### INTERNET


### SITTING DAYS—2014

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FORTY-FOURTH PARLIAMENT
FIRST SESSION—FOURTH PERIOD

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

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

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

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

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

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

Printed by authority of the House of Representatives
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**PARTY ABBREVIATIONS**

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

**Heads of Parliamentary Departments**

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

Ukraine Air Disaster

Ms JULIE BISHOP (Curtin—Minister for Foreign Affairs) (12:01): by leave—I rise today to table the Treaty between Australia and the Kingdom of the Netherlands on the presence of Australian personnel in the Netherlands for the purpose of responding to the downing of Malaysia Airlines flight MH17. The treaty is accompanied by a National Interest Analysis.

We live in an increasingly interconnected world where events far from home can have profound implications for us. On 17 July, Malaysia Airlines flight MH17 from Amsterdam to Kuala Lumpur was shot down over separatist-held territory in eastern Ukraine killing all 298 passengers and crew on board. It was a civilian aircraft in civilian airspace, with the wreckage landing in a war zone. In a cruel twist of fate Australia was suddenly at the fulcrum of the Russia–Ukraine conflict.

Among those killed were 38 passengers who called Australia home—and another three with close links to Australia. We have been profoundly saddened by the loss of so many Australians. Among them: a 25-year-old travelling in Europe, like so many young Australians do; a couple, both doctors in Toowoomba, at the end of a six-week holiday; three young Western Australian children travelling with their grandfather, returning home for the start of the school term. All innocent people for whom we continue to grieve.

In response to this horrific crime, the government launched Operation Bring Them Home—our contribution to international efforts to secure, identify and repatriate the remains of the victims, to investigate the cause of the incident and to hold those responsible to account. Australia authored UN Security Council Resolution 2166 which was endorsed unanimously on 21 July. It called for a ceasefire to access the crash site and a full, thorough and independent investigation into the downing of MH17. During that debate I said:

Our resolution demands that armed groups in control of the crash site provide safe access immediately to allow for the recovery of the bodies, and that these armed groups stop any actions that compromise the integrity of the crash site. This is imperative.

There must be a ceasefire in the immediate area around the site. The victims must be treated with dignity, brought back to their homes and laid to rest. All parties are required to fully cooperate with these efforts. Russia must use its influence over the separatists to ensure this. Russia must also use its influence to bring the conflict in Ukraine to an end.

Our resolution also demands a full, thorough and independent international investigation into this act. We must have answers. We must have justice. We owe it to the victims and their families to determine what happened and who was responsible.

Over 500 Australian police, military, diplomatic and consular personnel were deployed to Ukraine and the Netherlands in support of these efforts. As of today, 251 victims have been
identified by the Identification Commission in The Hague. We have representation on that commission and its work is assisted by a number of technical experts from Australia.

Out of respect for the families involved, I will not confirm the number of Australian victims that have been identified to date, however it will be some time before the identification process is complete. I attended two memorial services at Eindhoven airbase in the Netherlands and I acknowledge again the outstanding efforts of the Netherlands in bringing dignity and respect to the retrieval process.

In parallel to the process of recovering, identifying and repatriating remains, an investigation into the cause of the crash, as required by the Chicago Convention on International Civil Aviation, is underway. The investigation has broad international participation, drawing on experts from France, Germany, Indonesia, Italy, Malaysia, Russia, Ukraine, the United Kingdom and the United States, as well as from the European Aviation Safety Agency and the International Civil Aviation Organisation.

On 9 September, the preliminary report by the Dutch Safety Board into the incident was released. Its purpose is to determine the cause of the incident from an aviation perspective, not to attribute blame or liability. I welcome the preliminary report as a clear step towards achieving the full, thorough and independent international investigation sought by Resolution 2166. The damage to the aircraft documented in this preliminary report is consistent with the Australian government's initial assessment - voiced as early as the morning of 18 July—that MH17 had been shot down by a surface-to-air missile from Ukrainian territory under the control of Russian-backed separatists. On 19 September I attended a special meeting of the United Nations Security Council in New York on MH17. Members of the Security Council firmly rejected Russia's attempt to discredit the investigation into the downing of MH17 and reaffirmed their support for the International Dutch-led criminal investigation.

At that meeting, I thanked the government of the Netherlands for its professional leadership of the investigation. I underlined Australia's commitment to return investigators to the crash site when it was safe to do so, in the company of our Dutch and Malaysian partners.

The separate Dutch-led investigation into who was responsible for this crime is an ongoing process. Australia has been providing all possible assistance. We are under no illusions about the challenges involved in identifying the perpetrators but we are determined to do everything we can to deliver justice for the victims of MH17 and their families.

In order to deploy to and operate in the Netherlands the Department of Defence and the Australian Federal Police required certain rights and protections. The Netherlands advised that it was only able to grant such rights and protections under a treaty-status agreement enforceable before Dutch courts of law. This treaty defines the scope of permissible Australian activity in the Netherlands. It provides that Australians deployed to the Netherlands remain under Australia's command and control and that any necessary administrative or disciplinary action will be taken by Australia, not the Netherlands. The treaty extends privileges and immunities to Australian personnel and authorises them to carry weapons. It enables them to wear field uniforms and regulates information sharing and disclosure.

The treaty was signed and entered into force on 1 August this year. The government relied on the national interest exemption to take binding treaty action before the treaty was tabled in
parliament. This was imperative to ensure that all necessary personnel and equipment could be deployed to the Netherlands without delay and to ensure that all personnel, including those present in the Netherlands before the treaty's entry into force, were accorded appropriate protections.

Responding to crises such as the tragic downing of MH17 is the type of situation envisaged by the national interest exemption. From the moment we heard the news of this tragedy, Australia has played a critical role in the international response.

I again pay tribute to the large number of dedicated Australians who worked tirelessly and are still working to retrieve and identify remains, liaise with family members and investigate the shooting down of MH17.

I commend the treaty to the parliament as a critical element of the legal framework that was necessary to ensure that representatives of our country have all of the rights and protections they need to continue to fulfil our commitment to bring our people home. I table a copy of the treaty between Australia and the Kingdom of the Netherlands on the presence of Australian personnel in the Netherlands for the purpose of responding to the downing of Malaysia Airlines flight MH17.

Mr TUDGE (Aston—Parliamentary Secretary to the Prime Minister) (12:10): by leave—I move:

That so much of the standing and sessional orders be suspended as would prevent the Deputy Leader of the Opposition speaking in reply to the ministerial statement for a period not exceeding eight minutes.

Question agreed to.

Ms PLIBERSEK (Sydney—Deputy Leader of the Opposition) (12:10): I thank the Minister for Foreign Affairs for giving me the opportunity to respond to her statement. In this, as in all things related to MH17, the opposition supports the government. The opposition welcomes the tabling of the treaty between Australia and the Kingdom of Netherlands on the presence of Australian personnel in the Netherlands for the purpose of responding to the downing of Malaysia Airlines flight MH17.

There are dates that stick with us—the years of war and the days of loss. These include 11 September 2001, October 2005—the Bali bombing—and now 17 July. Each of us can no doubt remember exactly where we were and what we were doing when we first heard news of the tragic downing of MH17 on 17 July this year. We know that 298 people on board lost their lives and that 38 of those victims called Australia their home. Beyond the dates and numbers, we have come to know the personal stories of many of those who were on MH17—Emma Bell, the teacher working in the Northern Territory community of Maningrida where Aboriginal elders held a smoking ceremony last month to remember her; Gary and Mona Lee, who migrated to Australia in the 1970s; Sister Philomene Tiernan, a nun from Sydney; Perth resident Nick Norris and his three grandchildren, Evie, Mo and Otis Maslin; Johannes Van Den Hende, his wife, Shaliza Zain Dewa, and their children, Margaux, Marnix and Piers; researchers travelling to the 2014 AIDS conference in Melbourne, including the former president of the international AIDS society, Joep Lange.

We know so many of the names and stories but so little of the grief of their families. The Leader of the Opposition and I and many members of the parliament on both sides were pleased to join the Prime Minister, the Minister for Foreign Affairs and other members of the
government for a very moving memorial service in Melbourne. We attended a memorial service in Sydney too. Right around Australia families are grieving privately for the people they have lost. Much of the past two months has been about coming to terms with what we saw on that tragic day in July.

We have seen the efforts made by our investigators as part an international effort to bring to justice those responsible for this terrible crime—unexpected, unjust and unjustifiable. The shooting down of an unarmed passenger jet in civilian airspace demands answers. It also demands a reconnection of those grieving families with something of the people that they have lost. James and Vanessa Rizk lost their parents Albert and Maree. They held a memorial service in early August, with more than a thousand mourners, and were later able to hold a private family funeral for their parents. The family of Mary and Jerry Menke from Mallacoota said:

We look forward to receiving Mary and Gerry again soon in the place and the community they loved so much and which loved them.

The work of returning the remains of those who lost their lives to Australia is phenomenally important for their families—those last objects that their loved ones touched, the things that they were holding and handling on that flight home.

The efforts of the international team have been helping families around the world to both understand the source of this crime and have their loved ones returned to them. One of the pilots, Captain Eugene Choo Jin Leong, was returned to his family for a funeral service in Malaysia. His friend, another pilot, Azlan Abu Bakar, described flying home from the Netherlands, saying:

It was horrible bringing my very close friend. We used to fly together, and this time we fly together again but in difference situation.

And yet, as difficult as that journey was for that pilot, to be able to bring home the remains of his friend to rest in an urn in his family home and allow his family to grieve for him properly and to pay their respects of course is very important work.

The mission that the Australian personnel and their international partners have carried out has been done with distinction in extremely challenging circumstances. We heard reports of a team spending seven hours and, at times, avoiding arms fire to retrieve very small pieces of debris and a silver necklace. It is completely unacceptable that participants in this conflict on Ukrainian soil were not able to afford safe passage and security to the international team of experts working on the MH17 crash site. Of course, Russia must accept its share of responsibility for the ongoing instability in the Ukraine and must fully cooperate with efforts to understand the chain of events which led to this crash.

Australia has been an international leader in the discussion about the investigation following the moving of resolution 2166 in the UN Security Council. This is exactly the sort of use that we envisaged for Australia's representation on the Security Council when we argued so hard that a country of Australia's stature deserved its place on the Security Council.

Given the seriousness of the tragedy and the urgency of the efforts by Australian personnel overseas, the treaty being tabled today forms an important part of our national response. The treaty was signed and entered into force on 1 August this year and acknowledges the responsibilities of Australian personnel, including to respect the sovereignty and the laws of
the Netherlands. The treaty also affords our personnel rights and protections during their important work, including allowing them to carry weapons and wear field uniform. The arrangements provide that Australian personnel will remain under Australia's command and any necessary administrative or disciplinary action will be taken by Australia. The opposition notes that the government relied on the national interest exemption to take binding treaty action before the treaty was tabled in the parliament. We accept that the time sensitivity of the situation at hand and the primacy of affording proper protection to Australian personnel from the Department of Defence and the Australian Federal Police have made this necessary. I welcome the tabling of this treaty and commend it to the parliament.

**BILLS**

**Fair Entitlements Guarantee Amendment Bill 2014**

*Second Reading*

Debate resumed on the motion:

That this bill be now read a second time.

Mr BRENDAN O'CONNOR (Gorton) (12:18): The Fair Entitlements Guarantee is a legislative safety net scheme to ensure that people who lose their job receive reasonable entitlements. It is a last resort that covers certain unpaid employment entitlements when employees lose their jobs through the liquidation or bankruptcy of their employer.

In 2012, Labor passed the Fair Entitlements Guarantee legislation, which delivered the strongest protections for workers' entitlements ever seen in this country and replaced the General Employee Entitlements and Redundancy Scheme, which the minister referred to in his second reading speech. It is important for the House to note that there was no legislative basis for GEERS. It was simply an administrative arrangement operated by the department in accordance with the GEERS's operating arrangements. Therefore, this would have made it fairly easy for the government that proposed it or, indeed, any future government to amend or dismantle the scheme. I note also that it may well have been the government's intention to do exactly that sometime after it was introduced. Indeed, it may well be the intention of the government now.

Labor, of course, legislated our scheme, and I think it is fortunate that we did, because the Fair Entitlements Guarantee is under assault by this government—by the Prime Minister, by the Minister for Employment and by other ministers, who support cutting away the safety net for thousands upon thousands of Australian workers who may lose their jobs through no fault of their own. We legislated because Labor are the party of jobs and Labor are the party for workers.

In this bill, among other things the government seeks to cut the Fair Entitlements Guarantee. It is important for context to note that this is a recommendation from the National Commission of Audit, an audit that was undertaken, effectively, by the Business Council of Australia—big business, making a decision on whether workers deserve an entitlement pursuant to an enterprise agreement that they bargained at the workplace. That audit and the Business Council of Australia, in a very self-interested and self-serving way, recommended the abolition of the legislation that would affect these workers.

The government's proposal, in effect, would change the maximum payment from four weeks per year of service to a maximum of 16 weeks, regardless of how many years a worker
may have served—whether they have served 10 years, 20 years, 30 years or, in some cases, as we know, 40 years with a company. The government's proposal to change the maximum payment from four weeks per year of service is a problem. The changes to FEG spell disaster for workers in many sectors of our economy. Make no mistake, the intent of this bill is a simple proposition to undermine the safety net afforded to those workers pursuant to an industrial instrument that has been affirmed by the commission and agreed to by the employer.

If passed into law this cut will have a seriously detrimental effect on the lives and living standards of those Australians who lose their wages and entitlements although they are not the cause of that loss. Let's consider, therefore, exactly what the government's cut to the scheme will mean. One example is that of a number of workers from ACL in Launceston who lose their jobs in 2009 under the old GEERS scheme, which also capped redundancy entitlements at 16 weeks. There was one worker who had over 40 years of service who would have been owed in excess of $100,000; but, because of the limits of GEERS at the time, he received less than $30,000—a worker whose family missed out on over $80,000 in payments, a payment that would have seen this worker enjoy an adequate retirement. It would not be a rich retirement, not one that would allow him necessarily to do all sorts of things beyond what a decent hard worker deserves but an adequate retirement. It was a payment that would have given a respectful end to his years of commitment and hard work not only for that factory and community but for this country.

Another example is when Melbatex Pty Ltd went into liquidation in 2009. A longstanding collective agreement which included redundancy provisions was in place. However, the old GEERS, including the 16-week cap, was paid out to the employees. One 59-year-old male employee who had worked for more than 43 years at the time of termination was left with over $98,000 in unpaid severance because he was paid under GEERS and not paid pursuant to the entitlements within the enterprise bargaining agreement negotiated by his employer and the union. Again a great travesty resulted. A 63-year-old woman who had worked for just under 40 years also had about $100,000 severance unpaid.

These examples go to not insignificant amounts of money that these workers did not receive—money that could have made the difference between struggling to make ends meet after decades of work or doing okay and having a decent retirement, something that should be afforded to all Australians. I say that because many of these retrenched employees—and history will bear this out—when they are retrenched near the end of their retirement are not eligible for the pension, because they are too young. The way in which this government is proceeding, of course, they will have to be 70 in the future to receive any pension. And yet they are having grave difficulties finding work. People who have worked all their lives and who want to work cannot find sufficient work to provide them and their families sustenance and a reasonable standard of living. They will be in a position where they fall between the stools of public policy: not old enough to reach the pension; too old, it would appear, to be re-employed, because of a whole series of reasons which sometimes go to discrimination towards older workers, which for the life of me I do not understand, because they are equipped with experience, wisdom and a history of good work—we can see a situation where there are people who will be left adrift as a result, and that is the reason we have a problem with this proposed legislation.
On this side of the House we know that employees who lose their jobs through insolvency or bankruptcy of their employer have enough to worry about. They have to worry about paying the kids' school fees, buying their children's clothes, helping grown-up kids at university, making the mortgage payments or finding the money to cover unexpected bills or emergency situations. That is why we believe that these employees should not have to worry about being paid what they are entitled to under law and have now lost through no fault of their own.

The government's cuts to the scheme, the opposition argues, disproportionately affects older Australians. The government has overlooked or, worse still, deliberately neglected to consider the impact the changes will have on mature-age workers who are unemployed, as I referred to earlier. The outcome that will occur from the proposed changes should they be enacted are contrary to the government's other policy objectives, including, as I said earlier, the raising of the pension age to 70 and also the change of indexation for the rates of the pension, which will see the deterioration in real terms of the pension over coming years.

This contradiction in terms leads us to think about the rationale behind the change. In the end I can only conclude that this is an ideological assault on workers and their families. Employees who have significant redundancy entitlements have only accrued them through long-term employment at a particular workplace, and it is only payable once their employment has been terminated under certain circumstances.

Labor knows the difficulties older Australians have getting back into the workforce. I think the government, in their own small way, have sought to fix this problem—or at least mitigate against the problems that older workers have confronted. They did so with the introduction of the Restart program. Whilst I do not agree with all of the elements of the Restart program I think that that program is an effort to encourage employers to employ older Australians—I think it is Australians over the age of 50—to get into work if they are disconnected from the labour market. Whilst we will have to see whether it is an effective initiative, I think there is an intention behind it.

However, at the same time, we are going to have older workers losing jobs because our economy is in transition, with much structural change. Yet this bill will tear away entitlements for so many people. We will have to wait and see about the effectiveness of the Restart program—providing money to employers, effectively, to employ older Australians—but this bill, if enacted, would rip away elements of the safety net for people in particular industries where those industries are faced with major challenges at best. In some cases—for example, the car industry—under this government we have already seen a death notice.

Labor knows that the difficulties that workers confront in certain sectors of our economy are greater than in others, particularly in manufacturing, automotive, textile, timber and wood product industries. We are committed to finding ways to assist these people—not drag them down. The decision to cut the Fair Entitlements Guarantee is particularly galling given the government's dismantlement of the automotive sector of Australia.

The sector will be hit, and hit hard. The cut to the FEG, as it is known, is compounded by cuts to the Automotive Transformation Scheme and other industry programs. The Labor scheme encouraged competitive investment and innovation in the Australian automotive industry to place it on an economically sustainable footing. Yet, in the budget papers, the budget states that it will save $618.5 million by terminating such a scheme from 1 January
2018. This includes $200 million in cuts over the next two years—long before the scheduled closures of manufacturing operations for Ford, Holden and Toyota.

We can remember what happened in this place in December. The Treasurer of this nation stood up and goaded Holden to leave our shores. The next day, Holden decided to take the advice of the Treasurer. How do you keep companies like Holden in Australia when the federal government turns its back on the industry and that particular company? The consequence of that decision by Holden—followed by Toyota—is that there will be more workers who will be in exactly the position where they will be relying upon the Fair Entitlements Guarantee. The consequences will run through the automotive parts sector of our economy. Smaller medium enterprises are more likely to go into liquidation or be declared bankrupt. We will have thousands of workers affected. Areas affected will not be confined to South Australia and Melbourne and pockets around the country; the automotive parts sector of our economy runs right up the east coast, including in South Australia, Victoria, New South Wales, Queensland and beyond—to the west.

I should add that this is a direct contradiction to what Assistant Minister Briggs said before the election, when he said:

The Coalition has committed to ongoing support for the auto industry and has agreed to continue funding the Automotive Transformation Scheme.

He is from South Australia so he would say that, but unfortunately that is not true. That has been cut. And, as I said, this comes on top of the Treasurer rising to his feet to speak about this in the parliament earlier. So you can imagine how workers are feeling when, on one hand, they see the government turning its back on a sector of our economy which is vital for manufacturing, and, on the other hand, they see legislation incidental to that decision—namely the underwriting and supporting of fair entitlements—being enacted by the government to take away what might be their only support when the sector suffers from the major car companies leaving and other effects on the sector more generally.

There are workers who have been in the automotive manufacturing and supply chain that have been there for many, many years. Under the current scheme they would be entitled to FEG based on their years of service. Under the government scheme, if it is enacted, they will be entitled to 16 weeks maximum, irrespective of their service.

As I have said, the government has overseen the death of the automotive manufacturing sector, which I think has dire consequences for the rest of the supply chain. As I said earlier, the government should think about how this legislation will intersect with what is happening in the real economy—in certain sectors of the labour market. In consultations, Labor has heard from the automotive sector stakeholders, who are deeply concerned that the changes to the FEG may act as an incentive for vulnerable automotive component manufacturers to close their doors early, while their employees remain covered by the current FEG arrangements.

In particular, if automotive component manufacturers close early this may deprive car makers of key components for the assembly of their vehicles, making continued production of specific models no longer possible. With a knock-on effect, this, in turn, make cause or precipitate the early closure of production at Ford, Toyota and Holden, which will in turn potentially result in the early closure of further automotive component producers that supply other car makers.
In this way, the closure of two or three small automotive component manufacturers may spark mass closure of automotive manufacturing in a short period of time. Fifty thousand jobs directly depend on the automotive industry, and another 200,000 indirectly depend on it. I would strongly argue that the government's decision to cut the FEG could result in accelerating that transition or those closures, those changes and those job cuts.

These job cuts that will take place through to when car manufacturing ceases in Australia are a direct result of the government's actions. With the cut to the FEG, Prime Minister Abbott is rubbing salt into the wounds of the automotive sector workers and their families. Everything this government seems to do is about attacking workers, not supporting workers, not supporting conditions of employment, or taking conditions of employment away. It is not just the automotive sector that will be hit by these cuts; there are those in the textile-clothing sector, the childcare sector, nursing and manufacturing—the list goes on and on.

Given that Mr Abetz is charged with responsibility for this piece of legislation, perhaps the most unconscionable but, sadly, not surprising component of this cut to the FEG is that the government made no mention of it before the election. In fact, before the election the then shadow minister, the now Minister for Employment, Senator Abetz, gave a concrete commitment not to change the FEG. He said, 'As far as I can see, it's as sound as a pound.' At least his words were; his deed clearly was not.

On 17 July 2013, in response to a letter from automotive car company worker Pierre Rault from Dandenong South, Minister Abetz, the then Leader of the Opposition in the Senate and shadow minister for employment, wrote:

…you can be assured that the Coalition would not seek to do anything to water down these important protections for Australian workers. Some seven weeks ago or so, I released the Coalition's Workplace Relations policy with the Coalition leader, Mr Tony Abbott. We were explicit in the policy that but for the changes proposed in that document we would not make any other changes.

That letter is in direct defiance of this bill. However, here we are today in this House debating a bill that contains yet another broken promise. It may well be the tactic of the government that, if you break so many promises, people just will not notice; there are so many of them that you run out of puff just trying to get through them all. But cutting the entitlements for workers when you expressly send a letter to a worker who will be directly affected saying that there will not be such changes is unconscionable, reprehensible behaviour.

I would like to know—as would the opposition generally and, more importantly, thousands and thousands of Australian workers—why the minister broke the personal promise he made in his letter by reducing workers' entitlements under the FEG if this bill is enacted. I think it is a reasonable question to ask the minister. The Leader of the Senate put his signature to a statement prior to the election assuring the worker. He said: 'No problems, we won't hurt you, we're up front, we're going to do what we say, no excuses, no surprises.' How could it be that the sentiments in this letter are so starkly different from the provisions of this bill? Why was the minister assuring hardworking Australians that you can be 'satisfied there is no risk to your entitlements' before the election, only to break the promise after the election?

Despite telling voters before the election that they would not make changes to workers' pay and conditions the government is slowly eroding our industrial relations system. Again, this is an element of what was then Work Choices, and that is of grave concern to the opposition. The former Labor government stood up for workers. We supported ways to improve
employment. In response to the global financial crisis, we responded quickly and sufficiently to support or even in some cases create, in total, approximately 200,000 jobs. In this area Labor was proud of the fact that we managed to ensure that unpaid entitlements were being provided in many instances to 70,000 employees who would have missed out.

Instead of demonising hardworking Australian workers, the government should be getting on with articulating a plan for jobs. As we know, unemployment has been rising. The unemployment rate is in excess of six per cent. I heard Minister Pyne say on some TV show last night that there was no crisis in youth unemployment. Youth unemployment is now at 13.4 per cent nationally—more than double the national average—and in some areas it is north of 20 per cent. In northern Tasmania it is 20 per cent. In northern Adelaide it is more than 20 per cent. At the same time that unemployment is rising among young people this government wants to rip away any support whatsoever for those workers by not giving them any support in the form of either Newstart or youth allowance. That is just another element of the cruelty of this government.

Demonising the unemployed and going after everyone under the age of 30—even if they look for a job each day, each week, each month, for six months they do not receive one cent—the government is in breach of the principles of mutual obligation. On top of all of those things this bill will hurt workers who are most likely to be vulnerable to companies going into liquidation or bankruptcy. It could not be a worse time for this bill to come in. It is a perfect storm for workers in manufacturing. It is an outrage that the government would have the gall to introduce this bill even though it is in complete contradiction to the minister's own letter that he actually wrote and sent to a worker in Dandenong in Melbourne.

This is a bad bill. This will only hurt those workers who need the support from government the most. It is going to hurt older Australians who are going to struggle finding work in some instances. It is going to make it harder at a time when the government itself is suggesting that the pension should not even kick in until you are 70. If you are going to have car workers being made redundant at 50. They are not all going to find work under the Restart program. That program is not travelling particularly well at the moment. I hope it does get better results than it has done to date, but so far it is not doing the job that was intended. This is a recipe for disaster for so many workers and their families that the government should rethink its position.

I understand there is one government member to speak on this bill—to his credit, because he has to support the bill. The member for Hughes I think it is; is that right?

Mr Taylor: Hume.

Mr BRENDAN O'CONNOR: Sorry, Hume; my apologies. Good on the member for Hume for being the only government member so far on the speakers list—

Mr Laming: Don't push it!

Mr BRENDAN O'CONNOR: Great. Now we are going to have his colleague from Queensland get up as well. I want as many government members speaking on this as possible. I want their comments and defence of this bill on the record so when the thousands of workers start losing their jobs as a result of Joe Hockey and this government turning their backs on the car industry we can say: 'If you want to understand why you are not receiving a decent benefit, even after working 40 years in a workplace, you can thank the Prime Minister, the
Minister for Employment, Senator Abetz, and all the other frontbenchers.’ But who is here to
defend them? A backbencher has decided to defend them. There are no frontbenchers
defending this. I cannot wait to hear Minister Abetz’s defence of this, because it is
reprehensible. It is a breach of faith. It is contradicting the promises made before the election.
It is attacking the needs of workers who are going to struggle if this legislation is passed.

I ask the government to rethink its position. The intersection between what is happening in
the car industry and other industries because our economy is in transition—and we know that
there are challenges—is the perfect storm and is going to mean that people will drown
economically as a result. I assert that the government should rethink its position because the
bill is harsh, it is in contradiction to the government’s commitments before the election and it
is going to hurt older Australians most of all—not just older Australians but many who have
worked 40 years building the company, building the community and building this country. I
seek leave to table the letter from Minister Abetz to Mr Rault confirming that there would be
no changes to these entitlements.

Leave not granted.

Mr TAYLOR (Hume) (12:47): I rise today to speak on the Fair Entitlements Guarantee
Amendment Bill 2014. I am pleased to do so because this bill is critical for the sustainability
of an important program in a budget environment where every dollar must be targeted for
maximum impact after the spendathon of the previous government. Under the Fair
Entitlements Guarantee, the FEG scheme, the government covers unpaid entitlements to
eligible employees who lose their jobs due to liquidation or insolvency of their employer. We
should note that the predecessor scheme—the General Employee Entitlements and
Redundancy Scheme or GEERS—was established by the Howard government in 2001. I
know many members of this government in this parliament are proud of having established
that incredibly important program that we continue to support today.

These are intended to be safety net schemes of last resort covering some entitlements. That
is how they were established and that is how they continue. Neither scheme was designed to
cover all entitlements, despite what we heard from the member for Gorton. As it currently
stands, FEG provides assistance for up to 13 weeks of unpaid wages, annual leave, long
service leave, payment in lieu of notice to a maximum of five weeks and redundancy pay to a
maximum of four weeks per full year of service. So there are caps in place and there will
continue to be caps in place because this program must be sustainable given its importance.

The rationale for the scheme is very clear. We know that secured lenders and even large
unsecured lenders have the resources and ability to make informed decisions when they take
on credit risks. They are able to better manage those risks by diversifying and even avoiding
the risks in the first place and they are able to absorb the risks if they come out the wrong
way. In the case of employees the situation is much more difficult. They do not have the
resources and skills to assess risks. It is much more difficult to manage those risks, even if
they can assess them in the first place, and losses to most employees are more dire—often
they will lose all of their income over an extended period of time. So for this reason we put
the scheme in place. We continue to support the FEG scheme, but we need to make changes
to ensure that it continues to operate.

In my electorate of Hume this program has been critical in recent times. The steel
manufacturer National Engineering based in Young went into voluntary administration on 28
October last year, leaving some 38 employees without a job. Subsequently, the company moved into liquidation on 3 December in the same year. For a while it looked as though employees would not get their entitlements before Christmas, and it was a stressful time for staff and their families, but with excellent support from the office of the Minister for Employment and liaison between the Department of Employment and the insolvency practitioner over the period of administration we succeeded. More than $550,000 was approved under the FEG for unpaid wages, annual leave, long service leave, payment in lieu of notice and redundancy pay. Payments were received by Christmas for the employees who lodged claims. It is absolutely critical for my electorate and many others that this program be sustainable.

The bill in front of the House will give effect to the 2014-15 budget measure to protect the financial sustainability of the scheme. Instead of allowing a maximum of four weeks per full year of service, it will restore the previous cap on redundancy pay entitlements to 16 weeks of pay, which applied prior to 2012 and worked extremely well and extremely effectively for the 11 years it had already been in place under the previous Howard government and the Rudd and Gillard governments. The measure will save almost $80 million over the forward estimates by capping the redundancy payments. The FEG Amendment Bill impacts on the redundancy pay entitlement only. All other entitlements are absolutely untouched. It is important to note—and I will talk about this a little more later—capping the entitlement to 16 weeks will bring the redundancy entitlement in line with the National Employment Standards contained in the Fair Work Act and the rules that existed under GEERS prior to 2012, as I said a moment ago.

The bill also makes a series of technical amendments. The technical amendments are not controversial and can be considered housekeeping. I noticed that the member for Gorton did not raise any of these amendments in his speech. They are being introduced at the suggestion of the Department of Employment in order to clarify the operation of the act. They include establishing a funding source in the legislation for certain legal costs associated with the AAT appeals against FEG decisions; clarifying that the death of a person does not prevent the person being eligible for an advance—of course, the member for Gorton did not mention this one, which is of great benefit to employees in difficult situations—enabling the next of kin or the state to pursue a claim; clarifying that when a debt owed by claimant to his or her employer is greater than the entitlement, it can be offset against any of the claimants other employment entitlements under the scheme; and removing the eligibility requirement that a person who has owed debts prior to the insolvency event happening to their employer must have taken reasonable steps to be paid those debts. But, importantly, the legislation only allows the secretary to reduce a person's entitlement by the amount of any debts that he or she did not take reasonable steps to be paid. At the moment, if they do not take those steps, then in fact they lose all of their entitlements. So all of these are important amendments largely in favour of the employee or former employee.

Let me just spend a moment on why it is so important that we pass this bill. Of course, at the top of the list is the need for fiscal sustainability across all our programs, something that those on the other side of the House seem to still be in denial about, to still ignore in their claim that every bit of spending should remain. There are two critical but distinct parts of the government's focus on fiscal sustainability. Firstly, of course, is getting the budget back to
surplus over the forward estimates, made more challenging by the serious economic headwinds we face—a fall off in the terms of trade and mining investment, falling company tax revenues, and the end of the consumption boom driving GST revenues, none of which those opposite seem to take into account in their thinking about how they would spend money if they were in government and how they spent money when they were in government.

Secondly, but as importantly, we need to ensure that we have a long-term sustainability in our budget. The Parliamentary Budget Office tells us that under the last government spending was rising at 3.8 per cent a year and yet we can expect revenue to only rise at something like three per cent. You do not have to be the world's greatest mathematician to work out that this is a serious problem. This is a fiscal cliff and we are going over it and if we do not deal with it one of two things must happen. One we have a massive tax hike—massive. Right now we have tax at about 23 per cent of GDP. If we were to allow this to continue, a simple two line spreadsheet will tell you that within a short period of time federal tax will have to rise to 30 per cent of GDP. Go tell that to your employees, your constituents, your taxpayers. Those on the other side of the House seemed to have no regard for the future taxpayers of this country.

Of course, one of the great disappointments about the way the PBO works at the moment is that it does not demand the opposition put its estimates, put its spending promises beyond the forward estimates, out for scrutiny. That is something that desperately needs to be changed. The spending promises of the last Labor government—and no doubt the opposition, as we move before the next election—beyond the forward estimates are not subject to scrutiny and absolutely should be, because we need to make it absolutely crystal clear which side of the parliament is ensuring that future taxpayers do not have to wear the profligate spending of those on the side of the House.

To keep the FEG scheme viable, it is clear that we need to make changes. It has grown absolutely dramatically, with demand increasing from 8,626 claimants being paid $73 million in 2006-07, a very sustainable number, to 16,019 claimants being paid $262 million, almost 3½ times what it was six years earlier, in 2012-13. This increase is absolutely unsustainable. It is exactly the sort of increase we see from those opposite in so many of the programs that they oversaw, and in this case they enshrined in legislation. From a budgetary point of view the current four weeks redundancy paid for each year is no longer sustainable and setting the entitlements to 16 weeks in total is fiscally responsible.

It is important to note that, as I mentioned earlier, capping the redundancy payment will bring the FEG in line with Labor's National Employment Standards and the Fair Work Act of 2009. The current redundancy benefit under FEG provides for four weeks' pay for every year of service. We know that that is well above the standard set in the National Employment Standards outlined in the Fair Work Act. In fact, Labor has told us that the National Employment Standards in that act got the balance right and sets a community standard. Yet they are not prepared to support it in this legislation. The hypocrisy we see continually from those opposite is awe inspiring, it is extraordinary. It is not good enough and that is why we are proposing this change, remembering that this is a scheme of last resort that should only cover redundancies that are in line with the community standard. It should be noted that the scheme already has a cap on maximum wages of $127,000 per annum. So there are caps everywhere already in this scheme. That reflects the intent of the scheme that more generous remuneration above community standards should not be covered by a safety net scheme.
We have heard many in the community supporting this cap. The AiG said:

The 16 week cap mirrors the entitlement to redundancy under the National Employment Standards and hence reflects community standards ...

The Master Builders Association submitted similar things to the Senate inquiry on the issue and said that the general redundancy standard put in place by Labor was out of step with the general community standard and suggested that the proposed cap be brought in line with the community standard. Both the Ai Group and ACCI said that a publicly funded safety net scheme is necessary to protect workers as employers went bankrupt but they both stressed that it should offer an appropriate level of protection. It is also important to note this bill only impacts a small proportion of claimants. It turns out that historically, over the three-year period, there were 41,393 claimants on this scheme and this change will only affect 2,446, or six per cent. The vast majority of claimants would be totally unaffected and those claimants who are affected will only be affected in a relatively small way, in the vast majority of cases.

As I said earlier, the bill only affects the redundancy entitlement and all other entitlements are unchanged. It is important also to note the bill removes a moral hazard—the sort of moral hazard those opposite seem to like. The thing as it stands creates a moral hazard whereby unions, company directors, CEOs or business owners can inflate redundancy entitlements when companies are in trouble and the taxpayer will pick up the tab when the company goes broke. It is not the sort of moral hazard the Australian people would find acceptable. The Ai Group discussed this fact and said there are major moral hazards present in the current legislative provisions, because there is little protection against employers being coerced by unions into implementing extremely generous redundancy packages in the lead up to insolvency, leaving taxpayers picking up the tab. We had similar comments from ACCI, which said:

What I am saying is that the potential arises in the dynamic it introduces into negotiations. It is one thing for two parties to sit down and negotiate terms and conditions, but if they know at the back of their minds that ultimately the government will pick up this entitlement our proposition is that that will impact on the bargaining dynamic.

The sustainability of well-directed and high-quality government programs is the focus of this government and should be the focus of future governments of Australia. This bill is intended to do exactly that. This is an important program and losing it, and others like it, because of unsustainable growth in spending is totally unacceptable. I commend this bill to the House.

Mr HAYES (Fowler—Chief Opposition Whip) (13:01): I also rise to speak on the Fair Entitlements Guarantee Amendment Bill 2014 but, unlike the previous speaker, I oppose this bill. I oppose the amendments to the Fair Entitlements Guarantee Act of 2012 and what this bill seeks to do.

The Fair Entitlements Guarantee is a legislative safety net. It is there to protect workers who, through no fault of their own, lose their jobs through the bankruptcy or liquidation of companies. The Fair Entitlements Guarantee is a scheme designed to ensure fairness for working people. One of the things I have a degree of understanding of, having an electorate with a very high degree of unemployment and also having family members who have lost their jobs principally through the liquidation of the company, is how this impacts on families. I know how a family member can go to work only to be told with no notice that there is no further job, that for financial reasons liquidation is necessary: 'Please remove all your
belongings, files and any other personal effects and exit the premises.' That happened to my son. I know how devastating it was for him and his family. They had a mortgage and school fees to pay. It had an absolutely huge impact. If you multiply that impact electorate wide, it is easy to understand the importance of having safety-net legislation.

Members opposite, cast your minds back. We did not always have a safety net. Remember, back in the year 2000, there was the unfortunate and unexpected liquidation of a particular company called National Textiles. The then Prime Minister's brother happened to be on the board of directors of that company. As a consequence of this, and to the considerable embarrassment of the other side, the General Employee Entitlement Redundancy Scheme, the GEERS legislation, came into effect in 2001. Whether it was due to embarrassment or simply feeling it was the right thing to do, it was under the circumstances the right thing to do—not because it was the Prime Minister's brother's company, but because this was one company among many which took the soft way out and liquidated for corporate reasons. This is not something we should be shying away from. It is certainly not, as the previous speaker said, that sometimes these entitlements are so inflated that it amounts to significant corporate spending. This is about trying to do something for people's lives when their company goes into bankruptcy or, more than likely, into liquidation. That is certainly no fault of the employees.

This is an important bill the government is bringing forward because it seeks to undermine the very basis upon which we are trying to protect the entitlements of those employees. The bill will impose caps in terms of payments of entitlements; these will be capped at 16 weeks. The other significant part of this bill will ensure that, as opposed to getting paid at your rate of pay, you will be paid at the level of average weekly earnings. That is a vastly different figure. I understand the speaker opposite, the member for Hume, said it is possible for some people who are earning $100,000 to receive payment at that rate. Yes, it is. It is not a matter of whether they contributed by negligence to bringing down the company; they lost their jobs like anybody else. To simply use the figure of average weekly earnings as the maximum rate for this will have a huge impact on those people unfortunate enough to have to make a claim on this fund.

The bill will also progress three technical amendments that have already been spoken about. It will also amend provisions as to whether a person has reasonably pursued the debt off an employer. It has provisions allowing the cost of appeals to the AAT to be drawn from special appropriations. But I cannot get away from the fact that, like many other pieces of legislation we are seeing at the moment coming from the government benches, this legislation is actually going to undermine workers' entitlements. As I said, this is a legislative safety net, and what do they want to do? They want to wind it back. They want to make sure that you can only get a maximum of 16 weeks, as opposed to four weeks per year of service. They want to make sure that, as opposed to getting your real rate of pay, it is wound back to average weekly earnings.

It is extraordinary the lengths this government will go, I would not say to attack workers but certainly to undermine workers' conditions. I know that during the campaign leading up to the last election the government made it very clear that it was not their intention to move on Work Choices—at least not during the term of this government. But what we have seen is a never-ending pattern of going out and undermining workers' entitlements and workers'
conditions. As the member for Hume said, people should not get used to being in an environment of spending. I agree with that. But is it only the workers who they are going to take the stick to when they want to curtail spending?

