Earlier today in question time, the Prime Minister implied
that I somehow was misleading the House as a result of the electricity account that I have in my hand now. The electricity account shows a carbon adjustment figure of $1,200—

The DEPUTY SPEAKER: The member for Brisbane must demonstrate where she has been misrepresented.

Ms GAMBARO: and I did offer to table the account as well.

The DEPUTY SPEAKER: The member for Brisbane will resume her seat.

Honourable members interjecting—

The DEPUTY SPEAKER: Order!

Ms Julie Bishop interjecting—

The DEPUTY SPEAKER: The Deputy Leader of the Opposition!

Mr Albanese: Madam Deputy Speaker, on a point of order: the Deputy Leader of the Opposition should withdraw that statement—that statement that I am a bagman. She should withdraw it.

The DEPUTY SPEAKER: The Deputy Leader of the Opposition will withdraw.

Opposition members interjecting—

Mr Albanese: No, she didn't, and you know it.

The DEPUTY SPEAKER: The Deputy Leader of the Opposition will withdraw.

Honourable members interjecting—

The DEPUTY SPEAKER: Order! Thank you very much. The member for Ballarat is seeking the call.

Honourable members interjecting—

The DEPUTY SPEAKER: Order! The Deputy Leader of the Opposition will withdraw.

Opposition members: She did!

The DEPUTY SPEAKER: Again.

Ms Julie Bishop: I withdraw.

The DEPUTY SPEAKER: Thank you. And we will not continue this unedifying spectacle.

STATMENTS ON INDULGENCE

Smith, Mr Greg

Ms KING (Ballarat—Parliamentary Secretary for Infrastructure and Transport and Parliamentary Secretary for Health and Ageing) (15:18): On indulgence, if I may, I just want to give my congratulations to Greg Smith, who is from Buninyong, in my electorate of Ballarat, who has been nominated as the Australian flag-bearer for the Australian Paralympic team. We wish him all the best. Ballarat is very, very proud of you. We wish you all the best in your first match on 5 September, against Canada.

PERSONAL EXPLANATIONS

Mr HOCKEY (North Sydney) (15:19): Madam Deputy Speaker, I seek leave to make a personal explanation.

The DEPUTY SPEAKER (Ms AE Burke): Does the member for North Sydney claim to have been misrepresented?

Mr HOCKEY: Yes, I have been.

The DEPUTY SPEAKER: Please proceed.

Mr HOCKEY: The Prime Minister today alleged that I and the coalition had claimed that there was a $70 billion hole. There is no $70 billion hole. I never claimed it, and it is another lie.

The DEPUTY SPEAKER: The member will withdraw the allegation of lying.

Mr HOCKEY: I withdraw.

The DEPUTY SPEAKER: I thank the member.

Mr ROBB (Goldstein) (15:19): Madam Deputy Speaker, I seek leave to make a personal explanation.
The DEPUTY SPEAKER (Ms AE Burke): Does the member for Goldstein claim to have been misrepresented?
Mr ROBB: I most certainly have been.

The DEPUTY SPEAKER: Please proceed.

Mr ROBB: The Minister for Families, Community Services and Indigenous Affairs claimed that I had said that services would be cut to families under a coalition government, when I had said quite explicitly that the coalition government would look to slash the cost and duplication of Labor's regulations.

Mr JOHN COBB (Calare) (15:20): Madam Deputy Speaker, I seek leave to make a personal explanation.

The DEPUTY SPEAKER (Ms AE Burke): Does the member for Calare claim to have been misrepresented?
Mr JOHN COBB: Most grievously.

The DEPUTY SPEAKER: Please proceed.

Mr JOHN COBB: The Prime Minister, in answer to my question, indicated either that I misrepresented the facts or that my constituent was in effect not telling the truth. I have it right here. I am willing to table it, if the Prime Minister would like to inspect it.

The DEPUTY SPEAKER: The member for Calare will resume his seat.

QUESTIONS TO THE SPEAKER

Disruptive Conduct

Mr ALBANESE (Grayndler—Leader of the House and Minister for Infrastructure and Transport) (15:20): Madam Deputy Speaker, I have a question to you. With regard to those who engaged in disruptive conduct in the gallery today, can you please ascertain whether they were signed into the gallery or into Parliament House by any member of parliament and report back to the House?

The DEPUTY SPEAKER (Ms AE Burke) (15:21): I will refer the question—
Mr Hockey: They look like industrial thugs, don't they?

The DEPUTY SPEAKER: Member for North Sydney, if we want to progress to the MPI—the question will be referred to the Speaker for his consideration.

DOCUMENTS

Presentation

Mr ALBANESE (Grayndler—Leader of the House and Minister for Infrastructure and Transport) (15:21): Documents are presented in accordance with the list circulated to honourable members earlier today. Full details of the documents will be recorded in the Votes and Proceedings.

COMMITTEES

Selection Committee Report

The DEPUTY SPEAKER (Ms AE Burke) (15:22): I present report No. 62 of the Selection Committee, relating to the consideration of committee and delegation reports and private members' business on Monday, 10 September 2012. The report will be printed in the Hansard for today and the committee's determination will appear in tomorrow's Notice Paper. Copies of the report have been placed on the table.

The report read as follows—

Report relating to the consideration of private Members' business
1. The committee met in private session on Tuesday, 21 August 2012.
2. The committee determined the order of precedence and times to be allotted for consideration of private Members’ business on Monday, 10 September 2012, as follows:

Items for House of Representatives Chamber (10.10 am to 12 noon)
PRIVATE MEMBERS’ BUSINESS

Notices

1 MR WILKIE: To present a Bill for an Act to regulate the export of live animals for slaughter, and for related purposes. (Livestock Export (Animal Welfare Conditions) Bill 2012)

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

2 MR WILKIE: To present a Bill for an Act to amend the Banking Act 1959, and for related purposes. (Banking Amendment (Banking Code of Conduct) Bill 2012)

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

3 MR PERRETT: To move:

That this House notes the:
(1) strong investment by the Australian Government in infrastructure right across Queensland, particularly the Mains Road and Kessels Road Intersection Upgrade and the Ipswich Motorway Upgrade;
(2) commitment by the Australian Government in infrastructure now and into the future, such as our investment in the Bruce Highway; and
(3) current Queensland Government’s inconsistent approach to infrastructure projects.

(Notice given 26 June 2012)

Time allotted—40 minutes

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

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

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

2 MR OAKESHOTT: Resumption of debate (from 28 May 2012) on the motion of Mr Oakeshott—That this House:

(1) endorses the draft code of conduct at Appendix 5 of the report of the House of Representatives Standing Committee of Privileges and Members’ Interests, Draft Code of Conduct for Members of Parliament; and

(2) requests the Leader of the House to bring forward urgently for the House’s consideration the proposed changes to standing orders and resolutions of the House necessary to give effect to the Code, procedures for considering complaints under the Code, and for the role of the Standing Committee of Privileges and Members’ Interests in oversight of the Code.

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

Speech time limits—
Mr Oakeshott—5 minutes.
Other Members—5 minutes each.

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

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

4 MR BRIGGS: To move:

That this House:

(1) notes that:

(a) the Australian Greens can formally submit an unlimited number of new policy proposals to the Government for analysis and costing under the Agreement for a Better Parliament: Parliamentary Reform, signed on 7 September 2010 to establish ‘a basis for stable and effective government’; and

Orders of the day

1 FAIR WORK AMENDMENT (BETTER WORK/LIFE BALANCE) BILL 2012 (Mr Bandt): Second reading. Resumption of debate (from 13 February 2012)

Time allotted—30 minutes
(b) on 20 July 2012, The Treasury made a decision on a Freedom of Information request to refuse access to 12 documents relating to Australian Greens’ policy costings because the documents ‘would allow a direct inference to be drawn about subsequent Cabinet deliberations’ and they contained ‘material prepared to inform deliberations of Government’;

(2) recognises that the Government has previously released policy costings, namely:

   (a) an Executive Minute detailing costings of the Coalition’s Direct Action Plan, released in full by The Treasury on 2 September 2011;

   (b) updated costings on reopening the detention facility in Nauru, released by the Department of Immigration and Citizenship on 27 January 2012; and

   (c) Treasury modelling provided to unaligned Members, released by The Treasury on 24 February 2012; and

(3) calls on The Treasury and the Department of Finance and Deregulation to release all costings of policy proposals that the Australian Greens have formally submitted to the Government for analysis since the 2010 Federal Election. (Notice given 20 August 2012)

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

Speech time limits—

   Mr Briggs—10 minutes.

   Next 3 Members speaking—10 minutes each.

   Other Members—5 minutes each.

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

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

Items for Federation Chamber (approx 11 am to approx 1.30 pm)
PRIVATE MEMBERS’ BUSINESS

Orders of the day

1MARRIAGE AMENDMENT BILL 2012 (Mr S. P. Jones): Second reading—Resumption of debate (from 20 August 2012)

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

Speech time limits—

   All Members—5 minutes each.

   [Minimum number of proposed Members speaking = 30 x 5 mins]

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

Items for Federation Chamber (approx 6.30 to 9 pm)
PRIVATE MEMBERS’ BUSINESS

Notices—continued

1 MR CHESTER: To move:

That this House:

   (1) notes that National Landcare Week (3 to 9 September) will celebrate the extraordinary contribution by volunteers to practical environmental projects throughout Australia;

   (2) highlights the outstanding contribution of Australian farmers and other rural landholders to enhance the environment on public and private land; and

   (3) recognises the need for ongoing public funding to:

      (a) employ Landcare facilitators and coordinators who manage volunteer programs;

      (b) support Landcare groups to achieve strategic goals; and

      (c) assist in maximising the volunteer effort.

   (Notice given 20 August 2012)

Time allotted—90 minutes

Speech time limits—

   Mr Chester—10 minutes.

   Next 3 Members speaking—10 minutes each.

   All Members—5 minutes each.

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

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

Items for Federation Chamber (approx 11 am to approx 1.30 pm)
PRIVATE MEMBERS’ BUSINESS

Orders of the day

2 MR BILLSON: To move:

That this House notes:

   (1) the work of Meniere’s Australia in developing and improving services in Australia for people living with the distressing
consequences of Meniere’s disease and other unseen Vestibular Disorders;

(2) that vertigo, dizziness, balance problems, hearing loss and tinnitus are common symptoms of Meniere’s disease which lead to sudden debilitating attacks, loss of employment, social isolation and loss of confidence and personal capabilities in everyday living activities;

(3) that the exact number of people affected by Vestibular Disorders is not known as the conditions are under-diagnosed and under-reported;

(4) that the research from the United States of America indicates that up to five per cent of the population may be living with one or more vestibular conditions which translates to one million Australians; and

(5) that with more support, Meniere’s Australia Support Groups would be able to provide much needed counselling, practical advice, information and peer support to both individuals and their families and carers. (Notice given 20 August 2012)

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

Speech time limits —

Mr Billson—10 minutes.

Next Member speaking—10 minutes.

Other Members—5 minutes each.

[Minimum number of proposed Members speaking = 2 x 10 + 8 x 5 mins]

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

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

Orders of the Day—

Joint Select Committee on the National Disability Insurance Scheme (Mr Christensen)

Carbon price (Mr Chester)

Heavily indebted poor countries initiative (Mr Oakeshott)

Military superannuation (Mr Oakeshott)

Royal Australian Navy in the Middle East (Mr Griffin)

Domestic violence and the workplace (Ms Rishworth)

Peter Norman (Dr Leigh)

MATTERS OF PUBLIC IMPORTANCE

Cost of Living

The DEPUTY SPEAKER (Ms AE Burke) (15:22): Mr Speaker has received a letter from the honourable the Leader of the Opposition proposing that a definite matter of public importance be submitted to the House for discussion, namely:

The urgent need for the Government to address the cost of living pressures on Australian families.

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

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

Mr ABBOTT (Warringah—Leader of the Opposition) (15:22): Haven’t we seen an extraordinary spectacle from the Prime Minister and government ministers today in question time. Every time members of the coalition asked the government about the extraordinary increase in power prices due to the carbon tax, government ministers, led by the Prime Minister, have laughed. That is what they have been doing. They have laughed off this hit on the cost of living of decent Australian families. And doesn’t that just prove: every time your power bill goes up the Prime Minister has a smile on her face, because that is just the carbon tax doing its job. The whole point of the carbon tax is to increase the cost of living for Australian families.

We did have a truly extraordinary performance from the Prime Minister today. She said today, in answer to the first or second question she got: businesses knew a carbon price was coming.
An opposition member: How?

Mr ABBOTT: How? Did they read the chicken entrails? Did they read the tea leaves? Because if they had listened to the Prime Minister what would they have heard?

Opposition members: 'No carbon tax under the government I lead!'

Mr ABBOTT: No carbon tax! No emissions trading scheme! Nothing whatsoever until—

Opposition members: ‘A deep and lasting consensus’—

Mr ABBOTT: was achieved. So how this Prime Minister could attribute some kind of ESP to the businesses of Australia—particularly to BHP, which is on the verge, it seems, of announcing the cancellation of the Olympic Dam mine expansion—is just utterly beyond comprehension. The Prime Minister today liked to talk about something that might have been said in the 2007 election. Well, this Prime Minister and this government have dummied the Australian people not once but twice. They said at the 2007 election there would be an emissions trading scheme; they did not deliver it. They said at the 2010 election there would be no carbon tax, and they did. What a fraudulent display from this Prime Minister.

Then of course we had the Prime Minister claiming that the coalition would keep the carbon tax if we formed a government, and the minister for families saying we would claw back the assistance if we formed a government. Well, they cannot even get their scare right; they cannot even get their smear right, which shows what an extraordinary government we have got.

I went back to the record of August 2010, election month, and on no fewer than five separate occasions we had this Prime Minister saying that her whole objective was to help families with cost-of-living pressures. She does not say that anymore, does she? She cannot say it anymore because no government that took the pressure on families seriously and wanted to relieve it would hit every single Australian family with a carbon tax.

Members opposite never stopped talking about working families. Remember that phrase that rung around this chamber, day in and day out, back in 2007 and 2008? They never talk about working families anymore because they are precisely the people who are being hit by the toxic carbon tax.

Let us have a look at what has happened to the cost-of-living pressures on working families since members opposite formed a government. Since December 2007, power prices are up 64 per cent; water prices are up 60 per cent; utilities prices are up 58 per cent; gas 42 per cent; insurance 35 per cent; education 31 per cent; health 33 per cent; and rent 27 per cent. What do they want to do? Make it all so much worse by adding to all of the price rises that have occurred up till now the greatest hit of all: the world's biggest carbon tax at the worst possible time.

Let us look at the economic situation that this government has created when it comes to ordinary families. Employment has risen very, very little. In fact, 2011 was the first year since the early 1990s when no net new jobs were created. GDP growth per person was 2 1/4 per cent a year between 1996 and 2007 under the Howard government, and just half a per cent a year under the current government. No wonder the families of Australia are feeling under pressure. No wonder the Howard era looks like a golden age of prosperity, now lost because of the bumbling and the new taxes of members opposite.

Consumer confidence is down. Manufacturing output is down. Employment growth is slow. Productivity growth is poor.
Economic growth is fragile and confidence is almost non-existent in many sectors of our economy. So what is this government doing? They have got the answer! 'We have the answer,' they say. What is it? A carbon tax. Oh, great! What geniuses! Look at their own modelling. Members opposite like to say that the coalition is engaged in a scare campaign. Let us engage in a fact campaign by looking at the government's own modelling. On the government's own modelling, steel production under a carbon tax: down 21 per cent. Aluminium production under a carbon tax: down 61 per cent. Coal-fired power generation absent carbon capture and storage: down from over 70 per cent to just 10 per cent of Australia's total.

But there's more. Gross national income per head—that is, the real wealth of Australians—by 2050, will be $5,000 a year less under a carbon tax than without a carbon tax. Our cumulative GDP with a carbon tax is $1 trillion less than it would be without a carbon tax. This is on the government's own figures. It is as if this country were to stop working for a whole year. That is the wrecking ball that is going to swing through our economy as a result of this government's carbon tax.

And the tragedy is that it is not even going to reduce emissions. Again, look at the government's own modelling. Our domestic emissions do not go down by five per cent; they go up. That is right; they go up by eight per cent from 578 million tonnes to 621 million tonnes in 2020, despite a carbon tax that by then will be $37 a tonne. We only get the five per cent emissions reduction that the government is committed to, and that we support, because Australian businesses have got to buy $3½ billion worth of carbon licences from foreign traders.

Who do government ministers think are ultimately going to pay for those carbon licences?—Australian consumers, Australian families. But it just gets worse. In 2050, when we are supposed to achieve an 80 per cent reduction in our emissions—in fact, the reduction in domestic emissions is more like three per cent—we only achieve the much boasted reduction in emissions because in that year alone Australian families have to pay for $58 billion worth of carbon credits being bought abroad. We will spend 1½ per cent of our gross domestic product buying carbon credits from foreign carbon traders. We will spend more buying carbon credits than we will on defence, as a percentage of GDP. Shame!

It is no wonder that members opposite want to talk about anything but the carbon tax. They would rather talk about the member for Dobell than about the carbon tax, because this is utterly toxic to their standing with the families of Australia.

Let's look at the burdens that this government is placing on the families of Australia. Taxes are going up and up and up, because spending is going up and up and up. Let's contrast the record. The last four budgets of Peter Costello delivered the four biggest surpluses in Australian history.

Dr Emerson: It was the biggest-taxing government in Australian history.

Mr Abbott: The first four budgets of the member for Lilley, the current Treasurer, delivered the four biggest deficits in Australian history. He wants to be known as 'Surplus' Swan; he will forever be known as 'Wasteful' Wayne.

This budget—the budget that he is so proud of, where he thinks we might achieve a surplus so small as to be invisible to the naked eye—is achieved by cooking the books and moving $6 billion of national broadband network spending off budget. Honest accounting—even as things stood at budget time—would have produced a deficit.
of at least $12 billion, not the microsurplus that he is promising.

As I said, taxes just go up and up, and they are all ultimately paid by the struggling families of this country—the forgotten families of Australia. There is the alcopops tax, the extra tax on employee share schemes, the cigarette tax, the LPG tax, the flood levy, the private health insurance tax, the mining tax and the carbon tax. Then there is the means test that they put on the family tax benefit part B, against a clear election promise. There is the means test that they whacked on the baby bonus—again, a clear broken election promise. There is the freeze in indexation for the family tax benefits and the baby bonus—again, an absolute rip-off of the forgotten families, the working families that Labor said they were here to represent. And, coming in 2014—safely, just after the election—there will be massive additional charges on people going into aged care.

This is a government which has ripped off the working families of Australia. The working families of Australia want change and they want change for the better. Briefly in the time left to me let me give you 10 important areas where there will be change for the better—because, yes, change will come. There will be no carbon tax, because we do not believe in hurting the economy for no environmental gain. There will be no mining tax, because we do not believe in penalising our most successful sector. We will have stronger borders because we will implement not just one, but all three of the Howard government's policies that worked.

There will be higher productivity because, amongst many other things, we will restore in full the Australian Building and Construction Commission, which gave that sector $5 billion a year in productivity improvements. There will be higher participation because there will be a proper paid parental leave scheme at long last—and aren't we in the coalition so proud to be giving the women and the families of Australia this long-overdue benefit! There will be less red tape because there will be $1 billion worth of savings for small business. There will be a cleaner environment because a green army, 15,000 strong, will be going to the rescue of our Landcare groups. We will have modern infrastructure, including the M4 East, the CityLink in Melbourne and the Gateway extension in Brisbane.

We will have better services from community controlled public hospitals and from independent public schools. Finally, there will be greater engagement with Asia through more language training in our schools, and a two-way street Colombo Plan.

This is a great country. We are a great people. We have been tragically let down by our very bad government. The message which the Australian people are coming to understand is that there is nothing wrong with this great country of ours that a change of government would not substantially improve.

Dr EMERSON (Rankin—Minister for Trade and Competitiveness) (15:37): As each day goes by this parliament becomes more astonishing. After question time, coalition frontbenchers stood up and made personal explanations, including the Leader of the Opposition, who denied that he has a policy to increase company tax. Then he went straight into the matter of public importance where he reaffirmed that the coalition would, indeed, have a paid parental leave scheme over and above that which has already been implemented. Either the coalition has just announced that it will not increase company tax by 1½ per cent, which was their pre-election commitment—and that is the basis of the personal explanation that the opposition leader gave—or they have just...
increased their $70 billion black hole by another $3 billion.

Where do I get the $3 billion figure? I get it from the 2010 coalition election policy. It is actually $3 billion a year, which would make it $12 billion over the period of the forward estimates. So $70 billion just grew to $82 billion. The coalition now has an $82 billion black hole, because the Leader of the Opposition stood up and gave a personal explanation saying there is no proposal to increase company tax. That is news to the member for Indi, who has said on Q&A, 'It is a small levy on a small number of businesses.' They are reaffirming what they said at the last election, that there will be a 1½ per cent increase in company tax for larger companies. The opposition leader said that is not true anymore. He took a personal explanation and the $70 billion black hole just grew to $82 billion.

While they were parading their righteous indignation by taking personal explanations, the shadow Treasurer—when he took a personal explanation—said that he had never mentioned a $70 billion funding problem. But the shadow Treasurer said:

Therefore finding 50, 60 or 70 billion is about identifying waste and identifying areas where you do not need to proceed with programs.

He made no apologies for that. The shadow Treasurer said that on the Sunrise program on 12 August 2011, but just took a personal explanation and said he has never talked about a $70 billion funding hole.

Mr Hockey: That's right!

Dr Emerson: So the transcript was doctored? Is that what you are saying?

Mr Hockey: It's your spin.

Dr Emerson: It's your spin!

The Deputy Speaker (Ms Rishworth): I ask the minister and shadow minister to direct their comments through the chair.

Dr Emerson: Your coalition frontbench colleague the shadow finance minister said:
The $70 billion is an estimate of the sort of challenge that we will have.

That was on ABC News Radio, 16 August 2011. That was four days after the shadow Treasurer made the same admission. The member for Goldstein said:
The $70 billion is an indicative figure of the challenge that we've got.

Paul Kelly asked him if it was a furphy. Robb said:

No, it's not a furphy. We came out with the figure, right?

That was on Meet the Press, on 4 September 2011. And they have the temerity to stand up here and say that this is a Labor fabrication, that the $70 billion was made up by Labor. In fact, that is exactly what the Leader of the Opposition said on 25 August as they were rolling through and trying to backtrack on the $70 billion:

Well, this $70 billion figure is a fanciful figure. It's plucked from the air by government ministers and I'm surprised you're re-telling it to me.

It came from the mouths of babes: it came from the mouths of the shadow finance minister and the shadow Treasurer. The leader of the opposition thought: 'God! The cat's out of the bag! I'll have to say that Labor made it up.' And then he came in today and said the same thing.

Who has been doctoring your transcripts? That is what I have to ask the Leader of the Opposition. This is not a Labor myth—this is truth. This is an admission of truth by the coalition that it has a $70 billion black hole which just grew by $12 billion today because the Leader of the Opposition, in righteous indignation, got up and said, 'We have never proposed a company tax increase to pay for
the paid parental leave scheme.' He reaffirmed that today. The member for Indi told the ABC’s *Q&A*, 'Of course there's a company tax increase.' You cannot hide from a million viewers, and that is what the member for Indi and the shadow industry minister said.

During the discourse across the table, we reiterated that the coalition was the highest-taxing government in Australia’s history. Across the table, the shadow Treasurer again said: 'Rubbish! It’s not true.' But it is in the budget papers! Do they think that the Treasury is part of a one-world government conspiracy? Do they think that it doctors the figures with the Australian Bureau of Statistics? They are out there at Tidbinbilla in a huddle! They are the people who were involved in faking the moon landing all those years ago! The ABS, the Treasury, Tidbinbilla Tracking Reserve, the radio telescope at Parkes—it’s all part of this one-world government conspiracy! 'It ain’t true,' they say. 'No, no, it never happened. We weren’t the highest taxing government in Australia’s history.'

Then the opposition leader went on with this: in criticising the Labor government he said, ‘They’ve done this terrible thing. It includes means testing family tax benefits. It includes means testing the baby bonus.’ He said these were really bad things. They forced up the cost of living and made it harder for people. But we just added to the $82 billion. Is that what has happened? Is the Leader of the Opposition, in saying that they do not support the means testing of the family tax benefits or of the baby bonus, saying that they have just gone from $70 billion to $82 billion?

It has been an expensive day at the office, hasn't it—and it's going through the roof! A hundred billion dollars, here we come.

We were talking about one source of cost-of-living increases: electricity prices. We pointed out that the bulk of electricity price increases have come from factors other than putting a price on carbon. The opposition said this was a fabrication by the Prime Minister, an absolute furphy. That was on 9 August. On 20 August, much more recently, the Leader of the Opposition said it is true the carbon price is not the only factor in the dramatic rise in power prices. Well, let me tell you: in New South Wales, over the last four years, there has been an almost 70 per cent increase, less than nine per cent of which was from the carbon price. In Queensland it was a 42 per cent increase—11 per cent from the carbon price. In Western Australia, it was almost a 63 per cent increase—nine per cent from the carbon price.

We are saying there does need to be reform in the electricity sector. The opposition leader said there is no problem; there is no gold plating. He said it was a furphy, something the Prime Minister made up. He has had to admit there is a problem. But we are struggling to get any cooperation from the opposition, because they believe there are two types of electricity price rises: one is associated with a carbon price, for which there is compensation—that is the bad one; and the other is the good one, a much bigger electricity price increase over the last four years from state governments, with no compensation.

They are saying that is all right. If it goes through the roof and there is no compensation, but it is done by a state government, it is fine. If there is an electricity price increase associated with the carbon price for which there is compensation, with the average increase in household bills being $3.30 a week and compensation on average being $10.10, that is a bad one. But the uncompensated ones are
good ones. The fact of the matter is the opposition leader will not repeal the carbon price. That is the fact. I know that he has already created for himself an escape clause.

That escape clause is in an opinion piece. Opinion pieces are very considered—they are written down; they are gospel truth. This is what the Leader of the Opposition said in an opinion piece:

Opposition by contrast tends to be a permanent debating society because even the most final decisions can sometimes be revisited in office.

He is saying: 'We'll make a final decision. We'll announce that we're not going to repeal the carbon price; even that can be revisited in office'. It is just like the 'rock-solid', 'iron-clad' promise the Leader of the Opposition made—when he was heath minister before the 2004 election—not to tamper with the Medicare Safety Net. One of the first things the coalition did when they were re-elected was tamper with that Medicare Safety Net.

If a 'rock-solid', 'iron-clad' promise is not actually rock solid and is not iron clad—and is broken—then anything that the Leader of the Opposition says about the future amounts to a hill of beans—if that! Maybe half a hill of beans or a can of beans. That is about it, because this opposition leader said even the most final decisions arrived at in opposition can be revisited in government. And revisit they would if you saw what was going on in Victoria, if you saw what was going on in New South Wales with Liberal governments and if you saw what was going on in Queensland with can-do cuts—he is cutting everything—and he is doing it through an audit commission. These are policies that have been revealed after an election.

They got Peter Costello, the former Treasurer, to go up there in a very, they would say, unbiased way. He had a look at the books and went, 'Oh my God, the cupboard is bare! We'll have to cut the place to pieces.' They are cutting BoysTown; they are cutting support for child protection. For goodness sake! They cut a program that tries to get women out of jail and keep them out of jail. That is expensive stuff, having women—and anyone else—in jail. They cut that program: $70,000 a year. They have some sort of white picnic thing, where they all go and dress up to the nines. It's called a 'posh picnic'. They can afford a posh picnic but they reckon they have to cut these programs and cut tens of thousands of jobs.

When I saw that audit commission announcement by Mr Newman—can-do-cut Newman—I thought, 'I've heard that idea of an audit commission somewhere before.' And there it is. It was not so long ago. It was Friday, 9 March 2012. Tony Abbott, Leader of the Opposition, said:

Today, I announce a further commitment to reduce the cost and complexity of government through the swift establishment of a commission of audit that will examine the detail of what the Commonwealth government does and whether it could be done better and more cost-effectively.

This is just straight out of George Orwell's Nineteen Eighty-Four. 'Don't worry about it, we're just going to have this cute little audit commission. It won't be a problem.'

This is the device that Campbell Newman has used to slash services, to attack the most vulnerable people in this country. It is the device that the Leader of the Opposition—if ever he were to become Prime Minister—would use to slash programs and jobs and avoid announcing them before an election.

That is exactly what the shadow finance minister told a business group recently. He said, 'We are not going to reveal all the details of our cuts.' He criticised the Hewson Fightback! program, which he said was an 800-page suicide note because it did detail all the cuts. At least it was honest.

We have the shadow finance minister saying: 'We wouldn't do that. What we
would have instead is the commission for audit.' You know what? They would be cheered on by the former Victorian Premier Jeff Kennett. The Weekend Australian of 4 to 5 August said:

FORMER Victorian premier Jeff Kennett has backed Campbell Newman's cuts to Queensland's public service and taxpayer-funded social services, calling for Tony Abbott to adopt a similar program if he wins the next federal election.

Jeff Kennett said that the cuts should be 'savage'. This is the LNP way.

What we are seeing in Queensland is a dress rehearsal for an Abbott government—a dress rehearsal to cut services and jobs. And they have the temerity to talk about cost-of-living increases! Do you know who they would bring back to help? They would bring back none other than Godwin Grech. Godwin Grech rides again! Godwin Grech is available. Godwin Grech has told the Sydney Morning Herald:

The good news is there is reason to hope that the wounds will be cauterised as the Rudd-Gillard government meets its end at the ballot box within 12 months. If the Coalition is to improve the way we are governed, it must provide solid leadership, a healthy respect for due process and a much more accountable public service.

And you know what he recommends? That they sack the entire senior executive service—that they sack the public servants—put Godwin Grech back in the saddle, Godwin Grech riding through the Treasury, working on the commission of audit, working with other Liberals, who have the audit going, rolling away working out how to slash services for the most vulnerable, how to slash those 12,000 jobs that they have already announced—let alone all those jobs that they have not announced.

So what we have here is a government where, indisputably, the consumer price index, which is a measure of the cost of living, is at its lowest level in 13 years. Nevertheless, there are cost-of-living increases associated with electricity prices—and the coalition ought to get in there and report some of these programs instead of just criticising and cutting. (Time expired)

Mr HOCKEY (North Sydney) (15:53):

Okay, I want to make a confession—just between us here.

An honourable member: No, don't!

Mr HOCKEY: I kind-of like him because he reminds me of that character—I don't know if you remember during the Iraq war: Baghdad Bob or Comical Ali. Everything is on fire, but find him and he says, 'Everything's okay here in Baghdad! It's all under control; move on—there's nothing happening here!' And every time he pops up on Sky News there he is saying, 'The government's during a great job; it's there fighting for the workers'—and out there, the workers are telling us a very different story. They are not happy.

Dr Emerson: They want Work Choices back!

Mr HOCKEY: Yes, that's right: when in trouble, break glass labelled 'Work Choices'—that is what Labor does. Let's just go through a key of the few reasons why the workers of Australia and their families are not too happy with this government. Starting point No. 1 is that this government just doesn't get it. You see, if you increase taxes then it increases the cost of living. So when you introduce an alcopops tax, the price of alcohol goes up. When you introduce higher cigarette taxes, cigarette prices go up. When you introduce taxes on company cars—

The DEPUTY SPEAKER (Ms Rishworth): Order! I will ask the shadow
Treasurer to take his seat. The minister on a point of order?

**Dr Emerson:** Thank you. At the first available opportunity I seek to make a personal explanation.

**Mr HOCKEY:** No, do you really want this?

**The DEPUTY SPEAKER:** I think we will continue with the MPI—

**Opposition members interjecting—**

**Dr Emerson:** Taxes have gone down—

**The DEPUTY SPEAKER:** No, we need to continue with the MPI. I call the shadow Treasurer.

**Mr HOCKEY:** If you cut the subsidy or support for private health insurance then private health insurance premiums for everyday Australians go up. If you increase the taxes on luxury cars, the cost of luxury cars goes up. It goes on and on: ethanol taxes go up, LPG taxes go up—you see, the Labor Party does not get it. Bob Hawke used to say, 'That Craig Emerson; he's a smart guy.' Bob! What the hell has happened? He's not that smart, because he does not understand that when you introduce taxes, someone has to pay—and it is the same person out there: the worker, the battler, who has to pay the higher taxes, and nothing illustrates that better than the carbon tax. The carbon tax increases the cost of everything.

And in a female impersonation of Comical Ali, the Prime Minister stands before us in this place and says solemnly, 'Oh, only a few hundred people pay the carbon tax.' She just does not get it. Now this government are addicted to a new wave of spending. They are announcing from that great money tree—that great money tree that sits in the Prime Minister's courtyard out the back of Parliament House—that this government is going to deliver bigger surpluses. They are going to deliver their first surplus, they claim. And it is going to do that by spending more money! How are they going to do that? It is quite a wonderful formula that would deliver that. The starting point is that the government are going to spend up to $8 billion, maybe $10 billion, a year on the National Disability Insurance Scheme. But they will not tell us where the money is coming from.

The government now have a $2.1 billion blow-out on trying to hold back asylum seekers coming on boats, but they will not tell us where the money is coming from. The government are planning to deliver $26 billion more for schools in Australia, but the government will not tell us where the money is coming from. The government are going to build 12 homemade submarines in Adelaide. They claim they can do that. That is $36 billion, but they will not tell us where the money is coming from.

Well, before the last election, they did not tell us where the money was coming from. They did not tell us about the carbon tax—the tax that dare not speak its name before the election. In fact it was denied. And now we know why: because that is what Labor does. It dresses mutton up as lamb. It claims things are savings when in fact they are higher taxes, and higher taxes means that everyday Australians have less money in their pocket to meet the needs of their families. And now we have the Treasurer and the Prime Minister playing this rather cute game. They are saying, 'We will find the savings through our massive new promises'. As they define the term 'savings' it means higher taxes. The Treasurer was on Radio National yesterday and he claimed that they found $33 billion of savings in the budget. It just so happens that $16 billion of that $33 billion was increased tax to about 20 taxes. That is what the Labor Party call savings: increasing taxes or introducing new taxes;
and of course they would define the carbon tax as the greatest saving of all!

This is a government that is running out of money, and it is going to come to an ugly end. We know they are digging deep not only into the pockets of Australians now, with a carbon tax and a mining tax—oh, that mining tax, let us not forget. The intention of the original mining tax was to slow down the mining boom. And it is working. BHP announced today that they will not proceed with a full-scale Olympic Dam in South Australia. So this government's mining tax is at work, this government's mining tax is doing its job: it is slowing down investment in mining in Australia. And the carbon tax will obviously have a significant role to play in helping to increase the cost of mining in Australia, because they are—by their own admission and the admission of the government—significant carbon dioxide emitters.

Not only are the government taxing today, not only are they taxing tomorrow, but they are also engaging in retrospective taxing. In the last few weeks, the Labor Party have introduced retrospective tax legislation on transfer pricing, with a value of $1.9 billion, and in relation to company consolidations, worth $6 billion. They are trying to go back and tax yesterday—taxing yesterday, when people were legitimately complying with the law as it stood at that time and as it stands today. The government are taxing today, taxing tomorrow and now taxing yesterday. Why? Because they are a wasteful government. There is no money.

Dr Martin Parkinson, the government's own Treasury secretary, warned only a few days ago:

… the days of large surpluses being delivered by buoyant tax receipts are behind us.

Yet the government are still making big spending announcements. The previous Secretary of the Treasury, Dr Henry, said in the last few days:

… the Australian tax base simply will not deliver what people expect of it …

You don't want to put yourself on a burning platform.

Well, these are the pyromaniacs of spending! They are the ones going out there with new spending promises, desperate to build up the primary vote of the Labor Party and save the Prime Minister's leadership. They are doing it with big spending announcements, but they are not prepared to be upfront with the Australian people about how they are going to pay for it.

And why would the Australian people give them $1 extra of tax, after we have had blow-outs on everything? The National Broadband Network was meant to cost $4.7 billion, as they said at the 2007 election. It is now closer to $50 billion. And you know what? It is passing six homes a day. Dick Adams and I could doorknock faster than that! The NBN is going at a rate of six homes a day. There were the pink batts, where $2.4 billion was wasted. There were the $900 cheques, where they sent 16,000 cheques to dead people—to stimulate the Australian economy. Go figure. I don't think sending 16,000 cheques for $900 to dead people was particularly stimulating! But they outdid themselves by sending 27,000 cheques for $900 to people overseas to try and stimulate the Australian economy. No wonder John Key said to me that that was the best thing he had had happen to New Zealand for a while. The government have had an $850 million blow-out on solar panels and $300 million wasted on the Green Loans Program. They spent $4.7 billion try to stop the boats and now they want an extra $2.1 billion. They had a billion-dollar blow-out on computers in schools, a $1.7 billion blow-out on school halls, and now they want $26 billion extra for schools. They are saying
they can do it all. They can spend the money. They do not have to raise taxes—well, it is more that they do not have to tell you about the new taxes.

This government will be judged at the next election not just on its dishonesty but also on its honesty. And there is no honesty in this government. It is a government that is bereft of principles. It is a government that is wicked and malevolent towards everyday Australians. It is a government that is indifferent to the plight of the families and workers of Australia. And it is a government that will be thrown out because, when it comes to trust and honesty, this government gets a fail. (Time expired)

Mr RIPOLL (Oxley—Parliamentary Secretary to the Treasurer) (16:03): Hell hath no fury like a shadow Treasurer scorned!

Mr Hockey: Amen!

Mr RIPOLL: And 'amen' he might well say.

Mr Hockey: Remember that!

Mr RIPOLL: Yes, Your Honour! If you listened to the shadow Treasurer's speech or read it later, you will know that what he is doing is belling the cat in terms of what the coalition's program is—what the opposition plan on doing to this economy if they get into government. The reality of this MPI, 'the urgent need for the government to address the cost-of-living pressures on Australian families', is a complete distraction. It is a distraction from their own failures, from the $70 billion black hole in what they have promised to fund. On one hand, they are saying they are going to provide more; on the other hand, they are saying they are going to make savings. If you add the two together, it makes for a very big funding black hole, and that is exactly what they have got.