I was reading over the weekend about what is happening in corporate taxation. Gee, that is a first. The government certainly does not want to get too close to this issue. I suspect that many of the companies that have been cited may be principal donors to the Liberal Party. This report, Who pays for our common wealth?, says that a third of Australia's largest companies pay less than 10c in the dollar in corporate tax. Ten cents in the dollar! That is a long way behind what they expect employees to pay. The report also found that 84 per cent of Australia's top 200 companies listed on the Australian stock exchange pay less than 30c in the dollar, which is the corporate tax rate.

On one hand, the government want to take every opportunity to wind back workers' conditions and to wind back protections that do nothing more than protect employees and their families—particularly in this case, where through no fault of their own a company goes into liquidation or bankruptcy. But, on the other hand, they certainly do not want to move with any great haste to do anything about corporate taxation. When you look at the top 200 companies, it works out that, if they paid the corporate taxation rate, the budget would gain $8.4 billion or more a year in revenue. That is almost the total savings that the government expects to make by slashing pensions, by bringing in the new GP tax and by cutting programs to Indigenous Australians. They certainly have their priorities very much skewed when it comes to this. I suspect there is a reason for it. They have a philosophical reason for winding back the entitlements for employees.

It is with regret that we find that we need to oppose this. I would have thought that those opposite would have had some regard for the whole concept emanating out of events such as the falling over of National Textiles, whether by embarrassment or otherwise. John Howard brought in the GEERS legislation back in 2001. Sure, that was a capped piece of legislation, but it was not restricted in terms of the earning rates. But they are simply winding back what we have now, what was provided under GEERS, to 16 weeks. They are also putting an extra imposition on, meaning that any worker who has not been able to gain their entitlements from a failed company going through liquidation or bankruptcy must make every attempt to pursue a company—which, unless workers have a trade union to go through, would be a very litigious route and would probably be pretty expensive. The government is also ensuring that those workers do not get payments based on their rate of pay but on average weekly earnings.

I will go back to where I started: this is going to impact on lots and lots of people. I have the experience of seeing my own family go through a liquidation and a forced redundancy, with no knowledge of it occurring other than the fact of being escorted to a gate and being locked out, along with every other employee who lost their job. This has a devastating impact on families and family welfare, and it allows no opportunity for people to plan.

This legislation is very, very retrograde. I am proud to be part of a party that saw fit in 2007 to bring about the fair entitlement guarantee legislation and I am proud of the fact that, since 2007, more than $852 million has been paid out of that scheme, to the benefit of 70,000 Australian workers and their families. I oppose this legislation. I think it is wrong in principle. I think it takes a stick to workers and their families at a time when what they need most is protection. This government has turned its back on them.
Mr STEPHEN JONES (Throsby) (13:14): It is with great pleasure that I rise to speak on the Fair Entitlements Guarantee Amendment Bill 2014. This matter is one that is a passion of mine, for reasons that I will set out in a moment. I also understand that industrial relations is a passion of members of the government. However, it must be said that in this particular debate that it is a private passion—a very private passion, because there has only been one member of the government willing to come to the chamber today and defend their legislation. Indeed, if there were a standing order that said a government bill had to have a minimum number of government speakers who were willing to stand and speak in defence of it then I am quite certain that this legislation would not get out the gate.

Legislation—the business that a government brings before the House—is a statement of its values and a statement of its priorities. I would like to address some of the priorities and the values that are resplendent within this legislation. As the member for Fowler has just told the House, we are debating this legislation in the very same week that one of the most important reports, that goes to the heart of who is paying tax and who is not paying tax in this country, was published.

Readers of the Sydney Morning Herald woke with quite some alarm when they picked up the front page of the Sydney Morning Herald yesterday and saw that almost one-third of the nation's top 200 companies are paying less tax—in fact, they are paying less than 10c in the dollar—and that if you put end-to-end the amount of tax that has been evaded as a result of these deliberate decisions by some of the largest companies in the country, you would have an additional $80 billion in government revenue.

I ask you think about that for a moment, Mr Deputy Speaker, because we have a bill before the House today which finds its genesis in the Commission of Audit—the massive beat-up by the government to try to alarm the population that there was somehow a budget emergency. Hidden within the report was the proposition to wind back the provisions within the Fair Entitlements Guarantee Act to a bare minimum because we had a budget emergency.

Nowhere in the Commission of Audit did we find the commissioners drawing attention to the tax avoidance and tax evasion which has led to over $80 billion not finding its way into government coffers and not finding its way out of those coffers again into important public spending programs—roads, infrastructure, education, hospitals and important employee protection schemes such as those before the House today. Again, I make the point that the legislation before the House today is a statement of values and priorities. Instead of pursuing measures which would help the government buttress the problem that we all know is the problem, and that is a problem of revenue, they are going after basic entitlements.

This matter is one that is very close to my heart because before coming into the parliament I spent more than a little bit of time working in the area of insolvency and helping workers to chase down their entitlements that had been lost once a business went into liquidation. It was more than a little bit of time on them and in some quite high-profile matters indeed. So it is an important scheme. It is one that I have more than a little bit of knowledge of and I wish that those members opposite informed themselves a little bit more about the legislation that they are all going to career in here to vote in favour of—without having read it and without having spoken in favour of it, because that might change their minds.

We know that there are around 7,000 businesses which fail every year. About half of those businesses cause their employees to lose entitlements—entitlements such as long service
leave, holiday and sick pay and redundancy payments—things that provisions have not been made for. We know that there have been around 885 business related bankruptcies cases in the June quarter alone. Total debtors exceeded 1,100 for the same period and between 2001 and 2013 more than $260 million had been advanced under the FEG scheme and its antecedents, the GEER scheme, to over 16,000 Australian workers. So, it is an important scheme. It deserves to have more attention than the House is currently affording it today by the fact that only members of the opposition are speaking on the legislation.

The history of this scheme is well known to many. Mr Deputy Speaker, you may recall that back in 2000 a company known as National Textiles—coincidentally, a company that was owned and operated by the then Prime Minister John Howard's brother, Stan Howard—went into liquidation owing around 340 employees accumulated entitlement, including redundancy pay. This group of employees were amongst the lucky ones. I should say that if anyone who is about to lose their job could be classified as 'lucky', here is a group of employees unfortunate enough to lose their jobs, but 100 per cent of their entitlements were paid eventually; not by the business but by the government moving in and underwriting the bills that were owed by the Prime Minister's brother. Many said at the time—many other employees who had lost their jobs—'If only we could have been so lucky as to have been working for a company that went bust and the owner of that company happened to be a Prime Minister's brother.'

Wind the clock forward to 2001 and to a company by the name of One.Tel. This time the collapse was not a relatively small textile company but probably the fourth-largest telecommunications company in the country at the time, stranding around two million customers and, importantly, owing something in the vicinity of $600 million to over 3,000 creditors. Included within those creditors were the 1,400 employees of One.Tel.

I know a lot about this because I was representing the employees at the time. I remember writing to the then minister for workplace relations, one Tony Abbott, and asking him to intercede on behalf of the workers in a matter that I had before the then Australian Industrial Relations Commission to get some justice for these workers. The then minister for workplace relations refused to do that. Of course a campaign then ensued, a campaign that was supported by the majority of right-thinking Australians, and the then minister for workplace relations got rolled by the then Prime Minister. It was the only occasion in my working life as a lawyer, practising in that particular practice, where I could say I was standing on the same side of the bar table as a member representing a coalition minister for workplace relations. It became clear to all that a general scheme was needed and, as the shadow minister for workplace relations has explained, an administrative scheme was set up, known as the GEER Scheme, and it paid a minimum entitlement to workers in the event that their company went bust and provision had not been made for their accumulated entitlements.

An important point to make, one which is lost on many, is that the payment of the minimum entitlements to the worker who has lost their job is not the end of the story. What happens is the right to pursue the assets of the company, the right to become a creditor of the company, is then assigned to the government. So the government, presumably through the auspices of the tax office or of the department of employment and workplace relations, is assigned the right to pursue those owed entitlements instead of the employee—a matter that is lost on many. And when you are looking to provide a revenue stream and you are looking to
address issues such as moral hazard, I would argue that this is an important place to start looking—that is, putting more effort and more resources into the chasing of the assigned debt.

The scheme has been operating since then. It was improved under the former Labor government, to a point where the FEG Act now sets out maximum entitlements and how they are to be calculated. They include up to 13 weeks of unpaid wages, annual leave that has accrued but not been paid, a maximum five weeks payment in lieu of notice, and redundancy pay of four weeks per year of service. It is important to make the point that these are not award or agreement rights themselves; these represent the caps or maximum entitlements that may be paid to an employee where they have been unable to recover those entitlements from a collapsed company. The wages were capped at a minimum weekly rate of $2,364 when the scheme began. It has been frozen at $2,451 until 30 June 2018.

You have to ask yourself who has benefited from this scheme. Because the courageous member for Hume has been willing to stand up and defend the scheme, has put his hand up, we know that at least 33 workers from the business National Engineering in his electorate benefited from the scheme. I congratulate the member for Hume for having the courage to come in here and stand up and defend his government's legislation. I warrant you that he would not have had the courage to give that same speech prior to the last election. He would not have been out there promising those 33 workers, 'If you vote for me, I can guarantee you that if your company goes bust you'll get less money under my government than you will under a Labor government.' He would not have given that speech. And I can also guarantee that of all the people that the member for Hume mails his courageous speech out to today, he will not be mailing it out to the 33 workers who had their benefits paid under the existing FEG scheme.

I happen to know a bit about the National Engineering company. It has been in existence for more than 120 years. It is a metalworking company, a blacksmithing company. And I know that its being a business, what was a reasonably good business, in a country town meant it was some of the best work going and that the people who got jobs there, if they were skilled tradesmen, hung on to those jobs; they would work there for a long, long time. So the member for Hume will not be mailing out his speech saying, 'If I had my chance, I would've been cutting your rights to get your wages recovered.' I guarantee he will not be doing that.

Who else has benefited from the scheme? If you have a look at the submission of the department to the Senate inquiry into this scheme you will see that more than 41 per cent of total redundancy payments made have been paid to employees in the manufacturing industry. But you have to ask yourself: why do the government hate workers in the manufacturing industry so much? What is it that they have got against workers in the manufacturing industry? I see the member for Wakefield in the chamber today. He has a keen interest in this issue. I see the member for Hotham in the chamber today; she also has a keen interest in this issue. They are members who have stood up in defence of the manufacturing industry in their electorates—as have the members for Blair and Hunter, who are also in the chamber today. They have been willing to stand up—in fact, one of the most passionate speeches I have heard by a member in this parliament, in the 44th Parliament, was the speech by the member for Wakefield imploring the government not to chase the automotive industry offshore.
So against that background, and knowing that the single biggest group of workers who have benefited under the FEG scheme—more than 41 per cent of workers have benefited—are workers in the manufacturing industry, you have to ask yourself: why does this government hate them so much? It chases their manufacturing jobs offshore and then, at the first opportunity it gets, it seeks to reduce their rights and entitlements and the benefits that could be payable to them under a scheme has worked for close to a decade. We should reject the bill. It is not fair, it is not right and we will be voting against it. *(Time expired)*

**The DEPUTY SPEAKER (Hon. BC Scott):** Order! It being almost 1.30 pm, the debate is interrupted in accordance with standing order 43. The debate may be resumed at a later hour.

**STATEMENTS BY MEMBERS**

**Budget**

**Mr NEUMANN** (Blair) (13:30): Not content with voting against the funding to help Queensland recover after cyclones and floods, the LNP members from Queensland have not stood up in relation to the $5.8 billion cuts to higher education. I wonder whether the member for Capricornia who has a campus in Rockhampton, the member for Flynn who has a campus in Gladstone, or the member for Dawson who has a campus in Mackay, have actually gone to their campuses and spoken to their students there about the fact that they are going to see up to a 37 per cent decrease in funding for those campuses as a result of the higher education changes in this budget.

I also wonder whether the member for Lyons who has not been to Tagari Lia in Bridgewater, or the member for Durack who has not been to the children and family centre—two of 38 around the country—are going to do about those centres, because they were not funded in the budget. We see regional and rural members from Tasmania to New South Wales to Queensland sitting opposite in the government and not standing up to their city cousins, the Liberal Party.

It is exactly the same in respect of the dementia supplement. Recently, I was at a wonderful aged-care facility in my electorate, Cabanda. We have got beds there—and it is the same in Alkira—with dementia patients. The coalition members from regional and rural areas have not stood up because the Abbott government has cut the dementia supplement. They should hold their heads in shame. *(Time expired)*

**South Australia: Emergency Services Levy**

**Mr PASIN** (Barker) (13:31): I want to take this time to pay tribute to the emergency services volunteers and paid staff who are a crucial part of the fabric of regional communities and who play a critical role in keeping those communities safe in the face of significant risk to their own safety. They certainly do not deserve to be used for the South Australian state government as a fig leaf to justify tax increases to cover Labor's extraordinary budget mismanagement. But unfortunately, that is what is happening with the decision to remove the Emergency Services Levy Remission. In yet another chapter in a long, sordid history of betraying regional communities, the state Labor government is ripping out over $384 million by taking this action and reinvesting a paltry $8 million back into emergency services. This is shameful and it is an indictment on SA Labor and the Minister for Regional Development, Geoff Brock in particular.
Farmers around the state face increases between 450 per cent and 1,312 per cent compared to the comparatively less horrific 160 per cent in metropolitan areas. Ultimately, for a country fire service struggling to recruit new members, this cash grab will result in even fewer farmers volunteering to be part of their local CFS brigades and, indeed, this decision will limit their capacity and inclination to purchase and maintain on-farm firefighting equipment. I say to the SA state Labor government and to Geoff Brock in particular: stop punishing the regional South Australians you were elected to represent and start respecting our emergency services personnel.

Budget

Mrs ELLIOT (Richmond) (13:33): Liberal and National Party MPs opposite have abandoned their local communities. Never has a budget had such an unfair and disproportionate impact on rural and regional communities. In fact this government is the most destructive and harmful government we have ever seen. In particular to New South Wales, it is the National Party that has especially abandoned the bush, and regional Australians know you just cannot trust the National Party. Make no mistake about it, the people in rural Australia blame the National Party for their broken promises and the cruel policies that have been forced upon the communities.

Here are some of the harsh changes that the Nationals have forced on the families of regional Australia: the unfair $7 doctor tax, making it harder for country people to access health services; the Nationals also voted for the petrol tax, which will hit rural areas much harder than the urban areas; the Nationals are also increasing university fees, meaning that kids from the country cannot now afford to get to university; and the Nationals have also cut pensions, particularly unfair for those older Australians living in the country.

But that is what the National Party do. They break promises, bring in higher taxes and have greater cuts. That is why people do not trust New South Wales National Party members like the member for Page, for Cowper, for Lyne, for Riverina, for Parkes, for New England and for Calare. And of course, New South Wales Senators Nash and Williams are also not trusted. None of them should be trusted because they cannot tell the truth and they vote for policies that hurt regional Australia. That is proof that they have abandoned the families of regional and rural Australia and we saw proof of that in this year's harsh and cruel budget.

Lindsay Electorate: Welcoming Ceremony

Ms SCOTT (Lindsay) (13:34): On Saturday, together with Paul Stonebridge from Westfield Penrith and a local Darug woman Erin from Muru Mittigar, we had the great privilege to welcome many babies into our local community. The birth of a baby is a special time and the welcoming ceremony allows neighbours, friends and the extended family to share in the joy and celebration, not to mention publicly thank parents and grandparents for their role in raising the newest members of our local community. I would like to thank the Kitty Kats Cheer Squad and the team from Bernardos, Ruby Roo, the Paint Penrith Read Kangaroo for all their help and support. Information stands were also on display to help new parents by providing details and information that will help them with their coming new babies.

Each baby received a sapling, and the saplings are really special because they were grown by local Aboriginal people and, like the new babies, they were also native to our Cumberland
Plain woodland. The parents can now take the saplings home and watch the trees grow as the babies do. Paul Stonebridge from Westfield described the event as an 'exciting opportunity for Westfield Penrith to connect with young families across the local community'. Further, he and I were pleased to see so many local families attend the day. I would like to thank the Penrith community for having this event and, likewise, I would like to thank Westfield Penrith for their participation and all the local people that got involved not to mention all the beautiful babies that we met on the day.

**Budget**

Ms O'NEIL (Hotham) (13:36): Liberal and National MPs opposite have abandoned their local communities. Never has an unfair budget treated rural and regional communities so unfairly. It may seem a little strange for a city representative to be making a contribution to the discussion this afternoon, but I want to say to those on the opposite side of the House and to people living in rural and regional Australia right around the country that if the Nationals and the Liberals will not stand up for rural and regional Australians, then a city person like me will.

There are a lot of people in our caucus in the Labor Party whether representing regional communities or city communities who care desperately about the plight of rural and regional Australians. That is why we have been fighting so hard against some of the particularly draconian measures in this budget, which are hurting regional and rural Australians. Whether it is things like the GP tax or the broader health measures that are being done as part of this budget, or whether it is the petrol tax, in just about every area of major change in this most recent budget, rural and regional Australians will be hit harder. It is just not fair.

I want a focus of little bit on the area of education, because that is an issue where regional Australians will be particularly hurt. We know that regional campuses are going to close because of the changes that are being made by those on the opposite side of the House. These regional campuses are essential to helping young people right around the country get educated and that is why, along with those other changes, we will continue to fight against these attacks.

**Employment**

Ms HENDERSON (Corangamite) (13:37): Every single day, as the member for Corangamite, I fight for jobs. Across the Geelong region, unemployment is higher than average, with particular pressure on the manufacturing sector. That is why our government is making record investments in infrastructure, which is important to boost our economy and to create thousands of jobs.

Our government is investing $3 billion in the East West Link, including $1.5 billion for the western section, which will deliver a second river crossing and cut peak hour commuter times between Geelong and Melbourne by three hours a week. The East West Link will also deliver more than 6,000 construction jobs. The state Labor government will stop this project and tear up the contracts. For our economy and for these critical jobs we cannot let this happen.

Today I announce I am launching a petition calling on federal Labor MPs in Geelong, western Melbourne and Ballarat to stand up for jobs and back the East West Link. This includes the member for Corio, the member for Ballarat and the Leader of the Opposition. We need as many people as possible to sign this petition to demonstrate the importance of this
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project. The G21 Geelong Region Alliance—the councils of Greater Geelong, Golden Plains, Surf Coast, Queenscliff and Colac Otway—strongly back this project. If the state Labor government gets its way, this will send a wrecking ball through our local economy. Labor federal MPs must do the right thing and back the East West Link for the sake of local families, our region and our future.

Health Care

Mr CHAMPION (Wakefield) (13:39): This budget is an assault on rural and regional Australia, and there is no better demonstration of this than the GP tax—a $7 tax every time you enter the doctor's waiting room, every time you get a blood test, every time you get a scan. It affects rural and regional communities in a far more pertinent and vicious way. Mr Gordon Gregory, the executive director of the National Rural Health Alliance, said:

… we anticipate that a $7 co-payment will present a dilemma, especially for lone GPs in small rural and remote towns, and that the viability of these medical practices may be reduced, with consequences for access to health services in those towns.

Those opposite are putting at risk every lone GP in a country town. I can tell you from my electorate that often all of the health services revolve around that GP. If you lose a GP you lose a local hospital and a local aged-care facility. You lose all those important jobs and services that are based around having a GP in a town. And you get people leaving that town because of that. A GP is the lifeblood of a rural community. Those opposite, with their $7 cascading GP tax—their tax on blood tests, their tax on scans—are putting it all at risk. (Time expired)

Miners' Common on the Gemfields

Mr O'DOWD (Flynn) (13:40): I rise today to talk about the miners' common on the Gemfields, which is celebrating its 100th anniversary. The Gemfields is a fascinating place located within my electorate of Flynn. It encompasses the towns of Anakie, Rubyvale and Sapphire and is renowned for its wealthy deposits of beautiful sapphires and gemstones. Thousands of tourists visit the Gemfields each year. The miners' common sets the Gemfields apart from just about every other mining town in Australia and was first proclaimed back in 1914.

The miners' common takes in an area of 4,500 acres. Under the Fossicking Act 1914 the government proclaimed a designated area allowing residents the right to graze livestock freely throughout the miners' common. What makes the miners' common so special is the fact that it is very last miners' common area to exist in Australia. The Gemfields miners' common is the heart and soul of the Gemfields and it is a part of the character and unique lifestyle of this area. To celebrate the anniversary, a number of events have already taken place to mark this truly special milestone. In November there will be an official centenary ceremony and a centenary ball. I congratulate the Gemfields community for their passion in celebrating this truly unique area of the miners' common.

Budget

Mr MITCHELL (McEwen—Second Deputy Speaker) (13:42): I rise to condemn this government for its obvious disregard for the people of regional Australia—people like those who live in my electorate in and around towns like Seymour, Wallan, Lancefield, Kilmore, Wandong and Broadford. There could be no clearer example of this lack of regard than the
imposition of the new tax on petrol by the Hockey-Abbott budget. I find it incredible that anyone sitting on the Treasury benches who represents a regional area could even consider slugging our communities with a new tax on petrol. In fact, I am reminded of the words of the Deputy Prime Minister and Leader of the National Party in this place over a decade ago:

Fuel tax is a tax on distance. If ever there was a country that should not aggressively tax fuel, it is a vast country like Australia. It is a tax on doing business outside of the capital cities.

It was true then and it is true now, and it is clear evidence that the coalition is treating regional Australia with disrespect.

Labor opposes a tax on petrol because it is unfair. This tax will place extra pressure on the family budget and it will affect those with less transport options who live in the country or on edge of the city. Moreover, it is another broken election promise. Our communities will be impacted more than anywhere else in Australia. We need our cars to get to and from work to pick up the kids, to do basic shopping and to visit the doctor. We do not have the luxury of other public transport around. The Liberal-National MPs opposite have abandoned their local communities, and never has an unfair budget treated rural and regional communities so—

(Time expired).

Leak, Mr John

Ms LANDRY (Capricornia) (13:43): Members of Capricornia's Living History Unit recently travelled from Rockhampton to Adelaide to attend a World War I centenary commemoration. The event, which was called 'Raising the First Contingent', recognised the battalions recruited for the war. The Living History Unit dresses in World War I uniforms to re-enact the period of the day.

While in Adelaide, they also held a memorial service at the grave site of John Leak in South Australia's Stirling Cemetery. John Leak was the first Queenslander to be awarded a Victoria Cross. Leak enlisted in Rockhampton in January 1915 before being sent off to Gallipoli. Later, aged 24, he was awarded the Victoria Cross for extraordinary courage at Pozieres, France in 1916. As enemy bombs rained down, Private Leak jumped out of his trench, under heavy machine-gun fire, and threw bombs into the enemy's bombing post.

Next month marks the anniversary of Leak's death on 20 October 1972. A memorial to John Leak sits on the banks of the Fitzroy River in the heart of Rockhampton city. It is a colourful mosaic that draws the attention of people walking by—thus ensuring his story is not forgotten.

Budget

Ms CLAYDON (Newcastle) (13:45): The Abbott Liberal-National government's proposed changes to higher education will have a devastating impact on students, universities and communities in regional Australia. The Minister for Education has said that regional universities will be the biggest winners from this so-called reform, but the universities themselves are saying the exact opposite. In their submission to the senate inquiry, the Regional Universities Network said:

In combination, a reduction in Government funding and real interest rate on loans will have a disproportionate impact on the regional and disadvantaged students who study at RUN universities, as well as the communities they come from.
The University of Newcastle, in my electorate, a top-10 university in Australia and our best ranked regional university, said:

The government's proposed funding arrangements may reduce the capacity for research-intensive regional universities to continue to support innovation, which would adversely impact regional communities, economies and productivity.

Regional universities help drive economic prosperity in regional Australia and provide important education opportunities for students from low-SES backgrounds, who are often the first in their families to go to university. They deserve a voice in this parliament that reflects their interests, not those of the capital cities or the old sandstones. But the members opposite either are in complete denial about what these changes will mean for their communities, like the members for Dobell and Robertson, or have gone missing in action, like the members for Paterson and Lyne.

I stand with my Labor colleagues, who understand the significance of regional unis, like Newcastle, as drivers of regional economies and productivity. (Time expired)

Durack Electorate: Hedland Art Awards

Ms PRICE (Durack) (13:46): In the Pilbara region of my electorate of Durack is the iron ore town of Port Hedland. If you are travelling to the Pilbara, I urge you to view the art from the Hedland Art Awards in the Port Hedland Courthouse Gallery. As the local member, it was a great pleasure to officially launch the awards recently, which showcase the talents of established and emerging artists, both Aboriginal and non-Aboriginal, from the Pilbara, Kimberley, Gascoyne and Mid West regions of Western Australia.

When thinking about the development of the Aboriginal art industry in Durack just 10 years ago, places like Roebourne and the Mowajum community in Derby were leading the way. Successful models were established by them for developing the artists' talents and then exhibiting their works in cities throughout Australia and internationally. The Roebourne model has been supported by RIO Tinto and is being replicated. We are seeing development of Aboriginal art as an enterprise in communities in the Mid West, the Kimberley—who can forget those wonderfully talented ladies in the Fitzroy?—and, of course, Port Hedland. Quite a number of the efforts have developed into microbusinesses and are ensuring skills development, retention of culture, personal pride and achievement, income and development of sustainable enterprises.

The Hedland Art Awards had 10 categories, with the top award going to an Aboriginal artist. Most Outstanding Work, with a prize of $20,000, went to Daisy Japulija. Best Work by an Indigenous Artist, with a prize of $15,000, went to Bugai Whyoulter. Art is thriving in remote and regional Durack communities, and I am very proud.

Budget

Ms MacTIERNAN (Perth) (13:48): Never before has a budget had such an unfair and disproportionate impact on rural and regional communities. The cuts to funding of supported places and the new fee and debt regime will almost inevitably undermine one of Australia's most innovative institutions delivering higher education in regional communities. The Geraldton Universities Centre provides supported online degree programs for universities across Australia. Students from the Mid West are enrolled at remote partner universities but have in-person tutorials, pastoral care and high-speed computing facilities provided by the
GUC, providing much higher completion rates than unsupported distance education programs. The partner universities share their course fees with GUC. Courses are available in, inter alia, nursing, education, accounting and engineering.

With the 20 per cent cut in supported places funding, the universities will have to either cut the GUC share of funding or increase fees for a largely mature aged constituency. A cut in GUC's share of fees will undermine their capacity to continue to offer the quality and breadth of service. Increased fees, combined with the aggressive new debt repayment provisions, will undoubtedly drive students in WA's Mid West away from embarking on a university program and undermine this great Western Australian initiative to deliver higher education into our rural communities. *(Time expired)*

**Gilmore Electorate: Shoalhaven Business Awards**

**Mrs SUDMALIS** (Gilmore) (13:49): Last Friday night, the 2014 Shoalhaven Business Awards were held at the Shoalhaven Entertainment Centre in Nowra, with more than 350 attendees, a taiko drum performance and over 50 finalists from across the Shoalhaven. There were over a dozen winners, but there was one very special woman in particular: Deb Tozer from CareSouth, who I would like to single out. Deb is incredibly passionate about her community and about her work. She is a proud advocate for the disability and carer sectors as well as short-term crisis accommodation services. Deb very deservedly won the Shoalhaven Business Leader award, something I believe is a first for any not-for-profit in our region.

I would also like to congratulate the following award winners: Young Business Executive, Niki Willdig of Tovedale Developments; Young Entrepreneur, Paul Sassall of Nowra Farmers Market; Excellence in Workplace Health and Safety, Employer of Choice and Excellence in Sustainability, Nowra Chemicals; Excellence in Export, Cherub Rubs; Excellence in Business, Integrity Real Estate; Excellence in Small Business and Innovation, Curran Plumbing; Excellence in Resources and Manufacturing, Hanlon Windows; Excellence in Business Ethics, GJ Gardner Homes—especially noting their work with the Variety Club; and Excellence in Retail and Personal Service, South Coast First Aid.

Once again, congratulations to all of our finalists and winners, and a huge thank you to both Shoalhaven Business Awards and their sponsors for pulling off what is always one of the highlights of our local Shoalhaven social calendar.

**Budget**

**Ms CHESTERS** (Bendigo) (13:51): It is no secret to this place that the Liberal and National MPs opposite have abandoned their local communities. Never has a budget had such an unfair and disproportionate impact on rural and regional communities as we have seen with this budget. All the member for Corangamite could talk about was a city based project, the East West Link, a dud tunnel that will do nothing for her electorate of Corangamite. We have the petrol tax, which will increase petrol prices disproportionately for people in the region—and I am glad that the member for Gilmore is in the chamber. She has recognised that and raised it last week, saying that she is going to have her own 'petrol watch' initiative. She had better watch her own government, because it is her government that is increasing the petrol tax on regional Australians.

But let's not forget about the biggest attack on young people in the regions: making young job seekers live on nothing for six months while they try to find work. In regional Australia
youth unemployment is skyrocketing because this government does not have a jobs plan. In my own electorate it is 30 per cent of young people who cannot find work. Rather than helping them find work, this government is attacking them by making them live on nothing and live in poverty.

The Liberal-National MPs need to start standing up for their communities. They need to start standing up and being a voice for their communities. When you are in this House, you are expected to represent your communities, not just give lip service— (Time expired)

City-Bay Fun Run

Mr WILLIAMS (Hindmarsh) (13:52): I rise today to speak on something rather positive in comparison to our member's opposite: the 42nd City-Ban Fun Run, which was held on Sunday, 21 September. An estimated 36,000 people took part in this year's event, cheered on by family and friends who lined the course. The City-Bay is a great event with a range of participants running through the Adelaide CBD to my electorate of Hindmarsh with a finish on Jetty Road, Glenelg.

One of the greatest aspects of City-Bay is its fundraising ability. For this year's event more than $500,000 was raised by all the participants, so well done. This year I was privileged to run for Autism SA, hoping to promote the wonderful work of their organisation, which assists families and individuals living with the autism spectrum disorder. Decked out proudly in the purple T-shirt of Autism SA, I ran the 12-kilometre distance and was proud to be joined by my wife, Leanne, and children Sascha and Joshua.

I want to congratulate the team at Autism SA—Anthea, Sophie, Jess and all the rest of the guys there—for the wonderful work they have done. Autism SA and their volunteers work hard to improve the life outcomes for people with autism spectrum disorder by providing and facilitating the very best information, connections, expertise, education, services and support for those in their community.

I also want to congratulate all the runners and participants in this City-Bay, especially the volunteers. And speaking of volunteers: the Dawes family—Jeremy, Jenny and Wendy—are in the gallery, and they have been great volunteers for Immanuel College.

Rugby League

Mr ALBANESE (Grayndler) (13:54): This Sunday night I will follow in the footsteps of many South Sydney supporters in going to see South Sydney play in the grand final at the ANZ Stadium. This is 43 years after I was taken by my mother in 1971 to see Souths beat St George on the SCG Hill. It is also a tribute to those people in the community who stood together so that Souths could stand alone when they marched for South Sydney's readmission into the National Rugby League comp. Institutions such as Souths are the fabric that binds a community together, and I pay tribute to all those who fought for their club to be allowed to play in the National Rugby League competition. Go the Rabbitohs!

Ballina Coast & Hinterland Business Awards

Mr HOGAN (Page) (13:55): I stand to congratulate Nadia Eliot-Burgess, who hosted the Ballina Chamber of Commerce 2014 Ballina Coast & Hinterland Business Awards on Saturday night. Well over 200 people were in attendance. It was a great night celebrating small business in the Ballina community. I would like to congratulate Troy Daley from
Daley's Gourmet Meat, which won business of the year. They are in the Wigmore Arcade, and Troy does a great job there.

Some of the other winners were Sasha's Fine Foods, with the Customer Service Award; Sublime Clothing, with the Retail Outlet Award; Summerland House Farm, with the Tourism & Visitor Experience Award; Tonic Hair Body & Beauty, with the Hair, Beauty & Fitness Services Award; Collins Hume, with the Professional Services Award; Crowley Care Services, with the Health & Aged Care Award; McGeary Bros Engineering, with the Trade, Construction & Manufacturing Award; David Mackay Harrison Gallery, with the Home Based or Online Business Award; All Pest Solutions, with the Workplace Safety Award; Coaster Kings, with the Sustainable Business of the Year award; and the Ballina Shire Meals on Wheels, with the Don King Community & Social Services Award. Evolution Cafe won the People's Choice Award. We cannot have these without sponsors, so I also acknowledge Northern Star.

**Budget**

Ms COLLINS (Franklin) (13:57): We know that the Liberal and National MPs opposite in regional seats have abandoned their local communities, because never has there been a budget that has been so unfair and had such a disproportionate impact on rural and regional communities. We know, of course, that no regional impact analysis was done of this budget, so we know there has been no analysis done of the impact of the increase in petrol prices that will occur in regional and rural Australia, where people drive more to go to work and to school. We know the impact in regional and rural Australia will be more disproportionate when it comes to the increase for medicines and the GP tax. We know that regional universities and students who want to go to university will be disproportionately impacted because of this budget. We know in my home state of Tasmania that the University of Tasmania is very concerned about the impact of the changes on higher education in regional Tasmania.

But the under-30s measure, as we heard from the member for Bendigo earlier, is of major importance to regional communities, because youth unemployment in regional communities is very high indeed. It is good to have the member for Braddon in here, because it is 21 per cent in his electorate and is likely to go up to over 30 per cent. And guess what he had to say about young people:

It is my very strong view that some of our young people just need an extra prod … They need that prod and that is for us to say … Some people will cry a little longer …

It is a shame— (Time expired)

**Bennelong Electorate: Australian Asian Association of Bennelong**

Mr ALEXANDER (Bennelong) (13:58): I rise again to recognise the role played in Bennelong by the Australian Asian Association of Bennelong in representing the views of the local migrant community in Bennelong and through the promotion of multiculturalism, cultural harmony and understanding. I have proudly served as patron of the AAAB for the past four years, and I greatly enjoy it when I can find the time to visit their weekly gatherings to observe the important skills they teach members and to witness the important role of an interacting community.
This weekend I will be delighted to again attend the AAAB annual dinner and to help out as auctioneer to raise money for the association. I will be donating a bottle of wine signed by our Prime Minister and trust this will contribute to an entertaining and, hopefully, profitable evening. I commend the great work of Danny Yap as President of the AAAB, who admirably filled the very large shoes left behind by my good friend the former president, Hugh Lee. My electorate benefits greatly from the efforts of Danny, Hugh and all the members of the Australian Asian Association of Bennelong, and I commend their work to this parliament.

The SPEAKER: In accordance with standing order 43, the time for members' statements has concluded.

MINISTERIAL ARRANGEMENTS

Mr ABBOTT (Warringah—Prime Minister) (14:00): I inform the House that the Minister for Trade and Investment will be absent from question time this week. He is in Washington for the Global Services Summit. He will then be in Korea for discussions to finalise the Korea-Australia free trade agreement. The Minister for Foreign Affairs will answer questions on his behalf.

I also inform the House that the Assistant Minister for Defence will be absent from question time today as he is attending the inauguration of the new President of Afghanistan. The Minister for Foreign Affairs will also answer questions on his behalf.

QUESTIONS WITHOUT NOTICE

Taxation

Mr SHORTEN (Maribyrnong—Leader of the Opposition) (14:00): Why has the Prime Minister walked away from closing $1.1 billion of tax loopholes for multinational corporations?

Mr ABBOTT (Warringah—Prime Minister) (14:02): In fact, we have not. Curiously, the former government last year announced a crackdown on large foreign multinationals accessing R&D tax concessions. They announced that crackdown last year. They did not actually get around to legislating it. We are now getting around to legislating it. We are doing the work that they said they would do and did not. And do you know what?—they are opposing it. So if there is anyone who believes in foreign companies avoiding tax it is the Leader of the Opposition.

National Security

Mr CRAIG KELLY (Hughes) (14:02): My question is to the Prime Minister. Will the Prime Minister update the House on the actions that the government and the national security authorities are taking to keep Australians safe?

Mr ABBOTT (Warringah—Prime Minister) (14:02): I thank the member for Hughes for his question, and I reiterate that the safety of our community is the highest priority of government. I can inform the House that earlier today there were raids in Melbourne involving some 100 Australian Federal Police and Victoria Police officers. These were raids against a suspected terrorist-funding operation.

Just as it is against Australian law to fight with terrorist groups overseas, it is against Australian law to fund terrorist groups overseas. Regrettably, there are some 60 Australians, that we know of, fighting with terrorist groups in the Middle East. Equally regrettably, there
are some 100 Australians, that we know of, who are supporting terrorist groups overseas through recruitment or funding activities.

I want to make it absolutely crystal clear: anyone who supports terrorists is complicit in the dreadful deeds they do. Anyone who actively supports terrorists is putting Australian lives at risk, because terrorist activity in the Middle East is now reaching back here to us in Australia.

I can, however, today confirm that $20 million to help AUSTRAC prevent terrorist funding was part of the $630 million boost to our security agencies that the government announced last month. I can also reiterate that Australia is determined to play our part in the campaign against terrorist groups here and abroad. Subject to further consideration by cabinet, our objective is to support governments that do not commit genocide against their own people, nor allow their territory to support terrorism against our people. So our intention is to disrupt and degrade the activities of the ISIL death cult, both here and abroad, because at this time international security and national security are indivisible. But I reiterate that this government—with, I am sure, the support of the opposition—will do whatever is possible to keep our people safe.

Again, with the support of the opposition we are targeting terrorism not religion, and I would urge Australians to go about their normal lives, because the objective of the terrorists is to scare us out of being ourselves.

Taxation

Ms PLIBERSEK (Sydney—Deputy Leader of the Opposition) (14:05): My question is to the Prime Minister. I refer the Prime Minister to reports that James Hardie does not pay a single dollar of tax in Australia. Why has the government abandoned Labor's initiatives to crack down on debt shifting, which close a $1.1 billion tax loophole for multinational corporations?

Mr ABBOTT (Warringah—Prime Minister) (14:05): I think it would be remiss of me to offer observations on the taxation arrangements of any particular individual or company. But, again, I remind the Deputy Leader of the Opposition that there was more than $1 billion of tax crackdown which the former government proposed but did not implement, which this government is now pushing ahead with, and which she and her colleagues are opposing. So when it comes to cracking down on tax avoidance members opposite have no principle, no consistency and no record.

Ms Macklin interjecting—

The SPEAKER: The member for Jagjaga is warned.

National Security

Mr HOGAN (Page) (14:06): My question is to the Minister for Foreign Affairs. Will the minister update the House on the government's efforts to combat the ideology and propaganda used by terrorist organisations to recruit foreign fighters?

Ms JULIE BISHOP (Curtin—Minister for Foreign Affairs) (14:07): Australia is a great nation with an open and tolerant society that embraces people from every corner of the globe. We are multicultural, we are multifaith, and that is why it is unfathomable why some Australians, mostly young men, are being drawn to the extremism and violence represented by ISIL and its ilk. The challenge for our nation and many other nations around the globe,
indeed at least 80 countries which claim to have foreign fighters in their midst, is to ensure that the poison of groups like ISIL does not infect our young people and our communities. We must challenge the extreme ideology of ISIL so that Australians are not drawn into this destructive and murderous web and are not driven to undertake acts of violence such as we have seen in the Middle East or, indeed, here at home.

It is worth noting that the Prime Minister of the United Arab Emirates and Ruler of Dubai wrote in The Financial Review today that the international coalition will defeat ISIL militarily. But he warned:

I consider this ideology to be the greatest danger that the world will face in the next decade. Its seeds are growing in Europe, the United States, Asia, and elsewhere. With its twisted religious overtones, this pre-packaged franchise of hate is available for any terrorist group to adopt. It carries the power to mobilize thousands of desperate, vindictive, or angry young people and use them to strike at the foundations of civilization.

Federal and state governments and our Prime Minister have been engaging with Muslim leaders and other religious leaders to work with communities. I do welcome the statements of the Grand Mufti and other Muslim leaders who have rejected ISIL’s claims and its barbarity and have denounced its betrayal of Islam. This week, at the request of the Victorian Premier, I briefed his cabinet on the threat of ISIL and its ilk and urged that the Victorian government continue its engagement and its outreach working with community leaders to combat the influence and spread of this vile ideology given the tragic events last week in Melbourne.

The government’s new counter-terrorism package includes a new $13.4 million Countering Violent Extremism program that will help build relationships with vulnerable communities, develop a framework for intervention to de-radicalise individuals and to challenge the extremist narrative with a credible counter-narrative. Australia will respond to this threat at every level, from our military and security agencies within our political system and throughout our communities. At every step Australians must all accept responsibility for challenging and rejecting the hateful ideology of ISIL and its ilk to keep our country and our citizens safe from the threat that it poses.

## Taxation

**Mr RIPOLL** (Oxley) (14:10): My question is to the Prime Minister. I refer the Prime Minister to reports that more than eight out of 10 of the nation’s biggest corporations do not pay the full 30 per cent corporate tax rate. How is this fair to the nation’s 3.2 million small businesses who pay their tax and make their contribution? Why has the Prime Minister walked away from closing $1.1 billion in tax loopholes for multinational corporations?

**Mr ABBOTT** (Warringah—Prime Minister) (14:10): Members opposite ask the same question and I give the same answer. The answer is that we are cracking down on tax loopholes. There was a tax loophole which members opposite, in government, thought was so serious that they announced legislation to close it.

*Mr Conroy interjecting—*

**The SPEAKER:** The member for Charlton will desist!

**Mr ABBOTT:** They did not pursue that legislation in government because they were monumentally incompetent. We are pursuing that legislation and members opposite are now opposing us. There is $1.1 billion of tax revenue that we could get by closing this R&D tax
loophole which is being exploited by large foreign multinationals, and what are members opposite doing—are they supporting us? No, they are not; they are opposing us. It just goes to show that, when it comes to managing the economy, you just cannot trust the Labor Party.

**Tasmanian Freight Equalisation Scheme**

Mr WILKIE (Denison) (14:11): My question is to the Prime Minister. Prime Minister, the cost of Bass Strait remains the biggest brake on Tasmania's economic development and the easiest to fix. Although the current subsidies help and must be retained in full, they are insufficient and full of gaps. Please, Prime Minister, will you commit to effective subsidies applying to all people, vehicles and freight going both north and south, including all Tasmanian exports bound for international markets?

Mr ABBOTT (Warringah—Prime Minister) (14:12): I thank the member for Denison for his question. It is good that he has asked me this question once. The member for Bass, the member for Braddon and the member for Lyons have asked me this question absolutely dozens of times. I cannot go into the party room without being asked that question. These cauliflower ears were produced not by too many scrums but by chewing! These members from Tasmania—Bass, Braddon and Lyons—have been chewing my ear constantly about the freight equalisation scheme. I say to them and, indeed, to the member for Denison—

Ms Collins interjecting—

The SPEAKER: The member for Franklin will desist!

Mr ABBOTT: that the coalition invented the freight equalisation scheme, we continued the freight equalisation scheme and we support the freight equalisation scheme.

Mr Albanese interjecting—

The SPEAKER: The member for Grayndler will desist!

Mr ABBOTT: It is safe with us now and forever.

**National Security**

Mr SUKKAR (Deakin) (14:13): My question is to the Minister for Justice, will the minister update the House on the cooperation between state and federal law enforcement agencies in combating the terror threat?

Mr KEENAN (Stirling—Minister for Justice) (14:14): I thank the member for Deakin for that question. We know that countering the threat of terrorism requires a coordinated national response. Information sharing is critical and the dedication of our state and federal law enforcement authorities to work together to keep Australia safe is paramount.

We have seen an unprecedented level of cooperation between state and federal law enforcement in the last few weeks with the execution of arrest warrants in Queensland, New South Wales and this morning in Victoria. These operations show that our state and territory law enforcement agencies are working hand in glove to disrupt terrorist activities and the people who would finance those activities.

We saw this cooperation in Melbourne with the involvement of over 100 Victoria and Federal Police officers in the execution of seven search warrants across Melbourne this morning. This operation was undertaken by the joint counterterrorism team based in Victoria, which is Australian Federal Police and Victoria Police working together in the same team. It
was the culmination of an eight-month long investigation, which also involved cooperation with our international partners, in particular the FBI.

I commend the Victorian joint counterterrorism team. They had a tough week last week with the serious injuries that two of their colleagues sustained at the Endeavour Hills police station. The Attorney-General and I met with the joint counterterrorism team on Friday morning in Melbourne. It was impressive to see the courage and dedication of these men and women.

It is critical that our agencies continue to work together and it is critical that state and federal governments continue to do the same. This Friday in Geelong all state and territory attorneys-general and police ministers will meet with the heads of our security and law enforcement agencies under the new Law, Crime and Community Safety Council. The establishment of this council was an initiative of the Abbott government and at its second meeting the Commonwealth will lead discussions on the changed security environment. ASIO will brief ministers on the national security threat assessment and the Australian Federal Police will discuss the outcomes of recent raids and the need for increased security awareness. I will brief the states on the breakdown of the Commonwealth’s $630 million counterterrorism package and also on the three stages of our legislative reform.

Now more than ever before it is vital that police ministers and law-makers are at the same table. We have seen the success of existing arrangements between state and territory law enforcement and this government will continue to work with our state and territory counterparts in our targeted national response in the fight against terror.

**Banking**

Mr BOWEN (McMahon) (14:16): My question is to the Prime Minister. Why has the government decided not to proceed with Labor’s measures to repeal section 25-90, reforms to the offshore banking unit regime and other measures, that will cost the budget $1.1 billion?

Mr HOCKEY (North Sydney—The Treasurer) (14:17): I am happy to answer that question.

Mr Bowen: Madam Speaker, the question was to the Prime Minister.

Mr HOCKEY: Yes, I am able to take it. Don’t fear.

The SPEAKER: The member for McMahon knows perfectly that under the standing orders it can be redirected.

Mr HOCKEY: The Prime Minister is absolutely right to be exasperated at the contemptuous hypocrisy of the Labor Party. When we came into government we were presented with 93 announced tax changes by Labor that were never legislated.

Ms Owens interjecting—

The SPEAKER: The member for Parramatta will desist.

Mr HOCKEY: One of those included a crackdown on R&D rorts by business to the tune of $1.1 billion. Labor announced that and we thought, ‘It is right to go after businesses that are rorting the R&D tax changes,’ so we introduced the legislation to deal with it.

*Opposition members interjecting—*

The SPEAKER: The members for Charlton and Wakefield will desist.
Mr HOCKEY: And you know what? The Labor Party opposed their own legislation. There is something magical about $1.1 billion, isn't there? The Labor Party cannot get tax right. We know that. The mining tax—what a monumental disaster that was. And there is the architect over there—well actually the architect is over in Perth as well.

Mr Bowen: Madam Speaker, I rise on a point of order. With great respect to the Treasurer, it was a detailed question in relation to section 25-90—

The SPEAKER: The member will resume his seat. I remind the member for McMahon that, when you use the rhetoric that you do in question after question, it broadens the base of the question.

Mr Burke: Madam Speaker, I rise on the point of order. You have consistently made a ruling that when we have rhetoric attached to a question the answer is allowed to be broader. No claim can be made that this question is anything other than a question of detail. There is not a single word of rhetoric within this question—not one.

The SPEAKER: Well, that is a matter of interpretation. The member will resume his seat.

Mr HOCKEY: Listen to the answer. Sit down.

The SPEAKER: The Treasurer has the call.

Mr HOCKEY: So there is something magical about $1.1 billion. Labor are voting against their own announced policy in relation to saving the budget $1.1 billion in relation to taxation abuse by major companies. The second thing is in relation to thin capitalisation, which is one of the issues that have previously been raised. The Labor Party said they want to do something about thin cap rules. We said there is some legitimacy to that but, when we asked the Treasury for advice on the impact of the announced but never legislated changes by Labor, Treasury advised us that it was going to punish Australian companies that wanted to expand offshore even when they were prohibited by competition policy from expanding in Australia. That is classic Labor.

Mr Conroy interjecting—

The SPEAKER: The member for Charlton is warned!

Mr HOCKEY: They make announcements, but they can never deliver in relation to tax policy. So we introduced legislation to crack down on thin capitalisation rules for larger businesses. That legislation has now passed through the House of Representatives and it has passed through the Senate. It is awaiting royal assent. The fundamental principle here is this: whenever the Labor Party talk about tax they screw it up, whether it be the mining tax, which was meant to bring bountiful money into the coffers of the Commonwealth and it delivered 2½c per Australian, whether it be the carbon tax, which was an absolute disaster for Australian business—and we got rid of that—or whether it be a raft of changes announced in the last budget that Labor never had the guts to legislate because they never could. They could not deliver on their words.

National Security

Mrs WICKS (Robertson) (14:21): My question is to the Minister for Immigration and Border Protection. Will the minister update the House on the government's progress in restoring the full range of measures that are securing our borders and stopping the boats?
Mr MORRISON (Cook—Minister for Immigration and Border Protection) (14:21): I thank the member for Robertson for her question. I know her constituents in Robertson have always had a keen interest in this topic. Last time I was there they were looking forward to ensuring that the measures that they had voted for would be implemented by this government, and that is what they have seen from this government—resolutely each day going about the job of doing what we said we would do, in the way we said we would do it and getting the results we said we would get.

It has been 65 days since the last venture came to Australia successfully—all 157 of those all went to Nauru. There has only been one venture this year, as those opposite will know. Operation Sovereign Borders has now been going for over a year, and in that time there has just been 23 ventures and 1,265 people. But 22 of those ventures—Have you have a question from me today? Have you?

The SPEAKER: The minister will resume his seat. The member for Corio on a point of order?

Mr Marles: Point of order, Madam Speaker, on relevance. Did the minister just spend $40 million on five people?

The SPEAKER: The member will resume his seat! Mr Marles interjecting—

The SPEAKER: The member will resume his seat! The member will remove himself under 94(a).

The member for Corio then left the chamber.

The SPEAKER: The Manager of Opposition Business on a point of order?

Mr Burke: Given the noise levels that have been here in this question time on both sides of the House, is it right and proper that we have now had 200 people kicked out on this side of the chamber—200, now—in the time you have sat in that chair?

The SPEAKER: I would remind the Manager of Opposition Business, if you had 200 people, this place would be bursting at the seams and you would be in government. The minister has the call.

Mr MORRISON: I note the shadow minister for immigration routinely does this so he does not actually have to ask me a question in this place. If he has got a question, he should come in here and ask it; otherwise, he can keep his peace.

These results did not happen by accident, because we have gone about putting in the measures we said we would. We have repaired offshore processing after the mess—and unfunded mess—they left us. We have put in place the regional deterrence framework, which we said we would—45 ventures disrupted, 12 turn-backs. These were 12 turn-backs that those on that side said it couldn't be done ever. Twelve turn-backs were done in the first year alone. Even though those opposite have sought to deny the government its mandate to restore temporary protection visas, we have not been providing permanent protection visas to people who came to this country illegally by boat. Last week we acted to put those temporary protection visas which deny a permanent protection visa in place and to strengthen our powers to conduct turn-backs, which has been the key ingredient to this government's success in stopping the boats.
I commend the Palmer United Party for supporting this sensible legislation. They have been relevant to this discussion, as opposed to the irrelevance of those opposite. Those opposite, despite acknowledging that 'turn-backs may have had an effect', to quote the shadow minister, still say that they will keep an open mind on the measure. The only thing that will be open that if Labor were to sit on this side would be the borders, because that is what happened when they were last here. They have a test: when this legislation comes into this House and when this legislation goes to the Senate, those opposite can decide whether they are for turn-backs or they are against turn-backs. The Australian people will be watching just to see where your spine is, because they have not been able to see it in a very, very long time.

**Taxation**

Dr LEIGH (Fraser) (14:24): My question is to the Prime Minister. Prime Minister, why has the government cut $189 million from the tax office which would cost the budget up to a billion dollars in lost revenue?

The SPEAKER: I call the honourable the Prime Minister to answer the question, which sounds remarkably repetitive. The Manager of Opposition Business? The Prime Minister has the call. You have a point of order? What is the point of order?

Mr Burke: I have a point of order. Madam Speaker, there has not been one question this question time that has gone to the tax office issue that is here—not one. Previously you have argued with our questions, saying there was rhetoric when there was not; now you are saying that something that deals with a completely different issue is the same as what we have had previously. Your rulings are bearing no relationship to the questions.

Mr Dreyfus interjecting—

The SPEAKER: The member for Isaacs will withdraw!

Mr Dreyfus: I withdraw.

The SPEAKER: The Prime Minister has the call.

Mr ABBOTT (Warringah—Prime Minister) (14:27): My understanding is that this is the efficiency dividend, which has been applied to a number of government agencies by this government, as it was applied to a number of government agencies by the former government. It is good that the Leader of the Opposition has now let the member for Fraser out of protective custody, because the member for Fraser, of course, is a supporter of many of the fundamental reforms that this government is putting in place. He is a supporter of Medicare co-payments; he is a supporter of higher education deregulation. So on many things Labor's shadow Assistant Treasurer has got it right, but on this one he has got it wrong.

The SPEAKER: The member for Fraser on a point of order?

Dr Leigh: Yes, under standing order 68, Madam Speaker. The Prime Minister was implying that at the last election I supported the GP tax. No-one here supported a GP tax at the last election!

The SPEAKER: The member for Fraser has invoked standing order 68 on which I have previously ruled and therefore he cannot do a point of personal explanation after question time. However, I will listen to what the Prime Minister's remarks were at the end of question time. But I would remind the member that if he is quoting from the book that you previously
wrote then there was no point of order for you to take. But I will have listen to the remarks and see what the situation was.

**Economy**

Mr BUCHHOLZ (Wright—Government Whip) (14:29): My question is far more interesting and it goes to the Treasurer. Will the Treasurer outline the government's actions to build a stronger economy for Australia?

Mr HOCKEY (North Sydney—The Treasurer) (14:29): I thank the honourable member for his question and note that he is a fearsome advocate for good economic policy; he certainly is. The fact is we are doing everything we can to deliver policies that build a stronger economy and create more jobs, and that helps to build the prosperity of the nation. That is one of the reasons why, under us—the coalition government—this year, job creation in Australia has been running at roughly six times the speed that it was last year under the former minister for workplace relations and now Leader of the Opposition. He was there with 5,000 jobs a month; we are running nearly 30,000 new jobs a month in Australia. That is ultimately going to be an indicator of how strong the economy is.

The fact is, when you have a strong budget you have choices. You have to be able to build a strong economy to help build a stronger budget, to give yourself more choice to grow the economy again. Fundamentally we are about reducing overall government expenditure, so that Australia lives within its means, and delivering integrity in the taxation system. Of course, 'Labor and tax' is synonymous with failure. Why? Because every time the Labor Party touched the taxation system, it screwed up; it screwed up monstrously. Exhibit A: the mining tax, of which the member for Lilley is so proud. He was so proud of the mining tax he was on Q&A, I am told, last night saying it was a terrific tax; all we needed to do was to increase the amount of goods we sold and then we would have had rivers of gold.

Mr Perrett: Did you have a tough time at school, Joe?

The SPEAKER: The member for Moreton.

Mr HOCKEY: The fundamental fact is there was a 25 per cent increase in iron-ore exports in the June quarter year on year, and yet the mining tax raised 2½ cents for every Australian. That is a great tick!

And the carbon tax—what a great success that was! The member for Lilley did not even have the guts to go the announcement—

Ms Plibersek interjecting—

The SPEAKER: The member for Sydney will desist.

Mr HOCKEY: of a major taxation policy that he did not want to be associated with. He was there in his office, peering through the wisteria into the prime ministerial courtyard, looking at Julia Gillard and the cohort of independents announcing a new tax he did not want to be associated with.

Mr Perrett interjecting—

The SPEAKER: The member for Moreton.

Mr HOCKEY: It gets worse. The Labor Party, on every single front, announces tax changes but never actually delivers. Not only are they opposing R&D tax changes which they announced as a crackdown on business, now they are opposed to the very same policy.
principle. The Labor Party is opposing, in total, $40 billion of savings that would help to fix their mess. Look at what Labor do, not what they say.

**Superannuation**

**Mr BOWEN** (McMahon) (14:32): My question is to the Prime Minister. Why is the Prime Minister abolishing the low-income super contribution, ripping up to $500 a year from 2.1 million women on low incomes, while giving 16,000 people with super balances over $2 million a tax break?

**Mr ABBOTT** (Warringah—Prime Minister) (14:32): My understanding is we are doing this because it was an election commitment, and we keep our commitments. That is what we do; we keep our commitments—

*Honourable members interjecting—*

**The SPEAKER**: The member for Moreton is warned, as is the member for Griffith.

**Mr ABBOTT**: unlike members opposite, who are strangers to the truth. That is their problem. They all have truth deficit disorder.

*Ms Butler interjecting—*

**The SPEAKER**: The member for Griffith is not in her seat and must not speak. You are not in your seat.

**Infrastructure**

**Ms HENDERSON** (Corangamite) (14:33): My question is to the Deputy Prime Minister and Minister for Infrastructure and Regional Development. Will the Deputy Prime Minister inform the House of the action the government is taking to support infrastructure investment in Victoria, including the proposed East West Link?

**Mr TRUSS** (Wide Bay—Deputy Prime Minister and Minister for Infrastructure and Regional Development) (14:33): I thank the honourable member for Corangamite for her question. She recognises that among the $50 billion commitment this government is making to infrastructure projects across Australia is a very substantial project to benefit Melbourne and Victoria, the East West Link. This is a project to which the Commonwealth will be contributing $3 billion. It is a project that will deliver real benefits to those travelling to and from work in Melbourne or those needing to traverse the city. This particular road will reduce travel times by at least 20 minutes for up to 100,000 vehicles every day. The eastern section alone will bypass 23 sets of traffic lights. There will be about 6,500 workers engaged in this project during the construction period. It offers a new solution to Melbourne's traffic gridlock problems.

One would have thought all Australians would want to support a project like this. It is a high priority for people in the electorate of the member for Corangamite and even the people of Gippsland have rated it as their No. 1 transport priority for Victoria.

*Mr Husie interjecting—*

**The SPEAKER**: The member for Chifley.

**Mr TRUSS**: Yet Labor is opposing this project. The Leader of the Opposition in Victoria is saying he will tear up the contracts if he is elected. He will tear up the contracts and condemn Melbourne, again, to traffic gridlock.
Let me make it absolutely clear to the people of Victoria: if this contract is torn up and this project does not proceed, the Commonwealth's $3 billion will have to be repaid. And if there is some penalty associated with the cancellation, Victorian taxpayers will have to pay for those as well.

Mr Albanese interjecting—

The SPEAKER: The member for Grayndler is pushing his luck.

Mr TRUSS: Once more, this is not $3 billion committed to Victoria; it is $3 billion committed to the East West project. There can be no guarantee, no commitment whatever, that the money will be redirected to some other project such as bikeways or whatever the Greens happen to want next week. The reality is this is money committed by the Commonwealth for a specific project that will benefit Melbourne's traffic and the Victorian economy. I commend the member for Corangamite who has today launched a petition inviting people to lobby members of the Labor Party from Western Victoria—people like the member for Ballarat—

Mr Albanese interjecting—

The SPEAKER: The member for Grayndler is warned.

Mr TRUSS: the member for Corio and the Leader of the Opposition—to support this project which will mean so much to the traffic movement of Victoria. Sign the petition, get the project underway and relieve the traffic congestion issues in Melbourne.

Taxation

Mr SHORTEN (Maribyrnong—Leader of the Opposition) (14:37): My question is to the Prime Minister. I refer the Prime Minister to reports that over $8.4 billion a year is lost to corporate tax avoidance—more than the total amount of cuts this year from the government's budget. Why is the government going soft on multinational corporations that are not paying tax, while slugging Australian families?

Mr ABBOTT (Warringah—Prime Minister) (14:37): What was this mob opposite doing for six years? If there are such problems, what were they doing for six years? Well, I tell you what—they belatedly woke up to this issue in February of last year. They promised to crack down on R&D tax avoidance or tax minimisation by foreign multinationals. They were so incompetent that they could not manage to get the legislation into the parliament and through the parliament before the election. We took this up.

Mr Conroy interjecting—

The SPEAKER: The member for Charlton has been warned and will leave under 94(a).

The member for Charlton then left the chamber.

Mr ABBOTT: Members opposite who claim to be against tax avoidance are now opposing the self-same measure that they proposed back in February last year—the monumental hypocrisy of the Leader of the Opposition on this issue. We are doing what we can to crack down on tax avoidance by multinational companies, including doing what the Leader of the Opposition wanted to do but now will not do. When it comes to tax, you just cannot trust the Labor Party—they always get it wrong.
Carbon Pricing

Mr_matheson (Macarthur) (14:38): My question is to the Minister for the Environment. Will the minister inform the House of the savings that have been passed on to families and businesses of New South Wales and the ACT since the government scrapped the world's biggest carbon tax? Are there any plans to take away these savings?

Mr_Hunt (Flinders—Minister for the Environment) (14:39): I would like to thank the member for Macarthur, who is concerned not only about the cost of living for families; but also a great champion of and lover of the environment. Today the Green Army starts. The Green Army is in the field today, and that means that the Georges River recovery is part of the plan. I am not sure though that they love the environment on that side of the House, because after 600 questions I am still waiting, Bill—600 questions and not one on the environment. Most importantly—

Mr_Mitchell: Madam Speaker, I rise on a point of order. It has been pointed out many, many times about members not referring to members by their proper titles and I would like you to ask him to refrain from doing that.

The SPEAKER: The minister will refer to members by their correct titles.

Mr_Hunt: Coming from Mensa, I take that!

Mr_Bowen: Madam Speaker, I rise on a point of order. You gave the minister an instruction, a ruling. He treated it with contempt by then not referring to another member not by their title. He has treated the member for McEwen, and you, Madam Speaker, with contempt.

The SPEAKER: The honourable member for McMahon for his intervention, but I think we can manage it. The minister will refrain from referring to members by anything other than their correct titles.

Mr_Hunt: Madam Speaker, if the term Mensa in any way offends or confuses, I am very happy to withdraw. Let me make this point: as of today, I can inform the House that AGL has announced to customers—

$\textit{Mr Brendan O'Connor interjecting}$—

The SPEAKER: The member for Gorton is warned.

Mr_Hunt: that they not only have they reduced their bills by the full amount of the carbon tax in terms of electricity but also are providing refunds. I want to read to the House what AGL has sent to customers: 'For those customers where we issued a bill between 1 July 2014 and 1 September 2014, you will receive a credit. This credit will appear on your next bill issued after 29 September 2014.'

$\textit{Mr Dreyfus interjecting}$—

The SPEAKER: The member for Isaacs is warned.

Mr_Hunt: For people in New South Wales and the ACT, what does that mean? On their residential bills for AGL it means a 7.8 per cent saving; for those customers of Energy Australia, it means an 8.9 per cent saving on their electricity bill; or those customers of Simply Energy, a 10 per cent reduction in their electricity bills; in the ACT—about which the member also asked—for Energy Australia residents, it will be an 11 per cent reduction in their
electricity bills; and for Origin Energy customers, an 11.5 per cent reduction in their electricity bills.

When AGL also wrote to Victorian customers today—

Mr Perrett interjecting—

The SPEAKER: The member for Moreton—that is the last time.

Mr Hunt: what they said is this: 'We estimate that the average AGL small business gas customer in Victoria will save 10.3 per cent off their bills backdated to 1 July 2014. We estimate that the average AGL small business electricity customer in Victoria will save 9.7 per cent.'

So whether it is gas, whether it is electricity, whether it is Victoria, whether it is the ACT or whether it is New South Wales those prices are coming down. There is an alternative plan: the Leader of the Opposition wants to reintroduce the carbon tax. It is their policy, it is their plan, it is their goal and it is their sacred objective. And that will mean that electricity prices will go back up. Electricity prices will rise. He talks about slugging Australian families—he is the slugger.

Budget

Mr Shorten (Maribyrnong—Leader of the Opposition) (14:43): My question is to the Prime Minister. I refer to the Joint Committee on Human Rights chaired by Liberal Senator Dean Smith which has found the government's proposal to leave young people with nothing to live on for six months is:

… incompatible with the right to equality and non-discrimination …

Does the Prime Minister agree with the findings of the committee chaired by the Liberal senator?

Mr Abbott (Warringah—Prime Minister) (14:43): I obviously respect the opinion of members of this parliament. I respect the rights of the committees of this parliament to come up with a position and, to the extent that the committee has adopted the position as characterised by the Leader of the Opposition, I disagree with it. I am all in favour of rights. I am also in favour of the rights of taxpayers not to have their money abused. I am in favour of the rights of taxpayers to say that young people should be doing the right thing by themselves and by our society.

Mr Brendan O'Connor: You are not giving them any money for six months.

The SPEAKER: The member for Gorton will leave under 94(a) having been warned.

The member for Gorton then left the chamber.

Mr Abbott: I had a feeling that this might come up in question time today, so let me just quote something:

Under our policy, young people will have just two options: they can be either learning or earning. No third option of sitting around doing nothing.

Mr Perrett interjecting—

The SPEAKER: The member for Moreton will leave the chamber under 94(a).

The member for Moreton then left the chamber.
Mr ABBOTT: We'll provide additional work and training opportunities. And young people will be obliged to participate, to do something good for themselves, their families and the community. Learning or earning - no third option under a Labor government.


Mr Champion interjecting—

The SPEAKER: The member for Wakefield is warned!

Mr ABBOTT: I know that members opposite will say, 'Oh, that was Mark Latham. He doesn't count.'

Ms Collins interjecting—

The SPEAKER: The member for Franklin is warned!

Mr ABBOTT: I tell you what, Madam Speaker, the very next day members opposite—members who are still sitting opposite—said:

… doing nothing will no longer be an option.

We want all young Australians climbing the ladder of opportunity, not languishing on unemployment benefits.

Mr Champion interjecting—

The SPEAKER: The member for Wakefield will join the member for Moreton under order 94(a)!

Mr Shorten: That's not our policy!

Mr ABBOTT: The Leader of the Opposition says, 'That's not our policy!' Well, you know that it is the policy of the member Jagajaga, because they were—

Opposition members interjecting—

Mr ABBOTT: It is the policy of the member for Grayndler. They were his words. No wonder he is suddenly distracted by his mate, the member for Hunter.

Mr Shorten: Stop making it up!

Mr ABBOTT: If I could remind the member for Grayndler:

… doing nothing will no longer be an option.

We want all young Australians climbing the ladder of opportunity, not languishing on unemployment benefits.

Well said! Well said, member for Grayndler! It is a pity that he does not have the guts to say it again.

Workplace Relations

Mr VAN MANEN (Forde) (14:46): My question is to the Minister for Education, representing the Minister for Employment. Will the minister update the House on the action the government is taking to protect the rights of workers, honest union leaders and employers? What has been the catalyst for these measures and what hurdles do they face?

Mr PYNE (Sturt—Leader of the House and Minister for Education) (14:46): I thank the member for Forde for his question. I know he has a deep interest in helping and protecting
good, honest union leaders, workers and employers, as opposed to protecting the protection rackets that we have seen from the Labor Party in the past.

The government has moved to limit the power of standover merchants and dishonest union officials, and to protect honest union leaders, workers and employers in three ways. We are trying to bring back the Australian Building and Construction Commission, we are trying to introduce the Registered Organisations Commission and we have established the royal commission into union corruption.

I think it is fair to say that right-thinking people everywhere have been shocked by the revelations in the royal commission in recent months and weeks: revelations about CFMEU intimidation; death threats links to bikie gangs and organised crime; drug selling; standover tactics; the silencing of potential witnesses; workplace bullying; and the list goes on. And yet, on the ABC’s Insiders program the Leader of The Opposition refused to say that the CFMEU should disaffiliate from the ALP in Victoria and he refused to say that the ALP would not take the rivers of gold from the CFMEU in the future that they have taken in the past. In fact, the CFMEU has donated $5 million to the Labor Party in Victoria since 2007—$5 million! A good Leader of the Opposition and a good leader of the Labor Party would know that the first step would be to reject donations from the CFMEU and to join with his colleague in Victoria Andrew Daniels and reject the CFMEU as an affiliated union to the ALP in Victoria.

But no, the Leader of the Opposition's response has been to say that bikies should not wear their colours on building sites. That was the Leader of the Opposition's response! He is taking a tough-cop-on-the-beat approach. He says that bikies should not wear their colours on building sites. He is the dress police as opposed to a tough cop on the beat!

As a cabinet minister, in fact, the Leader of the Opposition was the one who abolished the Australian Building and Construction Commission. He was the one who abolished the existing Building Code and guidelines. He was the one who introduced open slather for the union leadership in right of entry onto workplaces. And if the Leader of the Opposition continues—if he is elected as Prime Minister—we know that three things will happen after the next election: the carbon tax will be brought back; the boats will start and the CFMEU will have a place at the cabinet table again, like they did under Bill Shorten when he was last the Minister for Workplace Relations.

**Higher Education**

Mr SHORTEN (Maribyrnong—Leader of the Opposition) (14:49): My question is to the Minister Education. I refer to page 41 of the coalition's *Real Solutions* policy document, released before the election, which promised that the coalition would ensure the continuation of the 'current arrangements of university funding'. So, why did the minister say on *Q&A* last night:

> We didn't actually release a higher education policy, …

Mr PYNE (Sturt—Leader of the House and Minister for Education) (14:50): I know that the Leader of the Opposition's idea of a policy is two or three lines in a much longer document. I know that is his idea of policy. On this side of the House, we actually believe in detailed policy work. We believe in serious policy work and then in government—

Mr Shorten: Here is your policy!

The SPEAKER: The Leader of the Opposition will put the props down!
Mr PYNE: I think we are seeing these symptoms that Peter Costello once identified in Kim Beazley when he was Leader of the Opposition—a leader under pressure—which was psychobabble followed by exaggerated laughter. This is a syndrome that we are now seeing from the Leader of the Opposition—a leader under pressure. He does not want to hear the answer, because the answer is that Labor are totally out of step with the university sector, and have no allies of any consequence in the university sector over their stance on higher education.

Firstly, when they were in government, they ripped out $6.6 billion. They have gone very silent again when I actually talk about the facts: $6.6 billion they ripped out of the higher education sector. They reduced the international education market from $19 billion when we lost office to $15 billion when we regained office in 2013. So they reduced in several different ways the revenue flow into universities. And now they are trying to stand in the way of universities being free to raise the revenue that they need to be their best selves in a competitive international market.

We, on the other hand, as an adult, sensible government recognise the need to do the things to bring about the microeconomic reform that is required to spread opportunity to more students—80,000 more students by 2018—per year by expanding the demand driven system, by establishing the largest Commonwealth scholarships program in Australia's history, by expanding the Commonwealth Grant Scheme to non-university higher education providers, and by getting rid of the extra loan fees for VET and for private institutions.

And do not just take my word for it. Warren Bebbington, quoted in the Campus Morning Mail by Stephen Matchett today, said:
The combination of the uncapped system and changing student habits, a flat student market, increasing competition from Asian universities and a volatile return on investment in technology has led universities to a ‘point of no return’ irrespective of the higher education reform package currently under debate …

We want to help universities be their best selves. We want more Australians to get higher education qualifications. Labor just wants to stand in the way of good exports and stand in the way of more opportunities for students.

Employment

Mr LAMING (Bowman) (14:53): Madam Speaker, my question is to the Assistant Minister for Employment. Would the minister update the House on government reforms to ensure that job seekers attend their appointments? Minister, how many appointments are being missed each year?

Mr Albanese: Stanley!

Mr HARTSUYKER (Cowper—Deputy Leader of the House and Assistant Minister for Employment) (14:53): I thank the member for his question.

Mr Albanese interjecting—

The SPEAKER: One more, Member for Grayndler, and you will leave.

Mr HARTSUYKER: I will update the House on this very important matter. I regret to inform the House that out of 12.75 million appointments with employment service providers during 2013-14 almost 4.5 million appointments were missed. That is a staggering figure, almost 4.5 million missed appointments by job seekers. That is a failure rate of 35 per cent.
What that means is millions of wasted hours for employment service providers. What that means is unnecessary red tape as employment service providers are required to contact job seekers and reschedule appointments. And what that means is hours wasted preparing reports for the Department of Human Services. But what it means for the job seeker is wasted opportunity: missing out on the opportunity to attend a meeting with their employment service provider and get information on where the latest job opportunities might be, on how they can better present to an employer for a job, how they can better get by and improve their job search plan. So it is not only a loss to the taxpayer and a loss to employment service providers but it is also a loss to the job seeker.

It is regrettable that so many appointments are being missed by job seekers who simply cannot be bothered turning up. We have had excuses like 'I forgot' or that they could not be bothered or that they did not think it was worthwhile. Just as workers have to turn up at their place of work on time and as required, job seekers have to turn up for appointments on time and as required. If a job seeker is unable to attend an appointment, it does not take long to pick up the phone, to contact their employment service provider and say that they cannot make it and have that appointment rescheduled.

As a result of this poor performance in the area of appointments, I have introduced legislation that is going to provide stronger incentives for job seekers to turn up to appointments. Even the members opposite recognise this. When they were in government they introduced legislation that went some small way to improving the situation and rates of attendance and appointments marginally improved. But clearly 4.5 million missed appointments tells us that the current situation cannot continue and that more has to be done, and that is why I have introduced that legislation. I can inform the House that the protections for vulnerable job seekers are retained and the reasonable excuse provisions are retained. We are about helping job seekers into work. I look forward to the members opposite supporting this legislation so we can get more job seekers— (Time expired)

Education

Ms O'NEIL (Hotham) (14:57): My question is to the Minister for Education. Last year the minister said the government was not considering university fee increases: … because we promised that we wouldn’t and Tony Abbott made it very clear before the election that we would keep our promises.

Now that the government is doubling university fees, isn't it clear that the only thing this government is committed to is breaking its promises?

Opposition members interjecting—

The SPEAKER: I call the honourable Minister for Education and we will have some silence so we can hear the answer.

Mr PYNE (Sturt—Leader of the House and Minister for Education) (14:57): I thank the member for Hotham for her question because it gives me the opportunity to explain to her, as a new member to the House, that the government are not increasing fees at universities and we are keeping all of our promises. We said we would not reintroduce the cap. In fact, under the government's microeconomic reform, we are removing the cap on the sub-bachelor places. So all of the diplomas and the associate degrees that are used by many, many first generation university goers and low socioeconomic status students to get into the undergraduate
pathway, we are lifting the cap on those sub-bachelor courses to expand the demand driven system. This is something I would have thought the member for Hotham would support, but in fact she is shaking her head.

Ms O’Neil interjecting—

The SPEAKER: The member for Hotham has asked her question!

Mr PYNE: We want to expand opportunity to 80,000 more Australians to get a higher education qualification and all the private benefits that come with that.

Mr Watts: Do they get paid more?

The SPEAKER: The member for Gellibrand!

Mr PYNE: Seventy-five per cent higher incomes on average—

Mr Watts: Do they get paid more?

The SPEAKER: The member for Gellibrand will desist!

Mr PYNE: over a lifetime, longer life expectancy, better health outcomes—

Mr Watts: Are they paid more? Yes or no?

The SPEAKER: The member for Gellibrand will desist or leave—the choice is his!

Mr PYNE: lower unemployment: these are the kinds of opportunities that we want to expand by increasing the demand driven system.

In terms of fees, the government are not increasing fees at the undergraduate or the university level. What we are doing, in a very important reform, is deregulating the university sector so that universities can be their best selves, so they can produce the best research in the world—

Ms Kind interjecting—

The SPEAKER: The member for Ballarat!

Mr PYNE: so that we can have a higher education system that is the best in the world with some of the best universities in the world. I would say to the member for Hotham, 'Don't just ask me, ask the university sector.' The Regional Universities Network, coupling with the G8 universities, said this recently:

The Regional Universities Network (RUN) and Group of Eight (Go8) urge the Senate to pass the Government’s Higher Education and Research Reform Amendment Bill 2014 with changes to make it fairer for students and universities.

… … …

… RUN supports deregulation of student fees.

Ms Ryan interjecting—

The SPEAKER: The member for Lalor is not in her seat and may not interject.

Mr PYNE: The Labor Party have found themselves in a cul-de-sac of opposition to every measure the government is bringing about.

Dr Chalmers interjecting—

The SPEAKER: The member for Rankin is warned. He will desist or leave.
Mr PYNE: They find themselves irrelevant to the debate. They have played the Greens, the Palmer United Party and the crossbenchers into the debate in the Senate. We are happy to work with anyone to bring about reform that will improve Australia. It is just sad that the Labor Party is not the once great Labor Party of the Hawke-Keating era or the Curtin-Chifley era. It is now led by the Lilliputians like the current Leader of the Opposition who just do not understand that sometimes you have to get into the conservation to be a part of a great reform.

Early Childhood Sector

Mrs SUDMALIS (Gilmore) (15:00): My question is to the Assistant Minister for Education. Will the minister update the House on the progress of the government's $200 million professional development program for long day care workers? How does this government's approach to professional development differ from previous approaches?

Ms LEY (Farrer—Assistant Minister for Education) (15:01): It is a pleasure to take a question from my friend the member for Gilmore. I am happy to announce that this week money will start to flow under the Abbott government's Long Day Care Professional Development Program, the largest ever investment in the professional development of our childcare sector. Importantly—

Mr Burke: Madam Speaker, I rise on a point of order. I understand during the answer the minister has just referred to the fact that she is making a policy announcement, which is appropriate for a ministerial statement but not appropriate for question time.

The SPEAKER: The Manager of Opposition Business is quite correct in saying that question time is not a time for the announcement of policy. Is the assistant minister announcing policy? On the basis that the assistant minister assures me that this is not the announcement of new policy, she has the call.

Ms LEY: Thank you Madam Speaker. If the Labor Party were paying attention, they would remember that this was something we announced some months ago and that I am simply making it clear that this week money is starting to flow under a previously announced policy. Really, that is quite straightforward.

Mr Dreyfus interjecting—

The SPEAKER: The member for Isaacs has been warned. One more utterance and he will leave. The choice is his. The assistant minister has the call and we will have silence for the answer.

Ms LEY: I understand why the Labor Party wants to inject this note of confusion because this policy replaces its own Early Years Quality Fund, which it remembers well. It should certainly know that the Early Years Quality Fund, which was the—

Mr Danby interjecting—

The SPEAKER: The member for Melbourne Ports will desist. The minister has the call.

Ms LEY: Under the Early Years Quality Fund, $200 million was allocated for just a small proportion of the early childhood sector. When we came to government, we commissioned an independent report which found that that fund was used as a vehicle for union recruitment. Ministers on the Labor Party front bench should remember well that the effort they made to secure deals for their mates in United Voice, the union, was shameful. It was revealed as such
by investigation after investigation and the Auditor-General is undergoing an investigation at the moment.

For this fund, no union card will be required and every educator in the long day care sector, more than 50,000, will be able to benefit. Applications are in, as I said, and money is going to start to flow in this largest ever investment. But really, Labor should be reminded of the flaws of its Early Years Quality Fund, the process where the member for Adelaide announced the fund and 13 hours later the fund closed, but applications were still accepted. This fund was about increasing union membership. EBAs quadrupled and union membership tripled, but did union members benefit? No, they did not. Only 15 per cent of the childcare workforce ever could have received a dollar under Labor's fund. We are putting the matter to right and more than 50,000 educators across the country will start to benefit.

**Pensions and Benefits**

Ms MACKLIN (Jagajaga) (15:05): My question is to the Minister for Social Services. I refer to reports on the weekend that the government's plan to leave young people with nothing to live on for six months was 'not the brainchild of Social Services minister Kevin Andrews'. Is the minister running away from the government's policy to leave young people with nothing to live on?