The MPI also highlights the fact that the opposition are in popularity mode: 'What's out there? What group can we please? What group will just side with us, on the basis that we'll promise to do or say anything to garner a few votes?' Unfortunately, that is not how you run an economy and it is not how you run a country, and it should not be how you run a political party either. Their strategy right now is just to frighten people—families, small business, everyone they can find. They particularly want to frighten schoolkids. Their latest rant and rave is about cutting, slashing and burning funding for schools as well.

But if we need to be serious about cost-of-living pressures, if there is an 'urgent need' for government to address those issues, then let's talk about that. Let's talk about the government's record. What has this Gillard government done? It has done quite a lot, actually. Sometimes it is easy to forget just how much you have put into an area and how difficult it was to do so in tough economic times—unlike in the glory days, when the opposition were in government for nearly 12 long years, when the 'rivers of gold' used to run into Canberra. Revenue was so large, so indiscriminate, they could not spend it all. They had trouble even estimating how much the surplus would be because they did not have a clue. No matter how hard they tried to spend, no matter how much they raised taxes—the highest taxing government in Australian history—there was always plenty of spare money because we had a very strong economy.

But, in these much more difficult times, we also have a strong economy because we are doing the heavy lifting, the hard work, the hard yards, and making the tough decisions—not always the popular decisions but the right decisions, the decisions that are required to run this country properly, to ensure this economy continues to provide
jobs and keeps the numbers strong. And no-one can question the numbers. This is the fallacy coming from those on the other side. They talk about the economy as though we were Spain or some other country where there are in fact some very disturbing numbers related to where their economy is going. Instead, in Australia we see an economy that is running with inflation well under control, with interest rates at the lowest they have been in a very long time, with the total government tax take lower than it has been in 20 years and with unemployment at around five per cent. In my state of Queensland, we also have a really strong economy, with $500 billion worth of projects in the pipeline, about $150 billion of which are well advanced. These are advanced projects.

Mr Dutton: What about the rising debt?

Mr RIPOLL: Look, there will always be this issue of debt. Who doesn't understand borrowing for a house? I think most Australians get that. They understand that, sometimes, to build really good things you need to borrow. But you need to do it responsibly, and that is exactly what we have done, with one of the lowest debt-to-GDP ratios in the world, a debt that can be easily managed by the government.

Let us talk about what we know about the coalition. What are the facts? We know about Work Choices—and it has never been more real and it has never been more violent. There is one thing workers in this country understand—that is, the reality. It is a rolled gold guarantee. The Leader of the Opposition wants to slash the Public Service—whether with you need it or not, you are just going to have to cop it. The opposition want to cut funding to schools. It is really clear now that not only do the opposition have a hit list on schools but, in the view of Tony Abbott, public schools have too much fun. He did not say it just once. In case you did not hear the Leader of the Opposition, he repeated himself.

Mr Ewen Jones interjecting—

The DEPUTY SPEAKER (Ms Rishworth): I warn the member for Herbert that he is not in his seat.

Mr RIPOLL: He said twice that it is just too much money. How can any credible Leader of the Opposition say that there is too much money in the public school system? Not only do they oppose our investment at a really important time in the economy for school infrastructure, but also they say there are too many teachers, that we should cut one in seven. The shadow education minister said that there are too many teachers and that none of them are good enough so let us start by cutting one in seven, that class sizes do not matter. In which part of the world do they not matter? The opposition is clearly setting out a slash and burn agenda and it is a rolled gold guarantee.

Let us look at the lived experience. What are people experiencing right now? I will give you a really good example—let us just go to Queensland. You want to talk about frightened people not just in the public sector but right across the economy? People are genuinely scared because they are seeing a government with an enormous unprecedented majority out of control to the point where they are having really big fights internally over the cutting, slashing and burning of the Australian economy. They are trying to have it both ways. On one hand the Queensland government is saying that it is so bad in Queensland that they will be the next Spain, that there is a collapse imminent. At the same time, the Queensland Treasurer is going overseas and lauding it to the rest of the world that we have the best economy in the world because we have such great numbers and opportunities.
Let us turn now to the living experience of the really good things we have done. We have the schoolkids bonus to help families educate their kids. We understand that families are doing it tough and we are doing something about cost-of-living pressures. It is urgent and we have a $3.6 billion cost-of-living package for families under pressure. The beauty about us is that we got this package through a hung parliament, in difficult circumstances, but the opposition opposed it every step of the way because they do not want families to get relief from those cost-of-living pressures. I agree: there are cost-of-living pressures and the opposition make them more difficult by not supporting any measures to ameliorate them.

Not only have we made a commitment to increase the tax-free threshold but also we have tripled it to $18,000, which means that more than one million working Australians will no longer have to fill out a tax return. This is something people dreamt about two decades. I do not know how many times constituents would come into my office and say, 'Why can't you lift the tax-free threshold from $5,000 or $6,000 up to maybe $10,000?' We took it to $18,000 and we did it in a tough economic climate. We did not just do it when it was easy, when anybody could have been a good Treasurer and you literally just had to turn up for work and you did a good job; we did it in tough times when you have to manage an economy, to make hard decisions, to make savings in the right areas, to spend in the right areas, to invest in schools and education, to invest in health, to reform parts of the economy and to make big structural changes including a new carbon economy in step with what the rest of the world is doing.

The Climate Commission has come out with its report which says we are now in step with the middle of the pack when it comes to our policies on climate change and carbon pricing because the world has a number of schemes in place. There is one thing clear about that report and that is, if we do not do something now, we will be left behind and it will cost 10 times as much. That is the lived experience. That is what happens in real life.

What else is happening right now? Since we got into government we have lowered taxes. If you are on $50,000 a year, which is a fairly basic wage, you are now paying $1,750 less tax than you were in 2007-08—that is, 18 per cent less tax. Under a Labor government you pay less tax and the total tax take from government is a figure which cannot be disputed. You cannot just accept a figure when it suits you and then not accept it when it does not suit you. In fact, all taxpayers with incomes up to $80,000 get a tax cut. That is the lived experience. That is what we are doing as a government to make cost-of-living pressures come down. We understand cost-of-living pressures are real. We do not just oppose them, bleat about them and frighten parents about their kid's education. We put more money in and that is how to deal with it.

Family payments will increase by $1.8 billion from 1 July next year. That is on top of the increases we have already put in place. We understand families are doing it tough because we had a GFC and one of the worst natural disasters in Australian history. The Queensland floods had a bigger impact on this economy, a whole percentage point on GDP, than the GFC. We responded. We took action to make sure that the economy did not suffer. What did that mean? People did not lose their jobs. The economy is still going. It means that people can still go to a hospital. They can still send the kids to school. It means they still have a job to pay the mortgage. The best thing you can do to reduce cost-of-living pressures is keep people in jobs. (Time expired)
Ms GAMBARO (Brisbane) (16:13): I rise to speak on the urgent need for the government to address the cost-of-living pressures on Australian families. I know the member for Oxley gave us a very colourful insight and, coming from Brisbane, I am sure he talks to different families from those I talk to. Everywhere I go—to information booths or in my office—I find there is a great deal of hurt out there and the cost-of-living pressures across the board are great, and the feedback is that is being felt very strongly by all in the community. Whether they are young professionals, students, pensioners or forgotten families, Australians are all feeling the pain and the squeeze at this very moment.

In a recent report, we saw that Brisbane is one of the most expensive cities in the world right now. It is hard to believe that it is worse than New York, London, Rome and Hong Kong. In fact, according to the latest ranking of 130 cities by the Economist Intelligence Unit, all five Australian mainland state capital cities are more expensive than any major international city, such as Los Angeles, Berlin, Beijing and Shanghai. Sydney came seventh; Melbourne was closely behind in eighth position; followed by Perth, as the 12th most expensive; and Brisbane in the 13th spot. Brisbane's ranking was two spots higher than its 15th position in the previous year. So it is now much more expensive to live in Brisbane.

So you would think that the national government, with all of these cost-of-living pressures on the rise, would be taking action to ease the cost burden on Australians. However, what are we seeing from the Gillard government? We are seeing exactly the opposite. Why make it harder for people? That is exactly what they are doing; they are making it harder each and every day.

If there is one thing that this government can do, it is to take the cost-of-living pressures off Australian families by repealing the carbon tax. As we know, the carbon tax is based on a deliberate mistruth to the Australian people. We remember those hollow words, spoken to the Australian people prior to the last election: 'There will be no carbon tax under a government I lead.'

Mrs D’Ath interjecting—

Ms GAMBARO: The member for Petrie can well interject, but her Prime Minister uttered those words days before the election and her Prime Minister misled the Australian people. Yet we now have exactly that: a carbon tax that is slowly starting to filter through to the Australian economy. It is hurting families; it is hurting consumers. We have seen numerous examples all week during question time of the massive increases in electricity bills to businesses and families.

And let's face it: the whole point of a carbon tax is to raise electricity prices and it is doing that beautifully. If the carbon tax did not raise electricity prices, it would not be doing its job.

Mrs D’Ath interjecting—

Mr Mitchell interjecting—

Ms GAMBARO: Members opposite can interject, but the wholesale price of power has doubled because of the carbon tax. The retail price has increased by an average of 10 per cent or more. I gave the example today of the memorial swimming pool in the electorate of Moreton. Their electricity price has actually increased by 15 per cent. Many families are suffering.

Ms GAMBARO: The member opposite spoke about the wonderful compensation that he and his government are giving to families. It will not be helpful. It will provide minimal
relief because of these huge price increases, and any direct compensation from the Gillard government to offset household power bills will not assist the flow-on effect to households. Every business in Australia will have increased electricity prices, and the price of every good and commodity will be passed on to Australian consumers and families.

On the government's own figures, millions of Australian families will be worse off and, clearly, its compensation package will not assist with these massive cost increases. Those flow-on costs and the passing down of increased costs to consumers will hurt everyday families.

_Mr Mitchell interjecting—_

Ms GAMBARO: The member interjects about GST. GST is a fixed amount. Your carbon price will continue to grow year after year and will continue to inflict pain year after year.

_Mr Mitchell interjecting—_

Ms GAMBARO: The member refers to economics. I think he needs a lesson in Economics 101 himself. I have spoken in this House many times about local sporting groups, such as the Wilston Grange Gorillas, an AFL club in my electorate. They, like many other sporting clubs, predominately train of an evening. In Queensland we have got the added impost because we have daylight saving, which means our electricity bills are a bit higher than those of the southern states. Clubs have to train—

_Mrs D'Atch interjecting—_

_Mr Mitchell interjecting—_

Ms GAMBARO: Members opposite can laugh and they can be ridiculous but the players have to train and because of daylight saving most parents are in the dark longer and that is just a fact. Because of the training schedules of all the players and because of work and school commitments they have to have lighting on the fields, which uses a lot of electricity. The club's monthly electricity bill, following the introduction of a carbon tax, has increased by more than 15 per cent. Over the financial year, this will equate to approximately a $5,000 increase due to the carbon tax. That is a massive amount of dollars for a volunteer sporting organisation, and it is the mums and dads who will wear that increase through higher sporting fees.

Then, to add insult to injury, the government has named Brisbane City Council as one of Australia's top 500 polluters. So the carbon tax will cost the Brisbane City Council $65 million over four years, after the Gillard Labor government branded it as one of the top polluters in the country. I do not know what the logic is of this. The council has purchased 100 per cent green power for its buildings; it has offset its carbon emissions from its public transport and vehicle fleets; it has planted two million trees; and it has protected more than 500 hectares of bushland from development over the past four years by bringing that land into public ownership. So the decision to slug the Brisbane City Council with a carbon tax is a slap in the face for struggling households, because that cost has only one way to go—it has to be passed on to the ratepayers. The 40 per cent rate increase in this year's council budget is because of the government's carbon tax.

The general manager of Communify, Karen Dare, a community organisation based in Bardon in my electorate, recently told me about the increasing number of people coming into their organisation because of the rising cost of living. She has seen a huge number of people coming into their organisation because the cost of rent, power, food and transport has gone up.
Power bills are particularly devastating for people on pensions. They have risen over 20 per cent, but there is no corresponding rise in the pension. In addition, pensioners are particularly vulnerable because they have no opportunity to increase their income. So they are doing it particularly tough. Rising rents, because of increased council rates and utility rates, have led to many people falling behind. Tenants either go without food to pay rent or fall behind and are faced with eviction. Or they end up relying on emergency services or become homeless. The government must do something to address the rising costs of living. The first thing that they can do is remove this toxic carbon tax.

I move on to the private health insurance rebate which, again, has been another area that has been slashed by this government and that is hurting families. In my electorate of Brisbane, 89,920 people are covered by some form of private health insurance. That equates to 72 per cent of the voting population, which is 20 per cent above the national average. Yet this government says these people are rich. Under tier 1, the rebate is slashed by 10 per cent for singles earning $80,000 and for couples earning $160,000 per annum. Let's get this right: that is a teacher married to a policeman. They are hardworking, forgotten Australians aspiring to success and now their household costs have increased because of the increase in private health insurance premiums through the action of this government.

Another issue which is causing great concern in my electorate is the cuts to occasional child care. This government cut $12.6 million from limited childcare funding in 2010 and the state governments carried the Commonwealth's share. However, due to the poor financial state of the Queensland budget, this cannot continue beyond December 2012. So, unfortunately, childcare centres like Kitchener Road in my electorate are going to have to increase fees to parents.

In conclusion, the coalition is committed to reducing the cost of living for Australians. We will repeal the carbon tax, taking the pressure off electricity prices. We will reintroduce the private health insurance rebate. We are committed to a Productivity Commission inquiry to look at ways to offer more affordable child care. This government continues to hurt Australian families. Australian families are facing increased living costs because of this government's toxic carbon tax. The coalition can offer real relief to families. (Time expired)

Mr MITCHELL (McEwen) (16:23): It is a pleasure to follow the member for Brisbane, who reminds us that it was a Liberal government that reduced the feed-in tariff to families and households—please do not walk out until I am finished, because you will love this— from 32c to 8c. You have actually ripped the guts out of it. Just for the record, I want to clear this up. I know she did not mean to deliberately mislead the House, but Queensland does not have daylight savings. You said they did. You might just want to find out where you live, mate. It is unbelievable.

I tell you what: the biggest joke was the cuts in health insurance that she talked about. What she is saying clearly is that every working family should be subsidising her health insurance, my health insurance and that of everyone else in here. That is an absolute joke.

Mr Dutton interjecting—

Mr MITCHELL: Don't you talk, mate. The shadow minister at the table interjects because he has not asked a question all term of the health minister. That is why he has the hashtag 'world's laziest shadow'—because he does not do anything.
Our economy is very strong because this government put in a fiscal policy that has kept us out of recession and kept us the envy of the world. We are the envy of the world because what our government has done is give assistance. We have had the biggest pension increase to pensioners we have seen. It was not under your government—in 11 years there was not a thing. You are running behind. You talk about social housing. There can be nothing clearer than the hatred of old people by those opposite when you listen to Campbell Newman saying, 'Don't live on your own. You should all get into a communal home. You should all be locked down in a little dog box together.' That is what they want. It is absolutely amazing when you listen to those opposite whinge and whine and carp, and they come up with nothing.

The simple facts are that since we have come to office we have created 100,000 jobs. Since we have had Liberal or LNP—or whatever they are calling themselves this week— premiers in different states we have seen job after job being slashed. In my home state of Victoria, over 50,000 jobs have gone. How does that help people with the cost of living?

Mr Tehan interjecting—

Mr MITCHELL: The mumbler for Wannon over there was out there supporting Premier Baillieu as he cut the pensioners' winter concession on power and electricity bills. He smiles and he laughs; he thinks it is fun. But it just shows that he is a heartless, empty shell. He is a very empty shell.

Mr Tehan interjecting—

The DEPUTY SPEAKER (Ms Rishworth): I ask the member for Wannon to cease interjecting.

Mr MITCHELL: During the GFC we had the opposition leader sitting there and going to sleep. He did not think there was a GFC. He just missed the whole lot because he was snoozing. He was snoozing away in his office, doing nothing, while Treasurer Wayne Swan was getting on with the job of keeping us the strongest economy in the world, delivering things that they can only dream of. We had lower interest rates, lower unemployment, higher job growth—every major factor that you look at when you talk about the economy we had, and they sit there and wallow in their negativity. They cannot find a positive thing. I want to quote Julian Morrow because I reckon his quote was fantastic. He said that the Leader of the Opposition is so negative the only thing he would eat for an entree is an antipasto. I think that was an absolutely amazing and so truthful comment.

We have been working extremely hard to deliver the things that they cannot do. Our net debt is one-tenth that of major advanced economies. We have to tame inflation. We have a budget coming into surplus in 2013. We have done this during the toughest economic times in my lifetime. We have delivered this and we have got on with the job of making sure that we support working families. We support workers. We do that by not cutting their wages and conditions. That is really not going to help them, is it? Lose your wages and conditions and earn less money—that is the Liberal way of thinking. They have voted against every single opportunity to support families across this nation. When our bills come before the parliament, they are gone. They hide away and they keep coming up with this idea of, 'We can do it better. But we can't.' They will not release their policies. The cat was let out of the bag by the shadow minister for finance, Andrew Robb. He said they will do that at a later date because at the last election they went and got their policies audited by an auditing company and, lo and behold, that
company was charged and fined for fudging the figures.

Today we learned—because Minister Emerson came out and showed us—that the $70 billion black hole has grown to $84 billion in one day. That is $84 billion that they have to find. Where are they going to find it? They are going to cut workers' jobs. They are going to cut wages and conditions. They are going to cut support to families. It is just rank hypocrisy for them to come in here and say, 'We're here to help look after the families.' The shadow minister, Sophie Mirabella, said on Q&A—

Mrs Griggs: What's her title?

Mr MITCHELL: Well, there are a lot of names for her, but we will just stick with—

Mrs Griggs: She's the member for Indi.

Mr MITCHELL: the member for Indi. She said that their small-business tax levy is an impost on families. She said: 'It is a small levy on a small number of businesses. I'm assuming businesses will have a cost structure that reflect their costs. So if that modest cost increase directly from the levy is incorporated in their prices then, sure, it is an increase.' She would have to be the only member I have ever seen get booed on the stage during Q&A. That was about the grocery tax that they are going to deliver which will cause the cost of living to increase.

We have seen right across this nation—and I have seen this in my own state of Victoria—that since the Liberal-National parties have come to power they have slugged commuters with fare increases, without delivering on their previous plans to improve public transport. They have stripped $300 from the household budgets of 100,000 families by axing the school start bonus. At a time when parents need money, when their kids are going to school for the first time, they take the money away. They take it away and what have they delivered? Absolutely nothing.

The report in the Herald Sun today showed just what the LNP think, their big priorities: 'Let's go and see if Victoria has pumas running in the wild.' Fifty thousand jobs are gone. Businesses are closing because 'Premier Faillieu' cannot do anything, and what do they do? 'We're going to go and look for pumas.' It gives you an insight into—you could not say the intelligence of those opposite, but their way of thinking. We also see that they forced up apprenticeship fees by $200 a year by cutting support for apprentices. They cut the school bonuses. They cut the education maintenance allowance for all students, putting schools in the red. That is taking away uniforms, it is taking away equipment and it is taking away excursions.

We have to go back and have a look at how their scare campaign works and how what they say can never, ever be believed. Joe Hockey, the shadow Treasurer, said on 12 March 2008:

I firmly believe we are heading into recession nationally, and this government is taking us down the path at high speed.

That was backed up by the member for Sturt, who said:

… we are definitely—
I should not use a deep voice—
… we are definitely going to be in a recession this year.

That was followed up by Tony Abbott, the Leader of the Opposition, who said:

I think what we're going to get is massive debt and a deep recession.

The great Nick Minchin, the great factional warrior—remember him?—said:

… particularly at a time when the economy is … headed for a recession.
Well, where is it? It never eventuated, because what they say and what is actually happening are two different things. They talk about carbon pricing. I tell you what: these are direct quotes from the member for Warringah. When he talked about the Medicare safety net he said it is not the same as a carbon backflip: 'It's not the same. When I said we wouldn't touch it, I meant that.' But straight after the election he said:

I faced changed circumstances. I made a choice and I'm happy to stand by it.

What we know is that circumstances were changed. They won the election, they won control of the Senate and they thumbed their noses at the Australian public. If you want to talk about untruths, you do not have to look any further than the member for Warringah and what he says.

What about this golden oldie from last year? You can imagine sitting at the Liberal Party's national conference and there is the member for Warringah. He sits there and he says: 'Reithie, mate, I'll look after you, old son. You nominate for the Liberal presidency. I'll look after you. You're the man! I'll do the right thing.' Then he turns to his left and says, 'Stockers, mate, here's my vote.' That is a deliberate untruth. He set up Peter Reith—not that I am complaining about that, but you cannot trust a word that comes out of the opposition leader's mouth. He has never ever stood by what he has said. He admits you cannot believe anything he says unless he writes it down. And then what happens? He writes it down and says, 'Oh, well, I didn't really mean that.' This government has delivered the strongest economy that we have seen. We are the envy of the world and we are going to keep delivering for families and keep your hands off the Australian economy.

Mr CHESTER (Gippsland) (16:33): It is a pleasure to join this matter of public importance debate. It seems that the poor member for McEwen has forgotten where he is. He still seems to be fighting his past battles in Victorian parliament. I will just remind the member for McEwen that he is now in the federal parliament. He actually broached the topic of trust. I am staggered that the member for McEwen would broach the topic of trust, because there are a few things the Australian people expect of us in this place. We come to this place and they expect us to act with honesty. They expect us to act with responsibility. They expect us to act with integrity. They also expect us to act in a way which is in the best interests of all Australians and they expect us to be trustworthy, Member for McEwen. They certainly do not expect us to say one thing before the election, something like—what was it? 'I rule out a carbon tax. There will be no carbon tax under the government I lead.'

Mr Tehan: I haven't heard that before!

Mr CHESTER: You have not heard that before, Member for Wannon?

Mr Tehan: No. What happened?

Mr CHESTER: It is funny you mention that, Member for Wannon. He had not heard that before. The member for McEwen did raise the topic of trust. What Australian families do not expect is for us to make their lives harder, and that is the very essence of the matter of public importance before us today.

Mr Mitchell interjecting—

Mr CHESTER: The member for McEwen wants to bring up the GST. There is a significant difference between the GST and the carbon tax, and I acknowledge that the former Prime Minister did change his mind after an election. The former Prime Minister changed his mind and took it to the Australian people and gave them a chance to vote. He had the guts. He had the courage of his convictions. He went back to the
Australian people and said: 'What do you think, Australian people? Would you like the GST?' And they voted for him. Have we had any other Prime Minister do anything like that? Let me think. 'No carbon tax under a government I lead. I rule out a carbon tax.' That was before the election. After the election: 'I changed my mind. Do I go back and get a mandate? No, I won't get a mandate. I'll just scurry around and do deals with the Greens.'

Mrs Griggs: To cling on.

Mr Chester: And cling onto power. The families of Australia acknowledge that governments cannot solve all their problems, but they can help. They certainly should not do things to make life harder for Australian people. That brings me to the fundamental issue with a carbon tax. Why make things harder for Australian businesses? Why make things harder for Australian families? This matter of public importance strikes at the very heart of this government's betrayal. It strikes at the very heart of the fundamental breach of trust of the current Prime Minister. Until this Prime Minister deals with that issue, that fundamental breach of trust, no one will believe a single word she says.

This is a message that I get every day. The member for McEwen can bellow, he can protest and he can rant. But he never mentions what the people in his electorate are saying to him. I know some of the people for McEwen. They are not that unusual. They are not that much different, actually, from the people in Gippsland. It is a good rural and regional mix.

Mr Mitchell: Most of them are intelligent.

Mr Chester: Here we go! The member for McEwen says most of his are intelligent. So now the member for McEwen is insulting every Gippslander.

You are a genius, Mensa; you are a genius! Make my job easier, will you! Okay, the people from Gippsland are not as smart people as the people from McEwen. Well done, genius! Good on you, Mensa! That will run well in the election campaign: the member for McEwen says the people in Gippsland are not very smart at all.

Well, the people in Gippsland are smart enough to reject the Labor Party. In the by-election in 2008, the people in Gippsland had the choice of voting for the great Kevin Rudd, the juggernaut at the peak of his powers, but, in a by-election, what did they do to Kevin? They took six per cent off him. At the first chance when he went to an election, they took six per cent off him. And did Kevin front up to another by-election? No, Kevin would not go to another by-election after that. He ran off and hid, and clung to power for as long as he possibly could until Julia got him.

As I was saying, the problem for the member for McEwen—and the problem for the Prime Minister—is that no one actually believes a word the Prime Minister says. The message that I am getting from the people in Gippsland—and I am sure the member for McEwen is getting the same message—is that they cannot wait to get rid of her. They simply cannot wait to get rid of this Prime Minister. The caucus could do Australians a great favour—they could get rid of this Prime Minister. They have done it once. They could do it twice. The message we get consistently in our electorates is: 'Get rid of her. Why prolong the agony?'

The very nature of this carbon tax and of the matter of public importance that is before us today is—

Mr Ripoll: Oh, finally!

Mr Chester: Don't start—there has been a little bit of encouragement from the member for McEwen! The very nature of the
carbon tax—and of the matter of public importance—is that it is meant to be punitive. It has to hurt to work. If it does not hurt, it does not change people's practice, it does not change their consumption of electricity and it does not change their consumption of other goods—if it does not hurt, it does not work. And the Leader of the Opposition is right when he says: 'Every time electricity prices go up, the Prime Minister smiles.' The Prime Minister likes it when prices go up because that is her carbon tax at work—that is what it is meant to do. If it does not hurt, it does not work.

If you do not believe me, look at the comments earlier this year from the Salvation Army when they polled over 1,700 of their clients. Along with pointing out a whole list of things that people on fixed and low incomes were struggling with, Major Bruce Harmer said:

The increased cost of living has clearly meant larger numbers of Australians are now struggling to keep up with rising utility bills. Many are going without things we take for granted like nutritious food or a warm bed. Many are questioning how they will get through the winter months with what appears to be a never ending increase in the cost of living.

He goes on to say:

The ever rising cost of utilities, motor vehicle expenses and running costs, food, medical expenses, etc. is intensifying the struggle and they wonder where it will end.

There is only one place it can end. It can end with the Labor Party getting rid of this Prime Minister, or with the Australian people finally getting the chance to do that in about a year's time. There is not a single problem in this country that cannot be improved with a better government. I take up the comment made by the Leader of the Opposition in his address today—a better government can start working to fix some of the problems that are being faced by families right across our nation.

I have a simple question that I have put to members opposite many times over the last 12 months when they have stood up and said: 'Oh the electricity prices are going up for a range of other reasons. The reason manufacturing is suffering at the moment is because of the high dollar.' I come back to them and ask them just one question: why make it harder? Why make it harder for Australian families? Why make it harder for Australian manufacturers? And the answer I get is the same answer I am getting now: complete silence—not a word. They have no explanation for why it is a good idea to make things harder for Australian people at an already difficult time. They have not a single answer as to why we should make it harder for families struggling with the cost of living—not a single explanation as to why we should make it harder. If the carbon tax is such a good idea, why not double it? If it is so good for Australia, double it! Why don't you double it?

**Mrs Bronwyn Bishop:** They are intending to, actually.

**Mr CHESTER:** Is that the plan? The Australian people have a very clear choice and that choice is double or nothing. You can double it with the Labor Party, or have nothing with us. We are happy to get rid of the carbon tax.

It is a great pleasure to be here today discussing this issue of the increased cost of living. One of the other great myths—

**Mr Zappia:** You have said nothing about the motion!

**Mr Ewen Jones:** He has made it all the way through, Tony; you have been so good!
Mr CHESTER: Yes, the member for Makin has been very good! One of the other great myths of the carbon tax is the Prime Minister's repeated claims that the 500 so-called biggest polluters in Australia will be the only ones who will pay the carbon tax. That statement is every bit as misleading as the Prime Minister's promise that 'There will be no carbon tax under a government I lead'. Everyone pays the carbon tax.

Our local football and netball clubs will pay through increased energy costs to run their lights and they will have to pass on those costs to their members. Local aged-care facilities—I am sure other members have been approached by local aged-care facility owners—come to me and say: 'How are we going to meet these extra energy costs? We are going to pass them on to our residents who are on very small or fixed incomes.' I have had hospital board members and chief executives come to me and say, 'Our increase in energy costs for the next financial year is in the order of $200,000 that is directly related to the carbon tax.' United Dairyfarmers of Victoria has indicated that the individual cost per dairy farm is going to be about $5,000 per year and that is a direct, added cost to these farming families, a cost they cannot recoup and they cannot pass on because they are price-takers. What concerns me is that this Prime Minister simply has no answers when it comes to the increased cost of living. I call on members opposite to do the decent thing, put this Prime Minister out of her agony, put the Australian people out of their—(Time expired)

Mr ZAPPIA (Makin) (16:43): I am pleased to speak on this matter of public importance and to talk about the government's track record of assisting Australian people with living costs. Can I say before I get onto my other remarks that I was just listening to the member for Gippsland—and he spoke for 10 minutes—and he hardly referred to the motion at all. He spent all his time attacking the PM and talking about a carbon tax. There is a lot more to living than the matters that the member for Gippsland was referring to.

Contrary to the assertions of those opposite, the government does care about living costs. Whilst members opposite might selectively refer to matters to try and support their arguments, the fact of the matter is that the cost of living is about a total package of living costs. It is not about any one single item.

What is clear from today's MPI is that the opposition leader came into the chamber and spoke in relation to the MPI as a way of diverting attention away from himself, away from his dismal performance of late and away from the problems that he is undoubtedly facing. This is simply nothing more than an MPI to divert attention from the opposition leader and try to put the spotlight back onto the price of carbon.

If we are going to talk about the cost of living, then, quite frankly, let us stick to the facts. If we stick to the facts we will see an entirely different picture emerge to that that has been portrayed by opposition speakers today. Let me start by talking about inflation.

When this government came to office at the end of 2007, headline inflation was three per cent. The last figure I have—June 2012—is 1.2 per cent, which is a significant drop. Inflation is usually the indicator that tells you whether costs are going up or not. Those costs are generally reflected in the cost of living in all sectors.

Let us also look at interest rates. When this government came to office interest rates were 6.75 per cent. A couple of months after the government took office the rates went to over seven per cent. Interest rates today are 3.5 per cent; that is the Reserve Bank cash rate. They are half of what they were when
we came to office. Even if you look at the variable rate, it is significantly lower than it was when this government came to office. That, in my view, is doing something for families—bringing interest rates down—because in my electorate, for the 21,600 home owners who have a mortgage—and I assume most mortgages across the country sit at around a couple hundred thousand dollars—that means something in the order of $6,000 or $7,000 less payments in interest being made each year. That is real money that families had to fork out which they are now able to reduce because interest rates have come down.

Let us also look at tax cuts because tax cuts are all about assisting families with real money in your pocket in order to meet the cost of living. Since this government has come to office, a person on around $50,000 a year is now paying around $2,000 a year less in tax. I put it to the House that that is substantial savings in the amount of tax being paid by wage earners around the country. That $2,000 will go a long way to offsetting some of the costs that householders have to meet. In fact, by increasing the tax threshold from $6,000 to $18,000, it has meant that just about every taxpayer has made a minimum of about $300—simply as a result of that move alone. Today there are about one million taxpayers around the country who do not even have to lodge a tax return—a tax return which, again, probably cost them money because they had to go to a tax accountant in order to lodge it.

One of the most significant areas where this government have acted to assist with the cost of living has been with respect to the support that we have provided pensioners. We have spoken in this House about this matter time and time again. After almost 12 years whilst the opposition were in government they did nothing to assist pensioners around this country. We came to office and have since increased the single pension by about $154 a fortnight and for couples combined by $156. We have increased the utilities allowance by around $400 and, today, a single pensioner gets an income of about $19,600 and couples combined get $29,600. In addition to that, we changed the pensioner cost-of-living index to better reflect the real costs of living—which is the matter we are talking about—for pensioners throughout this country. Further to that we have also increased the amount to $10,400 that pensioners can earn and still claim their maximum pensions.

Let us turn to families and have a look at what we have done. Paid parental leave was brought in by this government. It is all right for the Leader of the Opposition to come in now and say how he is going to do it one better. The reality is that they did nothing about it whilst they were in government and, in fact, my understanding is that the Leader of the Opposition personally opposed the introduction of paid parental leave. This government did bring it in and, today, that means $606 a week for someone who is on paid parental leave. I understand that, to date, about 160,000 families across the country have benefited from the government's 18 weeks of paid parental leave. As from 1 January 2013 there will be a dad and partner pay introduced to assist the partners and dads when children are born.

With respect to the childcare rebate, this is something that members opposite continually harp on about in regard to the fact that we have capped it at $7,500. Can I say that we increased the rebate from 30 per cent to 50 per cent, which is a much larger amount of money that families are entitled to than they ever were under the coalition. That means that families are now entitled to $7,500 in childcare rebate per child, which is almost $3,000 more than they would have
been entitled to had this government not been elected.

Then there is the Teen Dental Plan worth $163 or thereabouts to each child to assist with preventive dental checks. These are real costs that real families meet on a regular basis. This government understands that and that is exactly why it has brought in a teen dental plan to assist those families. I understand that there has been something like 1.5 million check-ups funded under this program.

Lastly, in respect to children there is the Schoolkids Bonus; the $410 that we are providing to every primary school child and the $820 to secondary school children. That is real money that goes to the families of this country and will assist with meeting cost-of-living expenses. School fees are cost-of-living expenses and this government has, again, done something very specific about assisting families to meet those costs. In addition to that families have been supported by increasing family support by up to $4,200 per year for each teenager that continues to live at home. From July 2013 there will be $600 per year to family tax benefit part A payments also made available. In addition to that there is the $600 annual carer’s supplement boost. I could go on about the payments and support payments that this government has provided since coming to office to assist families with the costs of living that they incur. I want to finish on a couple of other matters and the one I will touch on is jobs.

If you really want to support families, the best thing you can do for them is ensure that people have jobs, because if they have jobs they have income and if they have income they can meet their living costs. This government, since coming to office at a time when we have endured a global economic recession, has been able to create 800,000 new jobs and keep unemployment to just over five per cent. That speaks for itself. In my view, that does more to assist families than anything else I could refer to. At a time when other Western nations in most parts of the world are confronted with double-digit unemployment figures, this country is still on just over five per cent. While people are employed, they have got income and that is the most important thing we could do for them. *(Time expired)*

The DEPUTY SPEAKER (Ms O'Neill): The time allotted for the MPI has expired. The discussion has concluded.

**BILLS**

**Marriage Amendment Bill 2012**

Reference to Federation Chamber

Mr DREYFUS (Isaacs—Cabinet Secretary, Parliamentary Secretary for Climate Change and Energy Efficiency and Parliamentary Secretary for Industry and Innovation) *(16:53)*: by leave—I move:

That the Marriage Amendment Bill 2012 be referred to the Federation Chamber for further consideration.

Question agreed to.

**Greenhouse and Energy Minimum Standards Bill 2012**

**Greenhouse and Energy Minimum Standards (Registration Fees) Bill 2012**

Second Reading

Cognate debate.

Debate resumed on the motion:

That this bill be now read a second time.

Mr DREYFUS (Isaacs—Cabinet Secretary, Parliamentary Secretary for Climate Change and Energy Efficiency and Parliamentary Secretary for Industry and Innovation) *(16:53)*: Australia has an opportunity to move to a clean energy future...
and cut pollution before the task becomes more difficult and costly. The purpose of the carbon price is to make the economy grow stronger but with less pollution. The opposition has made all sorts of claims. We have heard them in here today during the matter of public importance continuing with those claims. But the fact is we will support existing jobs and we will help create new jobs in new industries. The greenhouse and energy minimum standards legislation will support Australia's efforts to grow a stronger economy.

The member for Flinders raised a very important issue which was raised by the Lighting Council Australia in consultations with the department and in its submissions to the Senate inquiry. The government acknowledges that information obtained under the act, including product data, may be commercially sensitive. The need to protect commercially sensitive information was a high priority during the development of the national GEMS legislation. The Australian government has included legal and administrative safeguards in the improved E3 program to protect commercially sensitive information. These safeguards were detailed in a response to the Senate Environment and Communications Legislation Committee inquiry into the GEMS legislation. On 15 August 2012 the Senate committee recommended that the bills be passed.

The legal protections for data include an offence by any government officer who shares information for reasons not authorised under law. The national legislation also prohibits commercially sensitive information obtained under the E3 program being disclosed in courts or tribunals. Legal safeguards will be supported by the regulator's information handling policy. The information handling policy will provide clear guidance for government officers on how to handle and protect information obtained under the act. With these safeguards and the lessons learned from New Zealand's existing data reporting program, the government is confident that information obtained under the GEMS legislation will be appropriately protected.

The greenhouse and energy minimum standards legislation represents the close collaboration of the Australian government, state and territory governments and Australian businesses. With this legislation, Australia's popular Equipment Energy Efficiency Program will be a more effective and truly national program. The GEMS legislation will replace seven overlapping state laws and four state regulators, bringing considerable efficiencies for Australian businesses. The legislation will ensure that energy efficiency regulation is better coordinated within Australia and across trans-Tasman markets. Australian businesses have voiced support for the GEMS legislation and the improvements it will bring to the E3 program. The improved energy efficiency program will deliver significant savings for all Australians and assist Australia's transition to a low-carbon future. Energy efficiency measures stand to save Australian households and businesses billions of dollars per year. The Australian government is pleased to deliver these savings to all Australians.

Question agreed to.
Bill read a second time.
Consideration in Detail
Bill—by leave—taken as a whole.