Mr Danby interjecting—

The SPEAKER: The minister has the call and the member for Melbourne Ports is warned.

Mr ANDREWS (Menzies—Minister for Social Services) (15:05): Madam Speaker, I could say to the honourable member opposite that she should not believe everything she reads because this is a very good policy.

Ms Macklin interjecting—

The SPEAKER: The member for Jagajaga has asked a question. The minister has the call.

Mr ANDREWS: If the member opposite is asserting that a person who is capable of working full time, who has no parenting duties, who is not a disadvantaged job seeker should be on welfare rather than work, then we disagree. We disagree because we believe that young people under the age of 30 who are capable of working full time should be earning or learning. That is what they should be doing. Just as the Prime Minister explained before, that is the policy of this government. What is wrong with that?

Mr Burke: Madam Speaker, I rise on a point of order as to direct relevance. The question goes to whose idea it was.

The SPEAKER: There is no point of order. The minister has the call.

Mr ANDREWS: This is the government's policy. I am reminded about the policies of the member opposite. She was up here complaining about a report before. She had no qualms about pushing 80,000 single parents off their payments—no qualms about doing that whatsoever. She had no qualms whatsoever in trying to abolish the carers bonus—no qualms about doing that whatsoever. What hypocrisy coming from the members opposite! The big difference was that, of course, at that stage we did not have a government; we had kindergarten capers. We had the Leader of the Opposition wanting to be the class captain—
Julia. We had, of course, Kevin, who wanted all the attention. We had Pete playing with the pink batts. We had Bill out in the sandpit being the class bully.

The SPEAKER: The minister will return to the question.

Mr ANDREWS: And, of course, Wayne is laughing. He was scribbling on the walls and tearing up the maths books.

Mr Burke interjecting—

The SPEAKER: The Manager of Opposition Business will resume his seat. And, Minister, you certainly have finished because you were completely in breach of the standing orders in the last part of your question, and you know it. The minister will resume his seat.

Small Business

Mr BROUGH (Fisher) (15:08): My question is to the Minister for Small Business. Minister, will you inform the House of the action you are taking to cut the red-tape burden for the 13,000 small businesses in my electorate on the Sunshine Coast and how you are also assisting hardworking small businesses right across Australia?

Mr BILLSON (Dunkley—Minister for Small Business) (15:08): It is great to get a question from the member for Fisher. Isn't it great to have him back in this parliament? What a great representative. The member for Fisher would know that we are well on our way to implementing an election commitment—a crucial election commitment to cut $1 billion worth of—

Opposition members interjecting—

The SPEAKER: If the members on my left are interested to stay for the MPI, they will remain silent.

Mr BILLSON: red tape and compliance costs out of the economy, as a central part of our Economic Action Strategy. There can be no contest about the need for this red-tape reduction task. You might remember, Madam Speaker, when the Labor government was initially elected, they promised one in, one out. That was the commitment. But after spectacularly failing to achieve that ambition, they thought they would change the goal posts. And then it was about a regulation count. When we reminded the previous government that they had implemented 21,000 new and amended regulations, they then said, 'We don't like that way of measuring the red-tape burden either.' But who could argue with The World Economic Forum's assessment? Who could forget that, after six years of Labor, the Australian economy is 128th in the world in terms of the burden of government regulation. There are only 127 other economies that have less gummed-up impact of government regulation than our own. This is why this red-tape reduction task is a whole-of-government obligation, where every minister is making a contribution and where every portfolio is making a contribution. Regulatory burdens land no more heavily than on small businesses. The small businesses of Fisher, as we travel around and talk with them, describe this overwhelming compliance obligation that takes them away from growing their business and nurturing opportunities in their electorate.

Mr Bowen interjecting—

The SPEAKER: The member for McMahon!
Mr BILLSON: This is why Labor contributed so much in its red-tape overreach to 519,000 jobs lost in small business under Labor. We have started well: We have more than $700 million worth of compliance savings already announced and already booked, but we have to keep that momentum going. We have seen 300,000 small businesses relieved of unnecessary PAYG and also BAS reporting obligations. We have seen the need to improve and fix the overreach in the Personal Property Security Register. We have seen changes in the area of franchising—all of these aimed at reducing the red tape burden.

We have in the Senate another opportunity to end the burden on business being the double-handler of paid parental leave payments. There is another $48 million worth of red-tape savings to be had there for businesses big and small for the not-for-profit obligations. We are evangelical about our work in relieving small businesses of that red-tape burden and re-energising enterprise, realising that these businesses need to be world-class every day to thrive and prosper. That is the discipline we should apply to our task, and not do what Labor did—whenever there was a problem, after spending all the money that was left from Howard government, just go and add some more regulation to it and hope it goes away. We are the only friend small business has in this chamber.

Mr Abbott: Madam Speaker, I ask that further questions be placed on the Notice Paper.

STATEMENTS ON INDULGENCE

Royal Commission into the Home Insulation Program

Mr ABBOTT (Warringah—Prime Minister) (15:12): When the government received this report about four weeks ago, I spoke briefly in this parliament and I indicated that I would have more to say by the end of the month. Thank you for indulgence to say a little more about this royal commission report. We did receive the report on 1 September, and the report from the royal commissioner, Ian Hanger AM QC, does provide victims' families with some long-awaited answers—answers that they desperately craved, given that four young men in the prime of life lost their lives as a consequence of this bungled program. In addition to the lives lost, homes were damaged or destroyed and many businesses were badly affected or ruined. So, Madam Speaker, we do owe it to Matthew Fuller, Reuben Barnes, Mitchell Sweeney and Marcus Wilson, and to their families, to ensure that this should never happen again. If we do not learn from the past, we tend to repeat it. So today I wish, briefly, to set out the government's interim measures as promised.

First, I have asked Minister Hunt to assume responsibility to oversee the Commonwealth response and to coordinate actions across departments and ministers. In this, he will be assisted by the Hon. Bob Baldwin, Parliamentary Secretary to the Minister for Industry. He will provide updates to me and will deliver the final comprehensive government response by the end of this year. Madam Speaker, as you would probably recall, the report of the royal commissioner makes a series of findings about occupational health and safety. This program was a failure of government and it cascaded into failures in the workplace. I have asked the Minister for Employment to examine these findings, particularly as they relate to the reliance of the Commonwealth on state and territory laws, and his work will inform the government's final response. I intend, also, to raise the commissioner's recommendations to improve safety in roof cavities at the next COAG meeting.
Because the safety of people at work is, indeed, a national concern, it is a concern of everyone in this parliament and all governments should cooperate to ensure that people who go to work return safely home. Matthew Fuller, Ruben Barnes, Mitchell Sweeney and Marcus Wilson went to work and, tragically, they did never return home. The report makes it clear that their deaths could have been avoided had things been done differently. That is why Minister Hunt and the Minister for Finance have been asked to recommend options to compensate their next of kin. Although nothing can bring them back, the Barnes, Fuller, Sweeney and Wilson families should know that the government will not walk away; the government accepts responsibility and will do its best to make amends.

While nothing can compare to the pain of losing a child, there were other families who also suffered in serious ways. Pre-existing home insulation businesses large and small have suffered significant losses as a result of this program. They trusted government and were let down. So I have asked the Attorney-General, the Minister for Industry and the Minister for Finance to develop options for a scheme that will compensate those pre-existing businesses that were adversely affected.

The royal commissioner's report provides a sobering account of the role of government in developing and delivering policy and programs. It is a reminder of what can happen when there is a government-knows-best approach. I am confident that the processes of government have subsequently changed and improved but they can always be better. That is why I have asked Minister Hunt to recommend an external expert to examine and address the issues identified and the recommendations relating to the role of government in this tragic program. This expert will examine the role of ministers and officials in the development of policy and the delivery of programs to see what lessons can be learnt. An external report is necessary, rather than asking government or the public service to review objectively and comprehensively their own processes. The Minister for Employment, in this capacity as Minister Assisting the Prime Minister for the Public Service, has been asked to consider an appropriate way to assess the report's findings about public servants against the Australian Public Service's code of conduct.

I do wish to stress that this is not a witch hunt but we do need to recognise that the Home Insulation Program was a tragic failure, a failure of bureaucracy and a workplace failure as well as a political failure. All of us should learn from this failure because there will be times in the future when governments believe that urgent action is required—but even urgent action has to be prudent, cautious and wise. Just like the royal commission itself, this interim response is designed to work out what happened, what could have been done better and what is necessary to prevent it from happening again. All of us should work to ensure that wiser decisions and better government become the ultimate legacy of this tragic program.

Mr SHORTEN (Maribyrnong—Leader of the Opposition) (15:18): On indulgence—I acknowledge the Prime Minister's initial responses to the royal commission and his statement about further investigations by ministers and others. Our thoughts are foremost with the families and the friends of the young men who died—the Fuller, Barnes, Sweeney and Wilson families. I acknowledge the further discussion about possible compensation.

I wish to put on record that I recognise that no amount of compensation ever balances people. I have never seen people receive compensation who would not rather they could turn
back the clock. But having said that, I acknowledge that government is putting forward that proposition.

I also wish to acknowledge that every death in a workplace is a tragedy. Labor's attitude is that anything that improves workplace safety is worthwhile. There have been, even in the last 12 months, over 200 traumatic fatalities in workplaces. Taking the Prime Minister's words, that is a failure across our society in people going to work and not returning home.

Furthermore, there are hundreds if not thousands of people who have received exposure to industrial diseases who will die. So we await the responses of the ministers and I thank the government for their initial comments.

**DOCUMENTS**

**Presentation**

Mr PYNE (Sturt—Leader of the House and Minister for Education) (15:19): Documents are presented as listed in the schedule circulated to honourable members. Details of the documents will be recorded in the *Votes and Proceedings*.

**MATTERS OF PUBLIC IMPORTANCE**

**Rural and Regional Health Services**

The SPEAKER (15:19): I have received a letter from the honourable member for Throsby proposing that a definite matter of public importance be submitted to the House for discussion, namely:

The government's broken promises and failures on rural and regional health.

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 STEPHEN JONES (Throsby) (15:20): Thank you, Deputy Speaker. The question that all members on this side of the House are asking themselves today is why the government insists on punishing Australians who live in rural and regional Australia. Why are they so insistent on punishing people who live in the bush? The other question we are asking is: why is the National Party so eager to support them? The truth is this: the government's budget is a war on the poor—

The SPEAKER: I remind the member that the Speaker is in the chair, not the Deputy Speaker.

Mr STEPHEN JONES: Thank you, Madam Speaker. The issue is this: the government's budget is a war on the poor; it is a war on the people who live in rural and regional Australia. The $7 GP tax will cost patients over $1.4 billion in communities outside of metropolitan centres.

The destruction of the PBS safety net is going to cost an additional $1.2 billion for people for their medicines. If you look at the top 12 electorates that will pay the greatest out-of-pocket expenses as a result of this rotten budget in the PBS, they are all in rural and regional Australia. And they are going to be wacked an additional $112 million over the next four years.
Where is the member for Gippsland? Where is the member for Hinkler? Where is the member for Murray? Where is the member for Gilmore? And where are the other members who claim to represent regional and rural Australia electorates? Why aren't they here today, standing up for their electorates?

The sad truth is this. If you live in the bush, you do not enjoy the same health outcomes as you would if you lived in the city, whether they be diabetes, the incidence of a melanoma or other cancers, injuries or, tragically, suicide. The sad fact is that, if you live in the bush, you do not enjoy the same sorts of health outcomes as you would if you lived in the city. Tragically, those on the other side are letting down their constituencies.

It is also true that, if you live in rural and regional Australia, you not only have the lowest incomes but are also paying more in out-of-pocket health expenses. The poorest people in the country are being whacked the hardest by those on the other side of the chamber.

Labor has a very proud record when it comes to health. Labor is the party that introduced Medicare 30 years ago and we are defending it here today, while those on the other side are attempting to attack it. From 2007 to 2013 we ensured that there were more doctors trained and more doctors sent to the bush to practise. We built over 29 new cancer centres and we put in place health and hospital funding which ensured that funding of hospitals around the country was more sustainable.

Unsurprisingly, perhaps out of embarrassment at the success that the Labor Party had in looking after people in the bush and looking after people in rural Australia, before the last election the National Party published this policy document. When you look at this policy document you will see it has a fair few things to say about health and health policy. For instance, they made some very big promises about having a policy to ensure that no member on that side of the chamber would support policies which were going to lead to the closure of hospitals in rural and regional Australia. The $55 billion cut to health and hospital funding is going to have a devastating impact on hospitals in the bush and those on the other side know it. We demand that the National Party live good to their promises and stand up here and defend the things that they went to the last election on.

The coalition went to the last election promising, in this document here, that they would increase financial incentives and payments for doctors practising in rural and regional Australia. As soon as they got into government, what did they do? They cut Medicare rebates for doctors. So, instead of increasing funding, they have decreased funding for doctors practising in the bush. The best promise of all—and this is the one we love—was that they would have a full-time minister for regional and rural health, to ensure that the interests of regional and rural Australia were looked after when the big decisions were made. It is no surprise, but it is a Liberal Party health minister who is going to be standing there defending their record because The Nationals will not get up and defend it.

Mr McCormack: What about Fiona Nash?

Mr STEPHEN JONES: I am asked about Fiona Nash. Let us hear what she had to say about it. She was asked whether she did some modelling on the impact of the GP co-payment and whether she had consulted rural communities on the impact. What did she have to say? When the biggest decision by this parliament was made, impacting on rural and regional health, the minister for rural and regional health was not even in the room, making it quite
clear to everyone on this side of the chamber—and it should also make it quite clear to
everyone in rural and regional Australia—that the Liberal Party has absolutely no regard for
the promises that the National Party made to their electorates in the run-up to the last election.

Having been excluded from the big decisions, you would have to ask yourself: is there
anything that the minister for rural and regional health will go into bat for when it comes to
rural and regional Australia? We know that she was willing to go into bat for big food
companies, to save them from the tyranny of a star-rating system. She was willing to stick up
for the interests of 'big food,' but she will not stick up for her own policies. Two weeks ago in
the Senate, when she was asked about these issues she had to this to say, 'You've got to
understand that we have National Party policies but, when we get elected to government, they
don't mean anything. They have absolutely no bearing on coalition policy, because they are
only National Party policies.'

We know that the Liberal Party has no regard for National Party policies and no regard for
people in the bush, but we also know that the National Party no longer has any regard for
people in the bush. How quick they have been to disregard their own policies!

Some members were willing to stand up for people in rural and regional Australia. Even
National Party members were willing to stick up for people in rural and regional Australia. I
see that the member for Richmond is in the chamber today. She is willing to stick up for the
interests of her electorate, unlike the previous member for Richmond, whom she defeated,
who was not willing to stick up for the interests of people in rural and regional Australia. But
his predecessor was.

In the good old days there have been National Party members who have been willing to
stand up to their own side and to the tyrants in the Liberal Party. I remember when Doug
Anthony was willing to bring the National Party across the floor to vote against his own side
to ensure that the interests of the bush were looked after. But not today! It is a pale imitation.
They will not even stand up and defend their own policies. They are sending the Liberal
minister in here to stand up for their own policies. Not one National Party member has been
willing to stand up and defend their own policies. It is absolutely clear that they will not
defend their own policies because, as the minister for rural and regional health has also made
absolutely clear, the Liberal Party has no regard for their policies. They will not be able to
stand in their electorates in the lead-up to the next election and make one single promise,
because the people in the bush will understand that, when it comes to health and when it
comes to anything else, National Party promises have absolutely no bearing on what a
coalition government will do in practice.

It is time for members of the National Party to stand up; if they will not stand up, they
should stand down. They should tell the truth that they are no longer members for country
Australia; they are no longer anything more than associate members of the Liberal Party.

Mr DUTTON (Dickson—Minister for Health and Minister for Sport) (15:30): I have
watched some MPIs in this parliament in my time. What normally happens is: the opposition
builds up during question time to the MPI because they believe in the MPI. During question
time today, I was waiting for the questions on this particular topic—around funding for health
services within regional communities. There were 13 questions from the opposition today.
But this member opposite could not get one question up—talk about those who are effective in this place—in tactics today to ask of the government on this particular topic.

I will tell you why this shadow minister has been given this MPI: it is because he has no capacity to get questions up in question time. They have said to him: 'So ineffective are you that we will not allow you to ask a question in question time. We will give you the MPI, as some sort of sop.' That is what has happened here today. It has nothing to do with passion or interest in this particular topic. It is because we have a completely ineffective shadow minister in this area.

He represents the great seat of Throsby. It is a good area—no question about that—but is it a patch on the area that is represented by members from the Nationals or from the LNP or from the Liberal Party on this side of parliament? No, not in terms of regional services and delivering to those on the land. When you compare the shadow minister for regional health with the Assistant Minister for Health in the other place, the Assistant Minister for Health in the other place would run rings around this shadow minister, and she does so on a regular basis. He has no capacity to carry this argument. He has no capacity to get a question up in question time, so he is given this second-rate opportunity on the MPI after question time. It says more about him than it does about anything else.

I will tell you what the Labor Party is dominated by. They are dominated by union thugs on the front bench from start to finish. They do not have any impact on regional services or in regional areas because they do not come from those areas. That is the reality in this place. They might say that they represent rural interests, but they do not; they represent capital city interests and, in particular, they represent the interests of the people who control them on a daily basis—that is, the union bosses. The union bosses do not have any interest in regional and rural areas, let alone rural and regional health in this place. These people demonstrate this incapacity on a daily basis.

I will tell you what that means: it means that all of the Labor Party policies are concentrated on the bureaucracy in health, and that has been demonstrated at a state and territory level over the course of the last decade or so. Labor, to please the union bosses, pumps money into health bureaucracies and away from health services—not just in capital cities but, most importantly, in rural and regional areas. That is what happens in Labor governments. It happens at a state level, which is why we see monumental failure in NSW health under Labor governments. It is why we see huge problems in Queensland health with outrages like the Doctor Patel case; with money being diverted away from front-line services into IT systems. It is because the Labor Party has no interest outside of the union movement. That is why there is such a big divide between the modern Labor Party and people in outer metropolitan areas and people working hard in rural and regional areas.

We know it was demonstrated at a federal level over the course of the last six years, because the Labor Party built up the numbers in the health bureaucracy. Why? Not because they wanted to deliver additional services to regional areas or remote or Indigenous communities, but because they wanted to please union bosses in capital cities. That is what happened. Not only did they build up the numbers in the federal bureaucracy; they also built the number of agencies up to 21—that is, 21 outside agencies attached to the health department in addition to the additional bureaucrats. What did that do? It starved money from rural and regional areas. That is what happened under Labor's watch. So we are not going to
sit here and be lectured to by some second-rate shadow minister who cannot get a question up in question time.

If you look at what we have done since we have come to government, we have increased money in this budget, in the health portfolio, each and every year. The Labor Party is running around trying to run some scare campaign—saying that we are taking money out of hospitals or we are taking it out of the MBS—but the opposite is the case. We are increasing the amount of money that we have put into public hospitals across the country. We are increasing the amount of money that we put into the MBS across services, and we are doing it in a sustainable way. That is the big difference between those opposite and those people on this side of the parliament. These people who are representing regional areas come from real backgrounds not from ivory towers in every union office across the country. They are people who have come from the land. They are people who have worked hard in small business. They are people who have employed other Australians and they have accessed those health services in regional areas. That is why they will always have more passion about rural communities than those people opposite, who pretend that they have interests in rural and regional areas.

When you look at the facts of what we are doing in relation to rural and regional health, let me say to you: this government promised, as part of the election commitment, $40 million over four years to create additional intern training capacity in private hospitals—and rural and regional focus in particular—76 interns already trained in 2014. We have provided $13.4 million to an additional 500 scholarships for nursing and allied health professionals, targeting rural professionals. We have provided $238 million over four years to double the practice incentive payment for teaching and general practice. We have provided $52½ million for infrastructure grants to build on teaching and supervision, where? In the rural and regional medical workforce. That is the focus of this government. That is what makes Minister Nash in the other place a very effective Assistant Minister for Health. That is why we have put additional money including into the Royal Flying Doctor Service. Labor was building up bureaucracies in Canberra to please its Labor bosses and its puppet masters while it was taking money away from rural services. We have put $6 million into the Royal Flying Doctor Service to enable it to increase the services it provides to rural and remote locations. We have undertaken to have a look at the classification scheme so that, wherever possible, we can get more doctors and allied health professionals out of capital cities and into regional, rural and Indigenous communities. We are committed to those outcomes. What did the Labor Party do? It built up to 21 outside agencies—it is unbelievable when you contemplate it—all with separate administration and leasing, all with cars, all with PR people, all with accountants and with all their overheads. It was taking money away from the capacity of government to be able to make the sorts of investments that we announced in the budget and in the lead up to the last election.

They can be no choice for people in rural communities at the next election, because this government has demonstrated its commitment, which failed Labor over the course of its six years in government. People not just in the cities but in the bush know that this is a government that will get on with getting money back to frontline health services. We increase money going into hospitals in New South Wales, Victoria, Queensland, WA, South Australia, Tasmania, the ACT and the Northern Territory over the course of the forward estimates and
we are very proud of that. We are very proud that that includes putting money into regional areas. In this year's budget we allocate $13.8 billion to hospitals across the states and territories. By 2017-18 that figure will have grown to $18.8 billion. That is an increase from 2013-14 to 2017-18 of just over $5 billion. That is a 36 per cent increase.

Mr Ewen Jones: That's a lot of money.

Mr DUTTON: My friend the member for Herbert says that it is a lot of money. Yes, it is. It is a lot of taxpayer's money. People have worked hard for it. We are not putting it into bureaucratic structures here in Canberra to please union bosses. We are putting it into practical programs on the ground that will help doctors, nurses and allied health professionals see patients. We are putting money into telehealth. We are putting money into stroke care. We are making sure that people in regional communities can see specialists through outreach programs. We can make sure that where specialists will not travel to regional communities we can provide those services via telehealth programs. That is what this government has done. That is what this government will continue to do through the wise investment of taxpayers' money. We will not be lectured by union bosses absolutely dominated day and night by those who sit outside this place, who pull the strings. We will get on with helping people in regional communities. The Labor Party failed for six years. 

Mr FITZGIBBON (Hunter) (15:40): I do have a degree of respect for the Minister for Health but that was one of the worst contributions to a matter of public importance that I have seen in my more than 18 years in this place. I grant him that he did not have much to work with, obviously having been so comprehensively rolled by the ERC and cabinet on so many occasions. Nothing else could explain his paltry contribution to this debate, if you can call it a debate. In a debate, no matter which side you sit on, you have to accept that others on the opposite side may have some points to make. The minister made no points whatsoever. He spent most of his time getting stuck into the trade union movement. What that has to do with this debate remains beyond me. When I think of the trade union movement within health services I think of ambos and nurses, who rely upon their unions to ensure their conditions and wages are maintained.

We do not have the speakers list from the other side. It will be interesting to see who comes to their feet. There are only two choices for people from rural and regional seats, seats like that of the member for Capricornia, who is in the chamber. I count the member for Bass in that category as well. Even the member for Macquarie I count in that category. Will they speak or will they run? They have two choices. They have to come in here and defend the indefensible or run. It will be interesting to see whether they run and it will be interesting to see whether all those other regional and rural National and Liberal party MPs—

Mr McCormack interjecting—

Mr FITZGIBBON: I did not see the member for Riverina sneaking across to the other side of the chamber. Of course I include him in that category, as I do the member for Lyne, who also is in the chamber. Let me tell them this: they will wear the abandonment of their seats around them like a crown of thorns all the way to the election. To paraphrase Paul Keating, there will be no early exit for any of them; we will pursue them slowly all the way to the next election. It will not be just the member for Bass and the member for Lyne but the member for Braddon, the member for Page, the member for Eden-Monaro and all those others in relatively marginal seats, who have completely abandoned their constituents.
Those on the opposite side, particularly the minister, do not seem to understand the difference between health in the capital cities and health in the bush. In the capital cities, of course, you have plenty of hospitals. You have plenty of GPs. That is why bulk-billing rates are so high, because GPs enter into competition for patients. You have plenty of nurses, although we can always have more. There are specialists galore. In the bush we go to Sydney too often—that is, if you live in New South Wales—to visit a specialist. Just as importantly as all of that is that we travel a long way to get to them. In the bush there are fewer GPs, fewer hospitals, fewer specialists and fewer nurses and it usually takes us a long time to access them. These things have always been taken into consideration by governments of all political persuasions when developing health policy.

Sadly, this government has abandoned those conventions. Not only has it cut the health budget generally but it has imposed a number of new savings initiatives which will fall disproportionately and adversely upon rural and regional Australians. The $7 GP tax of course does not apply just to GPs; it applies to a range of health services and is a perfect example of a savings measure which will fall disproportionately on those living in rural and regional Australia. The changes to the Pharmaceutical Benefits Scheme will fall more heavily on people living in rural and regional Australia. These are issues not canvassed by the minister in his contribution this afternoon. In fact at no point did he acknowledge that the way we deliver health services in rural and regional Australia is different from the way we deliver health services in the cities. They have taken the Medicare Locals, which in my area at least, have made an enormous contribution to closing that gap, enormously addressing GP to resident ratios. But I have got a very bad feeling: we will see no rural and regional member from that side contribute to this debate. (Time expired)

Dr SOUTHCOTT (Boothby) (15:45): In listening to this speech, we get a very clear idea of the opposition's motive here as we listened to a lot more about the National Party and nothing at all about regional health. With the indulgence of the House, I think I might speak on rural and regional health in this MPI. This looks like nothing more than a wedge. It is the sort of thing that Simon Crean used to specialise in.

But let us talk about regional health. Let us compare and contrast. The previous Howard government from the moment it was elected had a strong focus on rural and regional health. There were the John Flynn Scholarships to encourage people from regional backgrounds to go into medicine. There was looking at changing the way universities did their entry criteria so that more people from rural backgrounds would go into a course in medicine. There was the experience in my electorate, for example, of Flinders University which established in the mid-90s a parallel rural curriculum and showed with an evidence base that instead of a teaching hospital you could actually do your training in a rural general practice. This was built on by having university departments of rural health and then from 1998-1999 rural clinical schools. You just have to look at Townsville, and James Cook University where we now have a rurally based clinical school with a reputation for excellence in the area of tropical health where the students are coming, by and large, from a rural and regional background and looking towards a career in rural and regional health. That is the sort of transformation that we have seen. Look at the Prime Minister when he was Minister for Health. He realised that we did have a shortage, a workforce issue, in rural and regional areas. He doubled the numbers of medical students going through and doubled the numbers of nursing students. Then there is in the area
of mental health. We expanded the access to mental health through Medicare. We also had a program, the ATAPS program, which meant that people in regional areas were able to access a fund and get access to psychologists and allied mental health services which previously had not been possible.

Compare and contrast that with the approach the Rudd government took. We had a big National Health and Hospital Reform Commission and one of the recommendations that came out of that was activity based funding in public hospitals. Kevin Rudd, Prime Minister, grabbed it—a fantastic thought bubble—saying that we were going to have activity based funding in every public hospital in Australia. Wrong. Big problem. Anyone with any knowledge of health policy understands that activity based funding, while it is a great policy in metropolitan areas and metropolitan hospitals with high workloads, does not work in those rural hospitals which have seasonal fluctuations and much smaller caseloads. Thankfully, the Labor Party did see sense on that and realised that Kevin's thought bubble was not long-lasting.

So when we look at the state of play in Australia right now, we have 18 medical schools and a number of them were opened during the period of the Howard government in regional areas. We have seen the numbers of doctors graduating increase from 1,660 in 2000 to 3,469 in 2010. We see that spending on rural health workforce programs is more than $1 billion. The Abbott government has been in for one year and already they are looking at addressing all of the areas that we need to in rural health. They are looking at increasing the funding for general practitioners who do teaching, through the PIP, and there is a loading for people in rural areas and, instead of having the dopey GP Super Clinic program, actually encouraging in regional areas to increase their infrastructure for teaching with 500 additional scholarships for nursing and allied health students. They are also looking at expanding medical internships in non-traditional areas. We have expanded the numbers of GP training places by 300 for next year—from 1,200 to 1,500.

These are the real and tangible things that are happening. There is no doubt that the health of Australians in rural and regional areas is not as good as in the rest of Australia. There is no doubt that the workforce needs to be better. There is more to be done but we have got a good track record and we are continuing with the job.

Ms CLAYDON (Newcastle) (15:50): It is with pleasure that I join my Labor colleagues to address this issue concerning the government's broken promises and their failures on rural and regional health. I welcome the contribution from the member for Boothby just a moment ago and I would like to return to the issue of some of the health workforce issues.

It is undeniable that the Abbott Liberal-National government is failing people in rural and regional Australia, and their supposed representatives in this government—in particular, the National Party—have gone into hiding. We have watched them hide from their budget plans as those plans went from bad to worse. But when it comes to health policy, the evidence is especially damning. It is not just Labor Party people saying this. In case members opposite want to chant their usual retort about 'scaremongering' and 'whipping up a storm', I would just like to share with the House a few comments from people working in this area, some experts. The CEO of Services for Australian Rural and Remote Allied Health, Rod Wellington, said:

This budget will exacerbate the key inequities in health coverage outside urban Australia …
He could not be more right. The Vice-President of the Rural Doctors Association of Australia, Dr John Hall, had something to say too. He warned us:

The new arrangements will only make it much more difficult for rural Australians, who are among Australia's poorest people, to afford healthcare …

The real danger is that many of the poorest rural patients will choose not to see a doctor for preventative healthcare, and will then present in subsequent years with serious health issues that will cost the health system and hospitals significantly more to treat.

That is exactly what we are trying to avoid. This government has misunderstood the health needs of rural and regional Australians. Compared to people living in major cities, we know that people living in rural Australia are far more likely to be affected by chronic diseases and illnesses. We have already heard that they are more likely to have melanoma, serious injuries and obesity. And if you are a man, increased risk suicide is a really serious issue. But this government has nothing to say about the issues in this space.

To make matters worse, we know that the out-of-pocket health costs in rural Australia are significantly more. We know that people are earning less money in regional Australia and access to any form of health care is more expensive and takes more time. Any additional obstacles that this government puts in the way of regional Australians just increase the difficulties and the inequities which already exist in our health system. The actions of this government—the ongoing broken promises—are just making it that much tougher for rural Australians. When we look at the budget cuts that have come down from this government we already know that the Hunter New England Health service in my electorate is set to lose more than $156 million in funding over the next five years.

This Prime Minister will remember well the leadership debates at Rooty Hill where he stood up and said:

We are not shutting any Medicare Locals.

He could not be clearer—no ambiguity whatsoever: 'We are not shutting any Medicare Locals.' I have got news for members opposite. There are 61 Medicare Locals all around Australia—a great Labor initiative—under threat of having their doors closed. Medicare Locals—there is one my electorate—have been the pioneers of GP access after hours. It is a model that this government should roll out across the nation. You want to shut the doors on that? There is not a single family or senior person in Newcastle who does not sing the praises of the after-hours GP access service provided by Hunter Medicare Local. But no. This government is going to shut those doors. They are going to rip out all of the infrastructure currently in place in regional Australia to deliver primary health care. Shame on you!

Dr GILLESPIE (Lyne) (15:55): The opposition appear to think they have a mortgage on doing anything good in the health portfolio. I would just like to remind the House of their track record. In the Treasury portfolio, they inherited a $20 billion surplus and $45 billion in the bank. At the end of the June quarter, there was $319.473 billion in government securities for the nation to pay back. Their legacy in health, apart from what they alluded to before, is a lot of ballooning bureaucracy and broken promises—an incredible waste.

The previous speaker mentioned the wonderful Medicare Locals. They inherited a $1.8 billion budget and managed to spend 40 per cent of it on bureaucrats and buildings. The Divisions of General Practice Network were just washed away and consumed into this overwhelming bureaucracy. At the opening of the Medicare Local in my electorate, when I
was a practising doctor, the CEO walked in and said, 'We've got a $20 million budget. We'd like you to tell us what we should do with it.' Talk about too much money and no idea about what to do with it! That was just a classic Labor Party thought bubble. But the thought bubble grew so big that it became a $1.8 billion thought bubble. Not only did they increase that bureaucracy, but there were 11 other bureaucracies and a 27 per cent increase in bureaucrats. About 64 GP super clinics were promised.

In my electorate, in the town of Port Macquarie, we have had a super clinic for over 20 years and there were no government grants involved in that. They made a promise and allocated $7.5 million for a super clinic in Port Macquarie in 2010. But two private ones were designed, built and have been operating for three years and that $7.5 million is still involved in turning an old hotel, which had been a nursing home, into a whole new super clinic. So four years later we have all that capital tied up. Imagine the drugs for rare diseases or for ground-breaking cancer treatments that we could have approved and paid for with $7 billion—let alone the $650 million program.

They attacked private health insurance at every opportunity—the trouble is that there are 11 million people in this country who depend on it—whether it be removing the indexation, introducing means-testing or removing the lifetime health cover rebate. They introduced the co-payment system for the Pharmaceutical Benefits Scheme. They have been supporting it for 25 years and now, when we are trying to keep it sustainable by increasing the cost by 80c for a pensioner and $5 for non concession card holders, they are opposing it. It is gross hypocrisy. The shadow minister for health walked out when this debate on a matter of public importance started. At least our Minister for Health stayed here. We have an Assistant Minister for Health, Fiona Nash, who resides in the other place—that is the only reason she could not be here: she is a senator—and she does a damn good job. She grew up in the regions. She knows what it is like.

So what are we doing? We are making the health budget sustainable. Health funding is being increased from $64 billion in 2013-14 to $75 billion by the 2017-18 budget. In New South Wales, for instance, it will increase each year from $4.6 billion in 2014-15 to $5.9 billion in 2017-18. Look at the Medical Research Future Fund. That will be a great legacy for the country. The clever accountants in the Labor Party pulled a swiftie on the medical research community and withdrew $400 million in 2011 by funding things in arrears rather than prospectively. How sneaky can you get? You try to make out you have not cut anything, but you move things around in the budget and—bingo: you have saved yourself $400 million. They are all going quiet now, aren't they? We are trying to make Medicare sustainable. It has gone up 122 per cent and we have to make it sustainable. (Time expired)

Ms CHESTERS (Bendigo) (16:01): I would also like to highlight the appalling speech made by the Minister for Health in this debate. He attacked hardworking health professionals; he attacked our ambos; he attacked our nurses. I am not surprised that there is a Liberal in this place attacking our ambos, because they do it every day in Victoria. Their state government has failed to negotiate a decent agreement with decent working conditions for the Victorian ambos. Their Code Red campaign has been ongoing because the state Liberal government has failed. I am not surprised to hear the health minister not only attack this MPI but make a personal attack on people involved in the health sector. I am not surprised because, when he was the shadow health minister, he came to Bendigo but did not talk about health. He did not
let people in Bendigo know that he would introduce a GP tax. He did not let people in Bendigo know—and here is a fact—that he would cut $25 million from Bendigo Health. He stood up in front of a Bendigo Health sign and talked about the carbon tax. He did not talk about health care of central Victorians; he spoke about the carbon tax.

When the then Leader of the Opposition, today the Prime Minister, went around talking to patients and tweeting a photo, he did not say that, when he became Prime Minister, he would oversee a budget that would rip millions of dollars out of health care in regional Victoria; he spoke about the carbon tax. That is the twisted priority of the government. They do not care about people in the bush and they continue to punish people in rural and regional Australia. That is why we have not seen many speakers opposite from country electorates, whether they be country Liberals or country Nationals, stand up and speak on this MPI about regional health.

On this side, we know that regional health is a big issue. People living in the regions are 1.3 times more likely to report with diabetes, they are 1.2 to 1.3 times more likely to get melanoma, they are 1.2 times more likely to suffer serious injury and they are 1.1 times more likely to be obese, particularly in regional Victoria and my part of the world. Funding which was going towards preventative healthcare programs has now been cut—another cut because of this government.

I know I am not alone in raising these facts because the member for Mallee himself, one National Party member who does occasionally speak up for his electorate, stood outside this place, not inside, and said that people in regional Victoria, in his part of the world, have a life expectancy 4.7 years lower than their city counterparts. Yet, rather than address that life expectancy issue, what we see from this government are more and more attacks on regional healthcare services. This government does not have a plan for regional healthcare services; all this government does is attack and cut. We have seen regional health professionals standing up and speaking out, and this government has no way to respond to them. The GPs of Castlemaine have spoken out several times and they have written to the Prime Minister asking him to reverse his plan for a GP tax. To this date they are still waiting for a response. The government not only does not have a decent plan for improving regional health care; it is also not responding to constituents and people working in the sector.

One of the main reasons these GPs are so concerned in regional Australia, particularly Victoria, is that these GPs are on call for urgency care units—not emergency care units, where the doctors are paid by the state government, but urgency care units, which are staffed by regional doctors. Some who work in private clinics, some who work in bulk-billing clinics and some who work in GP superclinics are on a roster and they staff these urgency care units. What this government is doing to those doctors is that, every time somebody presents at an urgency care unit, it is expecting these doctors to be the tax collector and collect $7. It will put these urgency care units at risk. For some of these patients, their urgency care unit is two hours away from another hospital. This government is forcing those families to make a choice: do they go to the urgency care unit, which may not be open because it has been closed due to this government's policies, or get in the car and drive for two hours? Let's remember: they do not have any ambos because of the state government's inability to train and invest in a workforce and establish fair rostering for our ambos.
This government should finally stand up for regional health. This government should have a plan for regional health. This government should stop attacking unions and attacking people standing up for regional health and do the right thing. (Time expired)

Mrs MARKUS (Macquarie) (16:06): It is with respect that I suggest that the member for Bendigo may need to have her hearing checked, because her claims with regard to what the Minister for Health said were absolutely false. I am astounded that Labor can rise to speak in this place about these apparent failures. They have short-term memories when it comes to how the coalition government left the economy in 2007 and how drastically the economy deteriorated under Labor's short tenure. The member for Throsby has been quite busy lately visiting the electorate of Macquarie, rallying the public on the issue of health again, sidetracking the public from the woes they left behind and interfering with what this government is required to do to fix them. Labor have been and will always continue to be out for the media grab or a deflection from their own broken promises and failures.

Firstly, let me remind the House of some—given I only have a few minutes—of Labor's broken promises. With superclinics Labor promised 64, but what did we get? Thirty-three. Labor promised no cutting of the private health insurance rebates. What did we get? Four billion dollars worth of cuts in that space. I would like the member for Throsby to explain that to the 56,000 people in the electorate of Macquarie who have private health insurance. What would you say to them who now struggle to pay their private health insurance? New medicines already referred to by the PBAC—what did we get under Labor? Deferred. Labor tried to take $400 million from medical research in 2011 and then reversed their stance at the last moment. One hundred and forty million dollars was taken out of medical research last year using tricky accounting, hiding it in a budget that paid the National Health and Medical Research Council funding monthly in arrears rather than quarterly in advance.

In contrast, in just one year the coalition has worked to act on what we committed to prior to the 2013 election. First, this government is committed to ensuring we spend precious health money in the most efficient way, ensuring each dollar is spent on improving patients' outcomes. This was not the case under Labor; they created more than 10 new health bureaucracies instead of putting more doctors and nurses in front of patients.

In relation to pharmaceuticals the previous government deferred already recommended PBS items. In contrast, since stepping into government the coalition has listed 221 and is listing medicines twice as fast as Labor. We are listing in excess of 20 medicines each month in contrast to Labor's average of eight. Back to medical research: instead of last-minute flips and tricky accounting, this government is taking measures that will see medical research taken seriously in Australia, with the recent announcement of a $20 billion medical research future fund.

Budget papers do not lie and, in spite of Labor's continuous scaremongering, including in the electorate of Macquarie, health and hospital funding is increasing each year over the forward estimates. In New South Wales hospital funding will increase each year, from $4.6 billion in 2014-15 to $5.9 billion in 2017-18. In rural health, where the member for Throsby says we have broken our promises, the coalition government is investing $40 million over four years to create additional intern training capacity, $52.5 million for infrastructure grants to build on the teaching and supervision of the rural and regional medical workforce, $13.4
million to provide 500 additional scholarships for nursing and allied health professionals and $238 million to double the practice incentives payment for teaching and general practice.

October is Mental Health Month I would like to finish by speaking on the coalition’s investment in this area. With three-quarters of all mental illness manifested in people under the age of 25, the coalition government is supporting people experiencing mental health issues by expanding the highly successful headspace network by an additional 10 sites, taking total to 100 sites across Australia by 2015-16. We are also investing $80 million over four years to establish a national centre of excellence in youth mental health and are providing $5 million over three years in funding to the Young and Well Cooperative Research Centre. This government is focused on delivering real outcomes while ensuring sustainability for the future.

Mrs ELLIOT (Richmond) (16:10): I am very pleased to be speaking on this MPI on the government’s broken promises and failures in rural and regional health, because there are so many broken promises. It has been interesting listening to the contributions from the other side. I do not recall any of them talking about the GP tax. All of those speakers from the Minister for Health to all the backbenches. I particularly note the member for Lyne not once in his contribution mentioned the $7 doctor tax. I wonder what the good people of Lyne—the people who are severely impacted by his support for such an unfair, cruel and unjust tax—think of that. It is fascinating. None of them were prepared to defend any of their harsh and cruel actions. We will certainly outline some of them. You have heard some of the harsh actions outlined today by the speakers on our side.

The fact is this government has a trail of broken promises across a huge range of areas, and for regional areas those cuts to health are some of the very cruellest. The fact is that the Liberal-National Party is continuing to punish people in regional and rural Australia. In fact, it is the Nationals who are responsible for these cruel cuts to health. Indeed, the cruellest cut is probably the $7 doctor tax, which makes it so much harder for people in country areas to actually access health services. It is one of their many, many broken promises.

The fact is that in rural and regional Australia out-of-pocket health costs are higher, and they will only increase with this government's unfair policies. Indeed, another broken promise was about Medicare locals. We have spoken about that today as well. This will have a huge impact on regional areas because Medicare locals have been very effective particularly at coordinating a lot of different services in rural areas that did not have that before. They have been able to provide great services where there were gaps before. Of course it is another broken promise. I refer to this wonderful book about the Abbott government's broken election promises—there are so many. This book refers specifically to health, but there are many listed. We return to 28 August 2013, when the Prime Minister—the then Leader of the Opposition—said, 'We're not shutting any Medicare locals.' What happened? They broke that promise. All 61 Medicare locals will be axed. This is devastating for regional areas. Not many from the city electorates over there would understand, and we know the regional ones do not care. Medicare locals actually do an incredibly important job in our rural areas, so we certainly need to have them in place.

As we have heard other speakers say today, people living in rural and regional areas have some of the very poorest health outcomes. Incomes are low, and we know that chronic disease rates are much higher. There is also a higher proportion of Indigenous population with poorer
health conditions. Access to health is more expensive, and there are also far greater distances in regional areas. That is why other broken promises like the petrol tax are devastating; people have to travel further in regional areas. So that is another broken promise that impacts people.

As I have said, people in regional areas have poorer health outcomes. Despite all of this, the Abbott government’s first budget really declared war on Medicare. It really was horrendous. Introducing the doctor tax for all patients will cost over $1.4 billion to communities living outside metropolitan centres, and those rural and regional patients will be charged over and over again when they see the doctor, when they fill their prescriptions and when they get scans, X-rays and blood tests as well. That, on top of the increases to PBS medicines, will just mean that people from these regional areas will not access healthcare services. That is what your government has done. People from these areas just will not do it. That is what they are telling us. They simply cannot afford it.

But let’s compare all of that—all that devastation, all of that harm, all of those hurtful policies—to what Labor did when we were in government and the great changes we made.

We have a very proud record when it comes to health reform. Firstly, we are the party that introduced Medicare 30 years go—and we are very proud to be defending it today. We also made great advances, when we were in government, getting GPs to rural and regional areas, and increasing bulk-billing rates to the highest level in history. That is a great achievement. Labor lifted the bulk-billing rates to over 82 per cent, on average.

When the now Prime Minister was health minister they were as low as 67 per cent. That is pretty low. We also heard some great achievements—like the GP superclinic in my electorate, which is fantastic. It was funded, built and delivered by Labor, and it provides a great variety of allied health services. So we will always fight to ensure that there are great health services in our regional areas. But the biggest attack on future health and hospital services in rural and regional areas comes from the National Party. It comes from the National Party because they are out there with cruel policies like the doctor tax. They are pursuing the funding cuts in hospitals and they are devastating regional areas. (Time expired)

Mr LAMING (Bowman) (16:15): This debate is about people living in the bush. It is about the practitioners and providers that deliver world-class health services to one of the most sparsely populated places on the planet. If you are in this chamber, on either side, I know that you fundamentally support the great work that they do. But I will tell you one thing about people from the bush—they know bulldust when they see it. They know talking-point ping-pong when they see it. And I will tell you what they want—they want us, down here in Canberra, fully focused and fully committed to better services in the bush.

In the six years of Labor government there was plenty of money spent but not a lot of change on the ground. We have come to government with a very different focus, and that is to listen to the people on the ground. We will listen to the rural doctors; we will listen to the rural health agencies that were here even last week—the rural health networks that tell us what people in the bush want.

As we have one of the truly sparse places on earth, with the finest health system in the world, we need to listen to the rural doctors and ask them how they do it, and we need to make their jobs easier. Nothing is achieved by screaming at each other down here in Canberra. The rural doctors have released Think rural, with 10 recommendations. I will run
through them very quickly. The first of them is to sort out training for interns, registrars, house officers and medical students, and make sure that we provision for them. The coalition have put in $40 million over four years to get those internships funded, when the Labor government over the last six years simply dithered at the challenge.

We need specific ways of identifying the truly committed and impassioned health clinicians who want to be rural docs. We need to identify them early and get them started. And we need an advanced rural training pathway, acknowledging that the job of a doctor in the bush is completely different to the job of an urban doctor. They do a completely different job, as many overseas trained doctors learn to their chagrin. We need to have a specific training pathway for them.

We need to know that overseas trained doctors, who have committed to this beautiful country and have moved to one of the most remote parts here and set up practice, can have their kids going to a state school, that they still get coverage under Medicare and that we will look after these new citizens and respect them as equals, as they have been adjudged by the Medical Council. Because they are just that—they are the backbone of rural health service provision in so many areas where we cannot get an Aussie trained doctor to work.

We need to have the infrastructure. The general practitioners in the bush will tell you that they have nowhere to accommodate the medical students. That is why we need to have practice incentives—$238 million over four years—that partners do that with the $52 million of coalition money matching, dollar for dollar, the commitments by rural practices. No, we are not having pop-up superclinics around the country right next door to existing general practice. We are doing it where general practices put in 50 per cent of the amount.

Lastly, we want to see some recognition of incentives to go bush. If someone commits to working out in Camooweal they deserve a little bit more than someone who lives on the Queensland coast. We need to recognise those GPs who invest their lives in the bush.

I just want to say thank you to the docs who head out there and do that great work, and thank you to the nurses, who know their towns backwards. I want to say thank you to the allied health practitioners, who drive hundreds of kilometres every week delivering their expertise to communities that cannot support a single professional with their skills. I want to thank those who take out private health cover, who fund the system that builds the hospitals of the future. Thank you to the half of the Australian population, who, because they can pay for their private health, do just that. I want to say to CEO Gordon Gregory and Chair Tim Kelly from the National Rural Health Alliance: thank you for coming down here and giving us your views, not just on the future of Primary Health Networks, which you understand can do the job, but also on the importance of an adequate NBN so that these practices can do their job—they can work in telehealth so that the education reforms that we are proposing will release more, not fewer, highly qualified health providers to the bush.

I know that they are fully committed to dental services being delivered, and they are committed to seeing them delivered by private dentists. We know that 98 per cent of dentists work in the private sector, and no matter how much those on the other side of the chamber have an aversion to private services, if you do not have private dentists on board it ain't gonna happen.
I thank the National Rural Health Alliance for putting their views so clearly. We could do far better spending this time in the chamber listening to those expert bodies, listening to Jenny Johnson and Dr Paul Mara from the Rural Doctors Association, because they are on the ground, looking after the local people. They know that those communities will support a small copayments to keep the health system running effectively. They know that the compassion of doctors is such that those who cannot afford to pay a copayment will never be asked to do so.

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

BILLS

National Security Legislation Amendment Bill (No. 1) 2014
First Reading
Bill received from the Senate and read a first time.
Ordered that the second reading be made an order of the day for the next sitting day.

Fair Entitlements Guarantee Amendment Bill 2014
Second Reading
Debate resumed on the motion:
That this bill be now read a second time.

Mr GILES (Scullin) (16.21): I rise to speak in opposition to the Fair Entitlements Guarantee Amendment Bill 2014. The purpose of the bill before us is to amend the Fair Entitlements Guarantee Act 2012 to reduce the maximum redundancy pay entitlement under the act. It removes a significant support and an important form of social insurance afforded to hardworking Australians: ensuring earnt entitlements are paid.

I was pleased to be in the chamber to hear the contribution of the member for Throsby, the previous speaker in this debate. He touched on the particular impact of this scheme on workers in the manufacturing sector. He asked the pertinent question: 'What is it about manufacturing in Australia that this government is so vehemently opposed to? Why does this government hate manufacturing workers?' The bill also makes some technical amendments to clarify the operation of the act. I note that the recommendation which apparently gave rise to this bill was contained in the work of the Commission of Audit, which shows the ideological foundation it rests upon.

Through the Fair Entitlements Guarantee the Commonwealth government assists workers whose employers have gone bankrupt or into liquidation by paying certain of their entitlements. The present act replaced the GEERS, the General Employee Entitlements and Redundancy Scheme, which had operated since 2001. The act sets out details of the maximum entitlements available and how they are to be calculated. There is presently no overall cap on the potential payment, but some individual entitlements are capped. The scheme pays moneys in respect of unpaid wages up to 13 weeks, annual leave, long service leave, payment in lieu of notice to a maximum of five weeks and also redundancy pay to a maximum of four weeks per full year of service. In addition, the level of wages to be paid is capped at a maximum weekly rate. This was $2,364 when the scheme began and has been indexed by movements in the average weekly ordinary time earnings. At present it is $2,451.50. This rate has now been frozen until 30 June 2018.
Government members in this place seem to like history, so I think it is worth going back to the last time when this parliament debated the bill. During the debate in 2012 the then opposition opposed the level of redundancy payment now included in the act on the grounds that it was higher than the community standard, that it would become a new community standard, that it was an extra imposition on employers and that it would eventually lead to a loss of jobs. In a confused speech, Senator Abetz described the former GEERS scheme as:

…a good scheme. It remains a good scheme and it is a scheme that provides protection for Australian workers who have earned and accrued entitlements. As a community, I believe it is appropriate to fund those entitlements in circumstances where people lose their jobs as a result of business failure.

Hear hear! I am surprised to find myself agreeing with Senator Abetz—to this point. However, the senator went on to describe Labor's changes as 'somewhat over-generous' and sought to move an amendment to cap entitlements. But more on the senator's contribution to this debate later.

Labor believes that the government simply has not made the case for the changes contained in this legislation and has instead relied upon a series of falsehoods and misrepresentations to walk away from its responsibilities—responsibilities to workers who deserve our support. I want to debunk some of the furphies used by the Minister for Education in his second reading speech to justify these changes—there is not time to deal with all of them. The minister claims that the current system:

… is very generous…it creates a moral hazard … it provides an incentive for employers and unions to sign up to unsustainable redundancy entitlements.

Really? I think the *Bills Digest* nails this bizarre rationale, saying:

It does not seem plausible either that employees would value highly a provision contingent on insolvency in the future.

It is pretty hard to disagree with the assessment of the *Bills Digest*. It stands in stark contrast to the assertion of the minister.

There is also the other side of this moral hazard argument, which, not surprisingly, does not play a role in the minister's consideration—namely, the employers. The Textile Clothing and Footwear Union of Australia, in their submission to the Senate Education and Employment Committee, noted that this moral hazard:

… lies not with groups of employees who enter into enterprise bargaining agreements in good faith but with employers (and their advisors) who:

- Fail to operate their businesses in a professional and sustainable manner;
- Who treat employees entitlements (including employee's superannuation) as an interest-free loan for their company;
- Who fail to make proper provision for their employees' accrued and contingent entitlements; and
- Who liquidate one company (to avoid debts) only to open up another the next day in a different name, at the same premises, with the same assets to perform the same work.

These are real issues that go to a moral hazard at the heart of how some businesses are operating in Australia. But here we see the government ignoring these concerns and essentially punishing workers for a business's sometimes deliberate and avoidable misfortune. Ironically, the bill before us may actually have the effect of increasing the moral hazard before us. The *Bills Digest* also notes that this bill:
… does not include the old cap on the rate of accrual, so that redundancy entitlements accruing at, say, eight weeks a year would be paid to someone who had worked for two years for a business that becomes insolvent. At the very least, the new provision, because of the removal of the maximum rate of accrual, could increase any moral hazard that exists.

These are words that the minister and government members should have serious regard to.

I now turn to the minister's assertion that some agreements are 'overly generous'. Surely this is a matter for employers and employees to decide in good faith at an enterprise level. Beyond that, I think it is telling that the minister has simply asserted this notion of excessive generosity in agreements without providing any substantiation. As with much of the work of the Commission of Audit, we see ideological assertions in place of evidence—a speciality this government has carried over from the Commission of Audit into much of its work.

I note that the Parliamentary Library has found that:

… in the same way that the maximum wage that is covered by the FEG, $2,451, is "generous", being 69 per cent above full-time adult average weekly ordinary time earnings of $1,454.22 … fewer than five per cent of employees earn that amount. These are maximum entitlements, so by definition they might be expected to be above the average.

So what the library is telling us is that these are not excessively generous provisions, they simply recognise seniority and experience; and, of course, they also recognise the contributions of the employers, direct as well as indirect.

I note that, in their submissions to the Senate Education and Employment Legislation Committee, neither the ACCI nor the AIG were able to give a specific example of where a generous entitlement could be linked to the FEG rules, and these stakeholders were, unsurprisingly, in favour of the legislation we are debating here. Like so many of the government's attacks on workers, it is all assertion and no substantiation. Take, for instance, the old canard that our existing industrial relation laws somehow impede our national productivity. It is repeated endlessly by members opposite and yet those making the claims are never able to substantiate their assertions—because they cannot. In this case surely an evidence based approach would be best and fairest. I ask members opposite to think about the impact on workers affected—the trauma of job loss, often long-term job loss, through no fault of their own, compounded by being short-changed in entitlements properly payable to them.

In respect to responsibility, the minister states:

… the government is firmly of the belief that it is the responsibility of employers to meet the cost of their employees. This includes making … provision for redundancy pay when employees are made redundant.

Again, so far so good from the minister, yet this bill makes no provision for enforcing this responsibility. This bill is in fact an exercise in walking away from responsibilities. Alternatives are open to achieve the stated aim of the minister but clearly he is not interested in fixing the real problem.

This bill sees the government's role as if it were to make a welfare payment, not provide a safety net or social insurance properly understood, as if money owed to employees by their employer were an optional extra. Workers in good faith sell their labour to their employer for an agreed price. It is the wages-work bargain. It is a pretty fundamental concept. This price includes entitlements. This again is hardly a new concept. It is also the law, even under this government. So I ask myself and members opposite: where are the government bills that seek
to stop employers from walking away from their responsibilities to their employees? As the ACTU and Slater and Gordon, my former employer, note in their submissions, this government should be looking at more vigorous pursuit of rogue employers to achieve its desired savings. This would be the responsible thing to do. It might militate against a real, and not confected, moral hazard.

If, as the government claims—though again, it never even attempts to substantiate—the Fair Entitlements Guarantee is unsustainable, other options for reducing the cost, such as ranking employee entitlements above other creditors in an insolvency and improving the Australian Securities and Investments Commission's ability to enforce penalties for trading while insolvent, should be considered. These are real matters for consideration. Instead, the government simply notes the bad behaviour by some employers and does nothing to remedy the mischief.

Consistency is another issue that must be touched upon in respect of the minister's contribution to this debate. The minister makes the erroneous claim that this bill before us achieves consistency with the National Employment Standards by capping the entitlement at 16 weeks. Again I prefer the view of the Parliamentary Library to the assertion of this minister. The Parliamentary Library found the exact opposite. It is worth quoting at length. They state:

This is not accurate, as the entitlement to 16 weeks redundancy pay after nine years of service provided for in section 119 of the Fair Work Act 2009 is a minimum entitlement for that length of service, rather than a maximum, as section 61 of that Act makes clear. While there is a case for tying employment related, taxpayer funded benefits to minimum standards—for example, the current paid parental leave scheme pays the entitlement at the minimum wage—other elements of the FEG are not tied to minimums, and the case for doing so with redundancy payments has not been made.

By adopting a simple maximum entitlement expressed in weeks of pay, without the structure set out in the National Employment Standards, the amendment introduces a new anomaly. For example, an employee subject to an agreement which provides four weeks’ pay for each year of service will reach his or her 16 weeks entitlement after four years; an employee whose agreement follows the national minimum will reach his or her 16 weeks after nine years. This could result in a 25 year old employee and a 45 year old having the same entitlement.

This from a government and a minister who presume to lecture on moral hazards! Whatever word play amuses the minister—and we saw some of that in question time today—cannot avoid the facts of this debate. Government members need to grapple with the work of the Parliamentary Library and interrogate the assertions of the minister.

Of course, we are talking about morals. Another aspect of morality is keeping one's promises and yet this bill represents another broken promise from this government. Before the election, in a letter to a concerned citizen, the then shadow minister for employment and workplace relations, Senator Abetz, wrote:

It is a matter of regret that you have somehow been led to believe that the Coalition would abolish the ‘entitlements guarantee’ if elected ... you can be assured that the Coalition would not seek to do anything that would water down these important protections for Australian workers ... We have not flagged any changes to the slightly modified entitlements guarantee that currently exist.

Accordingly, you can be satisfied that there is no risk to your entitlements and I would invite you to pass a copy of this letter to all your fellow workmates ...
Again in part I agree with what the senator has said and I certainly encourage the wide dissemination of this correspondence, particularly amongst those opposite, who I note have been backwards in coming forwards to participate in debate on this bill. We have seen only one coalition member backing the minister—and it was an unusual contribution from the member for Hume, to say the least.

I would be interested to know how the government reconciles this bill with the commitment made in Senator Abetz's correspondence. It is a matter the minister can take up when he makes his final contribution to this debate. I imagine the reconciliation would be much like the manner in which this government has walked away from its other promises by pretending they either were never made or are not broken. Indeed, we saw something of a master class in that regard from the minister in question time today. He said over and over again that white is black in terms of the cruel broken promises in his higher education portfolio. He failed to accept the plain facts, much less the real impact on people's lives.

I would like to think that all of us in this place want businesses in Australia to succeed and of course for their employees to be paid everything that they are owed. However, I think all of us here understand also the reality is that some employers go bust and that rogue employers do not make provisions for what they owe their workers. So we are faced with the choice of letting employees lose money owed to them or stepping in to prevent this injustice. As the Parliamentary Library has noted, the real impact of this is a substantial financial impact on a small number of people, so a substantial budgetary saving is being borne by a few people. This simply is not fair. This is a broken promise. It is a breach of faith with Australian workers. Labor does not and will not support this mean-spirited bill.

Mr BANDT (Melbourne) (16:36): Everyone remembers the tragic crimes that happened on September 11, 2001, when planes flew into buildings and for many of us the world, as we knew it, changed. I missed much of the aftermath of that, because back then I was working as a lawyer representing many workers around the country. What people may also remember is that a day or so after that Ansett, the airline, collapsed and the fleet was grounded. Several attempts were made at getting the airline back in the air but they were ultimately unsuccessful. My job was assisting those workers of the Ansett collapse to help them to seek and receive the entitlements to which they were owed. Everyone was desperately hopeful that the airline was going to be able to become a viable going concern again, but in the absence of that people wanted to know that, if they did not have a job, at least they were going to get the payments that they were entitled to.

Most people here and most people in Australia would think that, if you have worked for an employer for a long period of time—especially if you are an older worker and you might be thinking that this is potentially the last job you are going to have and after this you are going to retire—the entitlements that you are legally entitled to if your employer goes under and makes you redundant through no fault of your own is something that you can potentially bank on, especially if that is going to be your last job. And so it was the case for thousands of Ansett workers who had given, in some instances, a couple of decades of loyal service to the company. They were presuming: 'Well, okay, I've just lost my job through no fault of my own and I've been made redundant. At least I'm going to have a payout.' Of course, what we found very quickly was that the money was not there. The money was not there not because the
workers had done anything wrong—they had done nothing more than give loyal service; the money was not there because of the way the airline had been run.

So all of a sudden someone who had stuck with a particular airline out of loyalty and in part because their agreement said, 'Look, if you stay with this rule period of time, you should know that there will be some support at the end of it if, through no fault of your own, you have to be made redundant,' woke up to the reality that the money was not going to be there. For people who had been in employment for 10 years or 20 years, for some of them that was several weeks a year pay that they were entitled to. So if you are 52- or 53-year-old worker who had been with Ansett for 20 years—been with any company for 20 years but in this case Ansett—and you got made redundant, at least you knew there was something there. But all of a sudden that had evaporated. So we had to work out how we were going to get these people the money to which they were legally entitled.

It took us and the union and the several other unions who were involved weeks and weeks at the time to get every individual worker signed up as a creditor and to then go and stand with the administrators and say: 'Well, we are all creditors. What are you going to do to get some money?' And then go to the Industrial Relations Commission, as it was then, and go off to court. And so the matter went on for years. What we found was that, even a decade later, some workers had not been paid their full entitlement. It took years and years and years to get the last bits of money out of what is left of the company. This was especially so when it came to superannuation. When I got elected in 2010, I got a phone call from a constituent who said: 'I'm still chasing superannuation from Ansett. When am I going to get it?'

That served as a bit of a wake-up call for the country—that we were not looking after people who got made redundant and found themselves without a job through no fault of their own. That was a very high-profile instance, but it has not happened only there. Many clothing companies and textile companies in Australia have faced over the last year the winds of international change, including decisions in this place about reducing tariffs. We have seen many companies that make carpet or that make other forms of textiles, clothing and footwear close down because they were no longer viable. What we found again was that workers who had worked there the longest and who may have had no other job and may have had limited English skills—and this may have been the only job they had since they got off the boat when they migrated to Australia many years ago—all of a sudden they too were without money that they had been banking on and presuming would get them through to retirement. Many of them got left without their full entitlement. This is not to mention the instances where dodgy companies would close down in November only to restart again in February so they could avoid having to pay people annual leave and Christmas pay—again, leaving the workers stranded.

There was one textile company where, when it went under, the employees got paid out the full rate. That company happened to be owned by former Prime Minister John Howard's brother. They got their full entitlements paid out. Of course, people understood that this was unfair: for us to continue to leave people in the lurch went through no fault of their own they found themselves without redundancy pay, their annual leave—all of which are legally theirs, but the money is just not there.

So, what did we do? After a stopgap scheme for the Ansett workers, there was a full scheme set up that applied to everyone in this country. It has been modified and improved
over time, It says: 'If you find yourself in that situation tomorrow—where all of a sudden the employer has just gone under, the business has just gone under, you knew nothing about it and there is no money there—the government has a safety net for you.' That safety net at the moment means that pretty much in every circumstance all your entitlements are going to be paid, because the government and the public has recognised that it is not your fault. It is not for your fault that you were loyal to your employer and that you work for them for a long time. And it is not your fault that the company has gone under. Sometimes it is bad management decisions, sometimes it is illegal activity and sometimes it is just the consequences of a shifting economy. But, in any event, it is not your fault. The scheme we have at the moment looks after people, but this government has not seen a measure of support for ordinary working people in this country they did not want to attack. That is what it is doing with this bill.

With this bill—which the government did not take to the election and did not tell people about during the campaign period—the government is saying to people, especially those older or more loyal workers: 'If you find yourself in that situation, we are only going to pay a portion of what you're entitled to. For the rest of it, if the money's not there, then bad luck.' If the money is not there, then bad luck. You may be a worker who is 50, with limited English, and have given your employer loyal service for many years, and you may be expecting you will get two, three or four weeks a year if your company goes under; but do not count on that anymore. This government will not support you any longer. That is the effect of this government's bill.

When you look at it together with some of the other policies of this government you can see a pretty grim future for many people. In my state of Victoria, for example, one of the other things this government is trying to do—after having dared to the car makers to leave, which they then did—is cut the assistance that would primarily go to states like Victoria and South Australia. They want to cut the assistance they are giving to car makers and component manufacturers over the next three years—which might, in fact, force the car makers to leave even earlier. You will find tens of thousands of people who have worked for companies like the car makers or component manufacturers who, at least at the moment, think they have until 2017 to plan their lives. They may also find themselves, if the government gets its way, out of a job in a very short period of time, through no fault of their own. This government has taken the safety net away from them as well.

When you combine that with the fact that this government's approach to jobs and industry is to say: 'Hands off! We have no plan. We'll let whatever happens, happen. That is our only plan. We'll continue to give billions in subsidies to the likes of Gina Rinehart so she and her associates can buy cheap petrol and diesel fuel, but when it comes to an actual jobs plan and transitioning this country to a clean energy economy, we're going to ignore it. Away you go! If tens of thousands of people end up on the unemployment line, so be it.' When you put all these things together, you can see a grim future for workers who have done nothing other than be loyal to their employer and who have made no mistake other than to do what everyone of us does, which is to grow older and give loyal service. They are the ones who are going to be hardest hit.

The government talks about moral hazard and says: 'We can't keep doing this because it will potentially encourage businesses to behave badly.' There is no evidence this scheme is
being abused. There is absolutely no suggestion, at all, this scheme is being abused. This is nothing other than an ideologically motivated attack. If there was evidence the scheme was being abused, and that some companies had said, ‘Oh, tell you what, we will go under because we know the government is going to pick up the tab,’ then bring it here and we will have a look at it. There are other ways of looking after workers if we want to. We could have industry trust funds where employers are required to pay a certain percentage or fee into a fund which is there to look after people if they go under. That would be an incentive to employers to do the right thing. If we did that, or if we had an industry insurance scheme a bit like WorkCover where employers had to pay a fee, we could say to employers: 'Look, if you go under or you do the wrong thing, and you don't have enough money in there to look after your employees, we're going to put your premiums up.' There are many other ways to skin this cat, if the government is concerned about it, that would avoid moral hazard. But it is not moral hazard they are concerned about; they are simply out to take entitlements away from Australian workers.

They went to the election running a very small target campaign on people's rights at work. They went to the election saying: 'We are not going to reintroduce Work Choices.' But this is what we are seeing when we match this bill with other budget bills. Under another fair work amendment bill this government wants to put through, workers will be able to be paid in kind by their employer—a fish-and-chip shop owner is going to be able to pay you in fish and chips, which may be great for the owner of small business, but does not help you pay the rent. When you look at the fact that someone under 30 is going to spend six months of every year without any income at all and so will be forced to work under conditions that they perhaps would not have before, what does that mean? When someone under 30 is prepared to work for lower wages or be paid in fish and chips because they know the alternative is poverty, what does that mean for someone who is over 30? Why, if you are an employer, would you employ an older worker if you could employ a younger worker who is being forced, under pressure of poverty, to do it for less? It might not be called Work Choices but it is Work Choices by any other name. It is coming back in by stealth through the budget and measures like this.

This is a broken election promise. The government told people: 'We are not going to do things we have not told you about,' but this one of the things they did not tell us about. More than that, this is one of the biggest punches in the gut to older, loyal workers who should be entitled to think that, having worked somewhere for a particular period of time and having annual leave, it is theirs. If you have earnt long service leave, it is yours. If you have worked there and you are entitled to a redundancy pay under your agreement, it is yours. If you have not been paid your outstanding wages, they are yours. The Greens are very proud to say we agree with you, and we will make sure the government supports people who find themselves in difficult situations through no fault of their own. We oppose this bill.

Dr CHALMERS (Rankin) (16:52): I am also keen to make a contribution to this debate about the Fair Entitlements Guarantee Amendment Bill 2014. I acknowledge the member for Scullin, who spoke a moment ago; the member for Melbourne, who said some very valuable things just now about the bill; your own interest, Mr Deputy Speaker Mitchell, in your other roles in this place on these sorts of issues; and the member for Isaacs.

As members would be aware, among the technical amendments in this bill is the stinking core of the bill, which is the government's plan to cap the maximum redundancy payout
provided under the government's Fair Entitlements Guarantee to 16 weeks, which is a
dramatic and disappointing reduction from the 52 weeks cap that exists at the moment. I
thought Terry Sweetman nailed it perfectly in The Courier Mail a bit earlier this month when
he said that the purpose of this bill is to remove the 'fair' from the Fair Entitlements
Guarantee. In this way, it is really a piece of the rest of the budget. It is disappointingly
consistent with the rest of the budget, which panders to sectional interests, shifts the burden
from business and asks the most vulnerable people to carry the can for this government's
ideology. As the member for Melbourne said, it is the most vulnerable people in our
community—the older workers and the workers who are made redundant—who need the help
the most. It should not come as a surprise to us that this proposal began its life in the
government's Commission of Audit, stacked as it was with representatives of big business and
entirely free of anyone with an alternative perspective on some of these issues. It had
predetermined outcomes. It was a cynical ploy used in a cynical way to prepare the ground for
the harsh, extreme and divisive cuts that we saw in the budget, the sorts of cuts that the
community is lining up to oppose and the reason why the government cannot get its budget
through this place. In its implementation, we see yet another attack on working people; people
who want to work; people who are made redundant; people who are just trying to get by;
people who are doing the right thing and rightly expecting to be paid fairly for it and not to be
thrown on the scrap heap when their employment ends; and people who rightly expect that in
a wealthy nation like ours—a proud nation with a good history of looking after each other—
there would be a safety net if somebody's employment ends through no fault of their own and
they are made redundant.

A bit of history and also a bit of context for the House: it was in the interests of working
Australians that Labor proudly introduced the Fair Entitlements Guarantee scheme in 2012.
That guarantee was a vast improvement on the Howard-era General Employee Entitlements
and Redundancy Scheme also known as GEERS. It is better for the three reasons. The first is
that the Fair Entitlements Guarantee is enshrined in legislation while GEERS was an
administrative arrangement that could be changed at the whim of a minister. The second is
that the Fair Entitlements Guarantee covers the whole period to the end of employment, while
GEERS only covered the period to which an insolvency practitioner was employed. The third
is that GEERS capped a redundancy payment at four weeks, where the Fair Entitlements
Guarantee was capped at 52 weeks, which is really the crux of the issue that we are talking
about today as the government tries again to diminish and make much less fair the cap on the
redundancy payment. Around 70,000 Australians were able to benefit from the government
guaranteed redundancy payouts during the course of the last Labor government. That meant
that something like $852 million in otherwise unpaid entitlements was paid out to families,
families who were put in the most difficult position where they had a major wage-earner out
of employment after long periods in the same job at the same company.

This legislation seeks to restrict the Fair Entitlements Guarantee so that the maximum
payout available under the scheme is 16 weeks redundancy pay, as opposed to 52 weeks,
which is the current maximum payout under the legislation that Labor proudly implemented
in our time in government. As the member for Scullin said a moment ago, the excuse for the
16 weeks is that that is the maximum redundancy payable under the National Employment
Standards. As experts in the Parliamentary Library and in industry have shown, this ignores
the fact that longer payout periods have been agreed to under certain modern awards and
enterprise bargaining agreements. In some industries longer payouts are entirely reasonable and appropriate for redundant employees. For example, in industries undergoing substantial structural change, longer redundancy periods may be necessary to cater for long-term employees who need to reskill or retrain. This is a really important issue that has been ignored by those opposite. There is a link between redundancy payouts and the sort of retraining and reskilling that we want to see in our economy when people lose their job through no fault of their own. A bigger redundancy payout for a longer period gives people the opportunity to undertake some of that retraining and reskilling that they need. We know that the labour market is quite uncertain at the moment. Over the first six months of the Abbott government more than 30,000 job losses were announced from Australia's largest employers. The sad reality is that many of those jobs lost or announced to be lost are now likely gone forever—at least in their most recent form. Workers in these industries need greater support to retrain and be redeployed into the workforce, which is why those longer redundancy periods may be appropriate.

In capping the Fair Entitlements Guarantee, the government seeks to blame workers for the cost of their own fair entitlements. This is illustrated best by the language that the Minister for Education used in his second reading speech that the scheme:

… creates a moral hazard. It provides an incentive for employers and unions to sign up to unsustainable redundancy entitlements.

It is an absurd comment for a minister to make about this scheme.

Apart from being a typical slur on unions who do a much better job representing workers than the government ever will, it is a slur that denies the genuine need for longer redundancy entitlements than those provided under the National Employment Standards. Consider, for instance, the 2,900 workers at Holden, the 2,500 at Toyota or the 1,200 Ford who will lose their jobs in the automotive manufacturing industry over the next few years. Many workers at these manufacturing plants have spent their whole working life in the automotive manufacturing industry and many of them have 20 years or more loyalty to a single car company. It is not like an experienced worker from Ford can go and find similar work at Holden or Toyota or at another car manufacturer when they have all been goaded into leaving town together. We do need to retrain and develop skills for their future employment. That is why those longer redundancies are appropriate—longer redundancies which recognise the skills, experience and the difficult reality of starting a brand-new career at the age of over 40. That is why certain EBAs and some modern awards do provide for redundancy payouts of up to 52 weeks. The government is saying to workers facing redundancy and an uncertain employment future that it will not recognise or value the redundancy period set out in these EBAs and modern awards. They will not recognise their skills, or experience or hurdles to retraining or upskilling and redeploying into the workforce.

We should not weaken employee protection for fair redundancy entitlements. As I said a moment ago, there is a fair bit of uncertainty in the labour market at the moment. If there is one thing that characterises the labour market in 2014 it is that uncertainty. The reality is that our response to the structural change underway in the Australian workforce needs to be a more comprehensive plan for jobs. The government has no plan for jobs whatsoever. Even the member for Eden-Monaro has said, in a burst of honesty, that the government does 'desperately' need a job plan.
There is a range of reasons for this. One of these reasons is that the labour market is changing so rapidly. And one of the reasons for that is automation—the technological progress that we are seeing in our economy, which does mean that increasingly jobs are automated. We are seeing an increase in robotics, artificial intelligence and all sorts of technological advance, which do make some of the traditional industries and some of the traditional tasks of the labour market redundant. That has flow-on consequences for people in the labour market.

*The Economist* magazine describes this rapid technological advance as 'the oncoming wave'. Their argument is that a combination of big data and smart machines will fully overtake some occupations and allow other firms to do the same job with fewer workers. It is not hard to imagine the impact of that on the workforce. That is why American, Professor Alan Krueger, who advises President Barack Obama, found that 'skill biased technological change' was the dominant driver of inequality, dwarfing other very important factors like declining unionisation or changes in the minimum wage.

To give you an example—and it is an example that I have used in this place before—the average farm in the US makes about $125,000 in revenue for every employee on the books. In comparison, Google makes something like a million dollars per employee. You can see the profitability in a company that is getting that sort of return from fewer workers. That is one indication among many of how technology is changing our industries.

The OECD predicts a 20 per cent rise in jobs requiring highly-educated workers in the future, corresponding to a 10 per cent fall in jobs for the low-skilled. Again, it is not hard to imagine what that means for the make-up of our labour market and the fact that some workers—often older workers—are at greater risk of redundancy. That does remind us of the chilling warnings of a guy called Tyler Cowen, who said that we cannot become a world or a country divided into two groups: those who are good at working with intelligent machines and those who are replaced by them.

Our response to this rapid technological advance needs to be twofold. The first thing is that we need to care for workers who are displaced by technological progress. And the second thing is that we need to ensure the workforce of tomorrow is skilled, creative and dynamic enough to succeed in the face of technological progress. It seems at first blush that these two things are different things: educating for the future and looking after people who have been made redundant in the workforce of today. But in reality they are linked by that idea that I introduced a moment ago, which is that often these longer redundancy periods are what make possible the sort of retraining, reskilling and redeployment that people need to do.

You can imagine, Mr Deputy Speaker, that if you do have a longer redundancy period that you might then take the opportunity, with that financial security in place, to do the course or to do the retraining that makes it possible for you to find a new job, whether it is in a similar industry or in an entirely different industry. And so we need to see those two things as part of the same whole: looking after people who fall out of the labour market but also giving them the ability, the time and the financial security to undertake that necessary retraining.

Some of these ideas about the changing nature of the Australian workforce are what sparked the recently-launched National Union of Workers campaign called 'Jobs you can count on'. The NUW are seeking to highlight the growing problem of inequality and job insecurity in Australia and the urgent need to address this issue as a matter of national
priority. The NUW highlights that casual workers made up only 15 per cent of the workforce in 1984, climbing to 28 per cent in 2004 and all the way up to 40 per cent today. What is more, Australia has the second-highest rate of insecure work in the world, beaten only by Spain.

We do need to acknowledge and confront this problem head-on. We need to push for jobs that workers can count on in this country and make sure all workers are able to enjoy the same rights at work. I am really pleased to stand united with Australian workers and the NUW to seek better protections for the huge number of Australians currently in insecure employment. Labor will always be the party that stands for workers, their rights and protections in the workplace, and for jobs that Australians can count on.

So, Labor will be opposing the Fair Entitlements Guarantee Amendment Bill 2014. Workers do deserve the assurance that they will receive all of the benefits they are entitled to if they are made redundant, not just some workers, not just some of the time but all workers who are entitled to it all the time. This attack on workers in this piece of legislation, as I said before, takes the 'Fair' out of the Fair Entitlements Guarantee. It is unfair and it is short-sighted. It does highlight this government's lack of a plan for jobs and lack of a plan for a workforce which is ready for all of the challenges of the future, whether they be technological advance, or automation or all of the other ways that our labour market is evolving. We need to make sure that people are protected from the worst aspects of that change and that they have the financial security, the time, the means and the ability to retrain and redeploy into different roles.

So, Labor will continue to stand up for workers' rights and an education system that will deliver us the smart, dynamic workforce ready to confront the challenges of the labour market into the future.

Ms CHESTERS (Bendigo) (17:07): I remember 26 June 2013 for a different reason compared to what so many in this place and so many Australians remember it for. It was the last time before I was elected as the member for Bendigo that I had to attend a site meeting to speak with some very stressed workers and union members about their entitlements. This type of meeting is something that union organisers quite often go to. For me it was because a company, Swan Cleaning, had gone into receivership, it had gone bankrupt.

When you are in these meetings, what you fall back on for these workers is this particular guarantee and this particular piece of legislation—the Fair Entitlements Guarantee Act. Yes, it improves GEERS. I can remember speaking about GEERS and the importance of GEERS to workers in their workplaces. But as the previous speaker, the member for Rankin, said it was not enshrined in legislation. That is a very important note to make.

On this particular day I was discussing the Fair Entitlements Guarantee with these workers. And let us just for a moment acknowledge what happens when a company goes bankrupt. Quite often it happens at short notice and the employees are the last to find out. Quite often in the industries I used to represent, the workers I supported would not receive their last couple of pay cheques; they would not have their super paid; they are owed sick leave, holiday leave and quite often long service leave entitlements. I remember Robbie in this particular case. Robbie has worked at the Bendigo Marketplace since it opened, so we are talking 15 years that she has been a cleaner there. In that time she has worked for several companies—in fact, three of them have gone bankrupt, which speaks to the nature of the cleaning industry and
contract cleaning and broader problems that we have—but what Robbie has consistently lost in that time is her continuity of service, her long service leave and her superannuation entitlements. But at least one of the things that Robbie has been guaranteed more recently is the fact that she would get paid her wages.