Mr DREYFUS  (Isaacs—Cabinet Secretary, Parliamentary Secretary for Climate Change and Energy Efficiency and Parliamentary Secretary for Industry and Innovation) (16:58): by leave—I present a supplementary explanatory memorandum to the bill. I move the government amendments as circulated:
Clause 9, page 4 (line 30) to page 5 (line 11), omit subclauses (2) to (4), substitute:

(2) In specifying the amount of a registration fee, or a method for calculating such an amount, for the purposes of subsection (1), the GEMS Regulator may take into account only the following matters:

(a) the cost of processing registration applications;

(b) the cost of compliance monitoring (including testing) in relation to models of GEMS products, for the purposes of the Greenhouse and Energy Minimum Standards Act 2012.


The two government amendments are raised in response to the inquiry into the GEMS legislation by the Senate Scrutiny of Bills Committee. The Senate committee noted the detailed policy intention outlined in the explanatory memorandum that queried whether two issues could be made more explicit in the legislation. The government is pleased to make these two amendments to deal with the issues raised by the Senate Scrutiny of Bills Committee. The first amendment makes clear that conditions imposed when a product is registered under the GEMS acts must be proportionate to the circumstances and give effect to the purposes of the act. For example, a condition might be imposed that a business registering heat pumps for commercial use must only use those products in a specific project and not install them generally throughout Australia.

A second amendment makes clear that registration fees are for the purpose of cost recovery only and are limited to recovering the cost of registering products and monitoring compliance with the act. Recovering a portion of these costs will ensure that the government can deliver, and improve, a registration and compliance monitoring regime that addresses inconsistencies in the existing state based programs. The amendments will make clear two aspects of a key policy reform that is an important part of ensuring affordable energy for all Australians and assisting Australia’s transition to a low-carbon future. With these amendments, the Greenhouse and energy minimum standards legislation will ensure a consistent national energy efficiency framework for the benefit of Australian households and businesses.

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

Third Reading

Mr DREYFUS (Isaacs—Cabinet Secretary, Parliamentary Secretary for Climate Change and Energy Efficiency and Parliamentary Secretary for Industry and Innovation) (17:00): by leave—I move:
That this bill be now read a third time.

Question agreed to.
Bill read a third time.

Greenhouse and Energy Minimum Standards (Registration Fees) Bill 2012

Second Reading

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

Question agreed to.
Bill read a second time.
Consideration in Detail

Bill—by leave—taken as a whole.

Mr DREYFUS (Isaacs—Cabinet Secretary, Parliamentary Secretary for Climate Change and Energy Efficiency and Parliamentary Secretary for Industry and Innovation) (17:02): by leave—I present a supplementary explanatory memorandum to the bill. I move:

(1) Clause 9, page 4 (line 30) to page 5 (line 11), omit subclauses (2) to (4), substitute:

(2) In specifying the amount of a registration fee, or a method for calculating such an amount, for the purposes of subsection (1), the GEMS Regulator may take into account only the following matters:

(a) the cost of processing registration applications;

(b) the cost of compliance monitoring (including testing) in relation to models of GEMS products, for the purposes of the Greenhouse and Energy Minimum Standards Act 2012.

Question agreed to.

Bill, as amended, agreed to.

Third Reading

Mr RIPOLL (Oxley—Parliamentary Secretary to the Treasurer) (17:04): by leave—I move:

That this bill be now read a third time.

Question agreed to.

Bill read a third time.

BILLS

Business

Rearrangement

Mr RIPOLL (Oxley—Parliamentary Secretary to the Treasurer) (17:05): I move:

That order of the day No. 5, government business, be postponed until a later hour this day.

Question agreed to.
ensure consistency of language and correct technical errors. A number of obsolete acts are also repealed.

This parliament has a strong tradition of passing statute law revision bills in a bipartisan manner since they were introduced by the Fraser government in 1981. In a second reading speech to the Statute Law Revision Bill 1981 the then Liberal Party Attorney-General, Senator Durack, said:

The government has decided to introduce statute law revision bills into the parliament on a regular basis—at least once a year and if required once in each sitting. This will enable the prompt correction of mistakes and errors and removal from the statute books of expired laws. Bills of this nature are regarded as an essential tool in the process of keeping the Commonwealth statute books accurate and up-to-date. It is self-evident that the opposition would not be opposing such a cleaning up exercise and I am therefore happy to highlight the opposition’s support for this bill.

Ms ROWLAND (Greenway) (17:08): I would like to start by declaring—some may say confessing—my fascination with bills of this nature, which I enjoy reading and analysing and about which I relish the opportunity to provide comment. While some may take the view that the process of typographical review, repealing defunct legislation and correcting referencing errors in statute law is a tedious yet necessary exercise, I think it epitomises a robust, best-practice approach to law-making, which is one of the foundations of the democratic processes of this parliament.

Members of parliament, legal practitioners, government agencies, regulators and the public generally have a right to assume that the law as printed is error-free, that it accurately reflects its legislative intention and that its ambiguity is minimised by factors such as the inaccurate placement of punctuation. Indeed, it was a year ago to the day that I rose in this place to extol the merits of the Legislative Instruments (Sunsetting) Bill 2011, which I described as dealing with a fundamental piece of statutory interpretation and rule making—namely, the Legislative Instruments Act 2003. It has certainly been a big year. Just to add to my form in bills of this nature, I was also pleased to add my support on 23 June last year to the Statute Stocktake Bill (No.1) 2011.

And so it is the case for this Statute Law Revision Bill. It is instructive to peruse the website of the Office of Parliamentary Counsel and learn about its functions and the principles which guide its practice for producing clearer laws. I would particularly like to mention the five points set out in its commentary on clearer Commonwealth law, which provide a concise statement of best-practice law-making. It states:

Policymakers, instructing agencies and drafters should apply the following general principles when developing Commonwealth legislation:

1. Consider all implementation options—don’t legislate if you don’t have to.
2. When developing policy, reducing complexity should be a core consideration.
3. Laws should be no more complex than is necessary to give effect to policy.
4. Legislation should enable those affected to understand how the law applies to them.
5. The clarity of a proposed law should be continually assessed—from policy development through to consideration by Parliament (for Acts) or consideration by the rule-maker (for legislative instruments).

It is no wonder, then, that Australian legal drafting is recognised as some of the best in the world. Certainly, in our region, I am aware that Australia’s overseas assistance through capacity-building projects to establish legal institutions and draft legislative instruments is first class. In my
former life as a legal practitioner, I was fortunate to work on a number of such projects for overseas regulators, companies and governments—sometimes privately funded but in many cases facilitated by donor agencies, such as the World Bank and the Asian Development Bank.

The reputation for Australian law and legal drafting is indeed very high. Let me give some examples. Malaysia's Communications and Multimedia Act has at its core an access regime whose drafting mirrors that of part XIC of the then Trade Practices Act. I was fortunate to work on a review and expansion of the access list determination, again providing a great opportunity to undertake a consultative process and the drafting of such instruments.

In Samoa I was involved in drafting regulations regarding radio communications and telecommunications, and I assisted on what was known as the Mekong Project, headed by then partner of Gilbert + Tobin, Angus Henderson, who drafted a number of groundbreaking regulations for telecommunications in the Lao PDR, Cambodia and Vietnam.

Our piece de resistance was our work in Ramallah, drafting a new telecommunications law and establishing a regulator. I can say with great confidence that, whenever we did go to these areas of the world, we found that the reputation of Australian law-making and drafting was held in very high regard.

Since I have the opportunity to talk about law drafting here, I would also like to mention a groundbreaking piece of law-making, which occurred recently in Hong Kong and on which I also had the pleasure of working. It was one of the last matters I worked on at Gilbert + Tobin and something that has come to fruition quite recently. I would like to pay tribute to the work of partner Peter Waters, who headed the team advising the Hong Kong government on its policy development, which formed the basis of Hong Kong's first cross-sector competition bill. It was gazetted shortly after I left the firm, and on 14 June this year it was finally enacted into Hong Kong law.

I have placed on record before that Peter Waters is one of the great legal teachers I have had. In a similar vein to the best-practice drafting that I noted for the Office of Parliamentary Counsel, he said of the competition law:

The Bill is built around three principles. First, it should reflect modern economic thinking about competition and regulation—for example, it does not automatically outlaw any conduct (i.e. on a per se basis). Second, it should also reflect Hong Kong's unique characteristics as a small, open market, which is the reason for the law to have a modest scope. Third, it should be capable of delivering business certainty, which is reflected in the mechanisms for individual and block exemptions.

I would like to pay tribute again to a great example of legislative drafting, consistent with Australia's drafting generally of statute law, which has had overseas influence and I am sure will continue to be the case.

I took the opportunity to have a look at some of the statute law revision projects occurring around the world. One that I found very interesting—I know you will be interested in this, Madam Deputy Speaker O'Neill—is the case of Ireland. Ireland is undertaking a phased statute law revision project to ultimately lead to the codification of the Irish statute book. The project has undertaken an analysis of all legislation of the various Irish, English, British and UK parliaments which exercised authority over Ireland prior to Ireland becoming independent as well as legislation that was passed since 1922.
It identified a staggering 63,000 statutes that came within its remit for examination. A number of acts on statute law revision have passed since the project commenced. The 2005 act repealed a total of 207 specifically identified pre-independence public general acts. In 2007 a similar act provided a list of no fewer than 1,364 statutes which were to remain in force after enactment of the bill. Apart from those statutes, all other pre-independence public general acts were repealed. The office of the Attorney-General in Ireland states:

The effect of this was that more than 3,225 statutes were expressly repealed by the Act—the 2007 act—making it the largest statute law revision measure ever to apply in Ireland, and, so far as the Government is aware, the largest single repealing Act ever enacted anywhere.

In 2009 a similar statute law revision act expressly repealed a total of 1,351 acts and a further 8,965 acts were implicitly repealed by the 2009 act. My understanding now is that the project is in the process of undertaking—or perhaps is close to completing—public consultation on a similar 2012 bill. This is the final phase of the review, which I will be following closely, as I am sure you will, Madam Deputy Speaker. Subject to consultation, the government has proposed to retain approximately 800 such acts enacted between 1750 and 1922. It will repeal about 2,900 acts and implicitly repeal approximately 19,000 acts which would no longer be deemed to apply to Ireland. That gives an indication of the scale and importance of statute law revision bills of this type.

I talked about how this bill proposes to correct a number of typographical errors. I remember one celebrated case from 2006—maybe not celebrated by some—that gives an example of grammar gone wrong. As the headline in an article from the *New York Times* from 25 October 2006 very accurately describes it, it is a case of ‘The comma that costs $1 million (Canadian)’. The issue at stake was a 14-page contract between Rogers Communications of Toronto, Canada’s largest cable TV provider, and Bell Aliant, a telephone company in Atlantic Canada. The question of whether a single comma was placed in the right position led to a difference of Can$1 million. As the *New York Times* article states:

Citing the “rules of punctuation,” Canada’s telecommunications regulator recently ruled that the comma allowed Bell Aliant to end its five-year agreement with Rogers—about the use of telephone poles—at any time with notice.

The dispute is over this sentence: “This agreement shall be effective from the date it is made and shall continue in force for a period of five (5) years from the date it is made, and thereafter for successive five (5) year terms, unless and until terminated by one year prior notice in writing by either party.”

The regulator concluded that the second comma—after ‘successive five (5) year terms’—meant that the part of the sentence describing the one-year notice for cancellation applied to both the five-year term as well as its renewal. Therefore, the regulator found, the phone company could escape the contract after as little as one year.

This case is really interesting. Rogers commissioned a 69-page affidavit, mostly about commas, from Kenneth Adams, a lawyer from Garden City in New York, who is the author of two books on contract language. You can see how, again, the issue of punctuation can make an incredible difference to both contract interpretation and, in turn, statutory interpretation.

I would like to conclude in the time left to me by congratulating Stephen Gageler on his
recent appointment to the High Court, where I am sure he will do an absolutely exemplary job. I had some exposure to Stephen Gageler—he will not remember me at all; I was a mere minion—in my first year as a lawyer. He was giving an opinion on something to do with Hong Kong law—just by coincidence. It was the first barrister's opinion that I ever read. I remember coming back from his chambers and one of my colleagues asking me, 'What was it like going to his chambers and hearing him talk about his brief?' I remember saying something like, 'This man has an enormous brain.' It was quite something to be in his company.

A lot has been written about Stephen Gageler recently and the Attorney-General and others have made very positive comments about the fact that he is a very highly regarded, very highly respected member of the legal profession. It is worth noting that Mr Gageler is a product of the public education system, which I think is a wonderful thing. He attended Giants Creek Primary School and Muswellbrook High School in Muswellbrook. The fact that people such as Stephen Gageler are being elevated to the High Court demonstrates how important our public school system is. I have been speaking about Gonski to a lot of schools in my area recently, and, as I did in my maiden speech, I often tell the story of my own husband: this bloke who grew up in a public housing area of Mount Druitt and went to Shalvey Primary School and Shalvey High School. He could not even speak English when he started school, and it was thanks to teachers taking an interest in him, encouraging him at every step of the way and—even to this day—staying in contact with him and seeing how he was progressing that he was able to get into Sydney University and get first-class honours in not one but two degrees: economics and law. He is now a partner with Corrs Chambers Westgarth. Today, unfortunately for me, he is in Melbourne because he is now lecturing in a new superannuation course which Melbourne University is running.

It is a marvellous thing to reflect on people who come through our public school system and on their achievements. I congratulate Stephen Gageler on his appointment to the High Court.

Mr Turnbull (Wentworth) (17:23): I am moved by the eloquence of the member for Greenway on the Statute Law Revision Bill 2012. It is not the sort of bill that normally brings forth great oratory, but I am delighted that she had so much to say about it.

I wish to record, echoing her remarks, my congratulations to Stephen Gageler, the Commonwealth Solicitor-General who is to be elevated to the High Court, and my great pleasure at his elevation. He is an outstanding and very successful member of the New South Wales bar, and, while I have not had professional engagement with him in the way that the honourable member has had, he has over the years given me advice from time to time, and I can assure the House that it was always very sound. So I am sure that his opinions in the High Court will do him and the court great credit.

I am delighted to join the honourable member, with whom I occasionally disagree on matters of telecommunications, on this unity ticket congratulating Stephen Gageler.

Mr Melham (Banks) (17:24): In the same spirit as the previous two speakers offered their congratulations, I congratulate Stephen Gageler on his appointment to the High Court. I know that there is rejoicing at the New South Wales bar. He is held in very high regard and will be an adornment to the High Court. I think that he is a wonderful
replacement for Mr Justice Gummow, who will retire in October—and I will have something to say about Justice Gummow at a later date.

I rise also to speak in support of the Statute Law Revision Bill 2012. Bills of this type have been used regularly over the past 30 years as an essential tool in keeping the Commonwealth statute book accurate and up-to-date. Such bills do not make substantive change to the law or implement new government policy. As such, they are rarely controversial. Nonetheless, they fulfil a vital function.

This bill reflects the fact that the government is making sure that Commonwealth law is easy to follow and understand. The government is pursuing a comprehensive deregulation agenda, led by the Minister for Finance and Deregulation, to remove or reform unnecessary or poorly-designed regulation and reduce costs to business. This in turn will enhance productivity and competitiveness within Australia and allow Australian companies to expand overseas.

The OECD Review of Regulatory Reform in Australia for 2010 noted:

Australia is one of the front-running countries in the OECD in terms of its regulatory reform practices.

The government's focus is on ensuring that Australia's regulatory framework is fit for purpose, is developed in consultation with stakeholders and does not impose unnecessary compliance cost burdens on businesses and the not-for-profit sector. A good example of this focus is a bill—the Legislative Instruments Amendment (Sunsetting Measures) Bill 2012—which was brought forward by the Attorney-General and recently passed by this House. The sunsetting measures bill will remove thousands of redundant or ambiguous regulations from the federal register of legislative instruments over the coming years. Importantly, this will be done in close consultation with affected industries to avoid confusion or concern about wholesale removal of regulatory structures. Removals of this type would have occurred under the opposition's proposed structure.

The Statute Law Revision Bill 2012 includes amendments to repeal spent legislation and correct typographical errors, to improve the numbering of provisions and to ensure that cross-references remain accurate. Schedule 3 of the bill replaces references to specific civil aviation regulations concerning aircraft with generic references to the principal Civil Aviation Act 1988. Current drafting practice is to avoid referring to particular regulations by name in order to reduce the risk of reader confusion where the names of regulations change or the content of regulations alter. This change is an important step in ensuring that the regulations interact properly with the principal act and that users are able to clearly follow both the parent act and regulations underneath it.

This bill also makes consequential amendments to the Acts Interpretation Act 1901. This item of legislation is a cornerstone of Australian legislative interpretation—a fact that is drilled into all first-year law students. It must remain relevant and up-to-date so that it remains a strong, functional guide to other Commonwealth legislation.

The bill also replaces references to specific ministers and departments with definitions which identify ministers and departments by reference to the acts they administer. This will ensure that the references remain accurate even if any specific title changes. There has always been a risk that some references can be missed.
when ministers and departments change titles, which can lead to confusion or concern about the legal validity of action years down the track. This change is a practical, sensible step to avoid these potential risks in the future.

I take this opportunity to thank and commend the Office of Parliamentary Counsel for its hard work both on this legislation and over the term of this parliament. Drafting complex legislation within tight timeframes is often a thankless task, but the office has delivered the legislation necessary not only to this government's major reforms but also to reforms made by previous governments.

When I was the Chair of the House of Representatives Standing Committee on Legal and Constitutional Affairs from 1993 to 1996, I had a little bit to do with the Office of Legislative Drafting and the Office of Parliamentary Counsel. We are very fortunate that we have very professional public servants supporting this parliament, and we should not take their professionalism for granted. These are people who have dedicated themselves to their jobs, and we as a parliament are better off for it. I commend the bill to the House.

Ms BIRD (Cunningham—Parliamentary Secretary for Higher Education and Skills) (17:30): On behalf of the Attorney-General, I thank members for their contribution to the debate on the Statute Law Revision Bill 2012. This bill may not be the most controversial to have been introduced in this term of parliament, but it is a testament to the dedication and attention to detail of government drafters to make sure that the Commonwealth statute book is free from error or ambiguity. I am encouraged that such bills continue to attract bipartisan support in this parliament and applaud the speakers for digging deep to find some interesting components of these largely technical changes.

The government is proud to facilitate and support the passage of statute law revision bills, which perform a vital service in improving the quality of Commonwealth legislation. The regular review of legislation by the Office of Parliamentary Counsel enables minor errors in the Commonwealth statute books to be efficiently addressed and improves the accuracy and usability of Commonwealth acts.

These improvements reflect the government's commitment to creating clearer and more accessible Commonwealth laws, an important component of our agenda to improve access to justice. We have seen this in other recent bills, including the Legislative Instruments Act (Sunsetting Measures) Bill, which will assist in the removal of thousands of redundant regulations over coming years, and the Access to Justice (Federal Jurisdiction) Amendment Bill, which will reform court discovery processes and better define and deal with vexatious litigants who clog up court time.

This bill also makes a small but useful amendment by removing specific references to the Civil Aviation Regulations, replacing them with references to the principal act, which are more generic and flexible. Current drafting practice is to avoid referring to particular regulations by name. This reduces the risk of reader confusion and error in cases where the names of the regulations change or the contents of the regulations alter.

Additionally, this bill amends references to specific ministers and departments, and in doing so will have a particular impact on the clarity and usability of a large number of Commonwealth laws. By inserting generic references to the names of ministers and departments, the bill will allow users of
legislation to more easily identify the appropriate minister or department with relevant authority under an act, even after machinery-of-government changes occur.

The Office of Parliamentary Counsel works closely with the Attorney-General's Department and other agencies to obtain and assess possible amendments to include in statute law revision bills. I commend the office for the quality of this bill and for its commitment to maintaining the accuracy and clarity of Commonwealth laws. I therefore commend the bill to the House.

Question agreed to.

Bill read a second time.

Third Reading

Ms BIRD (Cunningham—Parliamentary Secretary for Higher Education and Skills) (17:33): by leave—I move:

That this bill be now read a third time.

Question agreed to.

Bill read a third time.

Cybercrime Legislation Amendment Bill 2011

Consideration of Senate Message

Bill returned from the Senate with amendments.

Ordered that the amendments be considered immediately.

Senate’s amendments—

1. Schedule 1, item 2, page 4 (lines 14 and 15), omit "or interception agency", substitute "(including an interception agency)".

2. Schedule 1, items 6 and 7, page 5 (lines 1 to 11), omit the items.

3. Schedule 1, item 18, page 10 (line 2), before "interception agency", insert "enforcement agency that is an".

4. Schedule 1, item 18, page 11 (lines 29 and 30), omit "or interception agency", substitute "(including an interception agency)".

5. Schedule 1, item 18, page 12 (line 27), before "interception agency", insert "enforcement agency that is an".

6. Schedule 1, item 18, page 12 (line 33), before "interception agency", insert "enforcement agency that is an".

7. Schedule 1, page 21 (after line 14), at the end of the Schedule, add:

34 Transitional provision for item 18—ongoing domestic preservation notices

Despite the insertion of section 107H into the Telecommunications (Interception and Access) Act 1979 made by item 18 of this Schedule, an issuing agency may not give a carrier an ongoing domestic preservation notice under that section before the end of the period that:

(a) starts on the day this Act receives the Royal Assent; and

(b) ends 90 days after that day.

8. Schedule 2, item 27, page 29 (lines 9 and 10), omit paragraph 15D(3)(b), substitute:

(b) the offence:

(i) is punishable by imprisonment for 3 years or more, imprisonment for life or the death penalty; or

(ii) involves an act or omission that, if it had occurred in Australia, would have constituted a serious offence within the meaning of section 5D of the Telecommunications (Interception and Access) Act 1979; and

9. Schedule 2, item 41, page 32 (line 32) to page 33 (line 5), omit paragraph 180B(3)(b), substitute:

(b) the authorised officer is satisfied that the disclosure is reasonably necessary for the investigation of an offence against the law of a foreign country that:

(i) is punishable by imprisonment for 3 years or more, imprisonment for life or the death penalty; or

(ii) involves an act or omission that, if it had occurred in Australia, would have constituted a serious offence within the meaning of section 5D of the Telecommunications (Interception and Access) Act 1979; and
(c) the authorised officer is satisfied that the disclosure is appropriate in all the circumstances.

(10) Schedule 2, item 41, page 33 (lines 24 to 27), omit paragraph 180B(6)(a), substitute:
(a) reasonably necessary for the investigation of an offence against the law of a foreign country that:
(i) is punishable by imprisonment for 3 years or more, imprisonment for life or the death penalty; or
(ii) involves an act or omission that, if it had occurred in Australia, would have constituted a serious offence within the meaning of section 5D of the Telecommunications (Interception and Access) Act 1979; and

(11) Schedule 2, item 41, page 34 (lines 3 to 6), omit paragraph 180B(8)(a), substitute:
(a) reasonably necessary for the investigation of an offence against the law of a foreign country that:
(i) is punishable by imprisonment for 3 years or more, imprisonment for life or the death penalty; or
(ii) involves an act or omission that, if it had occurred in Australia, would have constituted a serious offence within the meaning of section 5D of the Telecommunications (Interception and Access) Act 1979; and

(12) Schedule 2, item 41, page 36 (lines 7 and 8), omit all the words after "regard", substitute "to whether any interference with the privacy of any person or persons that may result from the disclosure or use is justifiable, having regard to the following matters:

(a) the likely relevance and usefulness of the information or documents;

(b) the reason why the disclosure or use concerned is proposed to be authorised.

(13) Schedule 2, item 50, page 37 (after line 21), after paragraph 186(1)(ca), insert:
(cb) if the enforcement agency is the Australian Federal Police, and information or documents were disclosed, under an authorisation referred to in paragraph (ca), by an authorised officer of the Australian Federal Police during that year to one or more foreign countries:
(i) the name of each such country; and
(ii) the number of disclosures under such authorisations; and

(14) Schedule 2, page 37 (before line 22), before item 51, insert:
50A Subsection 186(2)

After "subsection (1)", insert ", other than the information referred to in paragraph (1)(cb)".

(15) Schedule 5, item 2, page 47 (lines 9 to 11), omit the item.

(16) Schedule 5, page 47 (after line 18), at the end of the Schedule, add:
4 Application of amendments made by items 1 and 3

(1) The amendment made by item 1 of this Schedule applies to acts or things done on or after the day this Schedule commences.

(2) The amendment made by item 3 of this Schedule applies in relation to an authorisation made on or after the day this Schedule commences.

Ms BIRD (Cunningham—Parliamentary Secretary for Higher Education and Skills) (17:34): I move:
That the amendments be agreed to.

The government amended the bill in the Senate to address concerns of the Joint Select Committee on Cyber-Safety. Key amendments delay certain parts of the bill to provide industry with sufficient time to ensure compliance with preservation requests. Other amendments improve privacy protections by giving specific guidance to officers about the factors and privacy considerations which must be weighed before making authorisations. Privacy protections are also enhanced by changes to the reporting requirements for instances where the AFP use certain international cooperation powers. These amendments were supported unanimously.

Question agreed to.
International Monetary Agreements Amendment (Loans) Bill 2012
Second Reading

Debate resumed on the motion:

That this bill be now read a second time.

Mr TONY SMITH (Casey) (17:36): I rise to speak on behalf of the coalition and the shadow Treasurer, the member for North Sydney, in support of the government's International Monetary Agreements Amendment (Loans) Bill 2012. This bill makes three amendments to Australia's credit arrangements with the IMF. First, it reduces Australia's contingent liability under the New Arrangements to Borrow line of credit. Second, it increases the maximum maturity of the IMF's drawings under the New Arrangements to Borrow from five to 10 years. Third, it renews the New Arrangements to Borrow for a period of five years commencing 17 November 2012.

Australia has had a long association with the IMF, having been a member since 1947, two years after the organisation came into formal existence. The IMF was originally established to provide a mechanism for resolving short-term economic difficulties of members so as to reduce shocks to the global economy. This of course followed the calamitous events of the Great Depression and the disruption of the Second World War.

Article 1 of the articles of agreement which created the IMF outlines the key mandate of the IMF. Chief amongst them is for the IMF to facilitate the expansion and balanced growth of international trade and to contribute to the promotion and maintenance of high levels of employment and real income and to the development of the productive resources of all members as primary objectives of economic policy. It is also tasked with promoting exchange rate stability by maintaining orderly exchange arrangements among members and avoiding competitive exchange rate depreciation. It assists in the establishment of a multilateral system of payments in respect of current transactions between members and in the elimination of foreign exchange restrictions which hamper the growth of world trade. It provides confidence to members by making the general resources of the IMF temporarily available to them under adequate safeguards, thus providing them with the opportunity to correct maladjustments in their balance of payments without resorting to measures destructive of national or international prosperity. And it aims to shorten the duration and to lessen the degree of disequilibrium in the international balances of payments of members.

The IMF's role and mandate have broadened following the global financial crisis, which is widely regarded as the biggest crisis to hit the global economy since the Great Depression. As outlined in the IMF's response to the global economic crisis, it has increased its crisis lending whilst overhauling its general lending framework; reformed policies towards low-income countries and quadrupled its concessional lending; improved policy analysis and advice whilst contributing to the ongoing effort to draw lessons from the crisis of policy regulation and reform of global financial architecture, including through its work with the Group of Twenty industrialised and emerging market economies; and it has undergone wide-ranging governance reforms to reflect the increasing importance of emerging market countries and to ensure that smaller developing countries will retain their influence in the IMF.

Australia has three lines of credit with the IMF. The first is its usual quota contribution. This was doubled following a decision by IMF governors in December 2010. The quota is shown on the government's balance sheet as a loan. The quota commitment increased...
from just over A$4 billion to just over A$8 billion in the 2011-12 financial year, as outlined in the 2012-13 budget.

The second is the New Arrangements to Borrow. This is a contingent liability of the government to be drawn down on request of the IMF. This is the line of credit which is addressed by this bill. The bill seeks to implement reforms to the IMF’s crisis lending arrangements by enforcing the changes outlined in the 14th General Review of Quotas in December 2010. The rollback of the New Arrangements to Borrow line of credit is worth $3.2 billion; however, the reduction is conditional on the doubling of Australia’s primary quota from A$4.1 billion to $8.8 billion. As I have noted, this doubling in the quota is already provided for in the budget. This bill also seeks to lengthen the maturity of the New Arrangements to Borrow line of credit from five years to 10 years, on the basis of assisting the IMF with funding issues as a result of rolling over the maturity on this line of credit.

The third line of credit is a US$7 billion contingent bilateral loan which was agreed on 20 April 2012. This is noted in Budget Paper No. 1, between pages 8 and 11, I am advised. Of key importance, this loan has not yet been legislated by the parliament. We will have more to say on this third line of credit when the enabling legislation comes before this House.

Australia sits within the top 20 member country contributions to the IMF, as a percentage of total Special Drawing Right Holdings. Our contribution to the IMF is based on the assigned quota, broadly in line with our economy’s size relative to the world economy. Australia has always been a relatively generous country, helping our neighbours in our regions in times of need. Not only do we meet what is required of us in terms of our international obligations; we also go above and beyond in helping our regional neighbours—something which we should all be proud of. Examples of this include the assistance we provided back in 2005, when Prime Minister John Howard pledged $1 billion to Indonesia in aid, in the wake of the Indian Ocean tsunami, to help restore and rebuild their nation after the devastating consequences of that natural disaster.

In conclusion—

Ms Bird interjecting—

Mr TONY SMITH: Yes, I am speaking on behalf of Joe Hockey here; I said that at the start.

In conclusion, as I stated at the outset, the coalition will support the passage of this bill through both houses. There is an element of quid pro quo in the structuring of Australia’s finances with the IMF given the changes put forward within this bill. The doubling of Australia’s existing quotas with the IMF is partially offset by the reduction in the New Arrangements to Borrow line of credit. The coalition will continue to monitor Australia’s support to the IMF and the IMF’s focus and priorities going forward as the global economy continues to evolve in the wake of the GFC. As I said at the outset, the coalition is supporting this bill and I commend it to the House on behalf of the shadow Treasurer, the member for North Sydney.

Mr GEORGANAS (Hindmarsh) (17:43): It is good to have the opportunity and the chance to talk about our economy this afternoon with this bill before us today, the International Monetary Agreements Amendment (Loans) Bill 2012, because, since Labor came to office, our GDP is up 10 per cent and we know that our economy is beating the world. Our economy is the envy of economies around the world. It is a sign of the strength of our economy.
It is also proof of the strength of our people. We have the best combination of solid growth, we have low unemployment, we have contained inflation, we have got healthy consumption, we have a huge investment pipeline and we have lower interest rates.

Not only is the RBA now expecting above-trend economic growth this year but it has pointed to stronger than expected employment growth and low inflation outcomes, which partly reflect an improvement in productivity. It also highlighted that we are seeing early signs that the recent interest rate cuts which affect the majority of Australians who have mortgages are starting to help businesses and households. That is a very positive trend. So Australians should have confidence in our rock-solid economic fundamentals because they are rock solid. They have put our economy in a league of its own.

When our ministers and even our opposition shadow ministers travel overseas, one of the things they constantly hear other economies ask is: why is Australia's economy doing so well? Also, that they would change their economy for our economy at the drop of a hat. We hear that constantly from overseas and from other economies around the world. We are not talking about economies of Third World countries; we are talking about the economies of European countries and First World countries all around the place. Our economy is seeing impressive growth, growing faster than every single major advanced economy.

In the March quarter this year, GDP rose from 1.3 per cent, growing to 4.3 per cent. It is the fastest pace in over four years, despite the biggest global financial crisis that we have seen. Again, we see low unemployment, 5.2 per cent, less than half the rates seen in Europe. In some countries in Europe it is sitting around the 20 per cent mark and, in Greece and Spain, it is way up there. Youth unemployment in some of those countries is 50 per cent plus. Could you imagine 50 per cent plus youth unemployment here in Australia? I think youth unemployment in Australia is around 25 per cent and under, but 50 per cent would be devastating—people without hope for the future, notwithstanding what it does to the psychology of a nation. Yet here we have one of the lowest unemployment rates in the world at 5.2 per cent.

We have exceptional job creation records. Around 800,000 jobs have been created since Labor came to government. And we are on the mark for another 300,000 by 2013. Inflation is at a 13-year low, with underlying inflation at the bottom end of the RBA's target band of two per cent through the year to June. Low cash rates are sitting at 3.5 per cent, lower than they were at any time under the previous government.

As I said, a huge investment pipeline is coming through, worth half a trillion dollars, with more than half of it at an advanced stage, helping to boost the productive capacity of our economy. We have healthy consumption, with a recent improvement in retail trade and very low net debt as a percentage of GDP, peaking around one-tenth of the level across major advanced economies. That means returning the budget to surplus ahead of every single major advanced economy. That is a pretty good track record. We also know that bringing the budget back into surplus has already helped give the RBA room to deliver the equivalent of five interest rate cuts since last November. The RBA has only been able to cut rates recently because inflation has been contained, and the government's budget discipline has clearly contributed to this.
No-one will ever forget that interest rates went up 10 times under the last Liberal government because inflation was not contained. The data blows away the exaggerated claims of the doomsayers, the cynics and those who want to talk down our economy. Australia's GDP is 10 per cent higher since Labor came to office and our economy is growing faster than every single major economy.

But the greatest pride for the Labor government is our record on jobs, which has been our core focus from day one. As I said, over 800,000 jobs have been created since we came to office. However, the situation could have been very different. I have said it time and time again in this place: if we had listened to those opposite when the global financial crisis came, if we had not stimulated the economy and if we had not acted immediately on the advice that we were given by Treasury, we could have been looking at 300,000 people unemployed.

Those opposite told us not to do anything and to ride it out, but all the things those opposite continually criticise—the BER, our infrastructure packages—created jobs. Across the nation, 26,000 projects created an average of 200 jobs per project, so you can see why we fared better than any other nation in the world. We took decisive action, stimulated the economy and created jobs. That is what it was all about—to act quickly in creating jobs. Yet we continually hear vitriol from those opposite having a go at the BER and the infrastructure projects which have happened in every member's electorate.

Through the GFC, we saw the opposition failing to support our policies which ensured we are the only developed economy to have avoided the recession. Now we hear them talking down the economic achievements of our businesses and denying the facts—and what I have just read out are facts about our economy; they have not been made up. Their wrecking ball approach has a snowball effect on the economy—and I am sure that sometimes the things that are said on the other side do affect our economy. What the opposition say about these things is very dangerous, and their aggressive negativity is shredding the credibility of our economy.

The purpose of this bill is to amend the international monetary agreements, to accept changes to the IMF executive board decision which establishes the IMF new arrangements to borrow. We can make these decisions today because of the good economy we have put in place. We will reduce Australia's credit arrangements under the NAB and we know that, once Australia's agreed IMF quota increase comes into effect, it will renew the NAB for a further five years, commencing in November 2012, and make other technical changes to facilitate the rollback of credit arrangements and to protect the fund from associated potential liquidity risks.

The IMA Act established Australia's membership of the IMF and the World Bank and makes provisions for Australia to meet obligations that may arise from our membership of these institutions. The new arrangements of the NAB decision dated 27 January 1997 form schedule 4 to this particular act, in line with the commitments made as part of the 2010 agreement on the IMF quota and governance reform amendments to the NAB. Decisions were adopted by the IMF executive board back in December 2011. The bill will replace schedule 4 of the act with the IMF executive board's amended NAB decision.

All these things can be done because we have put in place a very, very good economy. This bill needs to be passed swiftly because the amendment to the NAB decision, renewing the NAB for a further
five years, will take effect, as I said, in November 2012. The definition of the NAB currently provided by the IMA Act is restricted to the current version of the NAB and that is why this bill has to be passed extremely swiftly. This bill is important reform. I commend this bill to the House.

Mr NEUMANN (Blair) (17:53): This is important legislation and it builds on and shows the strength of the Australian economy. It goes to show what a good international citizen Australia is. We are proud to be part of the United Nations. We are proud to be part of the International Monetary Fund. We are proud of the fact that we have made our contribution to the relief of poverty, to the education of people and to commerce and trade. We are proud to go to G20 conferences. We are proud of the fact that we assist those in need. I commend the previous Howard coalition government for helping in Indonesia's time of need.

But we can only do this with a strong economy, as the member for Hindmarsh said. We can only do this if we have ourselves in a position where we can contribute and we are liquid enough to do so. We have seen challenges. We saw problems in the United States which led to the global financial crisis. We saw a real problem in regard to people's capacity to meet mortgage loans and problems in regard to the securitisation of those loans. We saw that feeding across into our economy and into Europe, with uncertainty in places like Portugal, Italy, Greece, Spain and the like. But every economy in western Europe and across the European Union was affected. About 15 per cent of our trade and commerce is with Europe as well and America is one of our biggest trading partners, so we were affected during the global financial crisis.

But this government undertook measures to protect jobs and to contribute to infrastructure, heeding the warnings of the Reserve Bank to invest in infrastructure. In my home state, we doubled the funding for roads, rail and port. We put in a record amount of investment. We stimulated the economy. We built important school infrastructure. It was the biggest school infrastructure build in the history of the Commonwealth—the $16.2 billion Building the Education Revolution. In every country town and every city in my electorate you can see the benefit of that.

We would not be in a position today to pass this sort of legislation and to contribute to the IMF if we had not built on those strengths. While those opposite were asleep at the wheel during the global financial crisis, what did we do? We actually undertook those measures. It seems to me that otherwise the Australian economy would not have been in this position; unemployment would have been much higher. Indeed, the Leader of the Opposition infamously said that we should follow the New Zealand model, which would have seen unemployment above seven per cent. Instead, we have unemployment of about 5.2 per cent and low inflation. We have seen record growth and about 800,000 jobs created when over 27 million have been lost in the Western economies which we trade with and which we have such affinity with—places like the UK, Italy, Spain, Portugal and the United States.

While the unemployment rate across the EU is about 11 per cent and America is struggling at about eight per cent and above, here in this country unemployment is at 5.2 per cent. It is no accident. It is no accident that we can take steps like this legislation that is before this parliament today. We can do this because we are a strong economy and this is a federal Labor government that
invested in skills and job training, education, infrastructure and keeping people in work, making sure that they could pay taxes and contribute back.

We have the data. As the member for Hindmarsh said, we have the data which shows that the economy is strong. We have built it with fairness and with strength. We know that, whilst GDP throughout the Western world and the economies that we deal with and trade with are much lower, ours is much higher. It is much higher than it was. It is about 10 per cent higher than it was during the global financial crisis. We did not sleep through that. We supported people, we supported jobs, we supported regions and rural areas, and we supported people in communities across this country, no matter whether they were in big cities like Sydney, Melbourne and Brisbane or small country towns in my electorate like Toogoolawah, Lowood and Fernvale.

As previous speakers have said, this is a bill which amends the International Monetary Agreements Act of 1947. It accepts changes made by the IMF executive on new arrangements. It is known as the NAB—new arrangements to borrow—decision. It has the effect of reducing the credit arrangements we have under that arrangement. Following an agreement, we increased, as I said, the IMF quota. We are renewing, as the member for Casey said, the NAB for a further five years, commencing 17 November this year. That is why this bill is timely and needs to be carried by this House and the Senate, and effected. There are changes in relation to the IMF in terms of liquidity and the like.

This is not legislation that deals with any relationship to the contingent $7 billion bilateral loan to the IMF. The Prime Minister announced that in April 2012. Our commitment to the bilateral loan is part of our global effort to increase the resources available to the IMF. It was a commitment that is part of a $455 billion commitment. There were other countries which contributed to that particular commitment—the UK, Japan, China, Germany, France and all countries that felt they had an obligation to do so. The IMF then provides assistance to those economies in trouble. Poor economic outcomes, poverty, disadvantage and discontent lead to conflict, trauma and, at times, sadly, in the history of humanity, war. The IMF has been a force for good throughout its history. We have seen it as something that is important to contribute to. We have seen it as part of the international arrangements.

I saw the member for Wentworth here. I note that he made a comment, which has been provided to me, in relation to an increase in the IMF resources. At the G20 London Summit he said this:

Well the biggest thing they've done, overwhelmingly the most important thing they've done is agreed to commit about a trillion dollars to the International Monetary Fund collectively. Now that's a good measure.

I am pleased that the member for Wentworth thinks that. I am pleased that those opposite do support this legislation, but I am troubled when I hear those opposite talk from time to time about notions and ideas from strange places when it comes to international assistance, whether it is to the IMF or foreign aid. We saw that during the response to the floods crisis in Queensland, when part of the savings measures which they said they would undertake would be a deferral of foreign aid. I do not think that was a good outcome. It seemed to come from One Nation at the time and I was surprised that those opposite thought it was appropriate.

There are some criticisms levelled from time to time by the opposition suggesting that what we are undertaking are IMF loans
Mr Stephen Jones (Throsby) (18:04): I have just had the great benefit of listening to the contribution to this debate from my friend the member for Blair. I find myself in complete union with both the sentiment and the wise words expressed by the member for Blair in his contribution. We are here this evening to discuss an important piece of legislation about an important institution, the International Monetary Fund. As you know, Deputy Speaker, the IMF was established as a critical part of the postwar international architecture—architecture that was established to bring political and economic security to the globe after the ravages of that terrible world war. It has an important function. Its function is to foster cooperation and exchange rate stability, to facilitate the growth in international trade and to assist countries who are undergoing balance of payments difficulties. Importantly, and this is something we know well in this region, it also assists countries to alleviate and lift themselves out of poverty.

The purpose of the bill is to amend the International Monetary Agreements Act 1947. The date of that act is an indication that our membership of this important institution, an institution constituted by 188 member countries, has been one of long standing. We joined it in the aftermath of the Second World War. Of course, the Australian Labor Party was at the forefront of ensuring that we had the appropriate international architecture in place and led the nation through that immediate postwar period. There has been a bipartisan approach to international arrangements ever since.

to Europe, as if somehow the Australian public is intent on and this government is committed to solely bailing out the euro area and some of the countries that I mentioned before. It is untrue. We contribute to the IMF as part of our good international citizenship. The IMF provides assistance, and there are some very strict eligibility and other criteria to its loans and the assistance it gives to countries. It does not just dole out the money willy-nilly. It makes sure that governments act in a responsible and prudent way. It is important that we do that.

I know there has been criticism not just from the right but from some on the left in relation to what we have done, but I think the IMF on balance does contribute well and productively to good economic arrangements and economic development, acting as, I would think, a ballast to keep economies strong in those countries which have suffered. What we are doing in relation to these arrangements today is in line with our membership of the IMF and the World Bank. We are making sure that we meet our obligations arising from the membership of those kinds of institutions.

We are a very fortunate place, Australia. We are, I think all of us would agree, the greatest country in the world. Every time I come back on a plane from overseas I say a prayer and thank the good Lord above for the fact that I was born here in Australia, because of the poverty that you see in some parts of the world and even the challenges that some of our friends in Europe and the US have. We really are blessed in this country, not just with a great climate but with a peaceful democracy. We are blessed with a people that are prepared to work hard, as they did during the global financial crisis. Labour and capital across the whole length and breadth pulled together to get through. We are a great country and we can afford to do great things. Our contribution to the International Monetary Fund as a collective measure shows that we are a compassionate country. It shows we are a generous country. It shows we are a good country, and I am proud to support this legislation.
The purpose of the bill, as I say, is to amend the act to accept changes to the IMF executive board decision which established new arrangements to borrow. It will reduce Australia’s credit arrangement under the NAB once Australia’s agreed IMF quota increase has come into effect. It will renew the NAB for a further five years commencing on 17 November 2012. It will also make other technical changes to facilitate the roll-back of credit arrangements and to protect the fund from associated potential liquidity risks.

I am very interested in the detail of these arrangements. As you would know, Deputy Speaker, the NAB is a voluntary set of credit arrangements between the IMF and a number of its member countries. It allows the IMF to borrow when supplementary resources are needed to forestall or cope with impairment of international monetary system, and it acts as a backstop where the IMF's usual quota resources are insufficient to meet the needs of borrowing member countries.

Australia has been a member of the NAB since it came into effect in 1998. Many might wonder what the NAB is being used for. Since being activated on 21 March 2011, the NAB has been used in conjunction with quota resources on all newly approved IMF programs. Up until August 2012 this included the programs for seven countries, including two programs for euro area countries.

The IMF draws against Australia's quota resources and NAB credit line on an equitable basis with other IMF creditor countries, and only as needed to help meet drawings under other IMF programs with borrowing countries. The IMF borrows from its creditor members with the full backing of its balance sheet and, ultimately, the resources of its global membership. Drawings on Australia—and this is an important point, not always understood—have always been repaid in full and with interest. They are not, as some have sought to characterise them in the past, some form of foreign aid. They are a commercial arrangement, if you like, with a very important purpose in assisting the IMF to fulfil its charter responsibilities. They are a loan which is repaid—to the benefit of Australia and Australian taxpayers—with interest and in full.

I would like to say a little on the background to the changes. The decision made by the G20 leaders in 2009 to increase the size of the NAB was both timely and appropriate. Mr Deputy Speaker, you would recall this was a time of global financial turmoil. It was a necessary step to ensure the confidence that the IMF was fully resourced to play its role in crisis prevention and resolution.

Australia has always been a participant in the NAB. Our commitment under the NAB increase when the expanded NAB came into effect in 2011 is complete. However, the expansion of the NAB raised the fund's reliance on voluntary borrowed resources to an unprecedented high level.

You would also recall, Mr Deputy Speaker, that the IMF—and the NAB—is a quota-based institution—that is to say, the resources of the IMF are levied upon each of the constituent member countries based on the size of those economies. The quotas are reviewed regularly, every five years in fact, and they are increased when it is deemed appropriate to ensure that there is the appropriate proportionality between member countries, and to ensure the monies paid in and lent to the IMF reflect the size and appropriate contribution of each of the constituent country members.

The doubling of IMF quotas and the corresponding rollback in the NAB credit
commitments, which were agreed to in December 2010, maintained the expanded level of IMF resources while reinforcing that the IMF is a quota-based institution. The 2010 quota increase will also enhance the legitimacy and representativeness of the IMF by enabling a shift in quota share and voting power within the IMF to recognise the rapid growth of dynamic and emerging market and developing countries, many of them within our region.

Australia's quota increase was included in the 2011-12 budget. It will take effect when the necessary threshold of consents is received by the IMF, which is not expected until November 2012 at the earliest. Australia, I should say, was one of the first IMF members to consent to the quota increase.

The bill, as previous speakers have noted, needs to be passed swiftly because it is critical that we amend our act to reflect changes in the NAB decision and to ensure that Australia's ability to continue meeting its obligations under the NAB is not put at risk. The amendment to the NAB decision renewing the NAB for a further five years is proposed to take effect from November this year, and the definition of the NAB currently provided in the IMA Act is restricted to the current version of the NAB decision. Consequently, earlier passage will ensure that the standing appropriation that the act provides for in relation to Australia's obligations under the NAB continues to be applicable once the amendments to the NAB decision take effect.

I am pleased to see that this bill will have bipartisan support. As the member for Blair pointed out, it is unfortunate that some have attempted to make some political mileage out of this particular issue over the course of the last 18 months. The member for North Sydney, for example, in a doorstep interview he gave in November last year, attempted to characterise the change in quota arrangements as either some form of irresponsible aid or in some way an irresponsible act by the Australian government to bail out euro zone countries from the unprecedented economic circumstances that they are facing. This is irresponsible in the extreme.

As I have said, our commitments to the IMF have been bipartisan since 1947. There is nothing extraordinary in what we are doing here. The only purposes that were served by the comments of the member for North Sydney in that doorstep interview in November last year were to put a big cloud over the financial credibility of those opposite and to put in some doubt the longstanding bipartisan nature of these bills. So I was very pleased to hear the member for Wentworth, who was in the chamber during part of this debate, affirm his commitment to these arrangements both publicly and in this place. I am pleased to see that perhaps, in the cold light of day, the sorts of comments that were made by the member for North Sydney and shadow Treasurer were nothing more than another one of his intemperate thought bubbles, and we can now move to ensure that this legislation enjoys bipartisan support and swift passage through both houses of parliament. I commend the bill to the House.
will give effect to commitments made as part of the 2010 IMF quota and governance reforms by reducing the NAB by an amount corresponding to the 2010 IMF quota increase.

The quota increase and corresponding NAB rollback will maintain the IMF as a quota based institution by reducing its reliance on voluntary borrowed resources. The NAB acts as a backstop to the normal quota based resources of the IMF by providing the IMF with recourse to borrow from its members when supplementary resources are needed to forestall or cope with an impairment to the international monetary system or to deal with a crisis that threatens the stability of the system.

The amended NAB will reduce the IMF's capacity to borrow from NAB participants by an amount corresponding to the increase in quota resources under the 2010 IMF quota and governance reforms. When the 2010 quota increases come into effect, credit lines under the NAB will be reduced to 182 billion special drawing rights, which is around $260 billion, from the current 370 billion special drawing rights, which is around $530 billion. Australia's maximum contributions under the NAB will fall to 2.2 billion special drawing rights, which is around $3.2 billion, from their current level of 4.4 billion special drawing rights, which is around $6.3 billion.

In addition to reducing the size of the NAB this bill will also reflect agreed amendments to the NAB to facilitate the NAB rollback while avoiding the risk of a temporary negative impact on IMF liquidity. Australia as a small, open economy relies on strong and stable global growth for its continued prosperity. Continued financial and economic uncertainty in Europe and elsewhere and a weakened economic outlook globally makes the role of the IMF in supporting global economic and financial stability much more vital.

Passage of this bill will both maintain and strengthen the IMF's available resource base by reducing the IMF's reliance on voluntary borrowed resources. This will benefit every country, including Australia. I commend the bill to the House.

Question agreed to.

Bill read a second time.

Third Reading

Mr BRADBURY (Lindsay—Assistant Treasurer and Minister Assisting for Deregulation) (18:18): by leave—

That this bill be now read a third time.

Question agreed to.

Bill read a third time.

Electoral and Referendum Amendment (Improving Electoral Procedure) Bill 2012

Second Reading

Debate resumed on the motion:

That this bill be now read a second time.

Mrs BRONWYN BISHOP (Mackellar) (18:18): This bill, euphemistically called 'improving electoral procedure', is a bill where there was an agreement between both the government and opposition parties in the Joint Standing Committee on Electoral Matters, to which the bill was referred, as to the way forward and the way it should be treated. The bill basically deals with postal vote applications, PVAs. It deals with increasing the amount of money to be paid on nomination for the House and for the Senate. It deals with an increase in the number of people required from 50 to 100 for somebody to be nominated who is not a grouped individual. It also deals with the question of the term 'of unsound mind' being in the present legislation, wishing it to be removed in the amending legislation on the
basis that the AEC had recommended it and also some people in the disability movement feel strongly about the term. Currently 'of unsound mind' is the manner in which someone is removed from the roll or from voting.

If I can deal, first, with the question of postal vote applications, the bill centralises the power or the authority to deal with postal vote applications—that is, to send out packages once an application has been made in a centralised manner. It also makes the Electoral Commissioner himself responsible rather than the DROs. That caused concern to me and to the coalition because, although the commissioner has a power to delegate, there is no obligation in the legislation for that delegation to be given to the DROs. I and others were concerned that this could mean that people would not be able to deal with their postal vote applications which, of course, presently is that political parties send out their applications, people respond, they come back to the office of the candidate and then they take them down to the DRO. This enables people to get political information as if they were standing at a polling booth and receiving it as they went in to vote.

However, I did receive from the commissioner an undertaking—he was, as the chairman of the committee pointed out, speaking under oath or the equivalent thereof—that he would delegate his authority to the DROs so that at the coming election postal vote applications will be dealt with in precisely the same manner that they are now. Even the change in the centralisation legislation will not change the way in which the matters are dealt with because in 1999 the Electoral Commissioner obtained legal advice that the centralising of postal vote applications and the sending out of packages was legal under the existing law. So nothing will change in that sense. However, I do believe that the delegation of power to the DROs would be better in some legislative form be it primary or subordinate. But, for the moment, we are accepting the undertaking given by the Electoral Commissioner. There was agreement about the increase in the nomination fee for both the House and for the Senate and there was agreement about the need for 100 people to nominate as distinct from 50 as the law now provides.

When it came to the question of the term 'unsound mind' and therefore incapable of understanding the enrolment and voting process, the committee heard evidence from a number of people. We went back and had a look at a previous report of the joint standing committee's inquiry into the 1996 election when the Electoral Commission gave its opinion that the term should stand and not be changed. We heard other evidence that said it should remain as it is because it at least has a fixed meaning within the law. In any event, if it were changed it would make the ability to exclude people from the roll and from voting easier because the proposal was to increase the number of people who could be qualified to say that the person should be taken off the roll and that would have included a social worker, not just a medical practitioner.

The government has agreed with the recommendations of the joint standing committee that the legislation should remain as it is. The government has agreed that it will, when we get to the consideration in detail stage, remove that part of the act that would change those provisions. I pointed out when I spoke on the tabling of the committee's report that it was a highly unusual report because for once it was a universal or unanimous report. Normally it is a very partisan and political report that we bring down but on this occasion there was agreement; therefore, the opposition will be supporting the government's amendments.
during the consideration in detail stage and will support the bill in that final form.

Dr LEIGH (Fraser) (18:25): When I last spoke in the parliament supporting electoral reform, I noted my genuine delight in welcoming new Fraser residents onto the electoral roll. I spoke of how each month it is my pleasure to send enrolment forms and letters to potential and newly enrolled electors. But if we are to ensure we increase democratic participation we must also make it easier to vote. For the Labor Party, franchise and participation have always been important. Having as many votes as possible count in the next federal election matters to me and that is why this bill is important.

Since the introduction of compulsory voting in 1924, Australian citizens have been discharging their responsibility to elect their state and federal representatives. Voting powerfully symbolises what it is to be part of the democratic process. While the majority of voters still cast their vote in person at a polling booth, more and more are choosing to cast a postal vote. That means we need to make it easier to apply for and process postal votes. In the 2010 election there were over 800,000 postal votes cast. That is in comparison with over 700,000 in 2007; 600,000 in 2004; and about 100,000 in 2001. The same trend that can be seen in my electorate of Fraser can be seen across Australia. The number of postal votes increased by almost 60 per cent since the 2001 election from 3,293 in 2001 to 5,176 in 2010. As more and more people choose the option of postal voting, we need a more effective and efficient system for processing postal votes. We need to make sure that postal voting is a more accessible option and has minimal hassle while ensuring the safeguards that are critical in the electoral process.

The progressive side of politics has a long history of wanting to expand the franchise to ensure as many people as possible can vote and that voting is as straightforward as possible. In his book *Australia's Democracy: a Short History*, John Hirst wrote, 'In 1850 Australia did not look like a country that would rapidly become democratic.' He notes that there was a small band of dedicated democrats who called for a widening of the franchise—albeit that they were then looking at male franchise. He notes that in the space of just six years, 1850 to 1856, the share of adult males in Sydney who could vote rose from 34 per cent to 95 per cent. So in this six-year period in the middle of the 19th century we saw the franchise go from just a third of men to essentially all of them.

Amusingly, Hirst then relates William Wentworth's reaction to the widening of the male franchise. A member of the New South Wales parliament, Wentworth was a conservative landowner who, along with his friends, was appalled at the success of democrats in expanding the franchise. When he ran for the seat of Sydney after a new rule had been introduced where you needed £10 of property to vote, Hirst writes, 'he boldly told the new £10-electors that he would never have given them the vote.' He only just scraped in. He came third in the primaries and only got through on preferences.

The conservative aversion to expanding the franchise in the 19th century is something that we have sadly seen at other moments in history. We saw it with the Eureka Stockade, a powerful movement to which the expansion of electoral rights was central—the fight for the democratic principle of having parliament be representative of the people. And while the miners may have lost the fight on 3 December 1854, they continued to fight for the expansion of the franchise. In 1856 the Victorian parliament mandated white male
suffrage. Peter Lalor went on to become the first member of the Legislative Council for the seat of Ballarat in 1855.

Thanks to those efforts, Australia led the world in expanding the franchise. Women received the vote in New South Wales in 1902 and in Australia from 1903. Indigenous Australians gained the unqualified right to vote in federal elections in 1962. Queensland was the last jurisdiction to permit equal voting rights in 1965.

This bill sits in that proud tradition of expanding the franchise and making it easier to vote. It amends the Commonwealth Electoral Act 1918 and the Referendum (Machinery Provisions) Act 1984 to facilitate online applications and ensure that the Electoral Commissioner may use an automated system to receive and process applications for postal votes. In my last speech on electoral reform, I spoke about improving voter participation through making it easier to be on the electoral roll. This bill takes increasing voter participation another step forward. It will ensure that the Australian Electoral Commission can use automated systems to deal with applications for postal voting as quickly as possible.

The amendments have been written not just to take account of present technology but to allow for future technological changes. Complementary amendments increase the number of nominators for an unendorsed candidate from 50 to 100 electors. There is no change to the law with respect to endorsed candidates. This amendment seeks to strike the right balance between providing the opportunity for all eligible citizens to stand for parliament while at the same time putting in place some reasonable thresholds that candidates must meet.

And that is in order to deal with the practical issues of conducting elections. As we have seen, particularly in the New South Wales upper house, if candidate numbers are unchecked then printing the New South Wales Legislative Council ballot paper in a reasonable font size is going to become a real issue. In their submission to the Joint Standing Committee on Electoral Matters, the Australian Electoral Commission noted that the 2010 New South Wales upper house ballot paper was 1,020 millimetres wide, listing some 84 candidates. It was that size because that was the widest ballot paper the printers could manage to cut. To fit all the candidates, the font was reduced to a size that many voters found difficult to read. In one case, a candidate's surname was split over two lines.

Ultimately when you have ballot papers that are a metre across, and candidates listed in a tiny font, you end up increasing the informal voting rate. That additional complexity acts as a hurdle and ends up making it more difficult for the opinions of the electorate to be given practical effect in the parliament. So this measure puts in place reasonable requirements that a candidate must meet, and that strikes the right balance between allowing citizens to stand for parliament and minimising the complexity.

Labor believes that everyone who is eligible to vote should vote and have their vote count. If we do not have high voter participation then we are not truly representative of our electorate. That progressive tradition of supporting democratic participation is a foundational Labor value.

At the last election, my electorate of Fraser was the second-most populous electorate in Australia—and it is now either the most populous or the second-most populous electorate. Some 94 per cent of enrolled voters in Fraser cast a ballot in 2010. But I want that number to be higher. I want to make it easier to register and lodge a
postal vote in order to make sure that every voter in Fraser has the opportunity to have their voice heard—whether that is for me or for one of my opponents, I want them to participate in the democratic process.

My electorate has a significant proportion of residents who are younger than the national average. That is a result of the many young people who move to Canberra to study at one of the great universities here—whether that is ACU, UNSW at ADFA, the University of Canberra or the Australian National University—or to work in the Australian Public Service. The changes in this bill will make voting easier for younger voters who want to be able to cast a postal vote online. A recent intern in my office, Rebecca Mann, said the suite of electoral reforms we have introduced will make it easier for her. She also pointed out that she may well be in the middle of her year 12 exams when the next election comes around, and this will make it easier for her to get onto the electoral roll without stress. I would like to thank Rebecca for her work in preparing this speech and I would also like to thank Kyneton Morris, another intern in my office, for his research and comments.

Labor wants to ensure that every Australian has a say in their future and the future of their country. In June 2010 the Leader of the Opposition attempted to block legislation that would make it easier for Australians to vote, by lowering the provisional age at which young Australians can register to vote. In response to this, the Member for Eden-Monaro stated:

I think that Tony Abbott needs to explain to the Australian people why he does not want to make it easy for them to enrol and vote in the forthcoming election.

The Labor Party is committed to ensuring that everyone who is eligible has a say in our nation's future. For us democracy is about inclusion and having every Australian represented. We want to make sure we protect and enhance the right of Australians to put their mark on the ballot paper. We want to make it more convenient to vote and make sure that more and more Australians can have their voice heard.

We want all eligible voters to take their part in the 2013 election, because that will be an important election in deciding the future direction of this nation. We want to facilitate online applications, ensure that the Electoral Commissioner can use an automated system to receive and process applications for postal votes in a timely manner and we want to do that because we want to expand access to elections and expand the number of voices that are heard in this great democracy that I am proud to be a representative of. I commend the bill to the House.
know the current government felt that they were too restrictive—but I thought it was fair enough to ask someone who was going on the electoral roll to identify themselves, whether by a birth certificate or a driver's licence and so on. You go into a video shop to get a movie out and you are required to identify yourself, and yet for the most important thing we do in community life—that is, vote—we have a bit of a slapdash attitude.

The other thing I thought was fair enough was that when people came in to vote they could be asked for identification. I do not know the person in question but I heard the story all right. It happened in my electorate. He was going up to have himself ticked off to vote at the last federal election and, as he was standing in the queue, the person in front of him gave his name and address. That is a million-to-one shot: the bloke who was recording a false vote by using someone else's name was one in front of the guy whose name he had subsumed. When the guy said, 'Hey, wait a minute, mate, that's my name,' the guy took off through the door—took off at the speed of a thousand gazelles, as well he might. A lot of that stuff used to go on. I can remember in one election a carload of guys was reputed to have gone to four or five polling booths and voted. You are never likely to catch a group like that, but it does happen that the electoral system is rorted.

Anything that makes the electoral system safer has my support. This bill is going to change the method of postal voting. I think some of the things proposed are probably fair enough. There was one I had some concern about, and that was the centralising of all power in the Electoral Commissioner rather than the DROs, the district returning officers. I understand that that process will probably continue within the department because the Electoral Commissioner under this bill will have the right of delegation. I know the shadow minister at the table—the member for Mackellar—has checked this matter out and she is fairly comfortable with it. That is one thing that had me a bit concerned.

I am always suspicious when you start centralising the process of sending out postal vote applications. It is usually done by local officers, but someone in head office in Brisbane or Sydney says, 'We can do it better than you guys.' I think you, Mr Deputy Speaker, one year had all your postal votes mucked up. The postal vote applications for one of the western New South Wales seats ended up in Maranoa. That sort of thing can happen when you have excessive centralisation. I would hope that, if the Electoral Commission does go to some form of centralisation, they have a very good system. If it is a system that is slower than the current one, then to some extent it will limit democracy.

Over the years, I think, we have had a few silly rules. One was: if you were having a postal vote and you were out in the country, you had to have your application date marked by 5 pm on the day before the election. But out in country areas, you do not have postmen and post offices in every suburb where you can get a letter date stamped; you have the mail contractor who goes from property to property, from little country hamlet to little country hamlet. He might collect up all the mail—he might pick up 50 or 60 letters and little parcels that afternoon—and he goes back in to the town he operates from, but he does not get in until, say, quarter to six or six o'clock. The post office is closed, the postmaster has gone home, and nobody date stamps those things until Monday morning. What happened? All those votes were ruled invalid. In the spirit of things, they had handed their postal votes to the representative of the postal service before 5 pm on the Friday, but lost the technical
stamping of the envelope. I think we need to drive those sorts of things out of the system and have regard for people in the west, in inland Australia or on remote islands and the like.

This bill gives precedence to allowing electronic applications for postal votes. I was a bit nervous about that at first until I thought it through. Providing you have certain identification points so that every man and his dog cannot use your name to get into the electoral system, I suppose it is fair enough. The application for a postal vote has to go to either the Electoral Commission or the DRO’s office, should the Electoral Commissioner delegate it to the DRO, and it is then his or her job to make sure that the application accords with the roll. If it does not accord with the roll, it could be declared invalid.

We are moving into a new technological age in this regard. I support that, but with some ambivalence until this process occurs for the first time and we are able to see its after-effects—for example, whether it leads to rorting or to too many postal votes. I would be happier if it were trialled in, say, one electorate in each state initially just to see how it worked.

The bill deals not only with electronic applications for postal votes but also with the Senate ticket. We have above-the-line voting, which is easy enough, but a lot of people seem to think it is their right to vote below the line in Senate elections. In New South Wales, the ballot paper has reached its maximum size for most printers in Australia. If we get any more candidates, the font size on the ballot paper will be quite small, and that is a problem. To address that, this bill proposes that the deposit required to nominate for a Senate election rise from $1,000 to $2,000. I think a deposit of $2,000 is fair enough to get into the Senate. Further, the number of nominees required for someone to apply to stand for the Senate will increase to 100. If two Independents want to sit on the paper as a team or 'grouped', as it is called, each of them will require 100 nominees. It will not be sufficient to get 100 nominees for the two of them unless they are a formal political party. Similarly, the deposit for the House of Representatives will go up from $500 to $1,000, and the number of nominees required will increase from 50 to 100. I think that is also fair enough, because you do not want a lot of people making a protest on a ballot paper with silly party names, just to make a statement. Elections are far too serious for that sort of nonsense.

There were 84 candidates at the last New South Wales election. If you are voting below the line, that really is an effort. You only have to get two of them wrong—write '68' or '69' twice, or whatever it might be—and your whole ballot paper is invalid. At the last election in New South Wales 42 candidates recorded fewer than 200 votes. Those 42 candidates represented only 0.6 per cent of the total number of people voting. That is something we could help to eliminate.

There were some minor amendments, which I do not think we need to canvass tonight. I think we should concentrate heavily on making sure that the integrity of the roll and the integrity of the postal vote—and also the provisional vote application, which is not subject to this bill—are watched very closely. I hope the committee, in its report after the next election—which, as we know, is only about 12 months away—will be equally rigorous in dealing with these matters.

If I can speak for the opposition and the shadow minister, I say that we accept this bill. We had a little concern about a few
aspects of it, but the shadow minister has talked that through with the Electoral Commissioner to her satisfaction, and on that ground we will support the legislation.

Mr MELHAM (Banks) (18:50): The Electoral and Referendum Amendment (Improving Electoral Procedure) Bill was introduced to the House on 27 June and was referred to the Joint Standing Committee on Electoral Matters. I tabled an advisory report in the House on 16 August 2012. That was a unanimous report and basically recomm–
dended the passing of this legislation after deleting the changes proposed in schedule 3 in relation to the unsound mind provisions and consequential amendments. The term 'unsound mind' and the current requirement for a certificate from a medical practitioner should be retained.

The bill resulted from a government response to the joint standing committee's report into the 2010 federal election, specifically recommendations 12, 31 and 32. I want to have it noted that the committee at no stage recommended the removal of the unsound mind provisions which were first presented in the bill. They were regarded as minor technical amendments and were included in this bill. Subsection 93(8) of the Electoral Act provides:

… A person who:

(a) by reason of being of unsound mind, is incapable of understanding the nature and significance of enrolment and voting; or

(b) has been convicted of treason or treachery and has not been pardoned;

is not entitled to have his or her name placed or retained on any Roll or to vote at any Senate election or House of Representatives election.

That provision has been in the Electoral Act since, I think, 1902. Under this provision, in 2008-09, 5,735 electors were removed; in 2009-10 4,341 electors were removed; in 2010-11, 13,082 electors were removed; and in 2011-12, 5,445 electors were removed. So the provision is being used. The proposed amendments to the Electoral Act recommend omitting 'by reason of being of unsound mind' and substituting 'in the opinion of a qualified person'. Also, in the proposed amendments, the definition of 'qualified person' is expanded to include not just medical practitioners but also psychiatrists, psychologists and social workers.

When the committee examined the existing definitions and asked the Electoral Commission to come back with how many concerns there were with them, no statistics of substance were provided. However, the supplementary submission of the AEC, submission 2.1, said:

The AEC is aware of at least two recent complaints where family members have experienced difficulties in obtaining a medical certificate completed by a Medical Practitioner. One of the complainants also objected to the use of the phrase "unsound mind" in describing their loved-one.

The committee was unanimous in the view that these objections were not sufficient as a basis for changing the existing provision in the Electoral Act and that the provision has been referred to in legislation and is well known.

The other matter that concerned the committee was the expansion of the definition of 'qualified person' from medical practitioners to psychiatrists, psychologists and social workers. We felt that there was an acceptance and respect for certificates issued by medical practitioners. The other thing that concerned me and the committee was that if the new definition were to be adopted, because the definition would be broader it would lead to a greater number of exclusions from the electoral roll. The committee was of the view that the franchise is too important to allow this extension of definition. There has not been a flood of complaints about the
existing definition, the provision is being used and the odd inability of a person to get a medical practitioner to conveniently provide a certificate is not, we believe, a sufficient basis for changing the definition.

It is rare, as the member for Mackellar has said, that the committee is unanimous. I believe that the groups which made submissions—the Electoral Commission and so on—were genuine in doing so. I also believe that in this instance we should be more conservative. I do not believe that the case has been made for a change in the provision, and I commend the government on accepting the joint standing committee's advisory report and believe that an appropriate amendment will come forward. So the redefinitions will be removed from the bill, and there will be a provision inserted on postal votes, on deposits, on the number of people nominating and on other matters. Hopefully, these will be passed unanimously.

I am not being critical of the Electoral Commission or anyone else; it is just that occasionally it is important to take a conservative approach. I understand that the evidence that came before the committee was submitted in good faith; indeed, the disability groups made submissions and supplementary submissions maintaining their objection to the use of the phrase 'of unsound mind'. But the committee has unanimously taken the view that the redefinitions should be removed from the amendments proposed in the new bill.

The member for Mackellar wants to talk about differences on the committee and so on, but I have been on the committee on and off for 22 years, and, whilst we have a bit of a crack at one another within acceptable bounds, I think that the committee is working quite well in shining a spotlight on the Electoral Act and on the Electoral Commission. That is our role. Quite frankly, I think that a lot of what the member for Mackellar says is without substance, and I am sure that she thinks the same about what I say; but we are both members of a transparent committee which works well. There was no caucusing on the question of the redefinitions; as the evidence flowed in front of the committee during the hearings, we all came to the same conclusion pretty quickly. That is evidence of good faith. I as both a member of the government and the chair of a committee never believed that I needed to defend the government at all costs; I thought that there was merit in sticking with the existing provision.

It is unusual for this committee to produce unanimous reports—and so be it. The merits of the competing cases are out there for people to see, and people can take whatever side they want to take. I happen to think that we have one of the best electoral commissions in the world. It contributes to assisting democracy around the world. The officers of the electoral commission, particularly the divisional returning officers, are second to none. They are committed to the electoral system. If there is a problem, it arises as a result of politicians being a bit intransigent and not facilitating recommended changes in legislation. At the end of the day, the commission can only operate off the back of the legislation which passes through this House.

On the provisions in subsection 93(8) of the Electoral Act, the committee has taken a cautious approach and said, 'Let's stick with the existing terminology even though some people might not like it, because fewer people will be disenfranchised and doing so will mean a retention of certainty in the interpretation of the provision.' I am really pleased to see that our unanimous report has been picked up by the government. This fact will, hopefully, mean that the legislation goes through both houses in an amended
form and with the full support of both houses instead of the paranoia which sometimes accompanies the bringing forward of legislation.

Debate interrupted.

ADJOURNMENT

The DEPUTY SPEAKER (Ms AE Burke) (18:59): Order! It being so close to 7 pm, I propose the question:

That the House do now adjourn.

Local Government Super

Mr FLETCHER (Bradfield) (18:59): I am pleased to rise to discuss the question of governance standards in the superannuation sector with particular reference to Local Government Super, the fund with responsibility for over $5 billion of the retirement savings of some 90,000 local government employees in New South Wales. Local Government Super has delivered rather unimpressive returns in the most recent financial year. According to the most recent performance rankings from Chant West, the respected ratings firm, the LGSS Balanced Growth fund ranked 51st out of 62, with a return of minus 0.9 per cent for the year to 30 June 2012.

This raises a number of interesting questions. First, LG Super recently released a media release trumpeting that it had been awarded as Money magazine's Best Green Super Fund 2012. What priority does LG Super attach to green investing as opposed to generating good returns for its members?

Next, LG Super is named as a member of Businesses for a Clean Economy, which ran full-page advertisements in national newspapers in early July expressing support for the carbon tax. Did LG Super contribute to the cost of this advertisement and, if so, how did this serve the interests of members in maximising their retirement savings?

Next, what is the approach being taken by the Investment Committee of LG Super, chaired by a Mr Ian Robertson, of the Development and Environmental Professionals' Association, and on which Mr Sam Byrne, a former Greens councillor on Marrickville Council, also serves? Mr Byrne, the ex Greens councillor, is supposedly an employer representative under the so-called 'equal representation model' under which LG Super unfortunately labours. How can this be meaningful when he is no longer actually on a council?

Next, how representative in reality is the current model for appointing directors, under which four are appointed by the Local Government Association of NSW and the Shires Association of NSW between them, two by the United Services Union, one by the Development and Environmental Professionals' Association and one by the Local Government Engineers' Association? How many of the over 90,000 members of LG Super are members of the Development and Environmental Professionals' Association, which is rather a small union? More broadly, how representative is such a model of the interests of employee members of the scheme, given that unionisation in the local government sector is declining and across the workforce at large stands at only around 18 per cent of employees?

Next, what is the expertise in investment management amongst the eight members of the LG Super board? How many of its eight directors have formal qualifications in, or extensive business experience in, managing large pools of financial assets? With directors receiving fees of between $40,000 and $60,000, do the union officials on this board, such as Mr Graeme Kelly, General Secretary of the United Services Union, and Mr Ian Robertson, Secretary of DEPA, pass on their fees to the union which appointed them, or do they regard the fee as a nice little

CHAMBER
supplement to their earnings as union officials?

LG Super formerly owned half of a company called FuturePlus Financial Services Pty Ltd, before selling it to the Energy Industries Superannuation Scheme. What is the price at which that sale occurred, and how successful an investment was FuturePlus for members of LG Super? For a number of years FuturePlus Financial Services was appointed to provide administration services to LG Super. Was this appointment subject to a competitive market process to test whether the members of these funds were getting the best possible value?

Next, how much did LG Super pay in 2004 when it purchased Local Government Financial Services? Did LG Super inject funds into this company in 2009, and was this a wise use of members’ funds and likely to maximise their retirement savings?

Next, why did APRA refuse to grant a freedom-of-information request made in 2011 by the Northern Sydney Regional Organisation of Councils seeking further information about the nature of reviews conducted by APRA into the operations of LG Super?

Next, why has the Minister for Financial Services and Superannuation, Minister Shorten, refused to act on the recommendations of his government’s own Cooper review regarding governance standards in the superannuation sector, including a recommendation that the so-called equal representation model—which is code for unions having a privileged role in the governance of superannuation funds—should no longer be mandatory? The review also recommended that, where equal representation does apply, there should be at least one-third of directors on the board who are independent and that directors who want to sit on multiple boards must demonstrate to APRA that they do not have any foreseeable conflicts of interest. Has LG Super achieved standards of governance which are satisfactory, given its vital task of stewarding the retirement savings of its members, and would those standards be lifted if Minister Shorten had acted on the recommendations of the Cooper review?

All of these are important questions, and I believe they are questions that members of LG Super and others with an interest in public policy in this area would like to see answers to.

**Employment**

**Queensland Economy**

Mr NEUMANN (Blair) (19:04): Skills Week 2012 runs from 27 August to 2 September. This government has a proud record of investing in jobs, training, skills and education. We have invested $15.6 billion in skills and training over the next four years and $700 million in the National Workforce Development Fund. It is making it easier for businesses and employees to get the training they need. Locally, in my area Local Connections to Work has seen 754 people receive assistance through the Centrelink office in Ipswich, with job placements of 157, and 181 people getting education and training placements.

This stands in stark contrast with the LNP state government in Queensland, where Campbell Newman, the Premier of Queensland, recklessly, irresponsibly and stupidly called Queensland ‘the Spain of Australia’. It is good enough to tell the investors overseas—and Tim Nicholls, the Treasurer, told people in Beijing—that Queensland is a great place in which to invest and a stable and attractive place. And then coalition members in Queensland peddle the myth about a $100 billion debt that Queensland has. In fact, three LNP members of the Legislative Assembly of
Queensland yesterday apologised to the house in Queensland for incorrectly and inaccurately saying this.