That speaks to the very nature of why the Fair Entitlements Guarantee legislation is so important. It ensures that workers who have done the right thing, who have turned up and worked hard, are not disadvantaged and do not go without because their company has not been able to manage the books properly. In most industries, and in the cleaning industry in particular, businesses go bankrupt because competition has driven down contract prices and companies take on contracts that they cannot afford to pay people properly. That is one reason. Another reason is because we do have some shonky people in the industry who literally rip their workers off and go bankrupt, and then they go into the phoenixing arrangements. That is another reason why companies go bankrupt, and largely it is through their own fault. Another reason is what we have going on in industries like the automotive industry at the moment—that is, because of bad government policy, because of a set of global circumstances, there is pressure on those firms and some of them may, unfortunately, have to file for bankruptcy because they literally are not able to keep operating because their markets have been lost.

What is wrong with the Fair Entitlements Guarantee Amendment Bill 2014 is that it seeks to cap the assistance for redundancy pay and entitlements to a threshold of 16 weeks' pay and seeks to align it with the maximum payout under the national employment standards. In other words it is a cut: it is changing from a maximum of four weeks per year of service to a maximum of 16 weeks in total, so it does not take into consideration at all the length of time some workers have served with their employers. And as the previous speaker said, the extra pay and the extra time would allow them to retrain, to reskill and to re-enter the workforce and to not become another person in the unemployment queue. That is the point that this government is missing: if you support workers who have been made redundant, if you support workers who have lost their jobs, if you help them in the early days and the early weeks to retrain, then they are more likely to re-enter the workforce. The statistics prove that if you can get somebody back to work within their first six months of unemployment, then they are more likely to stay in that job for longer. Whether it be cutting young people's unemployment benefits entirely, making it almost impossible for them to get to their job interviews, to get to their job training because they have no support to live on, or whether it be cutting back this entitlement, the government seeks to punish workers who find themselves without work.

It is particularly disappointing that the government are changing this legislation at the same time they are also overseeing the dismantling of the automotive sector. These changes would spell disaster for workers in the automotive sector, as well as other workers in other parts of the manufacturing industry. I do note at this point there are lots of speakers from this side of the House listed to speak on this bill, but there are very few speakers listed from the other side of the House. The coalition's marginal seat members, who may have lots of auto workers living in their electorates, are not speaking on this. They are not putting their names to this bill so that people who are made redundant in their electorates cannot put their names to this government cutting this entitlement. It comes back to priorities, and this government have demonstrated over and over again twisted priorities: they are not willing to invest in workers
who find themselves being made redundant; they are not willing to support those workers. Instead, their twisted priority is, as we have heard today, lots of debate around corporate tax and not ensuring that big companies pay their fair share of corporate tax.

What else is going to hurt the automotive sector, apart from these changes to the Fair Entitlements Guarantee, is the fact that the government is cutting funding to the Automotive Transformation Scheme. That fund was established to encourage competitive investment and innovation within the automotive industry. Yes, we know that Ford is pulling out; yes, we know that Holden is leaving; and, yes, we know that Toyota has now made the decision to go. But there could have been a chance for some of the component suppliers to these major car manufacturers.

The former Labor government established a fund to help invest in that, to try to create new jobs and save the jobs we had in the automotive industry and see if there was a way that some of that work could be done for new industries. Just one local example of that is in Bendigo where we manufacture the Bushmaster. Some of the supply chain is through local small manufacturers who previously supplied the automotive industry. They are looking at talking to Thales about investing and innovating to see if there is a way they can switch some of their work from the automotive industry into supplying parts not just for the Bushmaster but also, hopefully, the Hawkei.

Potentially, they would have been able to apply for some funding to ensure that that innovation occurred. But what we have seen in the budget is a cut of $200 million over the next two years. In many ways this will only speed up the closure of our manufacturing in the automotive industry because we are taking away the government investment that would have helped the industry transition. That is another bill that is due to be debated today and, again, I note that the members who have manufacturing workers in their electorates are currently not scheduled to speak on that bill.

There is a third way in which the automotive industry is facing a huge attack, one where you could see, again, the early shutdown of the automotive industry. This is an industry which employs upwards of 50,000 people when you put all the jobs in the component sector and the major manufacturers like Holden and Ford and Toyota together, and the threat, of course, will be the impact of KAFTA, the Korea-Australia Free Trade Agreement. Yes, the agreement hopes to create agricultural jobs, but these jobs are going to be at the cost of manufacturing jobs in the car manufacturing sector. This will lead to high-skilled jobs being lost to our local economy, high-skilled, high-paid jobs, to relatively low-paid jobs in the agricultural sector. That is just another problem with the shifting of jobs that is going on.

This agreement will contribute to the loss of Australia's most advanced manufacturing industry, the car manufacturing industry, and cost tens of thousands of jobs. So at a time when a KAFTA agreement will speed up the loss of jobs in manufacturing, at a time when the government is cutting funding to the automotive transitional scheme, we are now seeing the government attack those workers who will be made redundant by reducing their entitlements guarantee to 16 weeks—capping their entitlements at 16 weeks redundancy, reducing them from the current arrangement of four weeks for every year of service. One of the deep concerns that has been raised by stakeholders in the industry is that these changes could be an incentive to vulnerable auto component manufacturers who will close their doors early to ensure that their employees remain covered by the current arrangements.
This government is creating a crisis within the automotive sector. Rather than a transitional situation where automotive manufacturing is slowly phased out, multiple policy and legislative decisions by this government are speeding up these job losses. It is a decision that has been deliberately made by this government not in the interests of these workers and not in the interests of these local economies, but in the interests of a budget quick-fix. The decision has been made in the interests of people that are not looking to protect Australian jobs but on looking overseas and trying to make product overseas at the expense of Australian jobs. So we are facing a crisis within the automotive industry on these particular levels and we are seeing a government that does not believe in investing in those workers to ensure that they have the skills to go on to the next job.

This is another example of a lie. The then shadow employment minister Eric Abetz said that 'you can be satisfied there is no risk to your entitlements'. This is what he put in writing to people working in the sector. It was just a blatant lie. He has not guaranteed their entitlements. One of the first acts he has done in his first year as the minister for the sector is to reintroduce an attack, an individual agreement, which is like bringing back Work Choices. He has gone after their Fair Entitlements Guarantee scheme, which he said he would not do, and then he has cut funding to a sector, innovation funding that could have seen a transition towards industry and jobs.

That is the gist of it. This government has no plan for jobs. They are creating more and more insecurity within the industry, within workplaces and within our community. They have got no ability to work with industry to create the jobs of the future, jobs that you can count on. The NUW's campaign calling for jobs that you can count on highlights how this government just lacks innovation and ingenuity. I am proud to stand with the NUW and working Australians to say that we need a government with a policy to create jobs that you can count on. Australia has the second highest rate of casualisation and insecure work in the world particularly within some industries like food processing. So if we are serious about creating jobs in the agricultural industry, then we need to be serious about creating jobs we can count on. This bill is a bad bill. It goes after workers who will be made redundant because of bad policy. It is a bill that everybody should be voting down.

Mrs ELLIOT (Richmond) (17:22): I too rise to speak on the Fair Entitlements Guarantee Amendment Bill 2014 put forward by the Abbott Liberal-National government. I oppose the bill for the same reasons as other speakers on this side of the House—that is, it is unfair and an absolute attack on workers. Labor is very proud to be standing up for workers and for workers' rights. Unfortunately, the reforms and changes the government are putting forward in this bill represent everything but fairness. The changes they are bringing with the Fair Entitlements Guarantee are not fair at all. I note the lack of speakers from the other side. It is very disappointing that none of them have been prepared to come and speak and stand up for workers. Their ideology and their approach have been confirmed today by the absolute lack of speakers.

The Fair Entitlements Guarantee was initially designed as a safety net scheme to cover certain unpaid employment entitlements when employees lose their job through business liquidation or the bankruptcy of their employer. Labor in government introduced the Fair Entitlements Guarantee Legislation in 2012, which delivered the strongest protections for workers' entitlements that we had ever seen in this country. At the time, it replaced the
General Employee Entitlements and Redundancy Scheme, or GEERS as it was known. GEERS was operated by the department in accordance with the GEERS operational arrangements and it had no legislative basis. The problem with this was that it made it too easy for the scheme to be amended or dismantled, and it was for this reason that Labor moved to strengthen protections and legislated our scheme. It is fortunate that we did this as we are now seeing what we were afraid—the Fair Entitlements Guarantee under attack from this government.

The bill seeks to cap the assistance for redundancy pay entitlements to a threshold of 16 weeks pay—a cut from the current four weeks per year of service—and aligns the payment with the maximum payable under the National Employment Standards. The bill also includes three amendments to the Fair Entitlements Guarantee legislation to clarify that a debt owed by a claimant for a particular entitlement can be offset proportionally against other entitlements payable to the claimant under the scheme if the debt exceeds the entitlement to which it relates; that amounts required to be withheld by law, such as pay as you go taxation, will be deducted from payments when they are made to the claimant; and that payments can be made to the estate of a deceased employee or claimant.

The bill also amends the act so that the issue of whether a person has reasonably pursued a debt owed by the employer is not a consideration for eligibility for any payment under the scheme. It is a matter that is dealt with when calculating the amount a claimant is owed. It establishes arrangements for costs associated with AAT appeals of decisions relating to the Fair Entitlements Guarantee to be drawn from the special appropriation.

While some of these amendments may not seem extreme at face value, if you closely at the detail you will see how harsh the measures and the changes in this bill are. When we look to the past of the Liberal-National government, they do have form when it comes to attacking workers—and we certainly saw that with Work Choices. I can reflect upon it in my area, in my seat of Richmond, where Work Choices is absolutely devastating and people still talk about how the National Party punished those people of regional Australia by introducing Work Choices. It was devastating. Many individuals had their working conditions slashed. It goes to the ideological basis of this government; what they do stand for is an attack upon workers.

Indeed, last week I raised in this House my concerns about Centrelink workers and how the government is now trying to outsource many of their jobs as well. Right across the board, in so many industries, we have seen many attacks. Time and time again since the election last year this government has demonstrated how many promises they are prepared to break in so many areas—and we are certainly seeing it in relation to this. As I have said, their capping of the Fair Entitlement Guarantee from a maximum of four weeks pay per year of service to a maximum of 16 weeks constitutes an unfair cut for those who are facing the terrible prospect of redundancy. It is devastating for those workers and their families to, firstly, be facing redundancy and then, on top of that, to have this unfair cut to their entitlements that they were hoping to receive. This is often a very sudden situation that occurs when the business they work in is not running anymore.

Fundamentally, this bill is very bad news for those facing redundancy or pursuing entitlements and lost earnings that are rightfully theirs. It is especially bad news for those in the automotive manufacturing industry and also mature-age workers. It is quite clear that the
government's cut to this scheme disproportionately affects older Australians. The proposed changes are also ultimately at odds with some of the other policies we hear from the government and their objectives. They talk about decreasing the reliance of older Australians on the age pension and they also refer to their Restart program. What they are doing in terms of changing the scheme is really at odds with that. Given this contradiction in policy priorities, you can only conclude that this is an ideological assault on workers and their families. It contradicts other things the government have said.

But Labor understands the difficulties older Australians have in getting back into the workforce, particularly those in the manufacturing, automotive and textile industries. We on this side of the House remain committed to finding ways to assist those people—not dragging them down or punishing them as the government seems to be continuously doing.

The government recently abandoned the automotive manufacturing industry and its workers, and this bill will simply rub salt into that wound. Despite promises to the contrary, all we get are broken promises. The motivation for this unfair assault on our automotive manufacturing workers came from the recommendations that were set down by the government's Commission of Audit—the very same Commission of Audit that gave way to some of the harshest and cruellest budget measures set down by a government in recent memory. Given the harshness and extreme nature of the Commission of Audit's recommendations, it would not be surprising that many people simply do not accept that its advice was formed without the undue influence of a certain political ideology in mind.

Undoubtedly, if this bill before the House is passed, the effects on the automotive manufacturing industry will be devastating. Many workers within that particular industry have worked there for in excess of 10 or 20 years. Under the current scheme, their entitlements under the Fair Entitlements Guarantee are based on their years of service—for example, 20 years. But under the scheme being advanced in this bill, they will be entitled to a maximum of 16 weeks pay irrespective of their service—and that is essentially why it is not fair. Also, this Liberal-National government has overseen the painful death of the automotive manufacturing sector. Now, when workers most need assistance through the Fair Entitlements Guarantee, this government has moved to take it away, so it really is doubly cruel. The cut to the Fair Entitlements Guarantee is connected to and compounded by cuts to the Automotive Transformation Scheme. Labor's scheme encouraged competitive investment and innovation in the Australian automotive industry to place it on an economically sustainable footing.

The government have stated they will save $618 million over eight years by terminating the Automotive Transformation Scheme from 1 January 2018. However, this includes $200 million in cuts over the next two years, long before the scheduled closures of manufacturing operations for Ford, Holden and Toyota. This is in direct contrast to the comments that we heard from the now junior infrastructure minister, the member for Mayo, who said before the election:

The Coalition has committed to ongoing support for the auto industry and has agreed to continue funding the Automotive Transformation Scheme.

Clearly, that is not the case—another broken promise—because this bill is just another attack upon workers and their entitlements. Again we see that in opposition they say one thing and, in government, totally change. In fact, as late as July last year the current Minister for Employment promised Australian workers: 'You can be satisfied there is no risk to your
entitlements.' Yet here we are debating this bill and that is exactly what they are doing: cutting those entitlements—yet another untruth from the government.

The introduction of this bill highlights how very little the government respect the truth. Clearly, they do not respect it at all. We know they have told a whole series of different lies on different issues, whether about cutting pensions, the GP tax, the petrol tax or an increase in university fees. Now we are seeing a whole host of untruths about protecting workers and their fair entitlements.

There are also many concerns that this bill may act as an incentive for vulnerable automotive component manufacturers to close their doors early, while their employees remain covered by the guarantee arrangements that the former Labor government put in place. The problem will be compounded then because, if automotive component manufacturers close early, this may deprive car makers of key components for the assembly of their vehicles, making continued production of specific models no longer possible. You would potentially have a knock-on effect. The fear is that the closure of two or three small automotive component manufacturers may spark more closures of automotive manufacturing in a very short period of time. The concern with that is that this could lead to economic downturns and troubles for the industry and a wide-ranging flow-on for the country generally. It would be quite concerning if this were to occur. Again, this is all a result of this government's unfair attack upon both workers and the automotive industry.

This bill truly is a sad reflection on the government's commitment to Australian jobs. The fact is that they do not have any commitment to creating jobs. Despite the grandiose statements they may have made to the contrary, they do not seem to have any plans in place. They are not doing anything. All they are doing is demonising hardworking Australian workers. Constantly in this place we hear them demonising workers. Instead of spending their time attacking and demonising, they should be getting on with articulating a plan for jobs. That is where their focus should be, particularly when we look at Australia's unemployment rate, which is just over six per cent. Of course, in the regions it is a lot higher than that and youth unemployment is a lot higher than that, yet the government still have no plans for jobs and no plans to address those high levels of unemployment. Particularly, as I say, in regional areas, where the unemployment rate is much higher, they have no plans at all and are not addressing the issue. It is a devastating truth but a reflection of the lack of concern that the government have towards providing employment and training. We have also seen many massive cuts to training and education right across the board, which, again, more severely impacts people in regional areas.

At the heart of this, the government did not make any mention of any of the changes that we see in this bill before the election, so, essentially, there is no mandate for them to be taking this action and scrapping the Fair Entitlements Guarantee. Despite telling voters before the election that they would not make changes to workers' pay and conditions, we see again that the government are slowly eroding our industrial relations system. That is what really concerns people. People raise with me all the time the fear that Work Choices will be brought back and they do not trust what the government say because they made all those promises before the last election—no cuts to health or education, no cuts to any entitlements, no cuts across the board and no new taxes—but we have seen all of those things come about. They have broken all of those promises.
So, quite rightly, people have a huge amount of concern about whether we will see a return to Work Choices and their working conditions will again be severely slashed, particularly penalty rates. A lot of people in my area raise that issue constantly with me. We saw a very good report recently from the McKell Institute about the impact of cutting penalty rates in the retail sector in regional areas. In areas like mine, Richmond, in far north New South Wales, it will be absolutely devastating for those workers to have their penalty rates cut. But that is what people are concerned about. In our area, they know that is what the National Party do. The National Party cut penalty rates and cut working conditions. People know that is absolutely the case and they have very legitimate fears about a return to Work Choices.

It is only those of us on this side of the House and the Labor government who have stood up for workers. We will continue to do that and we are very proud to do that, which is totally opposed to those on the other side, who continually attack workers. We are very, very proud of our record and we will certainly stand by workers and keep fighting for them.

It is for the reasons that I have raised this evening—the unfairness and the fact that it is essentially a broken promise—that I oppose this bill. I condemn those on the other side, one, for failing to speak in the debate on this bill and, two, for failing to support the workers of Australia. They have abandoned the people of Australia and, indeed, the National Party members have abandoned the people of rural and regional Australia—yet again. As we have seen so many times, they continue to abandon the people in the country areas, who need security in their employment and access to so many services. For all those reasons, I oppose this bill.

Ms RYAN (Lalor—Opposition Whip) (17:36): I too rise to oppose the Fair Entitlements Guarantee Amendment Bill 2014. I oppose the measures in this bill as they are further examples of cruel Abbott government cuts.

As is the case with so much of this 44th parliament, you should not look to what this government says but to what they do. Prior to the election last year commitments were made to the hardworking Australian public that much of the status quo would remain. There would be no cuts to education. There would be no cuts to health, no cuts to the ABC, no changes to pensions. The list goes on, as does the attack on the vulnerable that we are witnessing every day. We were told that Work Choices was created, and yet attacks on workers are rife from this government.

The introduction of this legislation today is another example of a coalition government's complete lack of understanding of the pressures faced by workers in this climate of rising unemployment and transitioning of our economy. In July last year, as the member for Richmond mentioned, Senator Eric Abetz, now the Minister for Employment, assured hardworking Australians, 'You can be satisfied that there is no risk to entitlements,' and yet I have been twice on my feet in this House to oppose bills that prove that Work Choices has survived the fire. To use an analogy from popular culture—one that perhaps will date me!—Work Choices is slowly coming back to life. Like the Terminator, it is re-forming and continuing its pursuit of Sarah Connor.

Before the election and even when the fair work amendment bill was introduced the government promised the proposed amendments would go no further than their pre-election promises and would only go to those recommendations from the 2012 fair work review. And yet this bill made changes to individual flexibility arrangements, greenfields agreements and
right-of-entry provisions. Similarly, before the election the Abbott government made a commitment to regulate registered organisations in the same way as corporations, but the fair work registered organisations bill did not implement the coalition's election promise. It went much further than that in its attack on unions and, through them, workers.

So what does this bill aim to achieve? It aims to cut worker entitlements. The fair entitlement guarantee is a safety net to cover unpaid employee entitlements when workers lose their jobs through liquidation or bankruptcy of their employer. Workers who through no fault of their own lose their job are guaranteed a strong safety net for their entitlements. Many may remember this previously being referred to as the GEERS scheme, which Labor in government strengthened by giving a legislative basis. The scheme currently allows for up to 13 weeks of unpaid wages, annual and long service leave owing, if required a five week payment in lieu of notice and redundancy pay of four weeks for every year of service.

I know many on this side of the chamber have direct experience of people they know and community members in their electorates being devastated by a job loss. Given the Treasurer's exhortations today to judge people by what they do, I can assert that I am not sure many of those opposite have empathy with people like automotive workers who lose their jobs. That judgement, of course, comes after witnessing the Treasurer goading GMH to wind up their Australian operations.

This entitlement guarantee goes some way to assist when a devastating job loss occurs. This bill cuts the entitlement to a maximum of 16 weeks pay regardless of how long you have been in the workplace. That is the equivalent of four years service entitlements. Workers who have given long, loyal service for 10, 20 and in some cases 30-plus years will suffer considerable loss in their payouts. If this bill gets passed into law, this cut will have a devastating impact on workers, particularly those in the west of Melbourne who are still absorbing the various automotive and shipbuilding cuts and closures—not to mention those employed in the small industries that are part of the supply chain that will potentially close due to bankruptcy as work dries up in those industries. How many of my local hardworking manufacturing workers will be impacted by this cruel change?

This government made no mention of these changes prior to the election. In my mind and in the minds of so many voters the government has no mandate to make this change. Indeed, in this climate of rising unemployment, particularly in the area I represent, the government should be strengthening and expanding support for newly unemployed people. This change, however, does fit a pattern—a pattern where support for employment is being eroded by this government.

Whereas the proposed changes to Newstart for those aged under 30 have been widely discussed, the changes in this bill impact more severely on older workers who have been loyal employees in one company, some for their entire working career. I understand the difficulties that many older workers experience when attempting to gain employment. Despite best efforts, there is age discrimination when it comes to employment. Older workers often have limited formal qualifications and due to family commitments do not have the flexibility to move interstate to chase jobs. This fair entitlements guarantee went some way to support such workers when impacted by a job loss. It was support to give time to find new employment whilst at the same time being able to make house payments, pay the bills and school fees and keep food on the table. We need to remember that this payment is not an extra payment. It is
paying these workers their entitlements. Annual and long service leave, pay in lieu of notice, redundancy payments—these payments provide an opportunity for a worker to make a new start, find new employment and stay out of the Newstart system. In some ways this cut is in fact another example of a false economy from this government so concerned about the economy.

As I alluded to earlier, those workers in the automotive industry will be significantly impacted by these changes. We know this industry is declining and that this government has withdrawn support previously promised. Before the election now junior minister Jamie Briggs said, 'The coalition has committed to ongoing support for the auto industry and has agreed to continue funding the Automotive Transformation Scheme.' Now this government that Jamie Briggs is so proud to be part of has overseen the death of the automotive industry, and there are dire consequences for the rest of the supply chain.

And where are many of the supply chain employees located? In the area I represent. It is estimated that there are 50,000 workers in the automotive industry, with a further 100,000 in the supply chain—workers who are facing uncertainty in their working futures. Anecdotally, we are hearing that some employers are even considering closing their doors earlier so their workers can be covered by the existing scheme.

This Abbott government has provided no support. Indeed, it has withdrawn or cut many employment support programs and projects across Australia. These cuts are affecting people and families in Lalor, an area where the unemployment rate is more than two per cent above the national average.

Whilst the government have not supported the automotive industry, they have, along with the Victorian state government, provided some support to some areas affected by job losses through the Innovation and Investment Fund. This fund is to be utilised to create new jobs—new jobs sorely needed in the light of the automotive manufacturing cuts. These new jobs are needed locally in the area I represent.

But has the government extended that support to Melbourne's west? The short answer is: no. A report in my local paper, the Wyndham Leader today has a headline, 'West left in the lurch'. In it it quotes Melbourne's West Economic Response Taskforce that includes LeadWest and six local government areas in Melbourne's west. The article says:

The taskforce, which includes LeadWest—

et cetera—

has requested fair and equitable treatment given the state and federal response to the exit of Ford from Geelong and Broadmeadows.

Businesses in Melbourne's north and Geelong each have access to $24.5 million for projects that create growth and job opportunities.

Craig Rowley, head of LeadWest, called for further assistance for the west as investments in infrastructure projects alone were insufficient responses. He is quoted in the article:

"When Toyota exited, we thought it would only be fair if Melbourne's west had a similar job stimulating funding pool, but our worst fears have been realised as there is no appetite from this government for doing that," he said. Businesses would be drawn by incentives to the north not the west...
This is incredibly disappointing and it just adds another layer of pressure—a layer of a lack of support coming from this government while we stand here and debate reducing workers' entitlements when they face job losses.

Sadly, no new investment is forthcoming. This government is delivering cuts to entitlements and no support for job creation. We on this side of the House will join those six local governments, LeadWest and the people of Geelong and we will continue to make the case for innovation and investment. We will raise projects like the Bay West development, and ask that it be reviewed to ensure that there are new opportunities in the west and Geelong.

Labor has shown that it understands the unique nature of our expanding and changing cities by establishing our caucus committee on cities, and by appointing Anthony Albanese to focus on cities policy. This is in stark contrast to those opposite.

In conclusion, I know that some of those opposite must also recognise the need for job creation and support for workers. They must see their local hardworking Australians struggle when unemployment rises in their areas. They must see the despair in the faces of the unemployed. But together as a government somehow they have found a way not to speak up. And they are not speaking up in this chamber today. They are not defending this bill; nor are they opposing this bill. It is left to this side of the House to argue these points.

In my area we need support for jobs, and our workers need support to access their entitlements. But this government is ripping away this provision at a time when workers need it most. It is a cruel and heartless decision for struggling families and is piled on top of real job losses, potential job losses and the anxiety that comes with that.

Like so much that this government has done in its first 12 months, the devil is in the detail of this legislation. When you unpick the changes being proposed the legislation seems to benefit the government in savings but not the people of Australia the government is meant to serve. The government continues to take its advice from big business through the Business Council of Australia and the heavily weighted Commission of Audit. The Abbott government shows that it has no understanding of the impact of taking away well-earned support for average workers.

Labor, in government, wanted to ensure workers received the strongest protections for worker entitlements. That is why we need to embed these entitlements in legislation. As the member for Richmond said before me, we are grateful that we did that, and that we are on our feet today making a point about these changes. If we had not legislated, these measures would easily have been dismantled by instructions to the relevant department.

I am thankful that these legislative changes were put in place, as it gave me a chance today to expose these cruel measures.

**Ms McGOWAN (Indi) (17:49):** I rise tonight, to speak about the Fair Entitlements Guarantee Amendment Bill 2014 on behalf of the workers in my electorate of Indi, and to make suggestions to further help workers protected by this legislation and taxpayers, who carry the financial burden of this protection.

The Fair Entitlements Guarantee scheme has been critical for a group of Wangaratta workers who found themselves employed one day and without stable work the next, through no fault of their own. Simply known as FEG, this government scheme provides a government funded safety net for workers who are often suddenly left without a job and without
redundancy pay entitlements when companies are liquidated and are unable to pay the entitlements to the workers.

Sadly, this was the case for the 59 Bruck Textile Technologies workers in Wangaratta, in my electorate, who unfortunately lost their jobs suddenly on 11 July this year. Circumstances meant that they were left with no entitlements. Many had been with the company for decades. The sudden liquidation of the company, which had been an icon in Wangaratta and the textile industry for 70 years, came as a tremendous shock to the workforce and especially to the local community.

FEG was immediately spoken about as a government mechanism in place to assist these workers by paying out many outstanding entitlements. This was valued at $3.8 million. Workers were supported by advocates from the Textile, Clothing and Footwear Union. I would like to acknowledge that union, and thank them for their excellent advocacy and terrific ability to work across difference. The workers were worried, however, that these payments would take up to six months to come through. They believed that two months would be the best-case scenario. So, one of the most pleasing aspects of this sad tale was the fact that FEG payments were made more quickly than people in the textile and clothing industry had ever seen occur. I ask the government to allow the workers access to the scheme as quickly as possible. The Minister for Employment, Senator Eric Abetz, and his department are to be thanked for making good on his commitment to expedite the FEG to get outstanding entitlements paid as soon as possible. For these workers to have been paid most of what they were owed by Bruck Textile Technologies within six weeks, the government is to be commended for its swift and decisive action. I am personally very grateful to the minister for the work that he did.

On 22 August 22, in Wangaratta, I spoke with the redundant workers at a skills workshop. I quickly learnt that, while they are extremely grateful for the FEG payments and for the work that my staff and I have done with the government, they want the government to take action to improve the scheme—and it is to these comments that I will now address my thoughts. Firstly, they asked us to ensure that workers get all the entitlements they are owed. Secondly, they asked us to legislate to protect workers from the actions and negative impact of companies such as Bruck Textile Technologies. Regarding the workers' entitlements, they told me that not all the accrued and banked time was paid. They felt that they were not paid their full dues. In normal circumstances, when leaving employment they would have been paid these entitlements. The redundant workers feel strongly that they are not to blame for the way their employment was terminated—a feeling which I share.

Regarding the larger issue of Bruck's action as a corporate entity, the redundant workers are angry that the taxpayer is carrying the financial burden for what has occurred. They believe that the company had a responsibility to meet its corporate fiduciary obligations. Some of the workers have spoken with me about their feelings of embarrassment and invalidation. They do not want to rely on charity or be seen to be relying on handouts. The redundant workers also do not want their former colleagues, or any other employees in Australia, to go through what they did when they were suddenly made redundant. This says a lot about the caring nature of these people in my community, who are now looking for work and facing an uncertain future. Fundamentally, they care for their families and the community and do not want their experience to be felt by other people.
The workers came up with a key message and asked me to pass it onto this parliament: 'Don't let this happen again. Protect the people still working. Enact draft legislation that ensures workers who are forced to access FEG are paid their full entitlements such as accrued time and banked time. Enact legislation to stop companies from relying on FEG to pay entitlements.'

It was not only me who had a task to do when I left that workshop. Kerrie Seymour, a long-time Bruck employee, left the workshop that day and put together a petition to the House on this issue. That petition is now with the Petitions Committee, and I will table it as soon as it is returned to my office.

Charles Sargent, a worker made redundant by Bruck, has written to me proposing some powerful and reasonable measures the government should consider to strengthen the oversight of companies:

Ensure adequate powers rest with ASIC or other regulators to monitor and investigate companies to prevent reliance on FEG, increase the scrutiny on the conduct of company directors when the company has initiated liquidation, hold the management of liquidating companies individually liable for failing to provide for the payout of employee entitlements.

Minister Pyne's second reading speech on this bill affirms the government's support for FEG as a necessary safety measure but one that should be used as an exception and a scheme of last resort. When I met with the CEO of Bruck on the day the redundancy notices were handed to workers, I asked him what provisions Bruck was making to provide entitlements to those made redundant. The director said openly that that FEG would provide these entitlements.

In closing, I am very proud that the workers in Wangaratta looked to my office for assistance and that we have been able to help them. I am very proud that I can deliver the relationship of government from a position of being an Independent who really works for the people of Wangaratta. I am absolutely proud to be a representative of these workers. I ask that the government go further than simply limiting the payments available under FEG. If this is the only change that is made to the scheme, it may hurt those who come to rely on FEG in the future. The government should ensure that fewer companies rely on FEG. I call on the government to do more to ensure that companies genuinely make provisions for large redundancies so that FEG can genuinely become a scheme of last resort rather than simply a corporate offload.

Mr ZAPPIA (Makin) (17:57): I note that only one of the 89 members in the government was prepared to come into this chamber and defend the legislation. Whilst I did hear that one member's contribution, I did not think he was able to defend it. But at least he had the courage to come into the chamber and have a go at defending the legislation. My point is that the fact that only one member of the government was prepared to come in here and try to defend this legislation sums up just how bad it really is. It simply highlights that this is bad legislation. No other government members are prepared to put their name to it—although I doubt very much that they were prepared to stand up in their party room and say to the minister of the day, 'We don't support this legislation.' What they did was simply not come in to this place and defend it. It is unusual because, when members of any party support legislation, there are always several who will come in here and put the case one way or another. Clearly, they know that they cannot sustain a credible argument with respect to supporting this legislation.
The crux of the Fair Entitlement Guarantee Amendment Bill 2014 is that it caps redundancy payments, which are currently set at four weeks pay for each year of service, to a maximum of 16 weeks pay regardless of the number of years a person has worked. Effectively, it does not matter whether you have worked at a workplace for one year or 30 years; if you are made redundant, under the new entitlements your payment will be capped at 16 weeks pay.

The Fair Entitlements Guarantee legislation was brought in by Labor in 2012 to, quite properly, protect workers' income if workers are made redundant. Since 2007, mainly under Labor, I understand some $852 million has been paid to some 70,000 employees around Australia who fit the criteria. The legislation that Labor introduced in 2012 replaced the General Employee Entitlements and Redundancy Scheme, otherwise known as GEERS, that had previously been put in place.

The problem with GEERS was that it was not secured by legislation. It was essentially a scheme operated by a federal government department and, therefore, the government of the day, without bringing changes to parliament, could either amend or dismantle the scheme at any time. The Abbott government, through this bill, seeks to do just that—that is, to amend the scheme by reducing the safety net provided to workers under Labor's legislation. In this case it has to argue its case here in the parliament, and it has failed to do so.

The change, in my view, is a direct attack on Australian workers who lose their jobs, because it will cut their payout and by doing so drive down employment conditions and employment entitlements. It is, indeed, another step in the Abbott government strategy of driving down wages and other workplace entitlements—make no mistake about that. The term 'Work Choices' has been removed from the Abbott government's script but the ideology and the determination are still alive and well. We have seen that with the easing of restrictions on 457 visa holders, the proposed shipping reforms and changes to welfare payments, including the six-month waiting period. They are all part of the Abbott government's strategy of driving down labour costs and delivering for their big business friends. Not surprisingly, there was no mention of these changes by the Abbott government prior to the 2013 election. On the contrary, the Abbott government went to great lengths to dispel any fears about changes to Australia's industrial relations system if the Abbott government were elected.

I want to turn to why this change is grossly unfair. Based on the current calculation of four weeks of pay for each year of service, the proposed 16 weeks of pay equates to four years of employment service. That is not only unfair but unjust to a person who has given much more than four years of service and in some cases decades of service to their employer. The longer a person has been with a company the greater the investment that that person has made to the company. Tying the payment to years of service, therefore, recognises and rewards an employee for their personal investment in the business.

It may also be the case that a person who has spent long periods in one workplace will find it more difficult to transition to an alternative job and therefore will be unemployed for much longer. Of course, a worker who has been in a workplace for a long period—perhaps even decades—it is very likely to be a mature aged worker who then, because of age, will find it more difficult to secure another job. That is why governments have had to implement additional measures to assist mature aged workers who want to get back into the workforce.
So this policy will disproportionately affect older Australians. We know that older Australians today are finding it harder than ever before to get back into the workforce. We also know that employers look at younger employees when they recruit. Yet the people who are likely to be most disadvantaged as a result of these changes are the people who are going to find it the hardest to get back into the workforce if they are made redundant. That is why this legislation is totally unfair and unjust.

I want to come to another aspect of this legislation because I believe there is another more devious objective of this legislation. The Abbott government has turned its back on the automotive sector in Australia and on manufacturing more broadly. The statistics show that some 42 per cent of redundancy payments made to date have been made to workers who have exited the manufacturing sector. So, based on those figures and on what is happening in manufacturing more broadly across the country, one would expect that that trend not only will continue but in fact may increase. The government knows that, as a result of abandoning the automotive sector, the full effects of the decisions already made and the policies that this government have brought in to abandon manufacturers have not been fully felt but they will be in the coming years, when we expect tens of thousands of workers to lose their jobs. Indeed, one report suggests that the flow-on effect from those people employed directly and indirectly in the manufacturing sector—all those who depend on the manufacturing sector for their livelihood—could mean that up to 200,000 jobs across the country will be lost.

Workers in some of those areas may have workplace agreements and may be entitled to and may receive the payments they rightly deserve if they are made redundant, but I suspect that there will be many other workers who have no such agreements in place and will be very much dependent on the payments made under the FEGS for the compensation they rightfully deserve if they are laid off in the future. I am not referring to the workers at Ford, Toyota and Holden, because I expect they have secure workplace agreements in place and will have arrangements with those three companies to get their proper redundancy payments, but there will be many others who simply will not.

Only yesterday I spoke with a person who was very much concerned about a small business—it is a small cafeteria-delicatessen business—that relies solely on the automotive plant at Holden. That person told me that that business is likely to go down when Holden closes. I wonder whether the employees of that business will have any cover whatsoever—and is it not people like that that will be looking for this scheme in order to get their rightful payments?

This legislation, which changes the system, will deny those people their rightful payments. And, given that we are likely to see tens of thousands, if not hundreds of thousands, of people in the manufacturing sector lose their jobs over the years ahead, his legislation in my view is very carefully and deceitfully set up to avoid the government having to pay out the money that it would otherwise have to do, knowing in anticipation that those payments are likely to increase as a result of decisions that the Abbott government has chosen to make, and those decisions being that they have chosen to abandon car making in this country.

It is true that the government will make some budget savings as a result of this measure. I have heard the single member opposite who came into the chamber to try to defend the legislation make the point that this is also a budget savings measure and that we should expect the government to try to get the budget back into credit and so on. Since coming to office this
government has created its own budget mess through its own incompetence. It has added $68 billion of debt through its own spending decisions and its own policy decisions. Independent analysts have confirmed that. Consistent with the Abbott government's ideology, it wants to have low-income Australians get the budget back in the black. It is saying it has a budget problem. That is quite untrue. There is a budget deficit. There is no budget emergency or any major budget problem. Nevertheless, there is a budget debt. But what the Abbott government wants to do is, through this measure, add to the measures it has already embarked on, and that is to put most of the burden of getting the budget back into the black on low-income Australians. We have seen it through the attack on the elderly, we have seen through the attack on the sick, the unemployed and low-income wage earners. Now we are seeing it through an attack on workers who might lose their jobs through no fault of their own. It is also interesting to note that this proposal comes from of the Abbott government's so-called audit committee—their hand-picked audit committee, who themselves were paid $1,500 a day but do not believe that workers who are made redundant are entitled to a fair payment for themselves.

Today there is no certainty for any worker, regardless of where they work. We saw that very, very clearly as a result of the global financial crisis, where the events in one country cascaded right around the world. We also know that there are unethical business operators who quite deliberately and quite calculatedly are prepared to let their businesses go down and they in turn manipulate the funds in a way they personally still come out of it all right. I have spoken to people who have been entitled to these kinds of payments who have worked for such employers. That is not to say that all employers like that, because most of them are definitely not. But there are. So we need to accept that governments have a role to play in ensuring that, if a worker loses their job through no fault of their own, they are at least paid their rightful entitlements. That is what the fair entitlements guarantee does and what GEERS did previously to that.

The last point I make in the minute or so that I have left is this: if the government is genuinely concerned about trying to balance its budget, rather than attacking workers, as it is doing through this legislation, why doesn't it look to the $1.1 billion of tax loopholes that it has been prepared to cast aside that Labor had proposed prior to the 2013 election and look at raising money through those measures? Whilst the government comes in and criticises Labor for not having implemented those measures, at least they are proposals that the government could and should be looking at right now as alternatives. And why doesn't the government look at those 200 businesses around Australia who are paying minimal tax when other taxpayers are paying their full share of tax and workers are now being asked to lose entitlements that they are rightfully entitled to? Labor opposes this measure and certainly I do, too.

Mr THISTLETHWAITE (Kingsford Smith) (18:12): I am opposed to the passage of this bill quite simply because it is unfair. It impacts on vulnerable employees and it cuts community standards of entitlement in the case of redundancy payments, payments for unpaid annual leave, unpaid wages, unpaid superannuation in the case of a company or an employer going broke—becoming bankrupt or having a company liquidated. It unfairly impacts on the most vulnerable in our community. The bill should not pass in the form that it is in.
Some years ago I represented a greenkeeper who worked for a local bowling club. This particular greenkeeper had worked for this club diligently for 18 years. He had done his apprenticeship with the club. He had spent basically all his working life as a dedicated and loyal employee of the local bowling club. He found out that the club was in financial trouble and eventually the club was liquidated. Of course, then it was discovered that the club had some big debts—and, naturally, under Australian law, the principal creditors were the banks! So the banks took most of the money. There was very little left for the employees. So here you had a greenkeeper that had worked for the particular local bowling club for most of his life—for 18 years of loyal service—he had a young family with kids and he got nothing. He got nothing, at the end of the day, after the company had been liquidated and paid its debts.