It is simply a myth. It was a result of a commission of audit led by a supposedly independent person—that is, Peter Costello, the former coalition Treasurer, who was paid $140,000 to do this. Then they came up with this concocted notion and set about sacking 20,000 public servants, including 4,000 in Health alone. They cannot even get it right in this regard, because they have had to redefine what 'temporary' and 'front-line' services are to make sure that they can sack as many people as they possibly can.

And Campbell's Queensland will become Abbott's Australia if the shadow finance minister has his way, as reported in the Australian Financial Review on page 1 today. He wants to outsource federal government services and activities.

The coalition spokesperson used the word 'duplication' in relation to this. That is code for cuts to jobs, cuts to funding and cuts to services. We are seeing that in Queensland. The Skilling Queenslanders for Work initiative of the Queensland Labor government was one such program. I have here a press release and media story after media story—from the Kilcoy Sentinel of 24 May, from the Queensland Times of 1 June 2012, 10 July 2012 and 11 July 2012, and from the Ipswich Advertiser of 11 July 2012—all praising this program and the funding that has been delivered for jobs and training for young people and for disadvantaged people.

Then on 16 July they got the razor gang out, and John-Paul Langbroek, the Minister for Education, Training and Employment, said that Queensland could not afford this. He said, 'Employment services are the responsibility of federal government'—and this comes from a character who is actually the Minister for Education, Training and Employment. He says they cannot afford it. He calls it a $19 million program. It is interesting: letters were sent out dated 16 July, and he was in the media in Queensland—after praising this program and saying this wonderful service is being delivered—saying that it was a duplication of federal government programs and we should get rid of it.

This was all happening a week before Deloitte Access Economics delivered a report on this program dated 23 July 2012 which said that 57,000 people had got jobs as a result of this program, including 8,500 who would not have got jobs. It will have delivered $6.5 billion to the Queensland economy by 2020—$1.8 billion in extra consumption in the Queensland economy, and $1.2 billion in state government tax revenue. This is a program that is doing its job, cut a week before the report commissioned by the Queensland government actually comes out. $4.5 million in jobs training funding in my electorate has been cut by the Campbell Newman government. That is short-sighted, reckless, irresponsible and a disgrace. They should have a look at themselves. What they are doing to Queensland—in terms of job training and funding and services to health, with jobs going everywhere across the whole state—is a disgrace. (Time expired)

**Afghanistan**

Mrs PRENTICE (Ryan) (19:09): I have spoken on many occasions in this place about the enormous contribution our service men and women make, from my maiden speech, to the many condolence motions—sadly, too many—to the simple recognition of the debt and obligation that we as a nation owe to so many brave Australians. I speak as the daughter of a World War II fighter pilot, the great-granddaughter of Australia's
longest-serving defence minister and the mother of a serving soldier. Most importantly, I speak as the federal member for the electorate of Ryan, covering Gallipoli Barracks at Enoggera, which recently welcomed home around 1,000 soldiers from Afghanistan, including 7 Brigade.

Against this history I was recently honoured to spend some 10 days with our troops in Afghanistan. We all have views on war and on the bravery and courage of those who serve their country, but there is nothing like actually being on the ground with our troops in trying to understand what they face. I cannot overstate the importance of my visit to gaining a better appreciation of their role. Equally, I do not suggest that I gained any more than a glimpse of their challenges. But, as confronting as it was, this visit was invaluable in every way.

I was particularly pleased to be selected for the visit, not least as I had previously participated in operation Talisman Sabre and visited the MRE—mission ready exercise—in Townsville. So I believed I would be prepared for Afghanistan. However, I found the conditions and challenges encountered by our troops considerably more confronting than I had expected.

Like all arrivals we underwent a briefing on how to deal with traumatic injury to ourselves or those around us. We got used to wearing body armour and being alert in a security-conscious environment. The benefit of those lessons was borne out when we later visited the Role 3 Hospital at Kandahar where Australian medical specialists—including surgeons, anaesthetists and nurses—work alongside US teams.

It is well known that if an injured soldier still has a heartbeat when they arrive they have a more than 99 per cent chance of survival, such is the skill and ability of the medical team and the triage at the time of the trauma. When we arrived, a surgical team had just completed a successful five-hour operation on a young American soldier. He had lost two legs and suffered serious facial injuries in an IED attack. Such is the harsh reality of war and such is the sacrifice that is made by the brave soldiers who fight these wars on our behalf.

It is quite clear that Australia is making a major contribution and, as our allies confirm, 'batting above our weight'. We should also be proud of the many key contributions that Australia is undertaking in Uruzgan province, including the construction and opening of major infrastructure projects: roads, schools, health and education facilities, and river crossings. These projects greatly improve the lives of and capability for the local people and assist in the delivery of the Afghanistan International Security Assistance Force's counterinsurgency strategy.

One ongoing concern is whether the local Afghan National Army will be able to maintain complicated equipment and facilities after any troop withdrawal. Literacy levels of locals are a real concern. In Uruzgan province, less than one per cent of Afghani women are able to read and write, which is why the Australian government directly funded the Malalai Girls' School in northern Tarin Kowt. This construction program took some 15 months and cost approximately $1.6 million. The now-opened school contains 23 classrooms and can hold up to 700 students. These projects open up new worlds of opportunities for Afghans. I only regret that as it was still the fighting season we were not permitted outside the wire to see these developments for ourselves.

To conclude, I echo the words of the ISAF Commander, US General Allen, who said that: 'Real progress towards securing a brighter future for the people of Afghanistan
is happening … There are still many challenges ahead, and the road beyond 2014 may be bumpy, but Afghanistan will not be travelling it alone.’

I want to place on record my appreciation of the many senior officers and service men and women who took time out of their hectic schedules to spend with our delegation and who gave us detailed and candid briefings on their many and varied roles. I would also like to especially thank our long-suffering escort officer, Lieutenant Commander Paul Johanson. I also want to thank the ADF for what was a unique experience. I say to the families and friends of our defence personnel serving in Afghanistan that they have every reason to be incredibly proud of their outstanding commitment to our mission.

**Telstra**

Ms SAFFIN (Page) (19:14): Tonight I had planned to highlight a range of wonderful events taking place across my electorate of Page. Instead, I have to come here to speak about the cruelty of Telstra yet again. I cannot comprehend, in all conscience, and neither can other people in my electorate, how the bosses can sit down and look at a map of Australia and say: 'We're going to close some call centres so that we can make yet more profit.' They have picked Goonellabah call centre in Lismore. I understand that there is also one closing in Townsville. The Goonellabah call centre will be axing 116 jobs. That is 116 local people—locals who have their families, their roots, their lives in the Lismore district. Their kids have their schools, their friends, their sport and recreational activities; and kids and families with special needs have services. They are just dumped by Telstra and it is unconscionable.

Today I had a phone hook-up from Parliament House with the state member for Lismore, Thomas George; our mayor of Lismore, Jenny Dowell; and Mary-Rose Abbott from the CPSU, who is the organiser for many of the workers in our region. We had a crisis meeting following the announcement by Telstra. I also had a phone meeting with Terry Watson, a local employment coordinator for our region. We agreed it is just not acceptable for Telstra to axe 116 jobs from a community of our size. Thomas and I are meeting again on Friday to see how we can best support our local people. In the meantime we will each be doing whatever we can to support Telstra employees.

I spoke to Telstra CEO, David Thodey, on Tuesday night and told him the community demanded this decision not be implemented but, given their track record, they will just go ahead. This is a cruel blow coming in the same month as Telstra announced, on their website, massive profits of $3.4 billion. Less than a year ago Telstra awarded CEO David Thodey a $2 million pay rise, along with millions in bonuses for other executives. Good luck to them, if they look after the locals, the workers and the jobs. But it is galling to see that these executives need to be reminded that here in the real world Telstra employees are trying to keep their jobs, so they can pay mortgages and support their families.

I encourage local people to support local jobs, support the community campaign, sign petitions that we have out on the street and let Telstra know that we will not accept this. The petitions that we have out there simply read: 'We the undersigned citizens of the Northern Rivers call upon Telstra Business CEO, Mr David Thodey, to intervene immediately to halt any plan to axe up to 116 jobs of employees at the Telstra call centre in Goonellabah. We further object to Telstra abandoning its workforce in country Australia and moving jobs offshore while recording massive profits, $3.4 billion, and
awarding generous salary increases for executives.'

Also, following conversations with Mary-Rose Abbott, the CPSU organiser, and other people in the community I want to add some information: Telstra workers in Lismore have been doing Foxtel work and undertaking inquiries about billing services. Sixty per cent of calls are complaint calls, so, even if you took away Foxtel work, there is still a need for this complaint service.

Telstra today have redirected that complaints work. It has gone; it has been redirected. Telstra has also hired young workers on six months probation. That ends on 12 October. They announced that they will close this centre on 21 October. These young workers are now concerned that they will not even pass probation. The atmosphere at the call centre is intimidatory, with workers told not to speak out and with human resources personnel standing outside the room provided for the CPSU to speak to workers. I want David Thodey to change that direction immediately. So far, the only redeployment offered has been to Hobart. That is a long way from Lismore—and I can see members opposite nodding at me.

At the centre are a number of married couples, with dual income loss. No way will they pay the mortgage or the rent. How can they do it? One worker has just paid for things that will happen in November—going on holiday, as families do—and now cannot afford that. Foxtel work will go back to Foxtel. They have started advertising for workers on the Gold Coast. If Telstra workers apply for these jobs, they will not get a relocation payment as they are going to another company.

**Biosecurity**

Dr STONE (Murray) (19:19): We are an island continent and that has been very much to our advantage when it comes to quarantine issues. We have managed to have an amazing run. Perhaps it is good luck, but I would like to think that it is also good management. We have not had diseases like BSE, mad cow disease. Rabies is not rampant through the country but, of course, we are always under threat.

When I was recently on a trade mission to Korea and Japan, the thing that was stressed to me again and again was Australia's disease-free status and the importance of that to them in importing our beef and our dairy product. They talked again and again about the fact that Australia did not have to use a lot of chemicals, because we were so disease free. It is a major marketing plus for us.

All of this is in jeopardy if we slash the funds to biosecurity so much that our quarantine services cannot do the work they know themselves they must do to guard against diseases entering this country, whether it is in manufactured product, fresh product or livestock.

Unfortunately, we are again under threat. Would you believe that this time it is from the importation of fresh potatoes. Until now we have never allowed into Australia the importation of fresh, uncooked potatoes. That is because we have been blessed with disease-free status in not having such things as potato cyst nematode, the zebra chip complex or the black wart disease. They are quite romantic names but they would all spell death to the potato industry if these diseases got loose in our country.

Unfortunately, we now have agreement that there is really no big deal or problem with the importation of fresh potatoes from New Zealand. New Zealand has those diseases: the potato cyst nematode, the zebra chip complex and black wart. The biosecurity assessment of the risk associated with those diseases has been totally inadequate. We have strong scientific
evidence which shows that there is an extremely high risk of a fresh potato coming into Australia with soil. The potato is required to be washed. But, unfortunately, you cannot test a fresh potato for the psyllid species which carries some of these diseases unless you actually destroy it. So how are we going to have conveyor belts of potatoes and inspectors of these products who can actually tell whether or not the disease is there without destroying the product? It is a nonsense.

I have to tell you that these diseases, in particular the Candidatus Liberibacter solanacearum, otherwise known as zebra chip disease, also affect tomatoes, eggplants, carrots and capsicum. So if this disease gets loose in Australia we are looking at $1.5 billion worth of fresh vegetable production each year potentially destroyed. Why would any country say: 'That's okay. Let's take the risk. New Zealand is our friend'? I am afraid it is not about friendship; it is not about closer economic relationships. It is about quarantine; it is about biosecurity protection.

The problem for the potato growers is very like the problem the apple and pear growers faced when they were fighting the prospect of fresh apples coming in from New Zealand which could carry apple and pear fire blight. The potato growers are facing a wall of secrecy when it comes to what in fact are the standards and protocols in New Zealand potato packing sheds. Apparently they are not to know. Apparently their inquiries are not valid. Well, the Australian potato growers do need to know in order to assure themselves that the protocols are adequate, because the standards imposed under domestic policy requirements by New Zealand are not the same as Australian protocols. Australia's protocols are in line with the EU directive. So New Zealand's protocols are inadequate. But apparently we are going to say, 'That's okay. We'll stand back and wave the product through.'

AUSVEG, who I trust implicitly in their scientific analysis and the work they have done here, say that the Department of Agriculture, Forestry And Fisheries in PRA—pest risk analysis—consistently put forward statements as fact without providing any references to back up their statements, making it easy for observers to misinterpret fact from opinion. DAFF has continually confused absence of evidence with evidence of absence of a disease. This is inexcusable, especially when DAFF claims that it uses a science based approach to its work. A lack of research into an area does not signify it as an area not worth consideration. So they have to have more rigour. We must have complete objectivity here. Poor science will not do. Our huge industry—(Time expired)

United Nations Relief and Works Agency

Ms PARKE (Fremantle) (19:24): In May the Australian government announced funding over five years to support the work of UNRWA, the United Nations Relief and Works Agency, in serving the health, education and social welfare needs of the Palestinian refugees. While in Canberra in May, after meeting with Foreign Minister Bob Carr, the Commissioner-General of UNRWA, Filippo Grandi, appeared before the foreign affairs subcommittee and also attended a meeting of the UN Parliamentary Group. It is a pity that some of UNRWA's perennial detractors in the parliament were not available to attend these meetings as it is possible that some of their incorrect notions about UNRWA could have been put to rest.

There have been a number of articles attacking UNRWA in the Australian newspaper in recent months, including by Asaf Romirowsky, Daniel Pipes and Greg Sheridan. Unsurprisingly, a letter I wrote to
the *Australian* responding to the attacks was not published, despite the fact that I worked for UNRWA for 2½ years in Gaza from 2002 to 2004.

Firstly, I would like to address the specious argument that refugees who are descendants of the original refugees displaced by the 1948 Arab-Israeli war are somehow 'fake refugees' and that Australia should not be funding assistance to them. It has long been accepted practice in UNHCR, the other UN refugee agency that receives Australian funds, to register descendants of refugees while their political plight remains unresolved. This is grounded in humanitarian principles and refugee practice which Australia has long supported. UNHCR, for example, recognises descendants of refugees as bona fide refugees in many protracted situations, such as the Burmese refugees in Thailand, the Bhutanese refugees in Nepal, the Afghan refugees in Pakistan and the Somali population seeking refuge in neighbouring countries. Moreover, the refugee question is a so-called 'final status issue', and it has long been the policy of the Australian government and, beyond that, the Middle East Quartet, that final status issues must be settled in negotiations between the parties.

Secondly, UNRWA has been accused of 'perpetuating the refugee situation'. That is the fanciful notion that UNRWA itself and its approach to its work are the reason for the continuing existence of Palestinian refugees. Therefore, as the false argument goes, Palestinian refugees and the issues they represent would disappear if UNRWA were dissolved and the refugees became the responsibility of another agency, such as UNHCR. These notions have no foundation. They are contradicted by the established principles and practice of international law and by the realities of the Israel-Palestine conflict and its political context.

Like many other refugee populations, Palestinian refugees emerged from circumstances of armed conflict, forced displacement and dispossession of land. To the present day, and particularly in the occupied Palestinian territory, their state of exile is compounded by human rights violations, intra-Palestinian tensions and economic deprivation. Palestine refugees continue to be refugees because the issues which caused their exile remain outstanding. In reality, it is the failure of the parties to reach a negotiated solution to the underlying political issues that has led to the perpetuation of the refugee question, not UNRWA's continued service provision, without which hundreds of thousands of the most disadvantaged people in the Middle East would be deprived of essential services—a situation that would hardly advance regional stability.

Only by addressing in a just and durable fashion the underlying causes of the conflict—and doing so in accordance with international law and the rights of refugees—can the refugee issue be laid to rest. This is the responsibility of the parties and international political actors. It is wishful, cynical thinking to suppose that Palestinian refugees can be made to go away by dispersing them around the globe or by dissolving the agency established to protect and assist them pending a just and lasting solution to their plight.

Thirdly, I would like to address the despicable claim that UNRWA is 'notoriously corrupt'. This must come as a surprise to UNRWA's many international donors—including its largest donor, the United States. UNRWA's strict internal neutrality measures are monitored through internal and external oversight and auditing, in addition to regular donor reviews. As a former UNRWA lawyer intimately involved
in responding to and participating in such audits, I can attest to how rigorous they are.

With regard to the claim that UNRWA incites terrorism in its textbooks, I note that a US Department of State review of the textbooks used by UNRWA found them to be free of incitement and that the curriculum was 'peaceful' and one in which 'religious and political tolerance was emphasised'. I had the pleasure last year of visiting one of the UNRWA schools in Gaza that is mainstreaming human rights teaching throughout all school years. The students learn about tolerance, peaceful conflict resolution and the Holocaust, among other things.

Despite Australia's generous funding support, UNRWA's financial situation remains parlous. In the absence of a political settlement, the number of refugees coming to UNRWA for services continues to rise and the agency's funding needs grow proportionately. The current instability in the Middle East, including in Syria, is only adding to the emergency UNRWA has to deal with. Meanwhile, UNRWA continues as best it can with its empowering human development work in education, health, relief and social services, thus contributing to calm in the communities in which refugees live. I wholeheartedly support Australia's principled commitment to this important work. (Time expired)

Treloar, Mr John, AM

Mr MORRISON (Cook) (19:29): It is a great privilege to rise in this place this evening to pay tribute to the remarkable life of John Francis Treloar, AM, who sadly passed away on the eve of the London Games, where he had in fact participated as a young athlete in 1948, as part of a new generation who represented fresh hope for a world that had been brutalised by war. John Treloar was a great Australian. He was an Olympian, a successful businessman, a real community man from the shire and, most importantly, a loving father, grandfather and husband. His passing is a great loss to all those who knew and loved him, our shire community and our country.

It was not just John's great achievements in life that made him a great Australian champion. It was the way he lived his life, with love, honesty, integrity, passion and commitment. He was always looking to the future. Above all, John was a fine gentleman, in the true sense of the word, who set a standard that the rest of us can only hope to achieve. John was once asked about his memories of racing at the Helsinki games and he replied, 'You just go hell for bent.' It reminds me of that powerful verse from Hebrews that is equally apt about John:

Let us throw off everything that hinders and ... run with perseverance the race marked out for us.

John is survived by his wife, Jan, his four children, two stepsons and 18 grandchildren. His first great-grandchild is due next month. Jan is with us tonight in the gallery, with John's four children—John, Philip, Geoffrey and Patricia—and other members of John's family. We welcome them here this evening.

At North Sydney Boys High School John excelled in his studies as well as on the track. In 1945, he held the combined high schools records for both the 100 and 200 yard sprints. At the University of Sydney, John was the star sprinter who anchored their invincible relay team and was a hardworking student of electrical and mechanical engineering. Fellow alumni and Olympian Mervyn Finlay recalled at John's memorial service at North Sydney Boys High how he 'genuinely took a personal interest in and supported every one of his team mates in their events'. 'It wasn't just congratulating fellow winners,' he said. 'That was easy. But
it was comforting and supporting those who tried but did not succeed.'

London held a special significance for John, and I am sure he would have been whispering in the ears of those athletes who recently competed, particularly those from the shire. It was there at the 1948 Olympics that he represented his country aged just 20 after training in the United States. At the 1950 Empire Games in Auckland, John walked away a triple gold medallist. One of the fastest men in the world, he became the first Australian man to qualify for an Olympic hundred yard final at the Helsinki Games in 1952. It was a nail-biting finish—he was one of six runners in the final to finish within 0.1 seconds of each other.

John served as President of Athletics New South Wales and later became a life member. He was awarded the Australian Sports Medal and in 2001 was appointed to the Order of Australia. When he came home from the Helsinki games, John worked for his father's business, WJ Treloar and Sons, where he became well known for his 'finish the job' attitude. The company went public in 1962 and under his stewardship grew rapidly. John later teamed up with David Batchen to form LG Equipment, where they worked to develop the LP gas nozzle.

For all John's passions, none matched the passion he exuded for his family and his community. He raised his family in Lilli Pilli and learnt to sail in Port Hacking, though, as Geoffrey remembers, he was much more at home on land than on the water—or in the air, for that matter, as those who flew with him when he was the pilot will tell you.

John was a well-known and well-loved member of our shire community and will be sorely missed—from the crew at the Caringbah Mitre 10 who sold John the tools for his many boathed projects; to the Sutherland District Athletics Club, which he founded; to the Burraneer Rugby Club and John's famous gridiron goal posts that I can recall from my own youth, when I used to play against Burraneer in my rugby days; to the ladies who walked the Caringbah and Woolooware Shore pools with him after he broke his collar bone; to the Cronulla men's Probus Club; and his many fellow Liberal Party members and friends from the Cook FEC.

At John's memorial service, John's brother Hugh gave thanks for his brother's life, and he did so in a prayer which I offer this evening: thanks for the gifts and athletic ability God gave to him, for the way he has touched and changed our lives and the lives of many others. In Mervyn's words, John Treloar ran 'right up to the tape'. As we farewelled John, we stood and clapped to his favourite piece of music, Strauss's Radetzky March—a fitting celebration of a full and joyous life. My wife, Jenny, and I are deeply saddened by John's passing. He left a deep impression on both of us which we will always be grateful for and which we will always treasure. Thank you, John Treloar.

**National Broadband Network**

Ms ROWLAND (Greenway) (19:34): I rise this evening to mention some of the fantastic developments that have been occurring over the past few months in my electorate of Greenway thanks to this government's investment in the National Broadband Network and the positive reaction to these initiatives in my local community. Greenway is located in Sydney's west to north-west, extending from the established areas of Pendle Hill and Blacktown to the brand-new suburbs of The Ponds and Stanhope Gardens on Sydney's urban fringe.

For decades Greenway has been stuck in a broadband lacuna. For years the market failed to invest in my community. Time and again I have had constituents ask me, 'How
can new suburbs be allowed to flourish with deficient connectivity, without such basic things as communications infrastructure? So it is with great anticipation of the benefits that are going to come with the NBN that people are asking not why we are constructing the NBN but when they are going to get it. Indeed, the rollouts in my local area have been continuing. Thanks to this government, the Greenway community will now have access to the high-speed affordable broadband that has long been overdue. And thanks to this government we are seeing the trend of infrastructure deficit, and particularly broadband infrastructure deficit, reversed.

Riverstone in my electorate has suffered from a lack of infrastructure investment for a long time. One of those infrastructure deficits has related to a market failure and decades and decades of policy failure—a failure to realise that this is a growing area of the north-west sector. Governments and the market have simply failed to keep up. It is by recognising this market failure that our government is rectifying this situation and why Riverstone is the site of the first Sydney metro rollout of the National Broadband Network.

As of 1 April this year construction started in Riverstone, rolling out fibre to some 2,800 homes and businesses. In neighbouring Blacktown fibre is currently being rolled out to 11,200 homes and businesses. The three-year plan for the rollout of the NBN will see fibre construction being rolled out to 51,400 businesses and households in my electorate and its surrounds by 2015.

On 28 and 29 June I had the pleasure of joining with two of my local schools who will benefit from the NBN, Mitchell High School in Blacktown and St John's Primary in Riverstone, to tour the NBN Co. Discovery Truck. This was a great opportunity for these students, for businesses and for members of the community more generally to come and see what the NBN is exactly, what it is capable of, how it will work and what opportunities it will open up. There was enormous interest from local residents. High-speed broadband will change the way schools such as Mitchell High and St John's access information and communicate with each other. It will transform education and is the key driver of productivity in our economy in the future. I was also very pleased to host Minister Conroy in Riverstone. He made it out on Monday, 23 February to St John's to look at the fantastic use of technology in learning by the students at St John's. I want to thank the principal, Marion Bell, and Greg Whitby from the Catholic Education Office for taking the time to have that demonstration with us.

On 22 May, I was invited to address the Blacktown Regional Economic and Employment Development Taskforce Inc at Nirimba TAFE in Quakers Hill on the opportunities with the NBN that exist for businesses. I provided my perspective about what is happening around the world and about how businesses can harness high-speed broadband. I had the opportunity to speak to around 60 small business owners from Blacktown communities, focusing in particular on the entrepreneurialism that exists in my local area. Again, there was huge interest arising not only from those who participated but also from the media afterwards.

Increased speed is essential to enabling our small—and big—businesses to be truly innovative, in areas from health applications to education and consumer transactions. Many of these applications and ideas are in their infancy but, as I discussed, there are certainly markets and things that we had not dreamed of even five years ago in terms of
broadband development and what can be offered by it. I am sure we are going to see an enormous boom in innovation and creativity, and I am confident that we are going to see that in Western Sydney.

I also had the pleasure a few weeks ago of opening a new photographic studio in Riverstone, The Good Egg Studio, which I think deserves its own adjournment debate speech, but suffice to say that the owners specifically chose to open in Riverstone because they wanted access to the best high-speed broadband. They took advantage of Riverstone being that site by opening the studio there. It is a great thing for Western Sydney and I commend everything that has been done in this area to the House. (Time expired)

Bruce Highway

Mr CHRISTENSEN (Dawson) (19:40): Shane Summers, his wife, Leanne, their 17-year-old son, Brendan, and their four-year-old daughter, Mia—four lives cut tragically short 13 days ago in another crash on Queensland's Bruce Highway. Eighteen-month-old Damien is in a critical condition in hospital, and the remaining 19-year-old sibling, who was not in the car, is left to deal with an unimaginably difficult and heartbreaking situation. Six days ago, a truck driver was killed in a collision with another truck at Pindi Pindi just north of Mackay. Earlier this week, young Anthony Bezzina was killed when his non-motorised tricycle slammed into a truck, again around the area of The Leap. In the last fortnight there has just been tragedy upon tragedy on the Bruce Highway in my region.

The Calen crash 12 days ago just north of Mackay, which claimed almost the entire family that I mentioned, was one of a series of crashes. Earlier in the year, the Leader of the Nationals and shadow transport minister led a convoy of 13 federal and state coalition MPs travelling the entire 1,600-kilometre length of the Bruce Highway. We met locals, councils, local road users, state MPs, truckies, RACQ representatives, police and ambos all up and down the coastline. They showed us problem areas, such as the flood-prone Goorganga Plains and Sandy Gully, and problems with flooding issues in Rockhampton. They were grateful that 13 state and federal members of parliament would take the time and do the hard yards needed to get a real understanding of the highway, and to set the right priorities.

There was another reaction, that of derision, probably inspired by a bit of jealousy which came from a rapidly diminishing section of the community—that is, the Australian Labor Party. But the more that the Labor peanuts, such as the Minister for Transport and Infrastructure, attacked our convoy, the more the locals grew interested in what we were doing and saying—and the less interested they were in what the government was saying. Like me, the locals are sick of hearing this government's excuses for inaction on the Bruce Highway, excuses like the old chestnut: 'We spent more on it than you did.' The Howard government spent more on the Bruce Highway than the Hawke and Keating governments, but the difference is this: the Hawke and Keating governments drove Australia into a debt of $96 billion, and the Howard government paid that back and then built up a safety buffer of more than $70 billion, which was immediately squandered by this oniomaniac government—

The DEPUTY SPEAKER (Ms AE Burke): The member for Dawson will withdraw that term.

Mr CHRISTENSEN: Oniomaniac? It means you spend too much! But I will withdraw it, Madam Deputy Speaker, if you want me to.
The DEPUTY SPEAKER: I let the other one go through to the keeper, but there is a limit to my patience!

Mr CHRISTENSEN: This is driving us back into the biggest debt that the country has ever seen. We are now at $241 billion, and who knows how low we can go.

The Liberal-National coalition put money into the bank and, at the same time, they put infrastructure on the agenda for the Bruce Highway. They funded such projects as the Ron Camm bridge duplication and many black spot upgrades in my electorate, and they put $70 billion in the bank. Then, on 10 May 2007, the former deputy prime minister Mark Vaile announced the coalition initiative AusLink 2. He said: '$23.2 billion has been committed over future years to the land transport system in Australia—roads and rail—for which we take responsibility. This is to be added to the $15.8 billion that we are currently spending in AusLink 1, a 41 per cent increase in investment into Australia’s land transport system.'

The vast bulk of the money that this government has spent on the Bruce Highway was actually earmarked in then Treasurer Peter Costello's 2007-08 budget, through AusLink 2, which goes right up to now, 2012. And what has this government put into the Bruce Highway that is new? Hardly anything—and today it is nothing. There is no new funding this financial year and no plan for new funding for the Bruce Highway next financial year.

Today, the International Road Assessment Program spokesperson, Rob McInerny, has said that Premier Campbell Newman's crisis management team will find ways to eliminate one- or two-star roads that we have on the Bruce Highway, and that the area we have to start in is Mackay, because that is where people are dying—and I could not agree more. The Leader of the Nationals says that $4 billion is what is required from the federal government to do the job. Mark my words, we in the Liberal-National coalition will get the job done. (Time expired)

Film Screening

Mr HAYES (Fowler) (19:45): Last week I had the honour of hosting the premier screening of a documentary, Defying Deletion, sponsored by the Assyrian Universal Alliance. The film, produced by a young American filmmaker, Andre Anton, depicts the very real and chilling plight of many of the Christian minorities in Iraq, including the Assyrians and Chaldean Catholics, as well as the followers of John the Baptist, the Mandaeans, and other marginalised groups.

I have on a number of occasions spoken in this place of the horrendous situation in which these minorities find themselves, largely following the involvement of the coalition of the willing in Iraq in 2003. They have been exposed to terrible acts of violence and persecution often to the point of death. They have also experienced a systematic loss of culture, heritage and language and are being forced to leave their traditional homelands.

Since 2003, the Catholic Church has estimated that more than one million Christians have fled Iraq, leaving their homes and, in many cases, families in search of basic survival. They have fled to neighbouring Syria, Jordan, Turkey and Egypt just to be met, in some instances, with almost as dire a fate as what they have fled. Recent political unrest in some of these countries has made their circumstances highly distressing. There were even reports a couple of weeks ago of Syria deploying death squads to push back many of the Christian minorities over the border into Iraq.
This worsening state of affairs for the indigenous and Christian minorities in the Middle East made last week's film screening all the more timely and confronting. The screening was also timely considering that it was only last week that in this place we debated Australia's migration laws.

A number of individuals who fled Iraq and who spent time at neighbouring refugee camps were lucky enough to eventually make their way to Australia as refugees. Many actually live in my electorate in Fowler. They waited patiently in the refugee camps for their turn to get a chance at a new life here or in other peace-loving countries that regularly open their doors to refugees on a very much humanitarian basis. Many of them were forced to leave their families behind in hope that one day they would be reunited in a country such as Australia.

These people would like be assured that the change in our immigration policy will remove any advantages or preferential treatment given to those who choose to pay the criminal element, people smugglers, in respect of buying a one-way ticket to this country. They want to know that, if they or their relatives apply for refugee status, they will be treated in an orderly and fair manner by this country. Removing any sort of preferential treatment for irregular boat arrivals through offshore processing was one aspect of the report of the expert panel adopted last week. Another important aspect that will certainly be welcomed by those who are concerned about a genuine humanitarian response includes the decision to increase our refugee intake to 20,000 per year with the eventual aim to increase it to 27,000 in five years. Adopting this recommendation demonstrates the compassion that Australia has towards genuine refugees.

As demonstrated by Mr Anton's film last week, there are a large number of those for whom getting to a country like Australia is the only chance of survival. I would like to thank the film producer, Mr Andre Anton, and Elmer Abbo, who assisted in the production, for travelling all the way from the US to give a voice to those suffering from this awful fate. I would also like to thank Hermiz Shahen, Deputy Secretary-General of the Assyrian Universal Alliance; David David, President of the Assyrian Australian National Federation; and Den Jadro, who accompanied them on the trip to Canberra, for all that they do in fighting for the protection of human rights of Assyrians and other minorities in Iraq.

I would also like to thank all the members who attended the screening last week for demonstrating their support of the struggle of these minorities in Iraq. Madam Deputy Speaker, we have a moral responsibility to help these people find peace. (Time expired)

Northern Territory Election

Mrs GRIGGS (Solomon) (19:50): There are now just three days until Territorians go to the polls. There is a clear choice for Territorians—a tired and deceptive Henderson Labor government that support Prime Minister Julia Gillard's toxic carbon tax or the Country Liberals government led by Terry Mills, who has a solid plan for a secure future for Territorians. Terry Mills and the Country Liberals do not support a carbon tax. The Country Liberals are very proud to have my leader, the honourable Tony Abbott, visit the Northern Territory. This is in stark contrast to Territory Labor, who have abandoned their Labor heritage and their Labor brand, and who definitely do not want Prime Minister Gillard to visit the Territory.

One of the common issues raised with me, despite it not being a federal issue, is antisocial behaviour and the high number of
drunk itinerants in our parks, gardens and streets. As far as I am concerned Labor has had 11 years to remove the itinerant drunks from our parks and gardens, but what have they done? Nothing. It is just another Labor failure. In terms of fixing the itinerant drunks Territorians know that it is not rocket science.

A Terry Mills Country Liberals government will wage a war on itinerant drunks on our streets on Sunday, 26 August. This will be known as Crime Ground Zero in our parks and gardens. We all know that Labor are soft on crime. In contrast the Country Liberals are not. As each day passes during the campaign Territory Labor seem to have become faker and faker. We learnt that they were so desperate to hold onto power, just like the Gillard Labor government, that the Territory Henderson Labor government will do and say anything to stay in power.

Let us face it, they have been deceiving Territorians for 11 years. The latest deception uncovered was that they had been diverting police officers from day-to-day policing to the job of removing itinerant drunks from the streets just to give the impression they were doing something about antisocial behaviour. This follows them being caught out spinning the truth about their record on crime. No amount of spin from the Henderson Labor government will change the fact that crime in the Territory is becoming out of control. Don't Territorians deserve the right to feel safe? Territorians tell me they do not want drunken itinerants on the street. Surely, they deserve that.

A Country Liberals government will give Territorians a government that has a plan to secure the Territory's future. Let us face it, Labor Chief Minister Paul Henderson has already cast his vote by not inviting the Prime Minister, Julia Gillard, to Darwin to support his election campaign. She should have come to the Territory to apologise to the small business operators, the backbone of the Territory, for the impact her toxic carbon tax has had on their businesses. I have been contacted by crocodile farmers, mango farmers, builders, auto gas electricians, cold store operators and air-conditioner retailers who told me that their businesses are significantly under strain because of the carbon tax that Paul Henderson's Labor team support.

We saw in the past dodgy campaign tactics by the Labor Party from the phoney sacking of a senior adviser who tried to stop a story running in the paper to the release of fake crime statistics to cover up the Henderson Labor government's failed banned drinking register. Then there are the claims that the Country Liberals will sack public servants and can the BASSINTHEGRASS festival, how ridiculous—all serious mistruths. Instead of wasting time making up false accusations, the Henderson Labor team should pay more attention to its candidates. This week Labor's Ken Vowles said that the high cost of housing in the Territory was not a concern for locals—what a joke. His comments clearly indicate just how out of touch Labor and Kenny Vowles are with the community and with our cost-of-living pressures. The Country Liberals are serious about the Territory's future and they know what Territorians want. Now is the time to change. It is time for a Country Liberals government.

Kite, Mrs Delcia

Mr LAURIE FERGUSON (Werriwa) (19:54): This evening I want to bear testimony to the life of Delcia Kite, a member of the Legislative Council of New South Wales from 1976 to 1995, and to convey my condolences to her husband, Fred, and children, Raylene, Maureen and Darryl. Delcia Kite was in many senses a
trailblazer. She had an uncharacteristic career in the early 20th century. She was educated at the prestigious Sydney Girls High School and then at the Sydney Technical College, where she focused on engineering and drawing. She was in 1941 employed by the federal Department of the Interior as a draftswoman. Having married Fred, they conducted a wine bar in Granville in Western Sydney, which became the nub of the Granville Central Branch of the Labor Party. It was, amazingly, the longest wine bar licence in the state until recent decades. I remarked that only recently my close friends and party members, Momir and Zora Dodic, conducted a fundraiser at the restaurant there.

Delcia played a crucial role in the preselection struggles of Tom Uren to arrive in this House. Famously, her husband Fred was assaulted by the federal member Charlie Morgan. My father said to Rod Cavalier at the time that that assault was like manna from heaven because it spread throughout the Labor movement and Uren won the preselection ballot. She also played a crucial role in the selection of Pat Flaherty as a local state member for the area. Morgan is famous for the Brown-Fitzpatrick case and the allegations that he was involved in immigration rackets for the Dutch community which led to a royal commission.

Delcia's maiden speech in the Legislative Council in 1976 was very prescient. She made the remark that she was the granddaughter of a shearer who was now in a House where his opponents in the great shearer strikes of the 1890s had previously dominated. Her father himself was a shearer and a publican—perhaps that is why she and her husband went into a wine bar later. She made remarks in that speech which were very prescient given the fact it was in 1976. She strongly emphasised equity for women and talked about the lack of action that occurred on that front. She remarked that in 1958 another MLC had spoken about the need to eliminate discrimination against women and that in the interim all that had happened was the 1972 equal pay case and an inquiry by the federal government in that area. She denounced discrimination against women.

Very interestingly, she talked about the question of sustainable development, and whether the world will be forced by circumstance and the deteriorating environment to do things. Quite frankly, as we all know, that was very much ahead of its time. She said:

This poses the question; does this mean that the change in will be forced upon us by the external events by catastrophe instead of calculation?

As I say, she was hitting some big issues there. She was a close political colleague of my father and was a member with him in the Historic Houses Trust of New South Wales. She played an axiomatic role in New South Wales politics at a time when to be on the left of the party or the right of the party actually meant something. She was in the central executive of the Labor women’s committee from 1970 to 1978 when that organisation represented hundreds of people at the annual conference—before it was closed down for being a bit too unruly as far as the dominant forces in the party thought.

I spoke earlier about where her husband was assaulted by the federal member and the results of that. Ironically, in the same branch decades later we also had manna from heaven when a major attack on Tom Uren's control and representation of the area was somewhat stymied when Mr Samir Makhari was picked up with $1 million worth of heroin in his car and was the major initiator of branch stacking in the area. I not only raise the question of Delcia's life, her contribution to the Labor movement and her stresses on issues long before they became
more popular in society but use this as a warning for the Labor Party when it associates with people such as the person I just specified.

Granville Central Branch has been a very historic branch of the party. Good Street Granville could in the future once again hit the headlines if the party is not careful to disassociate itself from elements that can only bring damage to the party. We saw the serious assault upon Peter Baldwin because of the same connections with these elements. I salute Delcia Kite for her role in the party. She was a woman before her time in her career. She was a woman who played a strong role not only in the western suburbs of Sydney but also in the eastern suburbs. Her husband and father also did something that was before their time: renovating houses and selling them off later. *(Time expired)*

**House adjourned 20:00**

**NOTICES**

The following notices were given:

**Mr Bradbury** to present a Bill for an Act to establish the Australian Charities and Not-for-profits Commission and a national regulatory framework for the not-for-profit sector, and for related purposes (Australian Charities and Not-for-profits Commission Bill 2012).

**Mr Crean** to present a Bill for an Act to establish the National Portrait Gallery of Australia, and for related purposes (National Portrait Gallery of Australia Bill 2012).

**Mr Crean** to present a Bill for an Act to deal with consequential and transitional matters in connection with the National Portrait Gallery of Australia Act 2012, and for related purposes (National Portrait Gallery of Australia (Consequential and Transitional Provisions) Bill 2012).

**Mr Gray** to move—

That, in accordance with the provisions of the Public Works Committee Act 1969, it is expedient to carry out the following proposed work which was referred to the Parliamentary Standing Committee on Public Works and on which the committee has duly reported to Parliament: Integrated fit out of new leased premises for the Australian Taxation Office at the site known as 913 Whitehorse Road, Box Hill, Victoria.

**Mr Gray** to move—

That, in accordance with the provisions of the Public Works Committee Act 1969, it is expedient to carry out the following proposed work which was referred to the Parliamentary Standing Committee on Public Works and on which the committee has duly reported to Parliament: Development and construction of housing for Defence members and their families at Lindfield, NSW.

**Mr Gray** to move—

That, in accordance with the provisions of the Public Works Committee Act 1969, it is expedient to carry out the following proposed work which was referred to the Parliamentary Standing Committee on Public Works and on which the committee has duly reported to Parliament: Development and construction of housing for Defence members and their families at Weston Creek, ACT.
The DEPUTY SPEAKER (Hon. BC Scott) took the chair at 09:30.

CONSTITUENCY STATEMENTS

Carbon Pricing

Mr JOHN COBB (Calare) (09:30): I rise today to discuss how much this Labor government's toxic carbon tax is hurting local business and, in particular, local business in the Calare electorate.

The shadow Treasurer and I recently visited businesses in Calare to talk about the carbon tax. One was Village Meats in Bathurst, run by George Kusely and his family. They own three butcher shops in Bathurst and Lithgow, and a beef stud, Speckle Park, and they employ more than 30 local people. What George had to tell us about the impact of the carbon tax was horrendous. Electricity bills are up 18 per cent; killing costs at the abattoir are up five per cent; and everything from freight costs to the cost of cardboard boxes is increasing. In George's words, the cost of the carbon tax is 'never ending'. But worst of all, George says, is the increased cost of refrigeration and cold storage. For one of George's smaller coolrooms—he has six altogether—a recent refill of refrigerant gases cost $377. That is up from $108, an increase of more than 300 per cent.

Those opposite try to defend their toxic tax by saying people should report dramatic increases in bills to the ACCC. Well, that will not work this time. The incompetent lot opposite did not think about the impact of the carbon tax on cold storage when they constructed this scheme. It never crossed their minds. This is what local newspaper the Central Western Daily reported when the Greens leader visited Calare in April this year:

The cost of cool storage, which growers estimate could rise by several thousand dollars per year under the carbon tax, was one aspect which Senator Milne admits may have been overlooked by the Multi-Party Climate Change Committee on which she sat.

That is the end of the quote, but I think it is worth repeating:

The cost of cool storage, which growers estimate could rise by several thousand dollars per year under the carbon tax, was one aspect which Senator Milne—

that is, the Leader of the Australian Greens—

admits may have been overlooked by the Multi-Party Climate Change Committee on which she sat.

The multiparty committee, as I recall, consisted of the government and the Greens, with a couple of Independents thrown in for good measure. For this Labor government to blame anyone but itself for the outrageous increase in refrigerant and cold storage costs is blatantly deceitful.

Bielski, Ms Joan Margaret, AO

Ms PLIBERSEK (Sydney—Minister for Health) (09:33): I rise on a very sad note this morning to talk about the death of Joan Margaret Bielski, nee Ward, who passed away at the age of 88 on Friday, 17 August 2012. She was a feminist and activist to the end. I am very proud to have worked with her on many issues of importance to women and I am very grateful to her and to her generation of feminists who did so much for equality between men and women in Australia. I should also take this opportunity to mention that Delcia Kite, a
former member of the New South Wales Parliament, also passed away, but I know that Delcia's friends and colleagues in New South Wales will pay tribute to her, so I will concentrate on Joan Bielski.

Born in Narrabri, New South Wales, in 1923, Joan Bielski left school early, without gaining a leaving certificate, like many of her generation. Yet, after serving in the Air Force, she went on to graduate from the University of Sydney with a Bachelor of Arts in 1949, majoring in history and economics. Joan Bielski's lifetime of advocacy began in earnest in the 1950s, with her calls for equal pay for women. It is hard for girls of my daughter's generation or my niece's generation to imagine that there was a time when women were legally paid less than men and people made an argument in the community that paying men and women equally would mean 'the end of our economy as we know it'.

In the 1960s, Joan worked on migrant welfare issues and was a member of the committee which led to the founding of the Council for Civil Liberties in 1963. In the early 1970s, Joan became involved in local resident advocacy, eventually becoming the New South Wales president of Resident Action Groups. In 1972, she was a founding member of Women's Electoral Lobby Australia, WEL. She led and worked with others to make submissions to the 1973 federal commission of inquiry into poverty, which resulted in legislative changes recognising the special needs of single parents and their children. WEL also worked to propose the establishment of the Women's Coordination Unit within the New South Wales government in 1975 and Joan worked to document and lobby for the enactment of anti-discrimination legislation which was passed in 1976.

In 1988, Joan Bielski was made a Member of the Order of Australia for services to women and girls, especially in education. In 1992 Joan Bielski led the establishment of Women into Politics Inc., a coalition of national women's organisations with the objective of increasing the number of women in Australian parliaments. Joan said of her own life:

My life's work has convinced me that in a democratic society those without power but with the will and the skill and with a case presented with reasoned advocacy can affect reform.

Joan spent her life working for a fairer society in Australia and for equality between men and women. She helped people right across Australia to lead better lives. I pay tribute to her life's work.

Lifeline Australia

Mr ALEXANDER (Bennelong) (09:36): I rise to promote the great community work done by Lifeline and to act as ambassador for this noble cause. For the past 49 years, Lifeline has been at the forefront of suicide prevention, now boasting 43 Lifeline centres and operating in 19 nations to spread the message that most suicides are preventable. Lifeline's Out of the Shadows campaign provides a very simple yet powerful message to all Australians with mental illness and to all those who may know someone experiencing it. The message is: come out of the shadows and seek help, because you are not alone.

In Australia it is estimated that 65,000 people attempt suicide every year. Tragically, every day, six people take their own lives. Lifeline receives 1,250 calls every day from people who need crisis support, to express their anguish or just to have someone to talk to. A simple conversation can make a difference to someone who is in the darkness, as it can be a source of light or hope.
Suicide prevention can be addressed at different levels in Australia, starting with a change in the community's attitude towards mental illness. For those who are in the dark, social stigmas create a barrier to seeking help. Amongst Australians aged 15 to 44, suicide continues to be the leading cause of death, accounting for one in every four deaths. Males commit suicide at the rate of 16 per 100,000 compared with 4.5 per 100,000 for females. As it is thought unmanly to express emotions, men are far less likely to seek help. As community leaders, we must share the message that we are only human and that it is in our nature to react to grief, to feel pain or to cry about loss. It is not a sign of weakness. As men, we tend to forget that message.

World Suicide Prevention Day is on 10 September. The theme this year is 'suicide prevention across the globe: strengthening protective factors and instilling hope.' I urge all my parliamentary colleagues to participate in or host activities as part of the event and to look out for a Lifeline Out of the Shadows walk in their community. For more information visit www.outoftheshadows.org.au.

Most suicides are preventable and we all have a role to play. The best method of increasing awareness is through looking out for your mates and promoting that there is a 24/7 confidential and non-judgemental phone service out there if they need help. We need to encourage people to step out of the shadows and into the light—because they are not alone—and to support organisations like Lifeline which perform such an important role in our community.

Deakin Electorate: Taralye

Mr SYMON (Deakin) (09:39): As many constituents in my electorate of Deakin would know, Taralye is a centre for deaf children. It provides oral language training, especially for young children. It also provides services to hearing impaired children, right through to the age of 18, and their families throughout the state. Taralye is a not-for-profit organisation which has a great reputation not only locally but across the state. It opened in 1968 and has been on the site in Blackburn since 1979. At the moment, it has 230 students and, it being a mixed facility, only one-quarter of those students are actually hearing impaired. That is because part of their philosophy is to put particular emphasis on making sure that children with hearing impediments go into an environment with those who do not—so that when they go to school they have a head start instead of having to deal with being dropped into a completely different environment.

Being a not-for-profit organisation, Taralye are always on the lookout for more funding. Every year they hold a very successful market day at their premises at 137 Blackburn Road, Blackburn. There are local stalls, including handicrafts, and lots of local people who get out to support an organisation which do great work in our community. This year, as I have done in some previous years, I will be attending on the day and hopefully will get to cut the ribbon in the sunshine and not in the rain. At the market day people from surrounding areas, who may not have come into contact with Taralye, get an opportunity to come along and help out. It is a service that our society cannot do without.

Statistics show that more than 90 per cent of deaf children are born to parents who have normal hearing. A lot of the training that Taralye does is not with deaf children but with their parents—how to deal with that disability. That training is very important; without it, the
family misses out. Every year, over 6,000 audiological assessments are done at Taralye and that is also very important work.

This Saturday, 25 August 2012, from 10 am to 3 pm, the Taralye Market Day will be operating at 137 Blackburn Road, Blackburn. Taralye receive only 44 per cent of their funding from the government. The rest comes from fantastic endeavours like the day to come on Saturday. They need to raise approximately $1.3 million a year to provide these services to children with impaired hearing.

**Battle of Long Tan**

**Mrs MARKUS** (Macquarie) (09:42): 18 August 2012 marked the 46th anniversary of the Battle of Long Tan and, as many of us would know, 50 years since the first Australian troops arrived on Vietnam's soil in 1962. Commemorative ceremonies were held across our communities over the weekend. I know many in this House attended. The ceremonies gave us the opportunity to pause, to reflect and to bring to front of mind the sacrifices of Australians who served during the Vietnam War. On Saturday and Sunday I joined Vietnam veterans, their families, current serving personnel who call Hawkesbury and the Blue Mountains home and their families to honour their service and sacrifice in our nation's name.

The Australian Army Training Team Vietnam was sent to South Vietnam in July 1962 to train and support South Vietnamese troops. Over a decade, of the 60,000 Australians who served, 521 of our finest were killed in action and more than 3,000 were wounded in action. All who returned home did so changed forever.

I wish to make special mention of the Mountains Vietnam Veterans and Associated Forces Incorporated for their outstanding contribution in planning and coordinating the Memorial Day Parade and service at Springwood. This is one of the largest services across Greater Western Sydney and the Blue Mountains. It brings service organisations, veterans and those currently serving from all around our local communities. This year the special guest was Ms Sandra Lee, journalist and author of the book *Saving Private Sarbi: the true story of Australia’s canine war hero*, as well as the explosive detection dog Sarbi and her handler. It was a privilege to also have a contingent of explosive detection dogs and their handlers leading the parade. This was an opportunity to acknowledge the valuable and dangerous role that these dedicated soldiers and their dogs play in operations.

This year was an opportunity to acknowledge the role of the RAAF, with two Vietnam-era Caribou aircraft doing a low-level flyover during the parade. These aircraft have been decommissioned from RAAF service and the flyover was courtesy of the Historical Aircraft Restoration Society.

I honour all those who served in Vietnam and all those who worked towards making the weekend such a successful commemorative event. *(Time expired)*

**Indigenous Employment: Australian Public Service**

**Dr LEIGH** (Fraser) (09:45): As a member representing an electorate with a large number of public servants, I rise to speak about the employment of Indigenous Australians in the Australian Public Service. The government has set a target to increase Aboriginal and Torres Strait Islander employment in the APS from 2.2 per cent in 2010 to 2.7 per cent by 2015. We are working through COAG to make sure similar goals are met in the states and territories. Disturbingly, the *State of the service report 2010-11* noted a decrease in Indigenous
employees from 3,383 to 3,236 in that financial year—a four per cent drop. That was the first fall in the number of Indigenous public servants since 2008.

I commend the Attorney-General’s Department, the Department of Immigration and Citizenship, the Department of Health and Ageing, the Bureau of Meteorology and Screen Australia for their specific commitments to the COAG target of 2.7 per cent for Indigenous employment. The Department of Human Services also commits to a target for attracting and retaining employees who identify as a member of a diverse group.

This issue received some attention at the recent ACT Labor Party conference, where delegates called on the government to provide details on progress towards the COAG targets, to ensure greater opportunities for training and development and to ensure career pathways are provided for new and existing Indigenous employees. It is also vital that pay issues be addressed and that opportunities be provided in mainstream agencies and in non-metropolitan and remote areas.

I have written to all ministers seeking their advice on how we might together work to meet the 2015 target. I would like to thank the Community and Public Sector Union and particularly Elizabeth Hay for their work in supporting Indigenous employment in the Australian Public Service. The National Aboriginal and Torres Strait Islander Cabinet gives Aboriginal and Torres Strait Islander members, delegates and activists a strong voice in the CPSU. NATSIC is about making sure that Indigenous people have a real say in the union’s agenda. In the ACT, I particularly acknowledge the work of Duncan Smith, who is a tireless advocate for the needs of Indigenous Australians. We need more Duncan Smiths in the ACT.

Indigenous Australians have made an extraordinary contribution to Australia, and I hope that they will form an even larger proportion of the Public Service in coming years.

**Road Infrastructure: Roe Highway**

**Dr JENSEN** (Tangney) (09:48): I would like to update the House on an issue of major and immediate importance to my electorate of Tangney. Section 8 of Roe Highway is a much-needed extension to an arterial road link in the WA transport network. Under the stewardship of the Liberal state government, economic growth is 14.5 per cent. Our main stumbling block is the misguided and myopic ideology of Labor. They have become a party of no, nay, never. If this project is not built, the number of trucks on Leach Highway will continue to increase, Kwinana Freeway will become more congested and access to the new Fiona Stanley Hospital will be severely restricted. Federal government funding will be needed to ensure the whole project is built. The new Fiona Stanley Hospital and Murdoch Activity Centre will place extra pressure on the road network in the area.

Fremantle’s harbour is forecast to reach capacity within the next decade, doubling to 1.2 million containers per year. The efficiency of transport will suffer unless Roe 8 is built, causing significant damage to the state’s economy. Twenty per cent of Western Australia’s economy is linked to trade going in and out of Fremantle. Heavy vehicles and other road freight transport account for around 22 per cent of traffic on key access routes to the Fremantle Ports inner harbour.

Roe 8 would be a purpose-built highway, allowing these heavy vehicles to be removed from residential and commercial areas, thereby reducing the danger they pose. Stage 8 is forecast to service 55,000 to 75,000 vehicles a day in 2031, vehicles that would otherwise be required to
travel along existing roads—namely, Leach Highway and South Street. The Roe Highway extension will provide a route designed for the safe and efficient movement of these heavy vehicles which will be north of 6,000 vehicles a day.

The Roe 8 extension requires a Commonwealth funding contribution, just as the Commonwealth has contributed to previous extensions of the Roe Highway. WA is a booming economy, attracting people from all over the world to live and work. Roe 8 will service an area known as the Western Trade Coast. This corridor turns over some $16 billion and employs some 15,000 people, and will double in another five years. The infrastructure needs to be put in place. The crux of the issue is sustainability. Everyone here knows that if we fail to plan then we plan to fail. Let that not be the future.

**Corio Electorate: Railway Station**

Mr MARLES (Corio—Parliamentary Secretary for Pacific Island Affairs and Parliamentary Secretary for Foreign Affairs) (09:51): When we think about what makes a city liveable, safe and reliable, public transport services are among the top of the list. But among Geelong's six train stations, we have what I would say has to be one of the worst train stations in Victoria. Corio train station is wedged within a narrow stretch of land next to the Shell refinery. The building sits isolated beside a poorly maintained car park on a no-through road. Unmanned and poorly lit, it hardly invites usage. In fact, the vandalised location sign on School Road makes the station hard to find unless you know it is there. The station is not on a bus route. I have even heard stories of taxis refusing to pick up passengers there.

In a city such as ours, to have a station so poorly regarded really is a disgrace. A well-serviced station would improve access to Melbourne, as well as Geelong, for passengers in Geelong's northern suburbs. The trip from Corio station to Geelong station takes just nine minutes, much quicker than the bus, which can take up to 40 minutes from the CBD to Corio village shopping centre. Indeed, it is concerning to me that suburbs such as Norlane and Corio, where the need for public transport is arguably the greatest, are the least well serviced by trains. Corio station would be better patronised if it was safer to use and easier to reach. The station faces the wrong way, reflecting its history of servicing Shell's old Narita Gardens and Geelong Grammar School. Narita Gardens no longer exists and Geelong Grammar kids perhaps do not use the station as they used to.

The opportunity now is for the station to service the people of Geelong's north, who are so poorly serviced by public transport. To do that, the station needs to be turned around, face Corio, and improved pedestrian access opened up through to Melbourne Road. As one of the landholders in the area, the subject has been raised with Shell itself, and I am pleased to say they are happy to have the conversation. Similar issues of safety exist in relation to North Shore station. This station is the face of Geelong on the Melbourne to Adelaide run. We have to thank the volunteers who welcome the Overland services week in and week out, and ensure no passenger is left unattended. They really deserve our deepest appreciation for their kindness and commitment.

There is no welcome committee at Corio station, which is even more isolated than North Shore. If the Victorian Liberal government is serious about addressing the issues of disadvantage in Geelong's north, then investing in improvements to Corio train station should be part of the priority list. Good public transport improves access to jobs and support
networks. It also creates a sense of belonging and ownership in a community. Everyone deserves to feel that about their city.

Swan Electorate: Roads

Mr IRONS (Swan) (09:53): I rise to update the chamber on my ongoing campaign for a Manning Road on-ramp to be built in my electorate of Swan. It was interesting listening to the parliamentary secretary talk about his train station. I welcome him next time he is in Western Australia to come and look at the 'crime line' that runs through my electorate of Swan, and his station that he spoke about sounds very similar to my Burswood station. I have sympathy and empathy for his situation. It is also interesting that the previous member from the coalition, the member for Tangney, spoke about roads and infrastructure in Western Australia, because that is exactly what my issue is about as well.

It is an important local issue in my electorate and one that I have championed over a number of years. Manning Road is a major road that runs through the south of the Swan electorate and connects residents to the Kwinana Freeway which is the central freeway through to Perth and other major hubs in the metropolitan area.

As many of my constituents are aware, any car wishing to join the Kwinana Freeway going south from Manning Road has to negotiate a tricky stretch of road and do a loop around the freeway that involves merging and lane-changing back across the Canning bridge, and then heading south onto the Kwinana Freeway. The stretch of road is extremely dangerous, particularly during peak hour, and has been a constant cause of frustration for commuters from the area for over 20 years. A lingering frustration for residents is that they can easily travel north up the freeway from Manning Road, but they must add up to 15 minutes extra to their trip if they choose to travel south because they need to drive up the freeway, turn off at the next exit and then turn back around onto the south on-ramp.

My campaign for an on-ramp connecting Manning Road and Kwinana Freeway south would fix this problem. I note that the local state Liberal member, John McGrath MLA, has been an equally strong advocate for fixing this problem. John and I are hopeful that together we can get state and federal support to fix this long overdue piece of infrastructure. At the last election I was pleased to be able to launch a Liberal election commitment of $10 million towards the construction of the on-ramp. I note that my Labor opponent also called for this infrastructure to be implemented but got no commitment for it from the Labor Party. Unfortunately, we did not have the opportunity to form government after the last election and the government has not made any moves towards the on-ramp in this term, so the residents of Manning and the people in my electorate still have to wait. I received great feedback on our election commitment towards the on-ramp and many people have contacted me since to ask for an update.

On Saturday, I hosted the member for Gippsland and shadow parliamentary secretary for roads and regional infrastructure in Swan. The member for Gippsland enjoyed his visit to Swan and hearing about some of the local issues I am working on in the electorate. I took the member for Gippsland to the proposed site of the Manning Road on-ramp and was able to show him firsthand some of the problems created by the current state of the roads. The on-ramp should be built. We have been waiting for 20 years and I remain committed to making sure that this happens.
Mr DANBY (Melbourne Ports) (09:56): I am indebted to the Chinese writer Ma Jian, whose novel *Beijing Coma* was recently published, for his commentary in today's *Australian* on the trial and conviction of Gu Kailai, the wife of the Chinese Communist Party boss Bo Xilai. Many in the Chinese leadership fear Bo Xilai will become the new Chairman Mao of China by a coup or a putsch. Gu Kailai would have become the new Madam Mao. In Ma Jian's column this morning, he explains the background to her murder trial. She has been convicted of the murder of her former partner, British businessman Neil Heywood. He quotes her book where Gu Kailai says:

> Chinese lawyers would not quibble over the meaning of each little word—

> compared to her experience in the United States, where she also practised briefly as a lawyer—

> Once they are sure that you murdered someone, you will be arrested, judged and executed by firing squad!

Of course in her privileged case, despite the fact that she has been convicted of murder and despite the fact that that is the standard practice in China, where more than 3,000 people face capital punishment each year, she will not face execution. She is a typical paradigm of the Maoist mentality and communist notions of legality. She failed the entrance exam at the Beijing university; nonetheless, she was granted an exception and admitted to study law soon after the Communist Party restored law departments at various universities. Before that, she sold pork in the market, according to Ma Jian, where she earned the nickname 'Yi dao zhun', which means she could hack off a slice of meat with one blow. That does not seem to be a high qualification for getting into a law course at Beijing university, but perhaps it does explain the mentality which led to the death of Mr Heywood.

There is a monolithic system of justice that is unjust in China, where great people like the artist Ai Weiwei are persecuted and people who are an adornment to China and to Chinese culture like the writer Liu Xiabo, the first Chinese to win the Nobel Peace Prize, are in jail. These are the people who, in my view, represent the great civilisation of China, not the hacks and the former pork marketeers who become lawyers and then apparent wives of chairman of the Communist Party wannabes.

The DEPUTY SPEAKER (Hon. BC Scott): Order! In accordance with standing order 193, the time for constituency statements has concluded.

### BILLS

**Customs Amendment (Smuggled Tobacco) Bill 2012**

Second Reading

Debate resumed on the motion:

That this bill be now read a second time.

Mr KEENAN (Stirling) (10:00): The coalition welcome the opportunity to support the Customs Amendment (Smuggled Tobacco) Bill 2012 but it is important to note that the bill has been debated in the wake of the Labor government's inconsistent and incompetent handling of this issue. While the Attorney-General is on a tobacco plain-packaging crusade and while her government introduced a rushed budget measure to ban duty-free tobacco, the
Attorney is not willing to admit that tobacco smuggling is a problem in Australia, despite introducing a bill to that effect.

In the Attorney's second reading speech, she said that to date tobacco smuggling had not represented a major threat in Australia. It would seem contradictory to the opposition that we are debating this bill today if, according to the government, there is no particular threat posed by tobacco smuggling. This is clearly an issue the government is in denial on and it is refusing to address with any real conviction or action.

In the 2009-10 budget Labor cut funding for the Customs cargo screening program by $58.1 million. That is an enormous cut and the result is that the number of sea cargo inspections has been cut by 25 per cent and air cargo inspections reduced by a staggering 75 per cent. With less cargo being screened, there is a greater opportunity for illicit tobacco to be smuggled through our borders and indeed a greater opportunity for a lot of illicit materials, such as illicit guns, drugs and the precursors to drugs. The problem with these cuts is that they give criminals much better odds of being able to bring contraband into Australia. That should be condemned by everybody in this parliament. I note very strongly that the coalition will reverse this cut and make sure that Customs can screen cargo when it crosses our borders in a way that we would expect them to do to protect Australia from what might come over our borders.

The industry commissioned a report by Deloitte on the illicit trade of tobacco in Australia and it confirmed that illegal tobacco was a significant problem. The report found that the illicit market in Australia in 2011 was estimated to be a total of 2.26 million kilograms of tobacco, which is equivalent to 13.4 per cent of the estimated legal tobacco market. It is estimated that this represents forgone tobacco excise revenue of approximately $1 billion based on current excise rates.

While figures on the illegal tobacco market will vary and, clearly, it is difficult to find the appropriate methodology to assess how large this market is, we do have very strong indications that this is a problem and that illegal tobacco is smuggled through our borders. It is fair to say, as opposed to what the government is saying, that there is plenty of evidence to suggest that this is a significant problem, regardless of whether or not you accept the industry's findings holus bolus—and Deloitte is a respected firm. You can quibble about methodologies and the figures—it is nonsensical to say this is not an issue in Australia—but anyone who has been through a Customs warehouse will attest to the fact that they all smell of tobacco. Customs does intercept some illegal tobacco but, sadly, with the resourcing cuts that it has been subjected to, probably not enough.

The coalition supports measures that help reduce instances of smoking in Australia. But the government's duty-free tobacco ban, which is another one of those measures that is a good idea to the Labor Party but is completely bungled in its execution, has been handled in the Labor Party's typical bungled way. Sadly, this incompetence is characteristic of this government. Like most of the Labor Party's policies, the duty-free tobacco ban has been rushed and poorly planned. For example, the industry estimates the cost of emergency reprinting of landing cards will be $10 million. This has not been budgeted for and it is just a small example of the chaos that will ensue on 1 September when this ill-thought-out measure comes in.
The coalition is committed to preventative health measures; however, the Labor government needs to be committed to well-researched, targeted and planned measures. Labor did not consult with the industry prior to announcing this budget measure and, despite promising that they would consult with industry on any substantive changes, the ban is due to come into effect on 1 September—that is, just over a week away. Yet if you talk to airports they have no idea how this is going to be implemented. This will be just another Labor bungle. Sadly, it is a great example of where this government can take a good idea, which is to try and take preventative health measures to reduce smoking, and completely bungle it in the execution to the point where it costs people money and is confounding for stakeholders who do not know what the government are doing. Clearly what happened is that when the government needed some revenue in framing the final parts of the budget in May this year, they came up with these sorts of measures. They did not have time to consult with industry and just implemented them without really understanding the consequences of what they were doing. Sadly, this is a hallmark of this incompetent government.

One of the reasons why the duty-free tobacco ban is going to be difficult is that the infrastructure in place at airports means that even things like storage and transportation of seized tobacco are not assured. Customs officers will be faced with angry passengers forced to dispose of their excess tobacco when they have not been warned of this change prior to coming to Australia. Notably the Australian Duty Free Association wrote to the Minister for Health and Ageing on 9 March 2012 asking if the rumours they had heard through the media were true and the government were planning to introduce the duty-free tobacco ban. The minister did not wish to engage with the association and has revealed that a handwritten note on the correspondence described the association as 'a minor organisation'. In her response, the minister referred the correspondence to the Treasurer, despite the measure being touted as health policy.

This is the peak body for the duty-free stores throughout Australia, not some minor organisation that should be treated with such contempt by this government. The Australian Duty Free Association wrote a letter to the Minister for Home Affairs on 30 March 2012 and noted:

We would like to make you aware of all the ramifications arising from this proposed ban, including the severe impact it would place on Customs. These include: (1) increased compliance costs for Customs associated with searching travellers with illegal cigarettes entering Australia at all airports; (2) Treasury assumes a revenue gain of $200 million versus Deloitte Access Economics's conclusion of a maximum of $42.1 million revenue gain; (3) a reduction in tax revenue from duty-free operators, suppliers and airports as a result of reduced profits and reduced income tax paid by employees as a result of job losses which will inevitably occur; (4) major inconvenience to tourists due to longer queues in busy airports and greater congestion due to additional Customs searches for cigarettes which will need to be declared; and (5) the potential for increased black market activities.'

This is a letter from the Australian Duty Free Association, clearly people with expertise in this area, and yet none of these issue seem to have been adequately addressed by the government. We already have queues that are too long at our airports. These queues are too long because the Labor Party, again with an incredibly short-sighted measure, ripped money out of the budget for passenger facilitation for incoming and outgoing passengers in Australia. We already have big queues at our airports and we are now going to have bigger queues because
of these new measures. Of course, there is no corresponding increase in funding or resources for Customs. Sadly, as I said, this bungled approach is a hallmark of this Labor government.

As the association noted, duty-free tobacco will have very real consequences for the Customs primary processing line for incoming passengers and on the illicit tobacco trade. The cut that I mentioned was $34 million to the passenger facilitation program, and Labor axed a further $10.4 million from this program. This is all happening at a time when passenger numbers to Australia are increasing. They are expected to increase from approximately 32 million to 38 million in just four years. The $34 million hit Customs took has already had the effect of a reduction of 70 staff across primary Customs lines at Australia’s eight international airports in the past financial year. This further funding cut will only serve to make waiting times worse. Airports are already short staffed and need more Customs officers, not fewer. Estimates by Customs show that international visitors to Australia will increase by more than 150 per cent and international departures will increase by more than 500 per cent over the next two decades.

Customs staff numbers and resources have not increased in line with passenger numbers. The ever-growing lines will only worsen with this duty-free tobacco ban, as many who would normally linger in duty-free stores will go straight to the Customs processing line. At some airports, such as Melbourne Airport, the lines have grown so bad due to Customs staffing cuts that they sometimes have to keep passengers on the planes, sitting on the tarmac, longer than they ordinarily would so that the Customs primary line is not completely inundated with the ordinary flow of passengers. This is, quite frankly, unacceptable, and it should hardly be considered best practice when you consider how fast some of our regional competitors are able to process passengers through airports such as Hong Kong and Singapore.

I just want to labour that point a little more. You have a situation at one of our major gateways, Melbourne Airport, where passengers who fly in are forced to wait on the tarmac because Customs cannot process people. That means that the Customs hall is so full that they cannot put any more people into it, so they need to keep people on planes, waiting on the tarmac. When you have come on a trans-Pacific flight, you have perhaps already flown for 15 hours. You arrive in Melbourne and have to wait on the tarmac because of the incompetence of the Labor Party in slashing resources to Customs, who can no longer do their job properly because they just do not have the personnel available to do that.

I think that is disgraceful. It is not the sort of impression that we want to make when people arrive in Australia. The government are making these cuts at a time—and I think this is the most egregious part of it—when there is no shortage of money; it is just that they have wasted money in such an egregious way that they have needed to come back and make these cuts to agencies that are dealing with front-line services. We deeply oppose that and we will prioritise front-line services if we get a chance to govern in the future.

I will briefly outline the purposes of the bill, as outlined in the bill’s explanatory memorandum.

_A division having been called in the House of Representatives—_

_Sitting suspended from 10:12 to 10:26_
Mr KEENAN: I was just outlining to the House some of my concerns about the implementation of this measure, and I now move on to the purposes of this bill as outlined in the bill's EM. The explanatory memorandum reads:

1. The purpose of this Bill is to amend the Customs Act 1901 (the Act) to create criminal offences for the smuggling of tobacco products and for the conveyance or possession of smuggled tobacco products where the person conveying or possessing the goods knows they were smuggled.

2. A smuggling offence currently exists in section 233 of the Act and is punishable by a pecuniary penalty of up to five times the duty evaded; however this offence is no longer considered an effective deterrent as many penalties currently imposed for tobacco smuggling are not paid.

I understand that this is because it is often the case that a company is involved, and it has proved to be difficult to pursue the people behind that company. Clearly, it makes sense to avoid that continuing. The EM continues:

3. On some occasions the investigation of the smuggling offence results in the identification of sufficient evidence to warrant the pursuit of fraud offences under the Criminal Code Act 1995 (Cth). In these cases offences carry penalties of up to 10 years imprisonment.

4. These new offences combine the penalties of the existing smuggling and fraud offences by providing a pecuniary penalty of up to five times the duty evaded in addition to up to 10 years imprisonment. The inclusion of the imprisonment penalty will provide a strong deterrent to criminals and will demonstrate the seriousness of smuggling acts.

The government has touted this bill as introducing new measures, but the maximum term of 10 years imprisonment and penalty units already exist under general smuggling and fraud provisions within the Criminal Code. However, it is understood that they are difficult for Customs officers to use for prosecution. The new offences under the Customs Act make it easier for Customs officers to use and require less onerous proof of evidence for prosecution, which the coalition supports.

However, the government needs to answer why this measure has been introduced without any increases in resources for Customs to screen and inspect incoming cargo to stop the illegal tobacco from coming through our borders in the first place. The Labor government seems intent on making it harder for Customs officers to ensure the risk of detection is high and to enforce these penalties. Despite the Attorney-General refusing to acknowledge illicit tobacco smuggling as a problem, the statistics speak for themselves. During 2010-11 Customs made 55 detections in sea cargo arriving in Australia. This equalled 258 tonnes of tobacco and 82 million cigarettes, with a net worth of approximately $135 million. This is just a small indication of the problem considering many more cargo consignments would go unchecked. The potential is that there is a much larger amount of smuggled tobacco coming through our borders thanks to Labor's cuts to cargo inspection.

This bill was referred to the Senate Legal and Constitutional Affairs Committee, which held an inquiry into the bill and recommended that the bill be passed. The coalition takes the recommendations of parliamentary committees seriously and is very happy to accept the determination of this committee.

It is interesting to note the submission made by the Australian National Preventive Health Agency to the inquiry, where they stated:
Smuggling and illicit trade of tobacco undermines the effectiveness of these tax increases and price policies: resulting in cheaper prices and potential increases in tobacco use. This in turn has the potential to contribute to higher incidence of smoking related morbidity and mortality.

According to the agency:

… the use of loose tobacco … has been associated with illness over and above that caused by commercially produced cigarettes due to bulking agents used such as twigs, raw cotton and grass clippings.

They also state that mould, mycotoxins and bacteria have been detected in illicit loose tobacco. Given the Attorney-General's crusade against smoking, why hasn't there been a big push to educate people about the dangers of illicit tobacco?

The Customs and Border Protection Service, in their submission, informed the committee that tobacco smuggling is identified as a key border risk. According to Customs, the smuggling of tobacco endangers the community and the environment. As they said:

Smuggled tobacco products commonly contain dangerous contaminants and much higher levels of carcinogens than legitimate products.

Furthermore, they pointed out:

Smuggled tobacco products also circumvent quarantine controls, thereby increasing the potential for exotic pests and diseases to be introduced.

In their submission, Customs also indicated:

Tobacco smuggling offences are often committed by organised criminal syndicates who view tobacco smuggling as a higher return and relatively low risk venture.

Of particular concern to the coalition is the following possibility noted by Customs:

The profits made by these syndicates can also potentially be used to fund other criminal activities.

The coalition agree with Customs that tobacco smuggling is a serious problem that only lines the pockets of organised crime. We believe it needs to be addressed, not ignored, as it has been for some time by this government.

The coalition also strongly believe that Customs should be appropriately resourced to do their job, which is to protect Australia's borders from outside threats. I strongly urge the government to, at the very least, reinstate the funding they have cut from Customs cargo inspections so the legislative changes made in this bill will have a better chance of being enforced.

Mr GEORGANAS (Hindmarsh) (10:32): I rise to support the Customs Amendment (Smuggled Tobacco) Bill 2012. The bill creates new offences for smuggling tobacco products and for conveying or possessing smuggled tobacco products. I was very pleased that the Attorney-General announced this on World No Tobacco Day, 31 May, this year. It is a very special day for me because eight years ago I gave up smoking on World No Tobacco Day. I try to get the message out as much as possible to friends, workmates and family that smoking actually kills. Every cigarette you have brings you closer to cancer and many other illnesses. The more we can get that message out, the better for all of us. I also note at the outset that this Labor government has done everything it possibly can to get that message out, putting in a 100 per cent effort to curb the uptake of smoking tobacco.

We know that young people are the only market left in Australia for the tobacco companies. If you look at people over the age of 50, you see there are not many who smoke.
There are two reasons for that: either they have given up or they are dead. That is why you rarely see people over 50 smoking. Therefore, the tobacco companies have only one market left in Australia in which to continue to grow and sell their product—that is, young people who for whatever reason are attracted to smoking.

As I said, this government deserves praise for its efforts to curb the uptake of smoking tobacco products, especially by young Australians, and all those efforts have been challenged by the big tobacco companies, sometimes right up to the High Court. Just recently, the High Court made a determination in the government's favour.

I have spoken on many occasions in this place about tobacco and how damaging smoking is to our health, and how we should all be doing all we can to encourage Australians to quit. Better still, they should never start. It is very important to get the message out to young people that they should never start, because quitting is a battle that will stay with them forever. Even although I quit eight years ago, I still consider myself to be addicted to tobacco. Every day the thought of having a cigarette passes through your mind. That is how addictive this product is. You are better off not having that addiction at all than having to battle it continuously.