This is a person who had accumulated pro rata long service leave. He was eligible for the 13 weeks of long service leave that accrues to a person on a pro rata basis, after 10 years of service, under New South Wales law. Had he left or been dismissed under normal circumstances, or left because of illness or injury, he would have been paid that long service leave as a pro rata payment. It is an entitlement of that person. And let me tell you: it was a hell of a lot more than 16 weeks worth of pay. He had annual leave owing to him for the years he had worked for the bowling club. Under normal circumstances he would have been entitled to a redundancy payment somewhere in the vicinity of at least two weeks per year of service at the time; the community standard was probably three weeks worth of service. His superannuation, he found out later on, had not been paid for months. He got close to nothing.

What is the maximum he would be awarded under the scheme this parliament is about to pass here, under a Liberal Abbott government? The maximum would be sixteen weeks payment instead of all those entitlements he would have got under normal circumstances. He worked there for 18 years. That is less than one week per year of service.

In my book that is simply not fair. I do not think it is fair in anyone's book. I dare anyone on that side of the parliament to get up and say what they are putting through here is fair for a person like that, who had worked loyally for a company for 18 years—particularly given that, if we lose our jobs here or are voted out, we get a hell of a lot more than 16 weeks as a minimum redundancy payment. Why should we get something the average Australian is not entitled to under this legislative change we are making tonight? We are going to say to the people of Australia: 'Well, it's okay for us politicians. We'll get three months worth of pay.' I think the minimum entitlement is $30,000 if you are voted out and lose your seat at an election; but we are going to cut the entitlement for every other Australian back to a maximum entitlement of 16 weeks should the company go bust and be liquidated with nothing there for them. That is simply not fair.

I am not going to be part of that. I am not going to put my hand up and say, 'It's okay for us to continue to get our entitlements in the form of redundancy—up to $30,000—but we're going to cut the money back for other employees.' That is simply not fair and that is why Labor, when we were in government, introduced the Fair Entitlements Guarantee which replaced the GEER scheme. The GEER scheme was originally an initiative of the Howard government but, again, it was only a minimum entitlement and it did not cover community standards. When Labor came to government we ensured that the scheme was amended to reflect community standards, and the community standard enshrined in the legislation was up to 13 weeks of unpaid wages; annual leave payments; long service leave accrued; payment in lieu of notice to a maximum of five weeks; and a redundancy payment of a maximum of four
weeks per year of service. That is what the community standard is. That is what ordinary employees in most jobs, if they lose their job and the company is liquid, will get as a severance payment. It is a fair standard and it is what Labor enshrined in the legislation. This scheme being introduced by the Abbott government cuts that community standard, that fair entitlement, back to a maximum of 16 weeks payment in total. That is unfair. It is below the community standard.

Going back to the greenkeeper—the example I mentioned earlier—a person who has given 18 years of service getting 16 weeks payment is simply unfair. What does this reform do?

Mr N: Mr Deputy Speaker, I seek to intervene.

The DEPUTY SPEAKER (Mr Broadbent): Is the member for Kingsford Smith willing to give way?

Mr T: No, I am not. It cuts the entitlement from the community standard of four weeks per year of service to a maximum of 16 weeks. This is consistent with the national employment standards. Those opposite do not understand that the national employment standards are a legislated minimum. You cannot go below it in Australia. It is what is considered enough to ensure people stay out of poverty in this country and it is enshrined in the Fair Work legislation. But the community standard is well above that and Labor, when in government, sought to cement that community standard.

Going back to the greenkeeper with 18 years service—he had served his apprenticeship—what would he receive under the coalition scheme? Sixteen weeks—less than one week for each year of service. That is what those opposite are voting for. That is what the Abbott government is implementing here—something that is well below the community standard. They are voting to cut a worker's entitlement to a fair payment in case of bankruptcy. It is generally the most vulnerable we are talking about here. It is generally those employees who are not unionised; they are not covered by a union enterprise agreement which sets a community standard. They are the most vulnerable people when a company is liquidated or going bankrupt, and they need support. Generally, there are circumstances where they are not only owed accrued entitlements but also wages. They may not have been paid for the last month and certainly, in many circumstances I have uncovered, they have not been paid superannuation for some months. What support are they going to get from the government? Sixteen weeks payment as a maximum. That is simply unacceptable; it is unfair. The galling thing about this is that, again, it was not mentioned before the election. There was no indication from the Abbott government prior to the election or during the election campaign—when industrial relations and workplace relations were quite topical issues—that they were going to make changes to workers' pay and conditions that affected the minimum entitlement of workers in the circumstances of bankruptcy or liquidation of the company. Again, as previous Labor speakers have mentioned, unfortunately this comes about as a result of the Commission of Audit and the recommendations of the Commission of Audit, which have been found to be grossly unfair and unfortunately form the basis of much of this government's very unpopular budget initiatives.

So that is where this comes from. It was not an election commitment. It was not disclosed to Australian employees, particularly to those vulnerable employees throughout the country, prior to the election campaign. That is why it must be opposed by this House. It is unfair in the way it works. It reduces what are fair entitlements to employees who are vulnerable in
circumstances where companies go bankrupt, where companies are trading in circumstances where they are not liquid, where companies are trading in circumstances in breach of Corporations Law, and where the creditors—generally the banks—rank before employees. In those circumstances many employees are left with nothing. They rely on government. They rely on us in this place to offer them a scheme that is fair and reasonable. That was the basis of Labor’s reforms in 2012. Over $852,000 in unpaid entitlements to more than 70,000 employees around the country were made under this scheme. That was a fair scheme that was in accordance with community standards. It is now being cut by this government.

Again, I go back to the example that I made earlier: what right do we have to tell the workers of this country, employees in vulnerable situations—many of them women—that they should have their entitlement to fair payments in cases of bankruptcy and liquidation of companies cut back to a maximum of 16 weeks, when we are going to continue in this place to receive the entitlements that we get if we are made redundant, which by community standards are probably quite generous. I will not be part of that, nor should anyone in this place. That is why this bill should not pass.

Ms HALL (Shortland—Opposition Whip) (18:24): The Fair Entitlements Guarantee Amendment Bill 2014 is very disturbing legislation. This is legislation that attacks families and this is legislation that attacks workers. This is bad legislation. It is legislation that goes to the heart of what we as a fair society should be. The legislation is yet another attack on workers, on their entitlements and on their conditions. This is yet another ideologically driven assault on workers that has been proposed by big business, the Business Council of Australia, and the Commission of Audit, all organisations that do not care and have no commitment to the workers in our country. To be quite frank, if big business cared for their workers, it would be a much better place because the level of productivity would increase. You need a company and a government that has a commitment to those people who work for you. They are part of your family. Unfortunately, this government does not view workers as being part of its family, rather it portrays them as being the enemy—those who need to be undermined and those who do not deserve the protection that legislation can afford them.

This government said one thing before the election and another thing after the election. I know that no-one in Australia, particularly no-one on this side of the parliament, will be surprised by that because on absolutely every issue of major importance this government has been found wanting. Time and time again, it has demonstrated just how little commitment it has to maintaining its promises and maintaining what it said before the election and after the election. Before the election, Minister Abetz, guaranteed that there would be no assault on workers’ conditions and entitlements. There was absolutely no indication before the election that this legislation was waiting in the wings.

The Fair Entitlements Guarantee, or FEG, is legislation which is legislating a safety net scheme of last resort that covers certain unpaid employment entitlements when employees lose their jobs through the liquidation or bankruptcy of their employer. The first legislation we had in this area was GEERS, which was generated when National Textiles went into liquidation. I tended to call that the Stan Howard legislation. GEERS was replaced by a much fairer scheme when Labor was in power, and that is the current scheme. It provides up to 13 weeks of unpaid wages, annual leave, long-service leave, pay in lieu of notice with a
maximum of five weeks, and redundancy pay of a maximum of four weeks per year of service.

It is important to realise that when a person loses their job under these circumstances, it is very difficult to find another job. We only have to look to the automobile industry to see the problems that will exist for those workers who become redundant to understand just how difficult it will be for many of those workers who have worked in industries for very long periods of time. If a person has been working in an industry for 20 years, under the current scheme their entitlement would be much greater than their entitlement under this legislation that we are debating tonight which provides capped assistance for redundant pay entitlements to a threshold of 16 weeks pay and aligns the payment with the maximum payable under the National Employment Standards. This is a sinister, it is callous, it is unfair and it is going to really crush some workers.

These are people who have mortgages to pay, they have kids who are going to school, they need to put food on the table and they need to look to some certainty. But when this legislation comes in it will reduce their entitlements enormously. It is a cost-saving exercise by this government—by a government that has absolutely no commitment to or value for workers. It really stands condemned. The government states that it will save $618.5 million over eight years by terminating the Automotive Transformation Scheme from January 2018. But this also includes a number of harsh cuts.

This government has demonstrated through the way they handled the issues surrounding the automotive industry that they have no commitment to jobs and they have absolutely no job plan whatsoever. When it comes to manufacturing jobs, the only issue that they see is how they can abrogate their responsibility. They have absolutely no qualms whatsoever about seeing jobs going offshore and overseas. The government really does stand condemned.

Labor is very proud of the fact that since 2007 unpaid workers' entitlements have been paid to over 70,000 employees around the country. I have a feeling that this is something those on the other side of this House would be much happier about if it had not happened, because they do not have this same commitment to workers. They do not value workers. They do not really believe, as I have already stated, that we need to have a job plan in place—a plan that is going to set out where we as a nation wish to go as far as jobs are concerned.

It is all very well, standing up in this parliament and spruiking on the airwaves that they are going to create one million new jobs. But in actual fact, unemployment is over six per cent. I do not believe that those on the other side of this House have an answer to this. They have already demonstrated how their actions in the area of jobs and managing the economy is bad for our economy. And this unfair budget, which they have still been unable to get through the Senate is really undermining confidence in our economy. It is leading to massive cuts to industry investment and to education and training, and these have all led to this undermining of confidence within our economy.

This is a government of broken promises. As I mentioned, the government made absolutely no mention of changes to the FEG before the election. Despite telling voters before the election that there would be no changes to workers' pay and condition, the government is slowly eroding our industrial relations system. It is a government that is committed to WorkChoices; it is a government that is surreptitiously undermining workers' pay, conditions and entitlements. This legislation does just that: it undermines workers' entitlements.
Those on the other side of this parliament may one day find themselves in a situation where they need to look to this legislation to provide them with protection. They may be in a situation where they have a young family that really needs some certainty about income. They may be in a situation where they need training to be able to find new employment. Or they may have a family member—a child—in the future who finds themselves in this situation. And if there is inadequate protection there and inadequate financial support then it increases the burden twofold.

As I said, we have been very proud of our $852 million unpaid entitlements scheme that we introduced and which benefited 70,000 workers. The government's plan to cut this scheme will have a greater effect on older workers. On one hand, this government has introduced legislation to increase the age of working people before they are entitled to receive a pension. Then, on the other hand, it is putting in place legislation like this that will disproportionately affect older workers. The proposed changes are at odds with the government's other policy. The government cannot argue one thing in relation to one piece of legislation and then another thing in relation to this legislation that we have before us today. It is one thing and one thing only: it is an ideological assault on workers and their families. It is unfair, it is unjust, it is inequitable and it is unconscionable. It cannot be supported by this parliament.

It is certainly something that I will not be voting for and I know that members on this side of the parliament know just how unfair it is and how difficult it is—for older Australians to get back into the workforce. It is particularly difficult in areas such as manufacturing, automotive—well automotive is going to be non-existent very soon thanks to the actions of this government—textiles, and timber and wood product industries. The actions of this side of parliament show we are absolutely focused on assisting people to obtain employment; we are committed to finding ways to help people, not to drag them down as this legislation does.

This is legislation that really demonstrates that the government has absolutely no commitment to Australian workers. Instead of admonishing hard-working Australians, the Abbott government should be getting on with articulating its job plan. As I have already highlighted, a job plan is non-existent when it comes to the Abbott government. It is a government of rhetoric, it is a government of blame, it is a government of abrogating its responsibility, it is a government of broken promises, it is a government that is still acting as if it is in opposition as opposed to a government that is governing for all of Australia and developing policies that will show leadership and prepare Australia for this 21st century. The simple fact that our unemployment rate is going up, as I have already mentioned, can be attributed to the fact that this government has no vision for Australia, no jobs plan.

This legislation is unfair. This legislation promotes something that is totally different to what the government was saying, in opposition, before the election. This legislation is proof that the Abbott government is hell-bent on duping the Australian people. It is a government that distorts information; it is a government that is unfair; it is a government that has introduced this Fair Entitlements Guarantee Amendment Bill 2014, which will penalise Australian workers; and it is a government that has absolutely no vision and sets up a scenario that gives those people, those workers who lose their jobs under a company going into liquidation, absolutely no hope for the future.
Mr CHAMPION (Wakefield) (18:39): It is always a pleasure to follow the member for Shortland. She made, as usual, a fine contribution and I know that because I heard those opposite getting irate during it. I wish I could say it is a pleasure to speak on this bill, the Fair Entitlements Guarantee Amendment Bill 2014, but of course it is not a pleasure to speak on a bill that cuts workers entitlements and caps redundancy pay—in this case at 16 weeks. This follows recommendations by the Commission of Audit—not a progressive commission, but a regressive commission—on a whole range of things like the privatisation of Australian Hearing and basically taking us back in time, in relation to the Federation, with big cuts to health and education spending and the like. It was a reactionary Commission of Audit, and you can see that expressed here in legislation by the government following its directions.

This bill will have a particular effect on mature aged workers and on long-serving employees, and particularly for people who have served a long time in industries that are precarious or with employers who hover just on the right side of bankruptcy—or the wrong side, as it were. This is a bill that the whole of Australia should be aware of, should be concerned about and should be worried about because it goes to the issue of fairness in our country. It goes to the issue of fairness and workers' entitlements. One of the ways we mark what kind of society we are is how we treat workers, not just with their wages but also with their entitlements. And for many of the workers I have dealt with during my time as an official of a union, their entitlements constitute a significant part of their savings, other than their superannuation, so it is a very important issue indeed to discuss.

In South Australia, the auto industry has been put to the sword by this government. We all remember how, on 11 December, the Treasurer in the Financial Review, the top financial paper in this country, dared General Motors to leave. Of course General Motors workers have good redundancy provisions in their agreements, but there are many people in the car industry who work for small component manufacturers and we have seen in many cases in the past that those people are reliant on GEERS for their entitlements if their employers liquidate or go to the wall.

For second-tier component suppliers in particular there is a real issue at the moment. Their main hub of the automotive industry has been, in the government's own words, 'dared to leave'. This industry has taken that decision and we now have the closing down of the industry by 2017. For many of the second-tier suppliers, this creates a very typical set of circumstances because, as we will see with a bill later on in the parliament, the Automotive Transformation Scheme bill, the government intends to cut $500 million out of assistance to the automotive industry and that threatens to hasten the closure plans of the industry. That is because directors of these companies have responsibilities to banks and to landlords to not trade when insolvent and the like, and so those directors will obviously have a difficult set of circumstances if this cut to the Automotive Transformation Scheme goes through.

It is just part of the neglect and the malice that is shown by this government to the automotive industry. So anybody who is concerned about those workers, those hard-working Australians—and there are about 10,000 of them in South Australia and another 20,000 in Victoria—should be concerned about this bill. Anybody who is concerned about mature age workers should be concerned about this bill. And anybody who is concerned about long-serving employees should also be concerned about this bill.
It is impossible to discuss this bill without going back in time. I do not know whether you were here, Deputy Speaker Vasta, in the year 2000, but obviously we have to go back to the Howard government, to a time when Tony Abbott was the workplace relations minister, to find the origins of the GEER Scheme. While I do not want to be unnecessarily insensitive or anything like that, when we look at the establishment of the GEER Scheme, it was triggered by what happened at the National Textiles firm. That firm, which had a famous director through his association with the then Prime Minister, had a dramatic effect on the way we discuss entitlements. All of a sudden, there were a hundred or so workers who had lost their entitlements and people put two and two together, I guess, that it should be the government's responsibility to safeguard entitlements of workers. That was the origin of the GEER Scheme.

At the time, we also had the collapse of Ansett. The collapse of Ansett also had a dramatic effect on the community's thinking about entitlements. Up until that point you might have had a local deli close—and in my case I saw a supermarket close in Elizabeth South in my electorate. In those days I was a union official. Those people lost their entitlement but there was no hue and cry, no national media attention, just an attentive union official, but there is only so much you could do against a liquidated firm. So it was really National Textiles on one hand that focused the community's attention—and I think that it focused the government's attention in a very serious way at that time—and the failure of Ansett and, of course, many people of Ansett had longstanding entitlements that extended well beyond 16 weeks.

The government chose in the National Textiles arrangement to make a special arrangement for those workers, one that had not been made for workers in similar situations preceding that.

Mr Briggs interjecting—

Mr CHAMPION: We will get to that. In Ansett's case, we had a levy on airline tickets, on consumers, to cover entitlements—a very interesting arrangement. The member for Mayo interjects and wonders what we might do. I am just going through the history of how this scheme originated, that's all, just talking a few facts here. When you talk about this scheme, I will not deny that it was a flaw that Australia, for all those years up until this point, had not talked about securing workers' entitlements in the event of bankruptcy or liquidation. Of course it was a flaw. There is no great secret there. The member for Mayo asked questions.

But when you have the member for Hume in here talking about moral hazard and frothing up there on the backbenches—it must be his audition for Assistant Treasurer, I guess. My money is on Mr Nikolic. I think that he would make a fine Assistant Treasurer. It would get him off the backbench and we would see a bit of fight in the government.

But it is interesting to note that when they came to set up these schemes, in Ansett's case the then government looked at slugging consumers in the first instance, and their second choice was to slug the taxpayer. If people are going to get up in this parliament like the member for Hume—

Mr Nikolic: Mr Deputy Speaker, I rise on a point of order. I seek your guidance. Under standing order 74, reflections on votes of the House and previous proceedings of the House, and standing order 90, reflections on members and imputations potentially of improper motives, I just seek your guidance whether the member for Wakefield might be skating close to the edge on those two points of order.
The DEPUTY SPEAKER (Mr Vasta): I think the member for Wakefield is in order at the moment but I ask him to just make sure that he does not get too close to breaching those standing orders.

Mr CHAMPION: I am not impugning anybody's motives. I am just saying that if you are going to get up and raise moral hazard in the House as an argument then you cannot say—

Mr Nikolic interjecting—

Mr CHAMPION: You can reflect on government decisions. You cannot erase history. The member for Bass wants to erase history. You would be interested to hear what Peter Reith said at the time about the creation of this scheme. The Age on 11 July 2012 reported:

Peter Reith, who preceded Mr Abbott as federal workplace minister, said the scheme was always fraught with moral hazard—a tendency to take undue risks when someone else is bearing the cost.

"The government went into it with its eyes open," Mr Reith said. "I was a party to it, but I wouldn't describe it as my best moment.''

He takes responsibility in that instance for the creation of GEERS. He was the minister preceding Mr Abbott—

Mr Briggs interjecting—

Mr CHAMPION: Really? So there you go. In any event, what we have is a system that was created by those opposite. So when the member for Hume comes in here and talks about moral hazard and points the finger at the Labor Party, you are left a bit perplexed. He must be the only Rhodes scholar who has the memory span of a goldfish. He has gone around the bowl a couple of times and has forgotten exactly whose creation this was. The Labor Party at the time had a very, very different approach to dealing with this issue, an approach that did not have those moral hazard implications.

Labor opposes the reduction in these schemes, but you do have to be concerned, I guess, about the behaviour of some employers. On 14 July this year, the Age reported how a Wangaratta textile maker had restructured their corporate arrangements so as to shift assets around to avoid paying the entitlements of employees, in effect, sending a dollar bill shelf company to the wall. That left the taxpayer holding the bag, as it were. It left GEERS holding those entitlements. We should be concerned about that sort of corporate behaviour and we need to be cognisant of it if we are to have the taxpayer paying these entitlements. But let us not have any humbug in this House. Let us not have those opposite try and erase history and come in here and talk about moral hazard.

Ultimately this is a policy that is born of, in the first instance, indifference to workers and, in the second instance, hypersensitivity to politics—and those opposite know it; they may shrug their heads, but that is the case. If there are flaws in the scheme then do not sheet them home to workers. Do not get stuck in to some mature-age worker who has got all of their savings locked up in their entitlements—annual leave and the redundancy payments that they might get—and will have trouble getting another job in what is a very difficult job market. Do not blame them or cap their entitlements. Have a look yourself, the way you make decisions and the way you set these things up.

The member for Mayo, opposite, is relaxing back. When he designed Work Choices, it was coherent. You could see it. It was all about cutting people's wages. It was all about little Billy. Was it little Billy who lost his penalty rates? Well, here we have Billy's dad losing his
entitlements. That is the reality of this bill. Labor always sought to make this scheme fairer. We always sought to make it more just. We will oppose this attack on workers' entitlements as we should. No amount of airbrushing by the member for Bass, no amount of points of order and shaking of heads by those opposite, will change that fact. Labor will oppose this bill because it is bad policy.

Mr HARTSUYKER (Cowper—Deputy Leader of the House and Assistant Minister for Employment) (18:54): I take this opportunity to thank members who spoke on the Fair Entitlements Guarantee Amendment Bill 2014. Before I turn to the bill itself I would like to clear up a few misleading points that have been raised by the members opposite. The member for Gorton claims that the FEG is under attack. This is not the case at all. The government supports FEG but, to ensure its future, this bill makes the FEG scheme sustainable. Sustainability of the FEG scheme is crucial—and this is something that the member for Hume raised in what I believe was the best contribution to this debate. The member for Fowler continued the Labor Party's scaremongering campaign saying this bill strips entitlements from workers. This is simply not true. Nothing in this bill strips workers' entitlements. Workers can continue to gain access to all entitlements, including those not already covered by the Fair Entitlements Guarantee Act, through the normal winding up processes.

What this bill does say is that the taxpayer should only be responsible to pay entitlements up to the community standard of 16 weeks. This is one thing that has been missing from the opposition in this debate—the fact that Labor's Fair Work Act and the National Employment Standards set the maximum redundancy amount payable at 16 weeks. If 16 weeks is good enough for the Fair Work Act, why is it not good enough for the Fair Entitlements Guarantee? This bill does not change entitlements; it merely sets the safety net at 16 weeks, in line with the National Employment Standards. The government is committed to ensuring the future sustainability of the Fair Entitlements Guarantee. The scheme provides vital financial assistance to Australian workers who lose their accrued employment entitlements as a result of the liquidation or bankruptcy of their employer. The bill implements an essential budgetary measure needed to ensure that this protection for employees' entitlements can continue.

Demand for assistance under the scheme has increased over the years with a corresponding escalation in costs. These costs cannot be sustained and so it is essential that the changes are made now so that the scheme can remain in place over future years. Reinstating a 16-week cap on the amount of redundancy pay that can be paid under the scheme aligns payments with the maximum amount payable under the National Employment Standards. As well as securing the sustainability of the Fair Entitlements Scheme, this will ensure that redundancy payments made under the scheme are in line with the community standard; and it will remove the moral hazard that can exist where the employer, rather than the employee, comes to rely on the Fair Entitlements Guarantee as a way to ensure their employer obligations are met.

I reiterate that this bill does not reduce employee entitlements or change the amounts employees can pursue through the winding up process. The 16-week cap applies only to the redundancy component of an employee's entitlements. The Fair Entitlements Guarantee will continue to provide protection for all annual leave and long service leave entitlements accrued by an employee, subject to the maximum weekly wage cap. The 16-week cap will apply to employer liquidations and bankruptcies that occur on or after 1 January 2015.
The bill has also clarified the Fair Entitlements Guarantee legislation to make clear that, firstly, payments can be made to the estate of a deceased employee or claimant; secondly, a debt owed by a claimant for a particular entitlement can be offset proportionally against other entitlements payable to the claimant under the scheme if the debt exceeds the entitlement to which it relates; and, thirdly, amounts required to be withheld by law, such as pay-as-you-go taxation, will be deducted from payments when they are made to the claimant.

The bill also amends the act so that the issue of whether a person has reasonably pursued a debt owed by the employer is not a consideration for eligibility for each category of employee entitlement covered under the scheme. This will now be more properly considered when calculating the amount a claimant is owed.

Finally, the bill establishes arrangements for costs associated with appeals to the Administrative Appeals Tribunal to be drawn from the special appropriation. This amendment will take effect from 1 July 2015 to align with the commencement of the new financial year. This bill does not strip entitlements; rather it protects a scheme and aligns the redundancy payments in the Fair Entitlements Guarantee safety net to existing community standards. I commend the bill to the House.

The DEPUTY SPEAKER (Mr Vasta): The question is that this bill be now read a second time. There being more than one voice calling for a division, in accordance with standing order 133(b) the division is deferred until 8 pm.

Debate adjourned.

Australian Transaction Reports and Analysis Centre Supervisory Cost Recovery Levy Amendment Bill 2014

Australian Transaction Reports and Analysis Centre Supervisory Cost Recovery Levy (Collection) Amendment Bill 2014

Second Reading

Cognate debate.

Debate resumed on the motion:

That this bill be now read a second time.

Mr FEENEY (Batman) (19:01): I rise to speak on the Australian Transaction Reports and Analysis Centre Supervisory Cost Recovery Levy Amendment Bill 2014—

Mr Hartsuyker: That's a mouthful.

Mr FEENEY: it is a mouthful—and a related bill. AUSTRAC's strategic direction statement, as outlined in the 2014-15 budget, states:

The Australian Transaction Reports and Analysis Centre (AUSTRAC) is Australia's anti-money laundering and counter-terrorism financing … regulator and specialist financial intelligence unit.

AUSTRAC's vision is an Australian community that is hostile to money laundering, financing of terrorism, serious and organised crime, including people smuggling, and tax evasion.

Under its regulatory role, AUSTRAC oversees compliance with reporting obligations under the Anti-Money Laundering and Counter-Terrorism Financing Act 2006 … and the Financial Transaction
Reports Act 1988 for approximately 16,000 businesses across diverse industry sectors which include financial services providers, the gaming industry and remittance service providers. As Australia’s financial intelligence unit, AUSTRAC collects and analyses financial information provided by regulated entities to assist Australian law enforcement, national security, social justice and revenue agencies, and certain international counterparts, in the investigation and prosecution of serious criminal activity, including terrorism financing, organised crime and tax evasion.

In 2013–14, AUSTRAC will continue to improve and supplement its systems to enhance all aspects of its dealings with its diverse regulated population. AUSTRAC will also continue to provide guidance to regulated entities on their obligations.

The rapid development of technology and the increasing availability of that technology to users throughout the world have significantly increased the dynamics, the profile and the reach of organised crime. In such a global environment, AUSTRAC is a vital agency—an anti-money-laundering and counterterrorism financing regulator and specialist intelligence unit which works with Australian industries and business to provide information about potential criminal activity to our law enforcement agencies. It is at the forefront of the fight against transnational organised crime. Organised crime, as we know, is a significant national security threat and it is a growing challenge. Australian law enforcement agencies have a fine record of working in partnership together to prevent, disrupt or investigate and prosecute organised crime in all of its forms. Former Labor governments have been committed to fight and deter organised crime and we will continue to do that zealously from opposition.

In 2011, the former Labor government established a legislative structure that allowed AUSTRAC to reclaim the costs of its regulatory functions from the businesses that it regulates. The Abbott government has announced as part of the 2014-15 budget that it will now increase the AUSTRAC supervisory levy. The AUSTRAC supervisory levy is an annual charge on reporting entities to pay for the costs of AUSTRAC’s regulation.

This bill will be supported by the opposition, but we will support it while drawing attention to the fact that Minister Keenan and the government in doing this are breaking another promise. In opposition, Minister Keenan said:

What we see with these bills is a lazy piece of policy making …

He said:

… this is still poor policy-making.

Minister Keenan said:

It is not reasonable for the government to recoup the costs of running every government agency if that government agency is providing a public service rather than providing direct services to the people who are being asked to pay for them.

Again, Minister Keenan said on 30 May 2011:

AUSTRAC does provide a very valuable service but we believe that it is not reasonable to come back and to ask the 199 largest users to cover the costs of its running, particularly when really this is all about filling the budget black hole that Labor have created for themselves from their enormous wasteful spending up to this point.

So we saw Minister Keenan, in opposition, denouncing Labor's moves to engage in some cost recovery, declaring, pursuant to his own impending Battlelines policy principles, that it was an error in public policy to do this. Now, of course—saying one thing in opposition and doing the exact opposite in government—we have that happening in this bill. In this bill, the very
gentleman who condemned Labor for putting a levy on 199 businesses is now proposing to put one on over 1,000 businesses. In government, Minister Keenan has failed to keep faith with his rhetoric in opposition—again and again and again. The irony is that, having lambasted Labor in 2011, he must now eat his words. Minister Keenan has introduced total cost recovery and, as I say, another broken promise.

Minister Keenan criticised Labor's Australian Transaction Reports and Analysis Centre Supervisory Cost Recovery Levy Bill 2011, attributing it to failed economic management, but now he has failed his own test, introducing legislation into this House to increase the levy—to increase the number of entities that pay it by more than fivefold. Minister Keenan has yet again proven that his actions and words in opposition are inconsistent with his actions and words in government. In opposition, Minister Keenan was always eager to condemn the Labor government and, again and again, has been forced from government to not only move legislation written by Labor, embrace decisions made by Labor and support initiatives developed by Labor from office but, here, directly contradict his own actions in opposition.

In fact, it is fair to say that, while we support this bill, we do enjoy the fact that, having said one thing in opposition and done another in government, and having by his own measures and his own tests now failed to properly regulate this area, the minister will now rise to his feet in a few moments and, no doubt, eat a lot of humble pie as he announces to Australia at large and the parliament in particular that this is now a further impost on the cost of doing business in Australia.

Mr Danby: Red tape.

Mr FEENEY: It is another layer of red tape for Australian businesses to endure. It is yet another flight of fancy which throws the recent effort of Red Tape Day to the four winds as we watch Minister Keenan now get up and talk about how Labor did a fine thing in 2011 but by his own standards plainly did not go far enough, because a levy for 199 businesses was as nothing for Minister Keenan! He now looks forward to a levy being paid by more than 1,000 businesses. Perhaps in his concluding remarks Minister Keenan can describe his journey to Damascus, his Damascene moment when he realised that Labor's management in this area was superb, when he realised that our public policy principles were first class, when he realised that in fact he had been wrong in opposition and now looked forward to recanting those empty words from 2011 and embracing the Labor way!

Mr KEENAN (Stirling—Minister for Justice) (19:08): I rise following the contribution of the member for Batman. Sadly, what he was saying was true in parts but erroneous in others. Unfortunately, we have been left the most enormous mess by the previous government. As so often happens, it falls to the Liberal Party and our Nationals colleagues to come into government and to fix up the mess that has been created by the Labor Party in government. Six years of unrestrained spending and an inability to provide a vision for the future and then follow through with any sort of cogent policy—even good ideas where they could completely mess up the implementation—six years of chaos, and now we have to be the ones who come in and sort it out.

Sadly, that means that we need to make decisions that we would not normally make. The Australian Transaction Reports and Analysis Centre Supervisory Cost Recovery Levy (Collection) Amendment Bill 2014 is one of them. We would not normally have to move to a
situation where we would need 100 per cent cost recovery from an agent like AUSTRA

As has been noted in this rather brief debate, AUSTRA is vitally important instrumentality for the government. It is our counter-terrorism-financing body and our anti-money-laundering body. We have been reminded today by events in Melbourne that the importance of AUSTRA is vital. It does need to protect our community by making sure Australians are not supporting terrorists. If you are financing terrorists, you are directly contributing to the atrocities that they are committing. We take the dimmest possible view of Australians engaging in that sort of conflict, and the penalties for doing so can include life imprisonment. It is a very grave crime. AUSTRA is the agency that in conjunction with other law enforcement and intelligence agencies is responsible for policing it.

There is not a lot further that I could add. This bill, in conjunction with the primary bill, the Australian Transaction Reports and Analysis Centre Supervisory Cost Recovery Levy Amendment Bill 2014, transitions AUSTRA from its current cost-recovery arrangements to a model that enables an industry contribution to AUSTRA’s dual role as Australia’s anti-money-laundering and counter-terrorism-financing regulator and financial intelligence unit. The bill sets out a number of operational arrangements necessary to administer the industry contribution. It also sets out the requirement for an independent review of the operation of the industry contribution after the fourth anniversary of commencement. This will ensure that the operation of the levy is appropriately evaluated in close consultation with industry. This bill together with the primary bill will ensure that AUSTRA continues to provide a regulatory and intelligence environment that maintains community confidence in financial flows and minimises the risk to businesses of exploitation for money laundering or terrorism financing.

As I indicated in my opening remarks, it does not give me a lot of pleasure to be dealing with this bill in the House today. Sadly, this is one of the many decisions that the grown-ups in the room need to make as we have come into government. We are faced with the enormous mess that the Labor Party left us. This is one of the bills that deals with fixing up that mess, and I therefore commend it to the House.

Question agreed to.

Bill read a second time.

Third Reading

Mr KEENAN (Stirling—Minister for Justice) (19:12): by leave—I move:
That this bill be now read a third time.

Question agreed to.

Bill read a third time.

Australian Transaction Reports and Analysis Centre Supervisory Cost Recovery Levy (Collection) Amendment Bill 2014

Second Reading

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

Third Reading

Mr KEENAN (Stirling—Minister for Justice) (19:14): by leave—I move:
That this bill be now read a third time.
Question agreed to.
Bill read a third time.

Automotive Transformation Scheme Amendment Bill 2014

Second Reading

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

Mr ZAPPIA (Makin) (19:14): I make it clear from the outset that Labor will be opposing the Automotive Transformation Scheme Amendment Bill 2014. I will explain why in my contribution to this debate. When Holden made its submission to the Productivity Commission inquiry in November 2013, Holden said:

Nineteen of the G20 countries all have automotive manufacturing at their core.

Australia still is a G20 country which makes cars, but because of the Abbott government, it will not be for much longer. The Abbott government will indeed be remembered and condemned for abandoning Australia's automotive manufacturing industry and for abandoning the 200,000-plus workers and the hundreds of businesses across Australia which depended on that industry. On 21 August 2013, before last year's federal election, then Leader of the Opposition Tony Abbott said:

I want to see car making survive in this country, not just survive but flourish.

After the election, his promise turned out to be just another one of Prime Minister Abbott's litany of broken promises. Adding insult to injury, after turning his back on car workers and provoking the end of car making in Australia, on 18 December 2013, Prime Minister Abbott said about automotive workers:

Some of them will find it difficult, but many of them will probably be liberated to pursue new opportunities and to get on with their lives …

I have not heard one car worker, and I have spoken to many since that statement was made, who feels liberated about losing their job, their income and their security. How car workers can get on with their lives without a secure job shows just how disconnected with reality Prime Minister Abbott and his government members are. Then we have the totally out of touch Treasurer who believes that low-income Australians do not drive cars. Prior to the election, the member for North Sydney, Treasurer Joe Hockey said:

The coalition will be the best friend the car industry has.

Yet once elected, the Abbott government proceeded to cut $500 million of automotive funding. It then ordered a predictable Productivity Commission inquiry into Australia's automotive industry with full expectations of what the findings would be to use as a cover for its intended cuts and even worse having the commission hand down its report after the deadline GMH had set for having to make a decision about its future in Australia. There was
never ever any intent by the Abbott government to keep Holden in Australia or to support the automotive industry. The Abbott government also knew—it could not possibly not have known—that if GMH pulled out, so too would Toyota because component suppliers could not remain sustainable supplying just one Australian car maker. That was well known throughout the industry. So the Abbott government knew that, if Holden were to leave on the back of Ford leaving, Toyota would have little choice but to do the same. Yet instead of senior members of the Abbott government meeting with car makers and attempting to overcome their problems and keep their operations in Australia, as the previous Labor government had done, the Prime Minister and the Treasurer did the opposite.

To my knowledge—and I stand to be corrected if I am wrong—neither the Prime Minister nor the Treasurer ever met with senior GMH executives prior to GMH's announcement that they would cease operations here in Australia. In parliament Treasurer Joe Hockey made it clear to GMH that the Abbott government was not interested in them. I want to remind members of what the Treasurer said at the time, on 10 December:

So I would say to the Leader of the Opposition … join with the Acting Prime Minister and the government in calling on Holden to come clean with the Australian people about their intentions here. We want them to be honest about it—we want them to be fair dinkum—because, if I was running a business and I was committed to that business in Australia, I would not be saying that I have not made any decision about Australia. Either you are here or you are not.

In answer to another question, he then said:

A hell of a lot of industries in Australia would love to get the assistance the automotive industry is getting. A hell of a lot of other businesses, and foreign owned businesses, would love to be able to remit money from Australian taxpayers to head office in Detroit …

I am not surprised that Holden the next day made an announcement to leave this country after those remarks were made in this parliament by the Treasurer of Australia. If I were a GMH executive, I would have found those remarks highly offensive. I would also have found those remarks to give me a very clear indication that this government is not interested in us continuing to build cars in Australia. And not surprisingly, that is exactly what happened. GMH made an announcement literally overnight that they would cease operations in Australia in 2017. They made that announcement while their CEO here in Australia, Mike Devereux, only the day or so before, had made it clear that no decision had been made about the future of GMH operations in Australia. Indeed, industry Minister Macfarlane, who I understand at least had met with GMH executives here in Australia and had been saying that no decision had been made by GMH about its future in Australia, was left stranded by the Prime Minister and the Treasurer in the same way that Australia's automotive workers were. Industry Minister Macfarlane said:

We are working on a solution for the car industry and we will continue to do so.

That quote was only in the days before the announcement was made by GMH. Deputy Prime Minister Truss added to that comment by saying, 'We want a strong car industry.' And, yet, in the days when this matter was being debated, I understand, by government, only one of the 19 Abbott government ministers were prepared to support Australia's automotive industry. And I would expect that that was Minister Macfarlane.

Having pushed GMH and Toyota out of Australia, the Abbott government then allocated a paltry $100 million of transition funding. The funding does not include a single cent to help
auto workers retrain and reskill. Indeed, my understanding is that, originally, they were prepared to put only $60 million on the table. Only yesterday there were comments made about the level of funding required, and a figure like a billion dollars was suggested by one of the commentators as being more appropriate, given the number of people that are going to be affected. Yet, the Abbott government, having provoked the car makers to leave Australia then puts a paltry $100 million on the table to assist 200,000-plus Australians that are likely to lose their jobs as a result of car making ending in this country. The Abbott government's contempt for automotive manufacturing in this country could not be clearer.

To add to the woes of co-workers who already face a grim future, this legislation, the Automotive Transformation Scheme Amendment Bill 2014, effectively now cuts $900 million of funding from the Automotive Transformation Scheme. And, by doing so, it is very likely to bring forward the demise of car making in Australia. Labor is not going to turn its back on car makers, component suppliers and co-workers, and Labor will oppose this legislation.

This bill gives effect to the Abbott government's $500 million of cuts to the Automotive Transformation Scheme over the years 2014-15 through to 2017-18, as announced as part of the government's 2013-14 Mid-Year Economic and Fiscal Outlook. The bill also terminates the Automotive Transformation Scheme on 1 January 2018, some three years earlier—cutting a further $400 million from the ATS in line with the Abbott government's budget announcement. On 24 September, only a few days ago, Tony Weber, Chief Executive of the Federal Chamber of Automotive Industries, said:

If the Amendment Bill passes Parliament, it will reduce the Automotive Transformation Scheme by $900 million and intensify the financial pressure on the automotive supply chain at a time when they are trying to transition their operations into new business area.

His comments were supported by those of Richard Reilly, Chief Executive of the Federation of Automotive Products Manufacturers, who said, 'Reducing funding of the ATS by 66 per cent in 2015 and by a further $150 million each year in 2016 and 2017 will have serious implications for the continued operations of many firms within the automotive supply chain.' Mr Reilly goes on to say:

To reduce the funds available mid-stream leaves companies in the supply chain vulnerable to more competitive international pressures … a reduction in ATS funding will put in jeopardy up to 30,000 jobs in the component industry, not to mention the potential impact on jobs in the vehicle manufacturing side of the sector.