Hence this government's well-founded but world-first plain-packaging legislation which diminishes the messaging of cigarette packets. As I have said, that is the only bastion of marketing to young people left—the marketing on the packet. I am very pleased that that will soon go, and so the reason to carry, show or 'sport' any cigarette packet and smoke its contents will be diminished.

We have heard from big tobacco representatives that plain packaging would be a bad thing because it would be easier for unscrupulous profiteers to take advantage of poor unsuspecting people with a propensity to form an addiction. This is what big tobacco say they fear. Their fear, of course, is that someone else will sell product instead of themselves; that their revenue will decrease. They know that plain packaging will reduce their revenue. They have said they fear an increase of counterfeit tobacco products smuggled into this country and sold to an unsuspecting population on the cheap, cutting their sales.

I would hope that most of us here would be more concerned with the number of Australians who put their lives in peril every day by smoking. I understand that around three million Australians continue to smoke around 22 billion cigarettes each year, and over 15,000 Australians are killed by smoking-related diseases, costing us all some $30 billion per year. So we have 15,000 dead and $30 billion up in smoke each and every year.

Dealing in tobacco products, in others' potential pain, misery and death, is utterly contemptible. Doing so shows utter contempt for the state. When you peddle that product, leading to misery for people because they get addicted, it costs the taxpayer billions of dollars when the state then has to pick up through the health system the pieces of shattered lives. I am speaking here of those who run illegal tobacco products.

There has long existed a difference between tax avoidance and tax evasion. Most of us are familiar with the basic distinction. All of us who submit a tax return each year know about using the rules to reduce tax by legal means such as negative gearing. We also know that misinformation, lying on your tax return, is something quite different. Tax evasion is theft from the Commonwealth, and that means theft from each and every one of us—our
neighbours, our community, our workmates and the population of Australia as a whole. In a
democracy where we are all notionally equal under the law, theft from the state, theft from
every one of our fellow citizens, is, in my opinion, a very serious offence. This is what these
illegal profiteers of tobacco are doing. Not only are they killing people; they are also
committing a serious offence against the state by avoiding taxes.

Many would reason that, while theft from each other is wrong, theft by someone overseas
or by a foreign company here in Australia may be even worse as no Australian benefits. This
is what we are looking at in this bill today—theft on a grand scale, deliberate and highly
calculated, by smugglers of overseas product which is doing damage to each and every one of
us, especially to young people, through evasion of the taxes which must be paid by Australian
companies who play by the rules.

This bill targets those who would seek to defraud the Australian public to the tune of over a
hundred million dollars per year. In fact, in each of the last two years the amount stolen from
the Australian public by people who smuggle tobacco into Australia has been as much as
$135 million. This activity is illegal and punishable by a penalty equal to two to five times the
amount stolen through tax evasion. I think we should throw the book at people or companies
who know full well that they are breaking the law for substantial private gain. I do not think
anyone would dispute that.

I believe the financial penalty should be such that anyone would
consider it madness to attempt to break laws through tax evasion and smuggling into Australia
an addictive product which makes people ill and kills them.

I acknowledge that it can be difficult to extract these penalties from some criminals. In
some cases, a guilty party may ensure he or she appears to have nothing to their name with
which to pay the penalty. For this reason, this bill is very important. I support the added
disincentive of a prison sentence of up to 10 years, which is applicable to this bill's new
offence of smuggling tobacco products and applicable to any person who conveys or
possesses tobacco products which the person knows were imported with the intent to defraud
the Commonwealth of revenue. Jail time is not currently available as a deterrent for
smuggling offences under the Customs Act. I think it is entirely appropriate that this bill
carries that jail term.

During 2010-11, the Australian Customs and Border Protection Service made 55 seizures
of smuggled tobacco products in sea cargo alone. That consisted of 258 tonnes of tobacco,
which is 82 million cigarettes, representing $135 million, plus GST. The reasons I support
this bill are twofold—that smuggling defrauds the Commonwealth and that tobacco products
will continue to kill people who are addicted to them. I commend the bill to the House.

The DEPUTY SPEAKER (Mr Lyons): I call the member for Aston.

Mr TEHAN (Wannon) (10:43): No; I am the member for Wannon, Mr Deputy Speaker. I
am sure the member for Aston is busy somewhere working on behalf of his constituents—he
being a very dedicated, hardworking local member.

Mrs Griggs: He is, just like the member for Wannon.

Mr TEHAN: It is very kind of my dear friend the member for Solomon to say that I am a
dedicated hardworking member. Thank you. Later in life I might be delighted to use that as a
reference, because the member for Solomon does a fantastic job on behalf of her constituents.
I do not think there has been a harder working local member for the Northern Territory in all the time of the federal parliament.

Mr TEHAN: The member for Solomon is doing a great job. So it is fantastic to get that endorsement from her. I rise today to speak on the Customs Amendment (Smuggled Tobacco) Bill 2012, which, as stated by the shadow minister, the coalition supports. The process of the bill getting to this place sums up the Gillard government. There is a proper way to do things, there is a proper way to implement, there is a proper way to create laws; and then there is the Gillard government way. It is almost like a Marx brothers approach, like some bizarre sitcom where we are just going to create a story, create a mess, create a muddle and then we will come in and try to half fix it. This bill sums that up.

In 2009-10, because of Labor's wasteful spending, they had to cut the budget for the Customs cargo screening program by $58.1 million. We also saw their incompetence in pink batts and the BER. They would say that they had a budgetary issue, they had wasted the taxpayers' money and they had wasted the surplus presented to them when the budget was in the black, and all of a sudden they say that they are in the red—they have some issues and they are going to have to cut the Customs screening program by $58.1 million.

As a result there is less screening, and the smugglers think to themselves that there is an opportunity so they start bringing things through the borders, including tobacco. All of a sudden we have an issue with tobacco smuggling. It is quite an impact. Various surveys and reports have been done; one of which showed that in 2011 an estimated total of 2.26 million kilograms of tobacco might have been smuggled through our borders into the Australian market. That potentially was a forgone tobacco excise revenue of approximately $1 billion. So they say they will cut Customs screening to save $58 million, but the end result is that that has cost us revenue of $1 billion. Only the Gillard government could dream up such a scheme and implement it.

Mrs Griggs: The Midas touch in reverse.

Mr TEHAN: It is the Midas touch in reverse, as the member for Solomon says. It is quite remarkable. Then they think that they have to do something about this so they had better toughen up on the offences in this area, and they decide they had better implement some changes. So what do they do in implementing the changes? They decide that they will also broaden some of the issues that they are going to address in this bill and look at some modifications to how duty-free provisions for tobacco are handled. The main industry representative body for duty-free issues is the Australian Duty Free Association. As chief of staff to the former minister for tourism, I had dealings with ADFA. They are a wonderful organisation—they are very serious about what they do and very dedicated to the duty-free sector. They understand its importance to the tourism industry. They were always welcome in the office of the former minister for tourism. They were seen as a very sensible organisation, and if they had something to say they would say it properly and base it on facts.

The Australian Duty Free Association had some concerns about the changes and they wanted to bring those issues to the minister's attention. They wrote to the Minister for Health
on 9 March 2012, asking if the rumours they had heard through the media, that the government was planning on introducing the duty-free tobacco ban, were true.

The Minister for Health, the member for Sydney, did not even want to engage with ADFA. So what did she write on the letter? She referred it—just flicked it over to the Treasurer—and then wrote on the letter ‘a minor organisation’. With all due respect, I would like to give some advice to the member for Sydney, the Minister for Health. Maybe she should stop the personal attacks on people in this place and concentrate on her day job, and she might do it a little bit better. Rather than going out with malicious attacks in the media about members in this place, she should concentrate on doing her job. Doing her job might include, when ADFA write to you, raising some issues which they would like thought about, considered and maybe addressed, rather than rushing out to do some media interview where you are just going to make some rather baseless, crude attacks on people's character, that, instead, you might say, ‘I might spend that half an hour seeing ADFA, listening to their point of view, considering their point of view.’ You might not agree with it. You might dismiss it. But at least you should recognise that they are an important organisation. They represent a significant part of the tourism industry and they deserve to be heard, not dismissed out of hand with some sort of flick of a pen of ‘a minor organisation’ over to the Treasurer.

It does bell the cat a little bit that maybe the government's whole objective here has been revenue raising, rather than trying to address this issue. I go back to the first point I made, that maybe we would not be here in the first place if those original cuts had not been made from this 'comical Ali' government, but at least they should give reputable organisations the time of day, not just flick them, in particular when it has been demonstrated that you do have the time to see these organisations, because you have got time to run out to do these press conferences, which can probably only be described as grubby or offensive. Just quit that. There is no need for it—concentrate on doing the work that you should be doing as the Minister for Health.

In that letter, ADFA did raise some concerns which I think are worth placing on the record. The shadow minister did that, but I would just like to make sure that we get them heard, because there is an impact on the duty-free sector as a result of these changes. They wanted it known that there are increased compliance costs for Customs associated with searching travellers with illegal cigarettes entering Australia at all airports. Treasury assumes a revenue gain of $200 million, yet Deloitte Access Economics' conclusion is a maximum of $42.1 million of revenue gain. Once again we see some issues being raised here. Treasury has said $200 million, and we all know they are under pressure. They are under pressure to make sure the government gets its surplus. What we need to do, and what needs to be looked at seriously, is to ask is there credibility in the Deloitte Access Economics conclusion of a maximum $42.1 million revenue gain, and is the government going to relook at the Treasury modelling to ensure that it is right. Otherwise, we are being told one thing by the government to try to get its surplus, yet another by Deloitte that it is only going to generate about a quarter, or even a little bit less than a quarter, of that revenue. I would ask the government to look seriously at that issue and come back and inform the parliament that their modelling is, in fact, correct on this.

There is going to be a reduction in tax revenue from duty-free operators, suppliers and airports as a result of the reduced profits and the reduced income tax paid by employees, as a result of the job losses that will inevitably occur. There will be a major inconvenience to
tourists due to longer queues in busy airports and greater congestion due to additional Customs searches for cigarettes, which will need to be declared, and there is potential for increased black market activities. They are some of the serious concerns that ADFA wrote to the Minister for Health about. They are the concerns that she dismissed with the flick of a pen as coming from 'a minor organisation'. The Minister for Health should look again at the way she is going about running her portfolio if that is the attitude she is taking to these issues.

There are serious issues around the Customs Amendment (Smuggled Tobacco) Bill 2012. Once again, the way the government has gone about implementation leaves a lot to be desired. We do need to tackle the issue of the trade of illicit tobacco and the government has gone some way to doing that by changing the penalties, in particular the 10 years imprisonment. But the fact is that in the 2009-10 budget the Gillard government cut funding for the Customs cargo screening program by $58.1 million. At some stage, the government needs to understand the pressure that has been on Customs over the last three or four years and that Customs needs to be properly resourced. The government needs to come out and acknowledge that.

We need to see the government place on the record that the $58.1 billion that it cut from the Customs budget was a mistake and that it erred. It would not hurt for the government to do that. There are plenty of other motions at the moment where people are being called on to apologise. I cannot see why the government, if it is serious about apologising, cannot say, 'Okay, we got this wrong.' We need to get proper screening back in place. We have to make sure that the processes are there and that Customs are properly resourced, so it can do its job properly. In conjunction with that, we also need to increase the penalty for being caught in this area and make the maximum penalty 10 years imprisonment. That would be the type of sensible action that would indicate that the government was seriously committed to doing something in this area, instead of just robbing Peter to pay Paul, which is where we are as a result of the government's handling of this issue.

The coalition support the bill. We need to do everything we can to make sure that the issue of smuggled tobacco is addressed and that there are penalties to make sure that this crime does not continue to occur. We also have to look at the lessons learnt in getting where we are today with this bill, because unfortunately at every step it has been a story of incompetence and bungled handling by the Gillard government. One does hope that after so many programs and so many bungled pieces of legislation, one day we might be able to praise the government for having done something properly. I will not hold my breath, but we do live in hope.

The DEPUTY SPEAKER (Mr Lyons): Thank you. I trust the self-praise does not continue with the next speaker. That could happen between the member for Makin and the member for Fowler, but we probably should get on with the question, which is that the bill be now read a second time.

Mr ZAPPIA (Makin) (10:59): I also welcome the opportunity to briefly speak on the Customs Amendment (Smuggled Tobacco) Bill 2012. Firstly, I want to respond to some of the comments made by the member for Wannon. He asserted that as a result of the funding cuts to Customs, we have seen a spike in the sale of illicit tobacco and that that is why we have such a black market.

Just for the record, the facts show that in the last three years there has been a decrease in the volume of illicit tobacco from the total amount of tobacco in this country. The statistics
also show there has been an increase in detections by Customs as a result of their operations. It just highlights that the member for Wannon is incorrect with his assertion in respect to the role of Customs in this matter.

The bill amends the Customs Act 1901 to create new offences of smuggling tobacco products and for conveying or possessing smuggled tobacco products. The new offences carry a penalty of 10 years imprisonment and a fine of up to five times the amount of duty evaded. The tobacco industry is big business and, contrary to trends in some parts of the world, it is growing. In Australia, around three million people over the age of 14 years smoke. According to a 2011 Deloitte report, commissioned by British American Tobacco Australia Ltd, Philip Morris Ltd and Imperial Tobacco Australia Ltd, tobacco global sales in 2011 were estimated to be US$780 billion, having risen from around US$646 billion in 2006. That is more than 50 per cent of the total Australian economy.

Similar trends for tobacco sales occurred in Australia, with the 2011 Australian market value of $10.7 billion comparing with $9.4 billion in 2006. Of course, in Australia that increase is more due to price increases than an increase in sales volume. The same Deloitte report estimated that in 2011 there were 2.264 million kilograms of illicit tobacco sold in Australia, representing 13.4 per cent of the market, and that over the past four years almost $1 billion of tax revenue had been lost. I suspect, however, that the tobacco companies' concern is not for the government revenue lost but for their loss of market share.

Regardless of their motivation, the fact remains that a black market trade in the order of $1 billion per annum raises serious concerns for government, including concerns about the formation of crime syndicates, bribery, theft, corruption, money laundering and violence. Of course, those figures are calculated estimates as no-one ever really knows what the value of the illicit market is, because there is no form of accurate statistics in respect to that sector of the market.

Notwithstanding that, I note that in 2010-11 Customs and Border Protection made 55 seizures of smuggled tobacco products in sea cargo, consisting of 258 tonnes of tobacco and 82 million cigarettes, representing a potential revenue evasion of $135 million plus GST. A similar amount of potential lost revenue arose from seizures made in the first nine months of 2011-12, again highlighting that the point made by the member for Wannon is inaccurate.

How much tobacco illegally enters Australia will never be accurately known. But there is little doubt that it is big business run by large criminal networks. Tobacco companies argue that increasing the price of tobacco products encourages a black market in tobacco products. The companies argue that the higher value means there will be more demand for cheaper black market products and, in turn, more profits for illegal operators. I accept that there is some validity to that argument.

According to one report that I have read, the World Health Organization has predicted that by 2020 illegal tobacco consumption will outstrip legal tobacco use. In other words, by 2020 the illegal tobacco market, using today's figures as somewhat of a guide, will be in the order of $600 billion, $700 billion or $800 billion around the world. It is indeed big business. The concern is that when you are dealing with that kind of money then quite clearly you are also dealing with other criminal concerns that need to be addressed, if, for no other reason than the continuing use of tobacco in society presents societies around the world with some very, very serious concerns and problems in the years ahead.
Increasing the penalties for offences relating to tobacco products should be a deterrent. But penalties must be part of a suite of measures including pricing, packaging, advertising and health warnings. It seems, however, that the most effective counter-smoking strategy to date has been the campaign to make smoking socially unacceptable by banning smoking in public venues and public places. A good study in respect of the effects of making smoking socially unacceptable was carried out in the US. It was shown to be the most effective strategy in reducing tobacco consumption. Whilst warnings on packets have been useful and increasing the prices might have assisted, the reality is that the biggest inroads in reducing smoking across the world have been achieved by those places that have made smoking socially unacceptable. We have seen that here in Australia where we have prohibited smoking in workplaces and recreation places. In my view, that has been the most effective strategy applied by governments. It is those kinds of strategies that I believe we need to continue with. As I highlighted a moment ago, we are dealing with a major problem around the world.

I take this opportunity also to commend an initiative between SANE and the Australian government which was announced yesterday by the Minister for Mental Health and Ageing, Mark Butler. This initiative is designed to assist people with mental health issues to quit smoking. People with a mental health condition are more likely to be smokers, with as many as 30 per cent of Australians with a mental illness being smokers. I understand that the figures are much higher for severe mental health conditions. It is the case that those people who are the most stressed and quite often the most desperate are the ones that turn to smoking for some form of relief. The reality is unfortunately that it has the opposite effect—it just makes people more stressed. If you are down and out, it also means that you spend your money on cigarettes when you should be spending money on much healthier options. I particularly note that, in the fact sheet referred to in Minister Butler's media release yesterday, it was stated that diseases caused by smoking are the second-largest killer of people who have a mental illness. This is an interesting statistic. The fact sheet also showed that people with mental illness who quit smoking may need a lower dose of antipsychotic medication. Again, this is an interesting observation in the fact sheet.

Finally, I want to comment on the reaction of the tobacco companies to their loss in the High Court challenge to the Australian government's proposition to ensure that in the future cigarettes are sold in plain packaging. I note that the cigarette companies have now turned to the World Trade Organization and appealed to that body to try and prevent Australia from proceeding with plain packaging for cigarettes. This highlights how significant an issue this is for these companies. It is significant because of the profits being made from the sales of tobacco. It is clearly the case that their concern is not only for the losses that they might incur here in Australia but rather that they fear that other countries around the world might follow Australia's lead and also introduce plain packaging for cigarette products. These companies are prepared to go to the World Trade Organization claiming that this is a breach of some of the trade agreements that we have with other countries in an endeavour to stop the government from proceeding with this proposition. I certainly hope that appeal is also lost by these companies. I understand that it might take some years to resolve, and that will not stop the government from proceeding with the legislation that was passed this year. However, it is of concern to think that every attempt is being made by the tobacco companies to continue to sell their products which they know have serious consequences for users.
As members of this House would know, the effects of tobacco have been known by tobacco companies for decades. In fact, I understand that in the US—and perhaps in other parts of the world, including, I believe, even here in Australia—there have been some successful cases where action was taken against the tobacco companies. Even knowing that tobacco products have serious health effects on consumers, they continue to promote and sell their products wherever they can and in whatever way they can, and I have no doubt that they will stop at nothing to ensure that they are able to continue to do so.

This legislation, as I said from the outset, forms part of a package of measures which not only seeks to prevent the illegal and illicit marketing of cigarette products but is part of a more comprehensive strategy to try and reduce smoking throughout this country. I commend the legislation to the House.

Mr ENTSCH (Leichhardt—Chief Opposition Whip) (11:10): As the member for Leichhardt, I have taken a very keen interest in measures to control illegal tobacco. I actually grew up in Mareeba, which was one of the largest tobacco-producing regions in Australia. In fact, one of my first jobs was working on tobacco farms, suckering tobacco, at about the age of 12, so I have a reasonable understanding of the legitimate industry and how it functions.

I welcome the opportunity today to support the Customs Amendment (Smuggled Tobacco) Bill 2012. It gives me the opportunity to highlight the concerns raised particularly by tourism stakeholders and others, such as the Australian Airports Association, the Tourism and Transport Forum and the Australian Duty Free Association, about this government's slapdash approach to policy. Of course, tourism is very much the lifeblood of the area that I represent—about 40 per cent of our economy—so we need to be very conscious of any negative impacts that we are likely to have on that industry.

In reading this bill, we must look at it in the context of the recent cuts to the duty-free tobacco allowances, which mean that people arriving at Cairns airport can now bring in two packets per passenger—this is down from in the past, hen it was a carton—as well as successive cuts to the budget of the Customs and Border Protection Service. Both of these make Cairns, and Australia, much more susceptible to quarantine risk and less able to give tourists a good first impression as they are waiting to be processed; by taking what they see as their duty-free allowance and removing it from them or opening the carton and handing them back just two packets of cigarettes. Of course, they do not get any reimbursement for the money they have spent on the whole carton.

The purpose of this bill is to amend the Customs Act 1901 to create criminal offences for the smuggling of tobacco products and for the conveyance or possession of smuggled tobacco products where the person conveying or possessing the goods knows that they were smuggled. Although a smuggling offence already exists under the act which is punishable by a fine of up to five times the duty that was dodged, this is no longer considered to seriously deter smugglers, as many of the fines imposed just do not get paid. On rare occasions, if enough evidence is found to warrant fraud charges being laid under the Criminal Code Act 1995, smugglers can face up to 10 years imprisonment.

These new criminal offences will combine the penalties of the existing smuggling and fraud offences. This means that people who knowingly smuggle tobacco products will face not only the existing fine but also up to 10 years imprisonment. This will certainly provide a strong deterrent to criminals and illustrate the seriousness of these smuggling acts. In the
2009-10 budget, Labor cut funding for the Customs cargo screening program by $58.1 million. The result of these cuts is that the number of sea cargo inspections was cut by 25 per cent and air cargo inspections were reduced by 75 per cent.

With less cargo being screened, there is a greater opportunity for illicit tobacco to be smuggled through our borders. Just this year, an industry-commissioned report into the illicit trade of tobacco in Australia confirmed that illegal tobacco is a real and significant threat. It found that in 2001 our illicit market totalled around 2.26 million kilograms of tobacco, which is equivalent to 13.4 per cent of the estimated legal tobacco market. Illegal tobacco takes many forms: there is duty-free diverted product; there is the counterfeit product, normally originating in China; there are unbranded tailor-made cigarettes; and loose-leaf, or what we commonly know as chop-chop, that has been grown illegally in Australia.

Tobacco is no longer grown legally in Australia. The Howard government was pleased to support efforts to close the legal growing market in Australia. They saw the buyout of many of the licences on farmers, and effectively paid out those licences in the northern area, in my area, and allowed them to diversify into other areas. A little later, the Victorian industry shut down as well. This was done to safeguard revenue and to reduce the toll from the more harmful and illegal chop-chop market. The illegal chop-chop market was only driven by a few rotten eggs in the tobacco-farming sector, those responsible for diverting products from legal channels. Farmers who shut down their crops were given two years profits by Australian manufacturers in return for cooperating with the authorities, and they were rightly given support as they worked to switch production into other crops.

I say this to highlight that, in its tobacco control reforms, the coalition acted with a great deal of engagement, planning and care to avoid unintended consequences; after all, the hallmark of creating good policy is that it is sensible, workable and evidence based. Our policy was driven by decision making at the Tobacco Industry Forum, which was established by the coalition and is made up of groups that have a keen interest in the tobacco industry. These included the Australian Taxation Office, the Customs and Border Protection Service, the Department of Health and Ageing and the Australian Quarantine and Inspection Service. Its purpose was to provide a forum for consultation and discussion on issues of mutual concern. By taking a planned approach, we made sure that we were not subject to the embarrassment that typifies this government's knee-jerk policy forays and flights of fantasy. By introducing measures such as the graphic health warnings on cigarettes, the Howard government achieved the lowest rates of smoking in the Western world.

We are yet to measure the impacts of this government's plain packaging legislation that will see consumers downgrade to cheap unbranded cigarettes, but it is likely that this will see increased consumption of tobacco in the absence of minimum retail price for that tobacco. This legislation will also make detection of illegal tobacco more difficult. Brand colouring, embossing and other distinguishing features being replaced by a standard form of packaging is going to make counterfeiters’ work much, much easier.

At the same time, government is encouraging smuggling by taking the cops off the beat at airports, while restricting importation via duty-free stores. I have a media release from the Australian Duty Free Association issued after the May budget, when duty-free reform was introduced without any consultation with the Australian Duty Free Association or other
important travel or tourism stakeholders. In her 8 May media release, the minister was gloating that this reform:

… reduces the number of tax free cigarettes that can be brought into the country and brings duty free tobacco into line with the Government’s tough stand on reducing tobacco consumption …

Yet, after buying into the issue and posturing over her tough stand, the minister has now run away from this issue—since it has become obvious that it was conceived without proper planning. This is the standard that was set by the previous Prime Minister—it was a reason he was removed from the front bench—yet the standard has been retained and if anything it has grown worse under this current government.

When ADFA wrote to the health minister, the member for Sydney, she did not bother to engage with them, describing them in a leaked handwritten note as ‘minor stakeholders’. This is the peak body for the duty-free stores throughout Australia and certainly not a group that could be trivialised as a minor stakeholder that can or should be ignored. In recent media releases the director of the Australian Duty Free Association, Derek Larsen, states that this measure will radically slash the allowances for duty-free tobacco, with serious implications in the duty-free sector, and it represents a black hole that is approximately 7.5 per cent of the total budget surplus. He also highlights that the government has overstated the available revenue from the measure by around $110 million in 2013 and increasing to $140 million per year thereafter. He adds: ‘The total sales revenue generated from duty-free tobacco is far less than the amount that the government estimates it can raise by ending the duty-free concession. It wants to reap more tax revenue from the sector than is generated in total sales.’ Quite clearly this is absolutely impossible.

Importantly as it relates to this bill, Mr Larsen warns that Customs are likely to be heavily impacted by the move and Customs officers will have to dedicate more time to policing the quantities of cigarettes being imported. This will put extra strain on frontline Customs services, which are already working hard to process arriving passengers in a timely manner. As you can appreciate, Mr Deputy Speaker, it will also have a very negative impact on visitors’ experiences entering Australia, assuming they are doing the right thing and purchasing their duty-free products at the airport. This is on their arrival in many cases before they go through Customs, and they then find that the product that they have legitimately purchased is removed from them and they are given only two packs.

In my view it is also very much likely to lead to a very significant increase in the black market trade in tobacco. Now that the Australian tobacco industry is virtually shut down, the opportunities for illegal chop chop coming out of Australia have been significantly reduced and this is highly unlikely. But what we are going to see is much more illegal product being imported in larger quantities. We have seen that in recent times, coming probably through our docks.

It is in desperation for a headline and reaching for a measure to prop up a fake surplus that this government is doing untold harm and denying a voice to its collateral victims. Duty-free sales constitute about one per cent of the tobacco industry sales, yet tobacco represents up to 30 per cent of duty-free sales. In its attempt to hurt the tobacco industry, it is instead damaging those who sell it legally. It is also encouraging the illicit trade.

In the absence of the health minister doing the job, the duty-free sector knocked on the door of Mr Ferguson, our minister for tourism. The duty-free sector informs me that that
meeting lasted a total of seven minutes. This is a very clear message that if you are in tourism or tourism connected business and not with the resources and energy sector, the Minister for Resources, Energy and Tourism does not want to hear about your problems and is not available to assist in dealing with these serious issues for your sector. The minister for health, the minister for tourism or someone on the government side needs to come to the chamber in the course of this debate and answer some very serious questions as they impact on smuggling tobacco.

What is the progress on the reprinting of landing cards, at what cost, and why was the estimated cost of $10 million not included in the 2012 budget? What was the involvement of AQIS and what budget plans are in store to destroy the confiscated product? How will this product be treated and where was it purchased? Retail or abroad? What was the full price? What information program is planned for the tourism source markets and why has the government opted not to progress this policy idea without open lines of communication with the industry that has been so heavily impacted? What is the implication for increased waiting times additional to the impact of the Customs staff cuts, and when will these be reported to parliament? Now that crucial sentences will apply to tourists who hide extra cartons in their luggage, what assurance is there that this legislation will apply only to large-scale organised criminal gangs? Finally, when will the election be called— (Time expired)

Ms LIVERMORE (Capricornia) (11:26): I am very pleased to speak on the Customs Amendment (Smuggled Tobacco) Bill 2012. In beginning my remarks I take issue with one of the opening remarks of the member for Leichhardt, in which he characterised the government's approach to this as a 'slapdash' approach to policy. That is the last criticism that could be made of the government's approach to these measures to reduce rates of smoking in Australia. In fact, this bill and the other measure that the member for Leichhardt spent a great deal of time on in his speech—the reduction in the number of tobacco products that people are allowed to bring into Australia duty free—are two measures that are part of a much larger, comprehensive suite of measures that this government has been pursuing since we first came to government. As speakers throughout this debate have made reference to, these are measures that were identified and recommended by the National Preventative Health Taskforce.

So not on any measure could you characterise this bill or, indeed, any of the other measures we have put into place as a slapdash approach. It has been very clear since we came to government that the Labor government was intent on continuing the efforts of previous governments to reduce the rates of smoking in Australia. There are very good reasons for doing that in terms of the health and lifestyle of our Australian citizens, but as a government we also have a responsibility to make sure that our health dollars are spent wisely and that we do what we can through regulation and support for people to have our rates of smoking as low as possible in Australia. The health effects of smoking are well known and create a very large burden on our health system if not addressed.

I talked about the Preventative Health Taskforce. It was one of the early acts of the Labor government to put in place a preventative health task force to look at this whole question of how to improve health outcomes in Australia and thereby improve people's life outlook, and also to make the best use of our health dollars. The Preventative Health Taskforce report is very interesting reading, and one of the lessons that it contains was very informative to me.
In Australia, we are used to being world leaders in tobacco control and in the regulation that applies to tobacco companies in marketing and selling their deadly products. While we can congratulate ourselves on our achievements to date—in 1988, roughly 30 per cent of Australian adults were smokers; we have brought that down to the current rate of below 20 per cent—one of the things that the Preventative Health Taskforce warn against is complacency by the government and in Australia generally because of what has already been achieved. In their report to the government, they warn against a loss of momentum in national efforts to lower rates of smoking. One thing that really caught my attention in the report was the following statement:

… there has been a 'flattening out' in the reduction in the prevalence of smoking rates in Australia …

It goes on to say:

Between 2004 and 2007 prevalence of weekly rates fell by only 1.1 percentage points (6%), compared to a drop of 2.1 percentage points (9%) over the previous three years.

So the very clear warning in the Preventative Health Taskforce report is that, while there is effective regulation and government efforts have had a very big influence on rates of smoking, we cannot take our eye off the ball. We cannot let up in our efforts in this regard. We cannot be complacent because, as has been demonstrated very clearly in the last couple of years as the government have stepped up efforts against the tobacco industry, we are up against a very powerful, well-resourced, ruthless and unscrupulous opponent in the tobacco industry, which will stop at nothing to protect its vested interest in keeping people smoking and especially in luring young people and others to take up smoking and therefore become addicted to the products that tobacco companies sell.

That warning from the Preventative Health Taskforce is very clear. Yes, we should recognise and applaud our previous achievements and results, and we should take from them the message that strong regulation can have a big influence on smoking rates, but we cannot rest on our laurels. We have to maintain our focus on what governments can do by way of regulation, by way of social marketing et cetera to reduce the rates of smoking.

As I said, I refute the member for Leichhardt's claim that the government have taken a slapdash approach to this policy. This bill, like all those before it, is part of a very comprehensive suite of measures that have all been recommended and backed up by the work of the Preventative Health Taskforce.

The bill specifically amends the Customs Act 1901, creating new offences for smuggling tobacco products and for conveying or possessing smuggled tobacco products. Significantly, this bill adds a new penalty for those offences. Up till now, someone found guilty of smuggling tobacco products into Australia—bringing in tobacco products without declaring them properly and defrauding the Commonwealth of customs duties—had to pay a fine. But we found that those fines were not being paid. I think there is something like $45 million worth of unpaid fines at the moment. So the government are stepping up our efforts in this area—not only on the basis of common sense and the fact that we do not want people defrauding the Commonwealth of customs duties but also on the basis of advice given to us by the National Preventative Health Taskforce—to further reduce the rates of smoking. So we are adding a penalty of 10 years imprisonment for these offences and expanding the offences in the customs area.
As I said, this bill represents one more element of the government's approach to reducing rates of smoking. We cannot talk about this in parliament today without making reference to the decision by the High Court last week to back up the government's groundbreaking and world-first measure to introduce plain packaging. It is great to have the Attorney-General here in the chamber, as it allows me to congratulate her on the fight which, on our behalf, she took on, and for her very strong advocacy—advocacy which has been recognised right around the world and advocacy which has clearly spooked the tobacco industry.

They know that our introduction of plain packaging in Australia has sent a very clear signal to other governments around the world who want to step up and implement similar measures. The Attorney-General has mentioned that governments in Norway, France, Uruguay, New Zealand, South Africa and even China are taking very close notice of what we have done in Australia. The efforts of the tobacco companies to keep finding markets for their lethal products are very transparent, as is their blatant pursuit of self-interest in continuing to try to get new people addicted to the smoking habit. There is just no excuse for their continued efforts to fight, in the WTO and through the actions taking place in Hong Kong, against the government's legitimate measures.

I applaud the government's efforts. As I say, this bill is just one of a whole range of measures. One of the most important measures was the 25 per cent increase in the tobacco excise back in April 2010. That has already seen a reduction in the smoking rate. We have also listed nicotine replacement therapies on the Pharmaceutical Benefits Scheme. On the one hand, through the excise increase, we are making it more expensive for people to buy tobacco products and, through that measure, we are discouraging smokers—especially young smokers—from taking up the habit. We are also generating a financial incentive to quit for people who are already habitual smokers. On the other hand, through the PBS measure, we are making it easier for people who want to make the decision to quit to take up therapies—giving them a better chance of successfully quitting.

In conclusion, I want to congratulate the Attorney-General and the government for these measures. It is obviously better for their own health outcomes if people do not take up smoking or, if they are already smokers, if they quit. But the government have a responsibility to spend our health dollars in the wisest way possible. Where we see a major cause of preventable death—and smoking is the biggest of those—we have to take every step we can to combat it. This bill is just one more of those measures.

The member for Leichhardt spent a lot of time on the question of duty-free cigarettes being brought into Australia. He characterised the government's steps to address that as 'slapdash measures'. It is actually specifically referred to in a recommendation from the National Preventative Health Taskforce. In fact, the National Preventative Health Taskforce said that we should get rid of it altogether. So taking the step that the government has elected to take, going from 250 grams down to 50 grams, is, on any measure, a reasonable response to a very considered recommendation from the National Preventative Health Taskforce. For the usual vested interests to jump up and down without taking a broader look at what is at stake, either in terms of people's health or the right of the government to improve health and spending outcomes in Australia, is extremely short-sighted and not one that the government is going to be swayed by.
Ms ROXON (Gellibrand—Attorney-General and Minister for Emergency Management) (11:40): I would like to acknowledge the member for Capricornia and other speakers, the members for Hindmarsh and Makin, who talked about the Customs Amendment (Smuggled Tobacco) Bill 2012 in the context of the range of things the government is trying to do in tackling tobacco. I might note, before the member for Capricornia leaves, that I think the chair, the member for McEwen, might have been worrying in that discussion, as one of the few smokers in parliament. I know he has said at different times that he might think about whether he will try to give up what is a serious addiction and, of course, the chair and the member for Corangamite would know that they would have our support and encouragement.

We acknowledge and understand that this is an incredibly addictive habit. I was interested that the Minister for Health, in her contributions recently to this debate, had some figures I had not heard previously that 80 per cent of current smokers were addicted before they were 19 and something like 95 per cent were addicted before they were 26. This is an active strategy from tobacco companies—to have people addicted early and often for life. We acknowledge and understand why this sometimes is an uncomfortable area for people who are smokers, but I have to say that the member for McEwen—and we have talked often about this—has been a big advocate of the measures we have been taking. I still have not met a smoker that wants their child to smoke, so we know that this is something on which we can make a difference over generations.

The Customs Amendment (Smuggled Tobacco) Bill 2012 is part of that. Obviously we want to make clear that the health risks are the same whether you smoke legal tobacco or illegal tobacco. We do not accept the tobacco industry's view that in Australia we have a large problem with illicit tobacco, but we do accept that measures should be taken to make sure that that does not grow over time. This is one of the odd occasions where the tobacco industry and the government agree that introducing these new penalties and offences is actually an important part of making sure we have a comprehensive response to tobacco related issues generally. The proposed amendments to the bill that are being debated here are about strengthening the offences, introducing for the first time a penalty with imprisonment attached to it for tobacco smuggling, more accurately reflecting the seriousness of the offence and providing a stronger deterrent to criminals, not to make them think this is an easy or a safer way to make money. It is, as members on this side of the chamber have mentioned, part of a much more comprehensive approach that the government is taking to tobacco generally. I would not like to miss the opportunity to say how pleased the government has been that the High Court last week upheld the decision that the government has taken to introduce plain packaging. It, our social marketing campaigns, our increase in excise and our targeting of the Indigenous community, where smoking rates are still very high, are all part of one package to make sure we do everything we can to reduce each and every year the number of people who lose a loved one to a tobacco related illness.

It is another sign that the government is prepared to do what needs to be done, whether it is taking on tobacco and winning, whether it is pricing carbon, whether it is the National Broadband Network, whether it is the National Disability Insurance Scheme or the education reforms by my colleague the minister for education, who is in the chamber. All these reforms show the government's preparedness to get on with work that is important and I am proud that we are doing that.
We have, as I have said, made quite clear that we agree that any type of tobacco is dangerous and, if we can do anything to reduce the smoking of tobacco, we will obviously do that. As a number of speakers have pointed out, this bill aims to deliver the very strong message that serious jail time will ensue if people are involved in illegal tobacco smuggling into this country. And it makes sure that the offences are now not just general smuggling offences or serious fraud offences against the Commonwealth but are in line with those. They are drafted specifically for that purpose. The need for the bill was recognised by the Senate Legal and Constitutional Affairs Legislation Committee that considered the bill and recommended that it be passed. I thank the senators for consideration of the bill.

I would like to briefly address some issues raised by the members for Stirling and Wannon, referring to the reduction in duty-free concession from 1 September this year and the impact this will have on Customs. The government have committed over $11 million over the next two years to assist the Customs and Border Protection Service to implement this change. In their speeches, the members for Stirling, Wannon and Leichhardt were critical of the government for 'cutting funding to Customs'. The facts are that we have invested $4 billion in Customs over the past four years and we will invest another $4 billion over the next four years. We spend more than $1 billion every year on Customs and it is getting results. Briefly, and to not stray too far from the topic of this bill, last year we seized more heroin, cocaine and amphetamines than ever before.

If people want to look at the different results: in 2007, the last year of the Howard government when untargeted and mass-screening systems were used, Customs detected 870 parcels containing drugs or other prohibited items; last financial year, using criminal intelligence and targeted screening, Customs detected over 1,800. So we have gotten smarter in the way that we do this Customs work. The member for Stirling asked why the government are not doing more to educate the public as to the dangers of illicit tobacco. It is a little rich to suggest that our government have not been doing enough to talk to people about the dangers of tobacco. It was a cheeky suggestion, I think, from someone who has been less than enthusiastic about the other steps we have taken in this tobacco control area.

The Customs Amendment (Smuggled Tobacco) Bill 2012 ensures that we have the right laws in place to continue the fight against illegal tobacco and is part of our ongoing commitment to combat smoking in all its forms. 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.

STATEMENTS ON INDULGENCE

Operations of Bomber Command: 70th Anniversary

Debate resumed.

Mrs MARKUS (Macquarie) (11:48): I am honoured to rise today to commemorate the 70th anniversary of Bomber Command. Between 1940 and 1944, the Royal Air Force's Bomber Command provided the only Allied strategic attack capability against German forces on the Western Front and also the only means for disrupting German infrastructure and industry that supported the Third Reich's war machine across Europe. An estimated 10,000 of
the roughly 40,000 Royal Australian Air Force personnel serving in World War II were part of the Bomber Command operations. In September 1940 following the Battle of Britain, British Prime Minister Winston Churchill said:

The fighters are our salvation but the bombers alone provide the means of victory.

This statement, although at the beginning of the Bomber Command, still rings true through the retelling of the history and camaraderie displayed throughout World War II. Australian historian Dr Alan Stephens wrote:

No single group of Australians from any service did more to help win World War II than the men who fought in Bomber Command.

The contribution and sacrifices that these men and women made for our nation and our freedoms will not be forgotten. They remain an extraordinary example of the true spirit of ANZAC.

These 10,000 Australians represented just over one per cent of Australian enlistments in all services during World War II; however, they accounted for nearly 10 per cent of all Australian combat deaths during that war period. These 10,000 men served as part of a combined Allied unit of more than 125,000 air crew, men that the then British empire recruited from Australia, New Zealand, Canada and South Africa as well as many countries which had fallen under Nazi occupation, such as France, Poland and Czechoslovakia. This group managed the night-time operations while the United States Air Force managed the day operations. A key part of the strategy was to have 24-hour coverage throughout the war.

At the peak of the bombing campaign over 1,000 heavy bombers would attack on any one night, but up to 10 per cent of aircraft and crews could fail to return. One RAAF veteran has said: 'Our skipper told us that every day we survived in Bomber Command was a bonus.' So high were the risks of the operations that between 1943 and 1944 crews had less than a 50 per cent chance of surviving a tour of 30 operations.

A wonderful Australian from the electorate of Macquarie, Air Commodore Geoffrey Michael, served in Bomber Command. As a part of the operations, Air Commodore Michael made a total of 32 trips and is proud to say that not one of his crew was lost—that is despite the fact that four trips needed to be aborted due to engine fire. I have often spoken with Air Commodore Michael about his experience during the war and have a deep respect for the contribution he has made to our nation, as well as the great contribution he made upon his return. He was commander of Richmond RAAF base for a number of years and later became mayor of our community. When I spoke with Air Commodore Geoffrey Michael recently, he humbly and, in quite an understated manner, described each of the 32 trips as a satisfactory experience, completed by a strong team effort where every member played an important role—the role being to finish the mission and then to get your mates back to Allied soil.

In June this year, 31 Australian men and women who served as a part of Bomber Command travelled back to London to commemorate the 70th anniversary of operations. Queen Elizabeth unveiled a bronze sculpture of seven aircrew to mark the occasion as a sign of respect to the contribution of the Bomber Command Allied Forces. The sculpture is representative of all the efforts from all of the countries and displays the bravery and mateship of the airmen returning from a mission. This is a fitting tribute to mark the 70th anniversary.
I am always humbled by the contribution made by the generations who have led us, who served to protect the Australian way of life and our freedoms. As stated by respected historians, the Australian participation in the Bomber Command operations went a long way to preserving that. It gives me great honour today to pay tribute to these ordinary men who did extraordinary things.

Montevideo Maru

Mr GARRETT (Kingsford Smith—Minister for School Education, Early Childhood and Youth) (11:53): On indulgence, I rise to speak on Australia's greatest maritime tragedy, an event that is still not widely recognised in our nation. But, following the commemoration of its 70th anniversary at the Australian War Memorial in July this year, and with the dedication of a special memorial sculpture by the sculptor James Parrett located close to the 'Weary' Dunlop statue, we now have at last a significant focus point to commemorate and recognise the tragic loss that took place 70 years ago.

My connection with the sinking of the Montevideo Maru goes to the fact that my grandfather was on board that vessel. I share with many families a great sense of relief that we are now able to have a place here in the national capital where the sacrifice of those who perished on board can be both recognised and reflected upon.

It is probably worth noting that the parliament has previously recorded its condolences and acknowledgement of this event. That was 2010, if my memory serves me correctly. I want to pay tribute to my colleague Alan Griffiths, the then Minister for Veterans' Affairs, for his participation in ensuring that we started to acknowledge this event. However, it is the case that for an event of this scale, where more people lost their lives than in the Vietnam War, it is due recognition. I very much hope that greater attention will be given to the anniversaries in years to come.

It is worth while reflecting on why we know so little of this event, given the magnitude of the disaster. Let us first reprise what actually happened to the Montevideo Maru. It was a Japanese merchant vessel commissioned by the Japanese defence forces to evacuate the remaining members of the Lark Force who were defending the island of New Britain from the Japanese invasion that took place in January 1942. As well there were civilian internees, including my grandfather, who was a cocoa planter from the island. Former opposition leader Kim Beazley's uncle was on the vessel, I believe. He was a missionary and a number of missionaries were evacuated along with other civilians. The number of people on board the vessel is significant. There were some 1,054 who perished, about 1,000 of those being members of the Lark Force, and the others were civilians.

As the Montevideo Maru was steaming towards the Philippines, the island of Luzon, an American submarine which had been trailing it for some time, given that it had no markings and believing it to be a part of the Japanese war effort, made the decision to aim four torpedoes at it. Those four torpedoes were launched and within a relatively short period of time, from what we know, the ship sank and all those who were internees or prisoners of war perished. A small number of Japanese seamen did escape from the vessel, but every Australian on board died.

It is worth while remembering that the Japanese had launched their attack on Pearl Harbor only months before, and so the war in the Pacific was well underway. Once the Japanese had
determined to invade the island of New Britain, as they were pushing south towards Australia, there was a really small force of Australians, the Lark Force, who were there to deal with the Japanese advance. There were about 1,500 with very few aircraft to counter the superior forces of the Japanese and the defence of Rabaul itself was considered to be futile. The commander of the time declared every man for himself as Rabaul fell.

I am the patron of the Montevideo Maru and Rabaul Society, succeeding my colleague Kim Beazley in that role. I was really pleased to be at a commemoration dinner that took place earlier this year, before we went to the War Memorial. Lieutenant General David Morrison spoke at the event, where he too reflected on the lack of preparedness of Australian troops. He was candid about this lack of the preparedness, saying it was 'a stuff-up'. Indeed it was; it was a monumental stuff up, yet again testimony to the futility of war when appropriate planning and considerations are not given to those young men—and now young women—who make those ultimate sacrifices. Once the decision was made to evacuate Rabaul, people were loaded on to the Montevideo Maru and it was destined for Hainan, as it turned out, but it was sunk on route by the American submarine USS Sturgeon.

How is it that I am standing in the Australian parliament in 2012 and, I would hazard a guess, still very few Australians, certainly young Australians, know about this event and about its magnitude? I think part of the answer is that at the time it was in the midst of an extremely difficult period of conflict and war, communications were scratchy at the best of times and, regrettably, families had very little idea about who was on the boat and who in fact had perished.

It is the case that both the Menzies government and the Chifley government at the time, from the brief historical analysis that has been done, seemed to have underplayed the significance of the incident. There were calls for inquiries; they went unheeded. As it were, it was only through the efforts over time of a small number of families who had succeeded those who had lost their lives that we ended up with a memorial in the Australian parliament and the parliament not only passing the resolution but also this condolence motion, which was moved by the Leader of the Opposition and seconded by the Prime Minister.

I certainly want to put on record my profound appreciation for the enduring efforts of those who have worked both to enable us to have a better recognition and understanding of this event and its magnitude and also who have championed the erection of a commemoration and for that commemoration, which was done by the Governor-General on the 70th anniversary on Sunday, 1 July, to take place. Many of those people are now elderly, and I think it was a very, very moving day but a very good day in that we were able to provide the opportunity—as we had through some support that the government and other sponsors had given—for people who had fought with great forbearance for so long to have this point of reflection and respect for their families.

To the Rabaul and Montevideo Maru Society; to the past president Keith Jackson; to Don Hook; to current president Phil Ainsworth, who is now handing over those reins to Andrea Williams, whose efforts were untiring; to the vice president of the society, again a former colleague, Kerry Sibraa, a senator in this parliament some years ago—and it is through his company that he is associated with Jackson Wells and many others: I want to put on the record my appreciation for their support.
Mr FORREST (Mallee) (12:03): I feel very humbled to follow the member for Kingsford Smith on this very sombre indulgence, but I feel obliged to make a contribution as well. It is a statement in honour of the unveiling of the memorial commemorating the sinking of the *Montevideo Maru*. This was a very significant incident in Australia's very sad World War II history. There have been many thousands of Australian families impacted by this and similar events.

My family was no exception, although as I will reveal, the circumstances were slightly different from those of the member for Kingsford Smith. However, this is a very personal contribution. My story in regard to this matter rests with the six Forrest brothers, who enlisted in the armed forces in 1940 out of Mildura. The first was Private Sapper Hughie Forrest, who served from 1940 to 1945 in the Middle East and Java with the 6th Division. He was captured as a POW by the Japanese in 1942.

The second Forrest brother was Private Charlie Forrest, who served with the 7th Battalion A-Company. There was Private Eric Forrest, who served with the 6th Division from 1941 to 1944 in the Middle East and Java, and was captured by the Japanese on 7 March 1942. There was Private Herb Forrest, who served with the 6th Division from 1940 to 1944; he saw active service in the Middle East, Greece and Crete, and found himself in Java, before being captured by the Japanese in 1942. Then there was Corporal Ernest Forrest, who served with the 9th Division from 1940 to 1945 in the Middle East. He found himself in Tobruk and El Alamein, and latterly the islands. This was Ern Forrest, my late father.

Four of these brothers returned; two did not. Those who did return were maimed and harmed. I remember Uncle Hughie, who was captured by the Japanese and interned in Changi. He lived out the remainder of his years as a quiet and very taciturn man as a result. They never talked about their war service. I recall my own father saying, 'I hope you will be spared from it, son.' But the real story here is that Uncle Herb and Uncle Jack were lost in an incident similar to the sinking of the *Montevideo Maru*.

It is interesting to note Australia's war history in this period. In late 1940, a year after the start of World War II, the Australians had almost no defences in Rabaul, which was then the headquarters of the Australian administration of the territory of Papua New Guinea. However, by 1942 there were some 1,200 troops deployed in Rabaul and 20,000 spread throughout the wider area. On 20 January 1942, the Japanese attacked Rabaul, and it fell. The Japanese captured more than 1,000 Allied servicemen, three of the Forrest brothers included.
On 22 June 1942, 1,053 men—845 who were Australian prisoners of war, and a further 208 civilian internees—were loaded onto the Montevideo Maru, as the member for Kingsford Smith has told us. It was a Japanese ship headed to Japan. The submarine USS Sturgeon mistook her for a troop- and armament-carrying vessel; they torpedoed it, with the tragic loss of 1,053 Australians.

On 1 July 2012, I was pleased to see the unveiling of a sculpture at the Australian War Memorial to mark the 70th anniversary of this horrendous event, to honour the men for their service and their sacrifice. This is a very fitting thing to do and has my support, given the size of this tragedy. But there were many more POW ships that suffered a fate similar to that of the Montevideo Maru. In March 1944, 7,000 British and Australian POWs were assembled in Thailand. Nine hundred were chosen and eventually moved to Singapore for transportation to Japan. Two of the six Forrest brothers, Uncle Herb and Uncle Jack, were allegedly among this group. That was what my father's family were advised, but there has never been real certainty about this.

On the morning of 4 September 1944, when the POWs reached the docks, they were confronted by two freighters: the Rakuyo Maru was to primarily carry the Australians, and the larger, American built, Kachidoki Maru was allocated to transport the British. The ships also carried a cargo of rubber. The senior Allied POW officers protested loudly that the ships carried no Red Cross markings to distinguish them from carrying POWs. The officers knew that to sail under these conditions would be suicide. Remember, this is after the sinking of the Montevideo Maru.

This, sadly, proved to be true. The ships sailed north and were met by other vessels from Manila. As the ships proceeded north to Japan they passed through an area known to American submariners as Convoy College. This consisted of five US submarines. At 5.22 am on 12 September 1944 the USS Sealion opened fire on the Rakuyo Maru with three deadly torpedoes and another tragedy ensued.

Mr Don Wall has recorded what he could of the sinking of the Montevideo Maru in his book. I have a copy of it. It is entitled Heroes of the Sea. It records the tragedy of the sinking of the Rakuyo Maru and is a series of testimony from survivors. He describes how the Japanese raced to the lifeboats but refused access to the POWs, beating them away with sticks. The prisoners were left to fend for themselves as another series of explosions lit up the night sky as torpedoes slammed into the accompanying tanker Nankai Maru. By 5.30 pm those POWs fit enough to leave the boat were all in the water, coated in oil from the tanker, and the Rakuyo Maru languished for some time before plunging to the ocean floor. Two Japanese frigates and a merchant ship steamed towards the stranded men but refused to rescue any Allied survivors, collecting only Japanese soldiers. It is reported that groups of POWs were fired upon by machine guns.

By 14 September, after survivors had spent several days in the water, the US submarines retraced their course and rescued 92 Australians and 60 British prisoners, leaving a death toll of 1,403 lost at sea.

A division having been called in the House of Representatives—

Sitting suspended from 12:12 to 12:25
Mr FORREST: The death toll of 1,403 lost at sea from both the Rakuyo Maru and the Kachidoki Maru is up there with the sinking of the Montevideo Maru. Sadly my uncles, Private Herbert Forrest and Private Jack Forrest, were not among the survivors and were presumed dead. This is a tragic story and it highlights the absolute absurdity of war when you can be destroyed by the friendly fire of your allies. The outcome badly affected my father. He lived the remainder of his life with a very jaundiced view of Americans. His attitude to Americans was, frankly, nearly as bad as his view of the Japanese. He also claimed that it shortened the life of my grandmother, who I never knew.

In this period of insanity, owing to the very poor state of military intelligence, there were more than a dozen sinkings of Japanese POW and hospital ships in similar circumstances as the Montevideo Maru and the Rakuyo Maru. The member for Kingsford Smith made mention of earlier resolutions in the chamber which prompted me back in 2010 to ask the Minister for Defence Personnel a question on notice. My question was basically directed towards the veracity of the list Australian families relied on to indicate their loved ones were on any of these boats. They had to rely on the names being provided by the Japanese. The minister kindly responded to me very positively, and he said in reference to the Montevideo Maru:

There have been challenges to the accuracy of this roll with suggestions that some people shown on the roll were killed in Rabaul and did not embark. These challenges are based on survivors of captivity in Rabaul who were interviewed after the war.

The minister goes on to say:

The exact number may never be known. Numbers of prisoners died on Japanese ships of disease, malnutrition and bad treatment on ships that were not sunk.

This was the issue that tormented my own family—they just did not know what had happened to Uncle Herb and Uncle Jack. Were they murdered in the jungle or were they, as directed by the Japanese, actually on the Rakuyo Maru? In response to my question the minister went on:

… after the loss of the Montevideo Maru followed the Rakuyo (or Rakuyo) Maru. No Japanese roll has ever been found, so it is not known exactly who was on board.

I am making these remarks because I am mindful that there are many thousands of families, like the family of the member for Kingsford-Smith and my own family, who have lived for nearly seven decades with the uncertainty of what happened to their loved ones. There were 13 children in my father's family. Today, only one remains—Uncle Eric, who is 88 years of age and living in Mildura in failing health. I say to Uncle Eric: this debate in this chamber today is for you. We hope it assuages some of the pain endured by your family over the years. In a symbolic way that is extended to many other thousands of families.

Cynthia Schmidt lives on the Gold Coast—she is a constituent of the member for Moncrieff. She lost her father on the Montevideo Maru. We joined forces by accident, and she has been of enormous help to me in my own search for closure and certainty in regards to this matter.

Whilst I applaud this recognition of the tragic sinking of the Montevideo Maru, I believe the memorial should include recognition of all the sinkings that occurred so that future generations will be aware of the absolute insanity of war and appreciate the pain and suffering it leaves behind, and so that they might be spurred on to do all they can, in their own individual efforts, to avoid events of this scale ever being repeated.
Whilst we will never know the final answer, we want to assure all those thousands of families that we share in their pain and we want to do what we can to assist them with closure. Lest we forget.

Ms SAFFIN (Page) (12:30): I want to follow up on a few of the comments that the honourable member for Mallee made. I saw that that was a difficult contribution for him to make; I could feel it. You said that a memorial should recognise all the sinkings. I agree with you; I think that would be most appropriate too. You talked about closure and certainty for families and loved ones. That is something that is difficult to attain but something that we all tried to attain for them. I just wanted to acknowledge your words, Member for Mallee; you are a compassionate man and it was really nice to sit here and listen to you.

I rise to speak at the request of one of my constituents of Page, Mr Denis Green, on this motion commemorating the sinking of the Montevideo Maru in 1942. Mr Green recently attended the dedication of the Rabaul and Montevideo Maru memorial at the Australian War Memorial here in Canberra, on 1 July 2012, on the occasion of the 70th anniversary commemorative luncheon and unveiling. During a speech at the dedication by our colleague the honourable member for Kingsford Smith—who also made a very moving and personal contribution here today—he suggested that those attending contact their local members of parliament to ask them to consider rising on indulgence to note commemorations of the sinking of the vessel. So I am proud and honoured as the member for Page to be able to do that today and I thank the member for Kingsford Smith for suggesting this to Mr Green and the others assembled.

Whilst being transported as a military prisoner, Mr Green's father, Clive Green, perished on board the Montevideo Maru when it was torpedoed by an American submarine in the South China Sea on 1 July 1942. During the Second World War, Clive was a superintendent at Keravat agricultural station in Papua New Guinea. It was a government based experimental station through which crops such as coffee were introduced to the area. In January 1942, Japanese forces landed at the nearby Port of Rabaul and, despite the concerted efforts of the civilian expatriate population and a small contingent of Australian soldiers to repel the invasion, they had no option but to retreat into the dense jungle and fend for themselves. Despite being able to evade capture for a few weeks using the Keravat crops and stores to camouflage and sustain the resistance, Clive was captured and interned as a civilian prisoner of war. Avoiding execution after an informant recanted his allegation against Clive and a bank employee concerning the hiding of gold bullion, Clive boarded the Montevideo Maru with other civilian and military prisoners of war, where they were consigned to locked cargo holds by their captors. The Montevideo Maru then set sail for the Chinese island of Hainan, then occupied by the Japanese.

On 1 July 1942, approximately 100 kilometres west of Cape Luzon in the Philippines, the United States submarine USS Sturgeon torpedoed the unmarked Japanese freighter at 2.29 am, the vessel sinking stern first some 11 minutes later. The submarine's commander, Lieutenant Commander William Wright, was subsequently found to have been unaware of the human cargo. This was the biggest single loss of life in Australia's wartime history, with up to 845 soldiers and over 200 civilians, including Clive Green, losing their lives.

Clive's great-granddaughter and Denis's granddaughter Caitlin Nash delivered a touching tribute to her great-grandfather to win the Northern New South Wales region's Legacy junior
public speaking competition held in Lismore on 5 August 2010. Caitlin is a year 10 student at Catherine McAuley Catholic College, Grafton, and a good deal of the information I have used in this speech today has come from Caitlin's tribute. Her tribute provided a truly personal reflection on such a terrible tragedy. I am sure that Caitlin's grandfather Denis is extremely proud of her in expressing her respect and love for her great-grandfather and his father.

Another local connection is through another constituent, Mr Ian Geyer of Woodenbong. Ian's uncle, Lance Corporal Kevin Geyer of No. 1 Independent Company, was taken prisoner following the Japanese invasion before embarking on the ill-fated vessel on 22 June 1942.

In marking the anniversary of the sinking, the dedication service for the unveiling of the Rabaul and Montevideo Maru memorial took place at the Australian War Memorial on 1 July 2012. The dedication was extensively covered and celebrated by the Rabaul and Montevideo Maru Society's newsletter No. 40, which provided a great run-down of the day, accompanied by many photos of the event. As we know, the honourable member for Kingsford Smith had a personal interest in the unveiling of the memorial, as his grandfather lost his life in the tragedy.

However, the impact of the sinking on past and current parliamentarians on all sides of Australian politics does not end there. An uncle of our current ambassador to the United States of America and former Labor opposition leader, the Hon. Kim Beazley AC, was a Methodist missionary who perished on board the stricken vessel. The brother of Sir Earle Page, who served as caretaker Prime Minister upon the death in office of Prime Minister Lyons in 1939 and from whom my electorate takes its name, was Harold Page. Harold, as Deputy Administrator in New Guinea, commenced the compulsory evacuation of women and children from Rabaul in late 1941 while it was under threat of invasion by Japanese forces. Harold was captured in Rabaul in June 1942 by Japanese forces, before boarding the Montevideo Maru as a civilian prisoner of war. Harold is of course the great-uncle of the Hon. Don Page, the current state member for Ballina—which is within my federal seat of Page—and Minister for Local Government and Minister for the North Coast in the New South Wales Parliament.

Returning to Denis Green—his father's eldest brother, the Hon. Roland F. Green, represented the then Country Party in federal parliament between 1922 and 1937 for Richmond, a neighbouring seat to my seat of Page. So there are a lot of connections—family connections, personal connections, political connections and parliamentary connections. It is something which in some way, directly or indirectly, impacts on all Australians.

I would like to commend to members of the House, including myself, to make a visit to the Rabaul and Montevideo Maru installation at the Australian War Memorial, which I have yet to do, to pay respects to the civilians and soldiers who lost their lives due to this terrible tragedy.

Mr McCormack (Riverina) (12:40): 1 July 2012 marked the 70th anniversary of Australia's greatest loss of life at sea, in war or peace. On that date in 1942, at 2.29 am, the Montevideo Maru, an unmarked Japanese transport freighter, was torpedoeed by an American submarine in the South China Sea, whilst transporting more than 1,000 Australian soldiers and civilian prisoners of war. The ill-fated ship sank in just 11 minutes. There were no Australian survivors.
This was our worst maritime disaster—the biggest single loss of life in Australia's wartime history, and still today it remains the biggest. Much uncertainty and conspiracy have surrounded both the existence of the Montevideo Maru and the 1 July sinking. Rumours and theories have circulated about this tragic event since the end of the Second World War. Some even believe the Japanese had fabricated the sinking in an attempt to avoid war crimes. Earlier this year, however, the Japanese handed thousands of POW documents to the Australian government and the Montevideo Maru's manifest, which contained the names of all of the Australians on board, was found to be amongst them. The translation of the manifest was released in June 2012 confirming that a total of 1,054 Australians were on board, of whom 845 were members of the Australian Army unit, Lark Force.

On Sunday, 1 July this year, on the 70th anniversary, a memorial dedicated to those lost on the Montevideo Maru was unveiled at the Australian War Memorial. This superb memorial was done for, and on behalf of, the Australian War Memorial in partnership with the Rabaul and Montevideo Maru Society. Created by renowned Melbourne sculptor James Parrett, the memorial commemorates those Australians who died in the defence of Rabaul and those who later died as prisoners in the sinking of the Montevideo Maru. The sculpture is fabricated in stainless steel and stands about 3.5 metres high. It is a fascinating design, and it may be visited in the award-winning Eastern Precinct of the Australian War Memorial.

In true veteran mateship, more than 1,000 people, many of whom were in their late 80s and 90s, braved single-digit temperatures to see their mates honoured. In the words of Lark Force Association President Norm Furness, whose members were on board the Montevideo Maru: 'Today's stately ceremony is their funeral. This memorial is their headstone.' Lest we forget.

Mr TURNBULL (Wentworth) (12:42): The House is remembering the 70th anniversary of the sinking of the Montevideo Maru, the Japanese vessel that, 70 years ago on 1 July, was carrying over 1,000 Australian prisoners of war and civilians and was sunk off the Philippines by an American submarine, the USS Sturgeon. It was, and remains, the worst maritime disaster in Australia's history. It had sailed from Rabaul, on 22 June 1942. It carried 845 Australian prisoners of war and 208 interned Australian civilians, all headed for internment on Hainan Island in China—as well, of course, as its Japanese crew.

One of the Australian civilians who died in that tragedy was Henry Fulton, who is the uncle of one of my constituents, Elizabeth Fulton-Thurston, who has worked very hard with the committee to ensure that the sinking of the Montevideo Maru was appropriately remembered, and they have been able to secure, as we now know, and as we witnessed only a few weeks ago, a beautiful sculpture erected at the Australian War Memorial, which was unveiled on 2 July.

Every one of the men who died in the sinking of this ship had their own personal story, but there is a great family story associated with Henry Fulton and his death on that ship. Henry was one of four brothers who had been brought up in very tough circumstances. His father died when they were all very young and they were brought up by their mother in the eastern suburbs in Sydney, in Waverley in my electorate. All of them except Henry were very keen and successful sportsmen with a great love of cricket. Henry had polio as a child and he was the only one of the four brothers who did not serve in the Australian defence forces in the Second World War.
Ted Fulton, the oldest of the four, had one of the most remarkable and colourful histories of any Australian serviceman. He went off with the 6th Division to Palestine, having joined the Army as soon as war was declared. He served with the 6th Division in the triumphant campaign against the Italians in North Africa and the victories in Bardia and Tobruk. Then he served with the Australian and British forces in what turned out to be the military debacle in Greece and Crete, and was very fortunate ultimately to escape from Crete back to his unit in Palestine. Ted had been an early pioneer in New Guinea, which of course was administered by Australia as a League of Nations mandate after the First World War. He first went up there in the early 1920s to work for Carpenters, the trading company. He had a variety of jobs with Carpenters and then he worked for the Australian administration, and subsequently had great success as a gold prospector and gold miner on the Sepik River. When he joined up, he was a mature man—he was 35 years of age, born in 1904. Ted Fulton left a substantial business behind in New Guinea.

His brother Henry, who suffered from polio, was seven years younger than Ted, and Ted always kept an eye out for him. Ted brought him up to Rabaul in 1937 for a job with Burns Philp. He took him under his wing. His other brother Jack served with the Australian Army and was interned in Changi, and worked on the Burma Railway—and worked near to death, as with all the other prisoners. Remarkably, he survived and wrote a diary of his time in Changi, which is now in the Australian War Memorial. The fourth brother, Frank Fulton, served in the Air Force.

So there were four brothers, three of whom served in very dangerous circumstances for the Australian armed forces. Henry did not but he was the one who did not come home. He was a civilian by reason of his polio and he was taken with the other prisoners of war on the Montevideo Maru and was lost at sea. Ted Fulton subsequently returned to New Guinea and established a plantation there. He has written a remarkable book, which I commend to honourable members, called No Turning Back. His daughter Elizabeth edited that book and contributed to it.

Rabaul had not been fortified in the years before the Second World War, not least because it was a condition of Australia's administering the former German colony that it remain unmilitarised. A force of about 1,400 men was dispatched to Rabaul in April 1941, called Lark Force, but it was utterly inadequate to repel any likely Japanese attack. It was part of the 22nd Battalion and was under the command of Lieutenant Colonel John Scanlan. It remains puzzling why a clearly inadequate force was left in Rabaul as some kind of sacrifice.

There was considerable bitterness at the time and subsequently about the decisions made in Canberra that resulted not only in the Lark Force remaining in Rabaul when it was clearly inadequate to repel any Japanese attack but also in refusing to consent to male civilians such as Henry Fulton being evacuated.

Thousands of Australians lost their lives, some in the fighting and a number were executed by the Japanese—160 of them in one single massacre at the Tol and Waitavalo plantations. Those who had not been killed or died of other causes were interned and then lost at sea on the Montevideo Maru. Presumably, the decision was taken to leave the troops there as some kind of defiant sacrifice but it does seem, and seemed at the time, to be a particularly pointless decision.
The *Montevideo Maru* took just 11 minutes to sink after it had been torpedoed. The Australian soldiers sang *Auld lang syne* as the ship went down. There was no effort made to recover the survivors. The Japanese navy took the view that they could not remain in that vicinity with an enemy submarine nearby. At the time, the sinking was not reported in Australia, as there was very heavy censorship, and it was not until 1945 that Henry Fulton's family learnt what had happened to him. He had written two letters, of which I propose to read a portion, to his family not long before the prisoners were taken off in the *Montevideo Maru*. On 9 January 1942, he wrote to his sister Mary—and this was before the Japanese had landed, which occurred on 23 January—and he said:

I suppose you have heard over the wireless about our visits from the Jap bombers. So far they have not done much damage with the exception of the natives killed at the native hospital last Sunday. There have not been any European casualties. I have sent you the *Rabaul Times* of today by this airmail and hope that it reaches you safely. You will be able to read a full report of the doings in it and then you might pass it on to Flip—

that is his brother Frank—

There is no cause to be worried about this business. No doubt they will be pretty frequent from now on but we all have our slit trenches and are pretty well protected and so far they have not attacked the town area, so please Diddy do not worry unnecessarily about it.

That was putting a very brave face on a pretty difficult situation.

Later, on 11 February 1942, he wrote to his brother Frank a letter that was presumably written under Japanese instruction and was delivered as part of a mail drop by the Japanese over Port Moresby. Hank Nelson described it as 'a strange act of chivalry in a very brutal war'. This was his final letter and he said:

Dear Frank,

Just a line to let you know that I am safe and well and am still in Rabaul and I hope that you and Mary have not been worrying about me. I am in good health and eating well and sleep well at night. I hope that this will find you in good health and that Chris and the children are all free from sickness. Assure Mary that I am quite all right and also give my regards to Grace. I often think of you all, also Jack and Ted. Love to all old scout and hope it will not be long before I am seeing you all again. Cheers for the time Flip, your fond brother, Henry.

The family marked Henry's all-too-short life with a plaque that rests on his parents' grave at Waverley Cemetery and that overlooks Bronte Beach, where the Fulton boys spent much of their time when they were young lads growing up in the eastern suburbs. It is a shocking tragedy and it is one that, until very recently, too little attention was paid to, no doubt because it was the result of friendly fire and there was a degree of embarrassment that this, the worst maritime disaster in our history, or the largest single loss of Australian lives in one incident in the Second World War, was the consequence of an American torpedo.

But those Australians who died on the *Montevideo Maru* died serving their country as bravely as any soldier, sailor, airman or serviceman or woman who lost his or her life in that war. It is good, albeit somewhat late, that the *Montevideo Maru* is remembered. I am very pleased to be able to remember and recall the remarkable lives of four young men—the Fulton boys: Ted, Frank, Henry and Jack—who in different theatres served their country so selflessly in the Second World War. They were a remarkable generation who saw service as their duty and sought no thanks, no honorifics, no rewards for it. They simply recognised that
it was something that they had to do. To them service was second nature. We will not see their like again. Lest we forget.

Mr GRIFFIN (Bruce) (12:56): I rise today to join with others to commemorate the tragedy of the Montevideo Maru and to remember those many brave Australians who gave their lives in the service of their nation in circumstances which even today are shrouded in some mystery. A number of other speakers have raised individual cases of tragedy and the very personal stories of families who lost loved ones, families who were devastated by those events. I do not intend to go to the question of individual tragedies. Instead I would like to put a couple of points on the record as I think they highlight the scale of the tragedy. I would also like to remember the activities of some who in recent years have worked hard to ensure that the nation and government understand what took place by ensuring those tragic events are commemorated not only for now but into the future.

As we know and as other speakers have said, this was Australia's greatest single maritime tragedy, with the loss of some 1,053 Australian lives. If you go broader and look at what occurred at Rabaul, there were even more losses. I would like to quote from the speech of Mr Phil Ainsworth given at the luncheon on 30 June as part of the commemoration and dedication of the new memorial:

Firstly, I would like to place these tragic 1942 events in perspective. The 1,400 deaths represent a casualty rate of 82 per cent of the 1,700 Australian men present at the time of the invasion. The number captured is about six per cent of all Australian POWs taken in all theatres of the war, and their deaths comprise about 15 per cent of all Australian POWs who died during capture. As a maritime disaster, the sinking of the Montevideo Maru with over 1,000 Australians aboard compares in number with HMAS Sydney when 645 were lost and the hospital ship Centaur with 258.

Phil puts in statistical terms the enormity of this tragedy on the public record. As others have raised individual cases, these have personalised the very tragic nature of these events.

As some would remember, I was Minister for Veterans' Affairs last term and had the privilege to meet and talk with some of the family members of those who lost loved ones on the Montevideo Maru at a reception held here in Parliament House. I also had the privilege of advising them of the establishment of a memorial at the Australian War Memorial, kicking that off with a donation from the Australian government of $100,000 on behalf of the nation. I would like particularly to acknowledge Keith Jackson, who is known to some members. He is a colourful man. My first contact with him was when I was unfortunately quoted in the Australian on the issue of the Montevideo Maru, not quite out of context but without exhibiting the level of respect and understanding that Keith felt I should show. This led to Keith sending me one or two rather barbed emails and some rather unflattering information on his website. I have to admit I was not happy with this and sought to engage him to correct the record and ensure that we could deal with the issues in a more sensible fashion. This we did and we got over that unhappiness. I am now happy to call him a friend and I hope he is happy to call me one.

What I saw in Keith's actions and the actions of those surrounding him were dedication and determination to pursue a proper commemoration of this great tragedy. They have done that through a number of things, and their record over the last three or four years—as long as they have been working on this—is phenomenal. Putting together the funding and the establishment of the memorial at the AWM so quickly is phenomenal and a tribute to all of
them. I would also like to acknowledge Steve Gower, the former director, for the advice that he gave me at the time about how this could best be pursued. To all those in the Rabaul and Montevideo Maru Society engaged in establishing the memorial and searching for the records to ensure that we understand better what occurred and that the nation understands the terrible tragedy that took place, I say you have performed a great service for your nation. To those who died, to those who served and to those who have suffered since, we as a nation owe you a great debt.

Federation Chamber adjourned at 13:02
QUESTIONS IN WRITING

Defence
(Question No. 1061)

Mr Robert asked the Minister for Defence, in writing, on 18 June 2012:

(1) In respect of the announcement on 12 December 2011 that the Government would acquire additional Bushmaster vehicles,
(a) how many will be acquired,
(b) when will the Government enter into contract with Thales for the additional Bushmasters, and
(c) has this decision slipped due to the 2012-13 federal budget.

(2) In respect of the Government’s decision to acquire the C-27J and therefore retire the C-130H fleet early, can the minister advise,
(a) How many C-130H aircraft will be withdrawn from service,
(b) When will they be withdrawn from service,
(c) How much earlier will they be withdrawn from service based on the most recent guidance pre-decision,
(d) How will the aircraft be disposed,
(e) How many people are employed at RAAF Base Richmond in support of the C-130H fleet,
(f) How many people employed at RAAF Base Richmond in support of the C-130H fleet will transfer to the C-27J project, and
(g) Whether he has visited RAAF Base Richmond and personally spoken to the people working to support the C-130H fleet.

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

(1) (a) The Government approved the acquisition of up to 214 additional Bushmasters on 26 June 2012.
(b) The Defence Materiel Organisation executed a Contract Change Proposal for the additional Bushmasters on 13 July 2012.
(c) The decision has not slipped due to the 2012-13 federal budget.

(2) (a) The Royal Australian Air Force (RAAF) has a total of 12 C-130H aircraft. Of these, four are currently in preservation maintenance. All 12 C-130H aircraft will be withdrawn from service.
(b) The intended cease date for C-130H operations is 1 December 2012. C-130H aircraft will be progressively withdrawn from service as each aircraft falls due for its next planned maintenance servicing.
(c) The C-130H planned withdrawal date previously was December 2013.
(d) The disposal strategy for the C-130H is being prepared by Defence and will include the transfer of four C-130H aircraft to Indonesia as announced by the Government.
(e) A total workforce of approximately 250 are employed in support of C-130H aircraft, including prime contracts with QANTAS Defence Services, Raytheon and CAE Ltd and Australian based sub-contractors including Rosebank Engineering, Marshall Aerospace and Kellstrom Australia. The largest segment of industry workforce supporting the C-130H aircraft is approximately 80 QANTAS Defence Services technicians employed at RAAF Base Richmond in airframe deeper maintenance.
(f) Total RAAF personnel numbers at RAAF Base Richmond are expected to remain about the same as the C-130H aircraft is drawn down. RAAF personnel operating and supporting the C-130H aircraft will be progressively redeployed in 2012 and 2013 across other RAAF capabilities including the C-130J aircraft and C-27J aircraft transition. The C-27J aircraft Squadron will progressively ramp up to a Squadron of approximately 211 personnel, with most of these people drawn from the C-130H aircraft workforce.

Contractor support requirements at RAAF Base Richmond for both C-130J and C-27J aircraft are currently under review.

(g) The Minister for Defence has not visited RAAF Base Richmond since the announcement to retire the C-130H fleet. However, the Chief of Air Force, Air Marshal Geoff Brown visited personnel working to support the C-130H aircraft fleet on 9 May 2012, the day following the Federal Budget announcement.