There you have it, Mr Deputy Speaker: two of the chief executives of the independent associations that represent automotive manufacturers in this country have both assessed this as bad policy for their industry sector. It seems that the only one who does not seem to understand that this legislation is bad policy and bad for the economy is the Abbott government, whose ideology is to shut down the automotive sector as fast as it can. Indeed, the Abbott government's auto industry response from the outset has been driven by ideology rather than good public policy and the national interest.

Nearly 50,000 Australians are directly employed in Australia's auto industry, and a further 200,000 jobs are in some way linked or dependent on the industry in fields ranging from metal manufacturing through to scientific services and general community services. The sector contributes billions of dollars to the Australian economy each year. Again, there have

CHAMBER
been several reports that talk about the quantum—and, depending on which report you read, these will give you a different figure. But none of them talk about it as contributing in the millions; they all talk about it contributing in the billions. It also contributes almost $700 million annually to research and development in Australia. Indeed, it is the largest research and development contributor in the manufacturing sector. Research and development expenditure from the automotive sector benefits so many other sectors of Australian society and we will lose all that once automotive manufacturing ceases in this country.

Indeed, Australia is one of only 13 countries that can make a car from start to finish. And Ford, Toyota and Holden have some of the best design teams in the world right here in Australia. Again, how much longer they will be here for, we do not know. In recent years, a combination of the global financial crisis, which in turn created a glut of cars and a downward push on the price of imported cars, the high Australian dollar, increased government assistance in other countries, currency manipulation by other governments, generous government establishment assistance in emerging economies and tariff reductions have all impacted on the competitiveness of the Australian car makers. Indeed, tariffs in Australia right now have dropped to, on average, three per cent. Given that, whilst the figure is notionally five per cent, because of several free-trade agreements that Australia has entered into the average figure is more like three per cent. I note that both Toyota and GM Holden, at the time of making submissions to the Productivity Commission or making public statements about leaving Australia, cited free trade agreements as being one of the issues that caused them to make the decision that they did.

Unlike other advanced economies including the USA that value their auto industries and were prepared during times of need to provide billions of dollars of assistance to keep them afloat, the Abbott government was not only prepared to see the Australian auto industry shutdown but it literally pushed it out the door. Governments in every country with whom Australia competes against all support their car makers by far greater amounts than the Australian government was being asked to do. They do so because they understand the wider value car making adds to their economies. For example, in Sweden, the per capita cost of government support is around $334; in the UK it is $28; in Canada it is $96; and in France it is $147.

The US government committed $81.3 billion to bail out its automotive industry in the midst of the global economic downturn. They did that because they understood the value that that industry brings to their country. Contrast that with what was being asked and what was being provided by the Australian government: $17.40 per capita of support by the Australian government. And for every dollar of Australian government assistance, we saw a substantial co-investment by the car makers. For example, every dollar of support from GMH saw a three-dollar co-investment by GMH, which, in effect, translated to a total economic return to Australia of around $18 billion for the $1 billion of support that Holden received over the last decade. It was a pretty good return on taxpayer funds. And it was a similar outcome with respect to Toyota, where, I understand, the economic return was in the order of 20:1.

Other Australian industry sectors continue to receive billions of dollars in government assistance. I mention mining and agriculture as two of them. But those subsidies are never questioned or scrutinised. What is even more illogical about the actions of the Abbott government is that the cost to the Australian government of the industry closure will be much
greater than the co-investment that was originally sought. It does not make economic sense. It may make ideological sense but it does not make economic sense, particularly by a government that claims that one of its priorities is to balance the budget, because this is going to make its task of balancing the budget even more difficult.

Earlier this year, in fact I believe it was April this year, a University of Adelaide analysis by Bianca Barbaro, John Spoehr and the National Institute of Economic and Industry Research into the loss of the auto industry found firstly that Australia is expected to suffer a fall in national employment of around 200,000 jobs as a result of the planned closure to motor vehicle manufacturing between now and 2017. Econometric modelling forecasts a negative annual shock of $29 billion or more by 2017 in 2011 prices, a total of around two per cent of national gross domestic product. The largest regional shot to gross national product is expected to be felt in Victoria with an annual decline of $13 billion in 2011 prices expected by the end of 2017 then followed by a $5-billion drop in New South Wales, a negative figure of $4.3 billion in Queensland and a negative figure of $3.7 billion in South Australia.

Those figures are indeed concerning because they will have undoubtedly a flow-on effect right throughout Australia. It does not matter where you are in Australia, in one way or another when your economy takes those kinds of hits there will be a flow-on effect. I understand from other reports—and there have been several reports into this matter in the last three or four years alone—that the welfare payments and the lost tax revenue are projected to exceed $20 billion—that is, the tax that would have gone back to government by people being employed in the auto industry or the reliant sectors. The taxes that the government raises through payroll tax and the like and the cost to government of paying welfare payments to those people who will find themselves unemployed will exceed $20 billion. They are the projected costs.

I have no doubt that government members and others will say that those figures are only estimates, they are only projected and the like. That may be so but the figures are staggering. Even if they do not turn out to be spot on, the reality is that there is an undeniable impact on this country that is going to hit Australia very hard. It is also estimated that it would take some 10 years before the economy recovers from the hit.

Just to break down the job losses across Australia, there will be: some 98,000 in Victoria; 30,000 in Queensland; 11,000 in Western Australia; 400 in the Northern Territory; 32,000 in New South Wales; 24,000 in South Australia; and 1,700 in Tasmania. There is not a state or territory that will not be affected. In my home state of South Australia, the end of Holden will directly affect around 6,000 auto jobs. The South Australian economy will take a $1-billion-plus hit and the result will be thousands of additional job losses—as I say, 24,000 are the long-term estimates.

A recent survey only reported yesterday in Adelaide carried out by the University of Adelaide found that one-third of SA businesses in Adelaide's northern suburbs—that is, the region surrounding the Holden plant—risked closure as a result of the Holden shutdown. One in three feared that they may have to close once Holden ceased operations. Smaller enterprises felt most vulnerable, with almost half of them risking closure or a downturn in trading and profitability. We are talking about businesses in a region of Adelaide that is already doing it tough, with high unemployment and youth unemployment, currently running at around 18 per cent. So the closure of Holden and all those other businesses will have a
devastating effect. For those people who are going to lose their jobs, you then compound that fact by adding the uncertainty of the Abbott government's policies in respect of replacing our naval fleet, in particular the submarine replacement program.

The fact that the Abbott government is now no longer prepared to commit to building the submarines in South Australia compounds the real concern that every South Australian has because, if the submarines were to be built in South Australia and if other defence contracts were to come there, as expected and as promised, then it would offer some alternative opportunities for those people who will lose their job from the closure of the car industry. But that now does not appear to be likely.

Interestingly, when it comes to both the car industry and the submarine project, the South Australian Liberal members of parliament, who were all happy to campaign in support of both the car industry and the replacement submarine contract prior to the 2013 election, are now nowhere to be seen. They have gone silent.

I note that the member for Hindmarsh is starting to feel the pressure and has written to the Prime Minister about a compromise option for the submarines. I say to the member for Hindmarsh: a compromise is not what South Australians were promised by the Abbott government—a compromise will not deliver the best outcomes for South Australia and a compromise is a clear admission of a broken promise.

This legislation compounds a bad decision by the Abbott government because it not only directly affects car making in this country but is likely to hasten the demise of car making in Australia at a time when there is nothing in place to assist car workers when unemployment is trending upwards and when naval contracts are in limbo, thereby closing off manufacturing opportunities for retrenched car workers and engineering companies that might have otherwise been able to be supported by that sector.

Contrast all of that with Labor's record in office. In government, Labor's investment ensured that Australia maintained its auto industry in the face of the global financial crisis, global industry restructuring and a record high Australian dollar. A New Car Plan for a Greener Future, announced in November 2008, provided $5.4 billion of car investment support, from 2010 to 2020. The centrepiece of the plan was the Automotive Transformation Scheme, which provides $3 billion and which is now being cut. Labor's approach has always been based on co-investment and in providing long-term certainty. It is not a handout. The industry only ever received support when it was prepared to put its own investment on the table. Labor support was critical in keeping the industry here and attracting new investments, new models and new capacity.

Before the election, Labor announced a new car plan for the 2020s, to keep making cars in Australia and to keep jobs in the Australian automotive industry. This included a new program of $300 million per annum to support the transformation of the industry, to attract new investment, support research and development, and design and engineering, from January 2016.

Labor's commitments would have seen motor vehicle producers commit to new investments in Australia and a future for the thousands of Australian automanufacturing people whose jobs are now on the line. I feel for those people, because they are people whom I represent as the member for Makin. My electorate is not far from the GMH plant. I grew up

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in the region where GMH operates within and from where it draws many of its employees and where many of the components suppliers or other support industries are based. I see these people on a daily basis. I have spoken to so many of them in the last year or so. The concern is absolutely real. In fact, I took a phone call yesterday—and I referred to it when speaking about the previous legislation only an hour or so ago—from a person who is indeed concerned about the impacts of the closure of GMH and the many small businesses in the area. Those concerns are very real because I know that, once GMH ceases operations, those businesses will struggle to remain viable, unless there is an alternative for them. The alternative is not, supposedly, to retrain them or point them in a different direction because, quite frankly, there may be different directions for them to go but not for all of them. There are simply not the jobs out there in the community to transition to. This sector is not just a minor sector of employment; this sector impacts over 200,000 Australians. That is why this legislation, which speeds up the process and brings forward the demise of the car industry, is bad legislation, bad policy and Labor opposes it.

Mr BALDWIN (Paterson—Parliamentary Secretary to the Minister for Industry) (19:43): I rise to speak on the Automotive Transformation Scheme Amendment Bill 2014. I have just listened to the greatest diatribe and 'living in denial' from the member for Makin that I have ever heard. I would remind the member for Makin about the Mitsubishi plant in his home state of South Australia. Where was his voice at the time it closed? I perhaps could remind him of Ford and the great headline by former Prime Minister Gillard where she turned up in Geelong, in January 2012, announced $34 million for Geelong and told them how it would create 300 new jobs, only to find eight months later that 330 jobs had gone. Then of course there was that devastating headline, on 24 May 2013, that Ford would shut. Which government was in power in 2013? The former Labor government. So to hear the rhetoric being delivered by the member for Makin is beyond belief.

Holden, Ford and Toyota have announced they are going. Mitsubishi is already gone. Holden, Ford and Toyota are leaving our shores by 2018. Until this occurs the government will continue to provide some $700 million in assistance that began on 1 July this year. Car manufacturing in Australia has been slowing for many years. As I said, Ford and Mitsubishi made the announcement under the previous government.

The member for Makin is saying, 'If only they had thrown a few more dollars in, perhaps we would have an industry'; but if that was the case Mitsubishi and Ford would have stayed under the previous government. The reality is that what we are seeing is consumer choice. There are 67 brands of car in Australia, and over 360 models. It is consumers who decided not to buy the Australian produced vehicle.

Toyota in particular were producing Camrys for the international market, and work practices drove them out of competition. Under work practices, the workers and the unions decided you needed to shut down in January so everyone could have a holiday for 26 days when our greatest purchase market was in their peak buying period—the Middle East. It just did not work. In just-in-time manufacturing, you cannot stockpile motor vehicles to get you through a month glut; you have to continue production.

When Toyota put it to the unions and the workforce, it was resoundingly rejected—in other words, the heads of the unions preferred 100 per cent of nothing, to 80 or 90 per cent of something. The government could not continue to contribute to motor vehicle subsidies on
each and every model produced in Australia, when the consumers were not there to help sustain or support the industry.

The Productivity Commission estimated that between 1997 and 2012 the industry had received some $30 billion in the form of tariffs and budgetary assistance. That was to create a sustainable industry, but it did not. The reality is that, despite all this money, the industry was not sustainable.

But what we saw regularly from Labor prime ministers—and in particular Kim Carr, who was the minister responsible for the industry—were these ‘We’re saved!’ events. They would line up with the motor vehicle heads and all say: ‘We’re saved!’ That was the big announcement. I will give you a classic example. In March 2012 at Holden, Senator Carr joined with the MD of Holden, Michael Devereux and South Australian Premier Jay Weatherill for another ‘We’re saved!’ event. They promised money, but the money was never delivered. Holden actually sacked a few hundred workers almost immediately afterwards.

So we had these regular media profiles—‘We’re going to save the industry’—but in fact nothing happened. With Labor what we would get was all talk, no action. When it was time for the rubber to hit the road, Labor was not there. They did not understand how to save an industry. Contributions by members opposite—on this subject in previous debates and in discussions in this place—make it clear they have no understanding of how to create sustainable industry. You have to be competitive. Yes, we have a higher dollar. Yes, we have had a lot of problems. But the reality is that taxpayers, after some $30 billion between 1997 and 2012, could not prop up the motor vehicle industry to the level required. If it was that easy, we would still have Mitsubishi and Ford. I remind you again that the announcement to quit Australia—and we had already seen the close of Mitsubishi—happened on the former government’s watch.

What is critically important is what we do from here on in; how we work with the workers; how we get them trained and skilled up for new jobs and new opportunities; how we work with industry in transformation, to provide opportunities through advanced manufacturing and new innovative technologies to create new jobs and new industries. The change that is occurring to the face of Australian industry will be dramatic in the next five years and particularly in the next 10 and 20 years. We need a properly trained and skilled workforce to make sure that we can seize those opportunities.

What have we done in relation to this? The government has developed the $155 million growth fund, in collaboration with Holden and Toyota and the Victorian and South Australian governments, which will provide $30 million for affected automotive workers, providing access to a range of information services—for things like training and advice—before they leave their current jobs, to help them get new employment. Workers who have been made redundant will get immediate access to intensive employment support through the Automotive Industry Structural Adjustment Program. There is $20 million to assist automotive supply chains to diversify and invest in non-automotive manufacturing through the Automotive Diversification Program. Round 1 for the ADP closed on 11 September 2014. There were 25 applications. There is $60 million to support businesses that are investing in capital projects to establish or expand their manufacturing operations in areas of high-value manufacturing in Victoria and South Australia through the Next Generation Manufacturing Investment Program; and $30 million to support new infrastructure projects, outside of...
manufacturing, which facilitate industry collaboration, additional investment and development of common-use infrastructure that will facilitate new economic activity in Victoria and South Australia through the Regional Infrastructure Program.

As I said, reskilling and training your workforce and working with industry to seize new opportunities that will occur and creating these new opportunities is critically important. Last Friday I was in Melbourne and I met with a couple of companies that have gone into advanced manufacturing. In fact, Marand Engineering, who have been involved in provision of tail sections for the Joint Strike Fighter, were originally a company that produced tooling for the automotive sector. Over a period of time they saw the demise of Australian manufacturing of tooling for the automotive sector, and they started to specialise in new and innovative technologies. They took on new opportunities, and through advanced manufacturing they secured contracts under the Joint Strike Fighter Program. They are now delivering a new credibility and a new reputation for Australian industry. But they are also training and upskilling their workforce to take up all of the opportunities that will occur in relation to this.

We are also investing some $484 million in the Entrepreneurs Infrastructure Program, which will improve business competitiveness, support business improvement and promote economic growth—with the aim to create new jobs. We are looking at a whole range of new programs. You cannot keep doing what you have always done, because you are always going to get the same result. Even though money was being pumped into the motor vehicle industry—and being amplified on the way through—what we saw here in Australia was an absolute deterioration of the economic position of the motor vehicle industry and its competitiveness.

These are difficult decisions. They are tough decisions. But I have to say that, at the end of the day, you have to make a decision. You have to know when to cut; you have to know when to fold; and you have to know when to grow new opportunities. I listened to the speech by the member for Makin, where he said, 'If only we had thrown in a few more dollars.' Mitsubishi had already gone. Ford were on the way out under their watch and it was only a matter of time before Toyota and Holden joined the throng. They were going, and no amount of rhetoric from members opposite would have delayed that. No amount of money would have delayed it—because it was not only the financial prop-up package; it was the fact that our productivity in Australia was just not cutting it compared to productivity internationally.

I met with the head of Toyota when he came to Australia. I sat down with him and said, 'Tell me one thing: what is our production line doing that is different to what you are doing in Thailand or Japan? What machinery and technology do you have there that we don't have in Australia?' His reply was quite interesting. He said that the production lines were exactly the same—the same machines, the same robots, the same technology and the same processes. We are just not as productive as those overseas. That is why we are not producing anymore vehicles after 2018 in Australia.

It is alright to say, 'We should just keep throwing more money in,' but what we should be doing is investing our money in new opportunities and new ways forward. We should be looking to advanced manufacturing and being innovators in industry. We should be looking for new ways of doing things and new opportunities to create so that we can create a workforce of the future. If we do not do that, it will continually cost the taxpayers more and
more money—and we are now in an economic position where we no longer have the money to be able to do that. I also remind the member for Makin about the great support they provided for the motor vehicle industry in the lead-up to the last election. We all remember the $1.8 billion fringe benefits tax, which basically stopped vehicle sales in their track. Putting in a $1.8 billion FBT was not the way to create future growth.

Quite simply, it is time to get on with the job. It is time to look at new opportunities. It is time to stop just throwing money after a problem. It is time to start investing money in things that will deliver for the long-term future. We promised—it was an election commitment—that we would be cutting this funding, and we are doing that. It is a sad reality that sometimes dollars do need to be cut. But you need to live within your budgetary means—and this is a part of it. To say otherwise and try to pretend that, if the money had stayed there, there would still be a motor vehicle industry in this country post 2018 is nothing more than misleading the public and playing to their own imaginations. I support this bill.

Ms KATE ELLIS (Adelaide) (19:56): I rise to speak against the Automotive Transformation Scheme Amendment Bill 2014, because this is a bill that spells disaster for the 200,000 Australian men and women who rely directly and indirectly on the automotive manufacturing industry for their jobs. The bill that is currently before the House will see cut $500 million in funding from the Automotive Transformation Scheme between now and 2017. It will then see the scheme terminate at the end of 2017, leaving no support for surviving Australian components companies—zero. If passed, this bill will likely lead to the early closure of Holden, crippling South Australia's economy further and leaving companies and workers in the wilderness much sooner than they were promised.

We know that every South Australian has an absolutely vivid memory of the appalling events of late last year when this government goaded Holden into announcing their departure from Australia. The government went out of their way to drive Holden away from our nation. There was some truly despicable behaviour from members of the government, including from South Australian members, who openly and aggressively betrayed the workers in our home state. Then of course we heard that the Prime Minister had the gall to tell these workers—some of whom had been in the company for decades; some of whom had worked their entire working lives for Holden—that unemployment would be good for them. In fact, he said: 'Some of them will find it difficult, but many of them will probably feel liberated to pursue new opportunities and get on with their lives.' Thank you very much for those words, Mr Prime Minister, which show just how completely and utterly out of touch you are. I have spoken directly with those Holden workers, and I am yet to come across one who is grateful to the government for 'liberating' them by driving Holden away from South Australia and Australia. That was clearly not the sentiment that was echoed on the ground by workers.

South Australians absolutely know the impact the closure of Holden will have on our local economy. It is a shame that the Liberal South Australian members in this House either do not know or they just do not care. When you have a look at the speakers' list, you will see that not a single South Australian Liberal or National has put their name down as having the guts to come into this place and justify these cuts. One has wandered in now. Maybe he will stand up and justify cutting $500 million from South Australian industry—or else he will just join with every other one of the South Australian gutless Liberals who will come in here and vote with the government but do not have the guts to stand up and put the case as to why they are
betraying our local economy and our local workforce. Now that the decision has been made by Holden to close operations in Australia, we need to look at the best way to transition the workers and reduce the impact on our economy as much as possible. We need to assist these workers during this very difficult time—and this is not best done by ripping $500 million out of auto assistance.

It is critical that governments do not pre-empt the closure of the industry and risk the early closure of firms before 2017 by reducing available funding. That is why I am proud to come in here and vote against this bill. That is why I come in here and stick up for those workers who are already facing an uncertain future and do not need those opposite making it any harder.

South Australia needs this funding in place to assist with the transition of these workers, to help the industry and to help rebuild jobs and maintain capabilities in our local economy. We know that the premature closure of motor vehicle producers and the hundreds of firms in the automotive supply chain would send thousands of Australian jobs offshore long before 2017, and we on this side of the House are prepared to stand up and fight against that. That would mean that 50,000 direct Australian jobs in the car industry were at risk, and a further 200,000 jobs which rely indirectly on the industry were on the line.

In government, Labor's investments ensured that Australia maintained an auto industry in the face of the global financial crisis, in the face of global industry restructuring and in the face of a record high Australian dollar. Labor's approach is based on co-investments—not handouts, as the previous speaker would have us believe. The industry actually only received support when it invested. So, whilst the previous speaker talked about 'financial prop-ups', let's look at the reality of this. The reality is that $17.40 is the per capita cost of car industry support for Australians. This compares with $90 per capita for every German, $264 for every American and $334 for every Swede. So those opposite cannot come into this place and say that this was an industry that only survived due to unreasonable prop-ups by the Australian taxpayer. That is simply not true, and the facts do not back it up.

We know that auto is also the largest research and development contributor in the Australian manufacturing sector, contributing almost $700 million annually. Reports from both academia and industry show that it would cost the government more to see this industry fall over than it would to support it to survive. This again proves that when it comes to the economy this government stands for short-term gain and long-term pain. We see that over and over again, and sadly we South Australians see it all too acutely on too many occasions.

We know that modelling from the University of Adelaide—

Ms KATE ELLIS: I do not even know the name of the member opposite; he is that irrelevant. If you want to speak on this bill put your name down on the list and stand up and justify your gutless position. Otherwise, I would advise you to shut up.

Modelling from the University of Adelaide shows that the loss of the industry—

The DEPUTY SPEAKER (Mr Craig Kelly): Order! The member for Adelaide will withdraw.

Ms KATE ELLIS: I withdraw the call for the member to shut up.
The DEPUTY SPEAKER: The member for Adelaide will withdraw unconditionally.

Ms KATE ELLIS: I withdraw. Perhaps, Deputy Speaker, you could stop him from shouting across the chamber.

The DEPUTY SPEAKER: The member for Adelaide has the call.

Ms KATE ELLIS: Modelling from the University of Adelaide shows that the loss of the industry will have a negative annual shop of $29 billion by 2017, or about two per cent of GDP. We know that Labor's support was critical in keeping the industry here and attracting new investments, new models and new capacity—with four out of 10 of Australia's top-selling cars made locally. The previous speaker wants to talk about consumer choice but let's just revisit that figure: four out of the 10 top-selling cars in Australia have been made locally.

Due to the decisions made by the government since the election, South Australia is projected to lose around 24,000 jobs—something those opposite can be particularly proud of! Welfare payments and lost tax revenue from an industry shut-down—

Mr Hartsuyker interjecting—

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

Ms KATE ELLIS: Welfare payments and lost tax revenue from an industry shut-down are projected to exceed $20 billion across the country, and it will be more than 10 years before the economy recovers from the underlying hit to GDP. These are the facts when it comes to South Australia. These are the facts that those members opposite should come in here and justify if they are going to support this bill.

We know that gross regional product in Adelaide will not recover until 2031—nearly two decades away—as a result of the decisions of this government, and as a result of members opposite and how they vote on this bill. But it is clear that since the election South Australia has been absolutely abandoned by the Abbott government. The South Australian members opposite are more concerned about their own jobs than those of the workers in our home state. Every step of the way, South Australians have been promised one thing and then given the exact opposite. Before the election we know that the Prime Minister told South Australians, 'I want to see car-making survive in this country—not just survive but flourish.' That is what he told voters before the election.

In July last year the member for Sturt—sadly, the most senior South Australian Liberal that we now have; a South Australian frontbencher—went and met with Holden workers. This is what he told the media afterwards. He said, 'I have a long-standing commitment to keep Holden operating in South Australia.' Well, didn't that commitment fly out the window as soon as the election came and went!

We know that both the Prime Minister and leading South Australian members have completely trashed the industry and are now trying to stick the boot into Holden further with the bill that is before the House. On our side, we will stand up for every one of those Holden workers. We will stand up for South Australian jobs and we will stand up for the South Australian economy.

Of course we know that there is a pattern that has been emerging when it comes to those opposite and the way that they treat South Australian jobs, because we also heard before the election defence minister Senator Johnston tell South Australians:
We will deliver those submarines right here at ASC in South Australia.  

He said:  

The Coalition today is committed to building 12 new submarines here in Adelaide.  

Well, surprise, surprise! That commitment, too, has flown out the window. In exactly the same way as Holden workers been betrayed we now see the betrayal in our shipbuilding yards.  

It looks as if the Abbott government will buy their submarines from abroad, instead. With South Australian having 27,000 defence jobs—3,000 of them in shipbuilding—this will further crush our economy by sending even more South Australian jobs offshore.  

Before the election, the Prime Minister told South Australians there would be no cuts to health and education, but of course we have also seen that that is an utter falsehood. Yet again, I say: look at this speakers’ list. Not a single South Australian member of the government will dare to stand up and try and justify this bill and these cuts.  

We know that the Prime Minister is prepared to play chicken with the livelihoods of Australian men and women but, unlike the South Australian members who sit opposite, I will not stand idly by and watch the Abbott government bring on the early closure of Holden and send even more Australian jobs off shore. I will not stand by and let this government continue to betray the South Australian workforce. In fact, my colleagues and I will do everything in our power to stop these cuts to the Automotive Transformation Scheme. We stand here and proudly say that we do not support this bill. We call on the crossbenchers and the minor parties to stand up for Australian jobs, to stand up for Australian manufacturing and to block these cuts in the Senate.  

If there is ever any doubt from the government, crossbenchers or minor parties about how the early closure of Holden will affect our state, I invite them to visit Adelaide to speak to the workers firsthand and say directly to those workers what they intend to say in this chamber during this debate. We have seen the history here. We have seen what they actually have the guts to say to people's face. The Prime Minister said, 'I want to see car-making survive in this country, not just survive but flourish.' That is what he told the workers to their face. The education minister said, 'I have a longstanding commitment to keep Holden operating in South Australia.' That is what he had the guts to say to their face. Do not stand up in this chamber and try and justify these cuts when not a single member opposite has the courage to say it directly to the Holden workers. I am willing to bet that they do not have the courage to go and say to the Holden workers what they are saying now, late on a Tuesday evening, to the parliament. So I invite them to speak firsthand to not only the workers at the Holden plant but also those working in the car components and related industries nearby, those working right across Australia supporting Holden workers and the auto industries, those running businesses in the north of our state that will also be wiped out if those opposite have their way.  

You would be hard-pressed to find a South Australian who will not be affected either directly or indirectly if the economy takes the massive hit that this bill helps to encourage. It is why we will absolutely stand up in this place and say the same thing that we will say to Holden, the same thing that we will say to components manufacturers, the same thing that we will say to the workers who rely on us to stand up and fight for their jobs—and that is that on
this side of the House we have your back. On this side of the House we will actually stand up and fight for the local economy. We will fight for manufacturing and we will fight for South Australia despite the ongoing betrayals by those opposite who have broken every commitment they have made and betrayed all of those workers who relied on them keeping their word.

The DEPUTY SPEAKER (Mr Craig Kelly): I had taken the view that the deferred division from earlier this evening should not be proceeded with until the member speaking at 8 pm had completed his or her speech, and so I did not interrupt the member for Adelaide.

Debate adjourned.

Ordered that the resumption of the debate be made an order of the day for a later hour.

**Fair Entitlements Guarantee Amendment Bill 2014**

Second Reading

Debate resumed on the motion:

That this bill be now read a second time.

The DEPUTY SPEAKER (Mr Craig Kelly): In accordance with standing order 133(b), I shall now proceed to put the question on the motion moved by the Minister for Education for the second reading of the Fair Entitlements Guarantee Amendment Bill 2014 on which a division was called for and deferred in accordance with standing orders. No further debate is allowed. The question is that this bill be now read a second time.

The House divided. [20:15]

(The Deputy Speaker—Mr Craig Kelly)

Ayes ......................83
Noes ......................53
Majority ...................30

AYES

Alexander, JG
Andrews, KJ
Andrews, KL
Baldwin, RC
Billson, BF
Bishop, JI
Briggs, JE
Broadbent, RE
Brough, MT
Buchholz, S (teller)
Chester, D
Christensen, GR
Ciobo, SM
Cobb, JK
Coleman, DB
Coulton, M (teller)
Dutton, PC
Entsch, WG
Fletcher, PW
Gambaro, T
Gillespie, DA
Goodenough, IR
Griggs, NL
Hartsuyker, L
Hawke, AG
Henderson, SM
Hendy, PW
Hockey, JB
Hogan, KJ
Howarth, LR
Hunt, GA
Hutchinson, ER
Irons, SJ
Jensen, DG
Jones, ET
Joyce, BT
Keenan, M
Laming, A
Landry, ML
Laundy, C
Ley, SP
Macfarlane, IE
Marino, NB
Question agreed to.
Bill read a second time.
Message from the Governor-General recommending appropriation announced.

Third Reading

Mr HARTSUYKER (Cowper—Deputy Leader of the House and Assistant Minister for Employment) (20:21): by leave—I move:

That this bill be now read a third time.

Question agreed to.
Bill read a third time.

Automotive Transformation Scheme Amendment Bill 2014

Second Reading

Debate resumed on the motion:

That this bill be now read a second time.

Mr CHRISTENSEN (Dawson—The Nationals Deputy Whip) (20:22): I rise to speak on the Automotive Transformation Scheme Amendment Bill 2014, which is a prime example of the Liberal-National government making a sound economic decision to rein in another wasteful spending measure by the previous Labor government. The Liberal-National coalition first announced the savings to be made from amendments that are in this bill in 2011, and took this commitment to the 2013 election. This is a substantial and economically sound commitment which will deliver substantial savings of $900 million. It will be achieved by reducing the assistance available under the Automotive Transformation Scheme over the next three years, saving $500 million; and closing the scheme altogether from 1 January 2018, saving another $400 million.

That scheme will close altogether because there will no longer be an automotive industry in this country to transform. Though it will undoubtedly be a sad day for many when the last Australian manufactured vehicle rolls off the production line, it comes down to the difference between economic reality rather than romantic notions. When it comes down to the question of who you want in charge of the nation's purse-strings there is no doubt that it is the economic realists rather than the romantics who will make the right decisions for the nation and the taxpayer.

There has long been a romantic notion that we could continue to build cars in this country. It is the kind of romantic notion which underpins that old Aussie, or so we thought, car commercial, with the slogan, 'We love football, meat pies, kangaroos and Holden cars'. This was a jingle from 1976 which claimed to capture what it meant to be Australian. Interestingly enough, that little ditty is about as Australian as the car industry actually is—it was not Australian at all. It was actually a rehash of an American Chevrolet commercial, and the original lyrics were, 'We love baseball, hot dogs, apple pie and Chevrolet'. This is the kind of romantic notion which flourished in the hearts and minds of Labor politicians, who relentlessly continued to throw good money after bad in their attempts to prop up an industry whose time was past.

In 2012 and 2013, when car manufacturers cried out for more money, it was Labor that was giving it away like the money was going out of fashion. They gave $34 million to Ford, $29 million to Toyota and a massive $215 million to Holden. This was on top of billions of dollars
in other assistance, such as $2.5 billion under the Automotive Transformation Scheme, which was scheduled to run from 2011 to 2020. Remember that one? Former Prime Minister Julia Gillard saying that we would save the car industry, have Ford continue going until 2020. Short memories those have on the opposite side, because it was under their watch, under their reign, with their money on the table, that actually Ford decided it would leave. They had $1.3 billion under the Green Car Innovation Fund, and $35 million—partly federal, partly state—for the Automotive New Markets Initiative. That figure of $35 million was then increased to $47 million when Ford announced it would stop manufacturing in Australia in 2016.

This is millions upon billions, for an industry which had become used to such assistance—an industry sadly out of touch with economic reality and out of touch with Australian consumers. In fact, the automotive manufacturing industry in Australia is one of the most heavily assisted industries in this country. The Productivity Commission inquiry report *Australia's automotive manufacturing industry*, which was released in March this year, stated that about $30 billion was provided to the automotive manufacturing industry between 1997 and 2012. During that period, there were 5,186 million vehicles manufactured in Australia—5,186,765 vehicles, to be precise. This equates to $5,784 per vehicle of government support or taxpayer dollars during this period. In August 2008, Productivity Commission Chair Gary Banks warned that on current assistance levels or subsidy levels each job 'saved' in the car industry actually came at a cost to the taxpayer of $300,000 a year. This massive taxpayer funded subsidy was described by *The Australian's* editor at large, the esteemed Paul Kelly, as:

... one of the epic failures in public subsidy in Australia's history.

And yet, even with all this assistance, the industry could not survive in a highly competitive global market.

Holden recently announced its worst ever loss, a $553.8 million loss for calendar year 2013, taking its total losses to about $1 billion for the last eight years. Ford recently announced its third-worst ever loss, a $267 million loss, taking its total losses to $1.1 billion for the last eight years. Some other economic realities are outlined very clearly in the Productivity Commission inquiry report. Reality number 1: the report states that most analysts believe an assembly plant should produce at least 200,000 to 300,000 vehicles each year to be cost competitive. In 2012 Toyota produced just over 100,000 vehicles, Holden produced just over 80,000 vehicles and Ford produced less than 40,000 vehicles. Reality number 2: due to strong competition motor vehicle producers are increasingly moving to large-scale plants in low-cost locations where there is growing demand—places like Brazil, China, India and Thailand. Higher cost plants in the US and some parts of Europe, as well as Australia, have closed or are closing.

There has been another romantic notion at play on the subject of cars, and that is that Aussies like to drive Aussie-manufactured cars. But that is not the case. The reality of what car consumers want can be seen in every car park and every road across this country. We like diversity and we like value for money, and we don't give a hoot where it comes from. That is the reality. Though Labor failed to comprehend the economic realities afflicting the car industry, others in the wider community certainly could. Deloitte Australia's senior economic adviser, Henry Ergas, put it best when he was quoted in *The Age* on 13 January 2012:

Taxpayers have every right to wonder whether they're getting value for that money. We don't have any comprehensive assessment of the effectiveness of that assistance.
He said the car making industry in Australia remained hooked on the public purse:
This is an industry that has always had dependence on government assistance. It was created by
government assistance, and has survived thanks to it.

Here is a quote from the ANZ's industrial economist, Julie Toth, who saw the writing on the
wall way back in 2008. She said in The Sydney Morning Herald of 10 November, 2008:
With regard to the Big Three, no matter how generous the Australian Government is to our three
remaining local car makers, the main game for them is not in Australia. Huge losses, liabilities,
declining sales and other problems in the US and elsewhere will be quite rightly foremost in the
attentions of their respective parent companies.

Even one of their own on the opposite side, former Labor leader Mark Latham, criticised the
plan to spend billions of dollars. He said in the Financial Review of 7 November last year:
As a Victorian powerbroker, Carr relies heavily on the support of the Australian Manufacturing
Workers' Union … Carr’s strategy was to pay huge amounts of public money to industries such as car
manufacturing to prop up the union’s membership coverage and consequently, its influence inside the
ALP.

If that is correct, what a disgraceful use of taxpayer dollars by the former minister, Kim Carr.

It would be nice to think that governments have these big buckets of money to throw at any
individual, business or industry that faces tough times. The actions of the former Rudd-
Gillard-Rudd Labor government would make you believe that is the case—that government
does this big bucket of money. I know there are thousands of mining and construction
workers, businesses and service industries, in my electorate of Dawson and throughout
Central Queensland and North Queensland, that also wish that was the case. Those workers
and businesses are dealing with harsh economic realities and the realities are hitting home at
an escalating pace. Today we have heard of the closure of the Isaac Plains mine, which will
cost 300 jobs. Last week, BMA announced they were cutting 700 jobs from their mining
operations throughout the Bowen Basin. That is the loss of a thousand jobs within a week. In
fact, over the past two years there are estimates that upwards of 12,000 jobs have been lost in
that sector. No-one has come along with a big fat chequebook in order to save them. You can
imagine the response from those opposite—particularly from my 'friends' in the Greens—if,
for example, BMA cried out to the federal government for an industry assistance package, or
if Thiess jumped up and down and put their hand out for a fistful of dollars.

Mr Bandt: Are you going to cut the diesel fuel rebate? Or your support to fossil fuels?
What do you call your fossil fuel subsidies then?

Mr CHRISTENSEN: We have this clown over here going on about fossil fuel subsidies.
I say: what about those subsidies we give to green groups? We should cut them too—they get
tax deductibility status to destroy jobs in the mining sector. There is no such thing as these
fossil fuel subsidies they carry on about. The fact is, the diesel fuel rebate is given to them
because the fuel they use is for off-road purposes, when the diesel fuel tax was brought in for
on-road usage of that product. Let us stop the nonsense; we could do that by simply not
listening to the Greens so much.

You can imagine the response if the federal government suddenly handed over a large
cheque to a group like BMA. That suggestion would be laughable and it would not be
considered. Why? Once again, it comes down to economic realities rather than romantic
notions. The time of the Labor free lunch is past. The government is dealing with the debt and
deficit disaster we were left with and getting the country back on track. Even the car companies involved understand those economic realities. GM Holden boss Mike Devereux said in December last year:

As painful as it is to say, building cars in this country is just not sustainable.

Ford president, Bob Graziano, said:

Our costs are double that of Europe and nearly four times Ford in Asia. The business case simply did not stack up, leading us to the conclusion [that] manufacturing is not viable for Ford in Australia in the long-term.

Toyota Australia president and chief executive officer Max Yasuda said:

We did everything that we could to transform our business, but the reality is that there are too many factors beyond our control that make it unviable to build cars in Australia. Although the company has made profits in the past, our manufacturing operations have continued to be loss-making despite our best efforts.

The heads of those companies—GM Holden, Ford Australia and Toyota Australia—also made public statements that the level of government assistance did not influence their decision to close. There are voices raised by those opposite to oppose these saving measures. There might even be claims that cutting this scheme from $2.5 billion to $1.6 billion over the next three years will hasten the demise of the car industry. It would be absolutely reckless of any individual in this place to spend an extra dollar of that $900 million we are trying to pull back when these companies have publicly announced they are leaving this country. We would essentially be piping taxpayer dollars out of the pockets of mums and dads around this country into the coffers of foreign multinationals for no long-term gain whatsoever. That is what the Labor Party want us to do today. Shame on them for wanting to rip taxpayer dollars out of the pockets of mums and dads and put it into foreign multinational coffershame on them.

There is still assistance available to assist workers and businesses through the transformation of the car industry. There is $700 million assistance in the Automotive Transformation Scheme available to the industry over the next four years. Other measures which will assist those who will be affected by the end of automotive manufacturing in this country are included in the $155 million growth fund announced by the Prime Minister and the industry minister on 30 April last year. The assistance is there as the transition takes place.

The economic reality is that this transition away from automotive manufacturing in this country must take place. It does not spell the end of manufacturing in this country. There are other areas of opportunity: food and agribusiness; mining technology and services, particularly in my area of Dawson in North Queensland; and there are the opportunities highlighted in the recent green paper on developing northern Australia. It is a decision that has been made by economic realists in this room that will deliver $900 million back to the budget bottom line. I support this bill.

Mr BANDT (Melbourne) (20:37): As you head out of Melbourne and go on the bypass around Geelong, you go over the Lewis Bandt bridge. The Lewis Bandt bridge is there because Lewis Bandt invented the ute when he was working for Ford back in 1932. A farmer came to him and said, 'I want something that will get my pigs to market on Saturdays and my wife to church on Sundays,' and Lewis Bandt, working for Ford, invented the ute. That to me
stands as a symbol for the innovation that this country is capable of, especially in manufacturing. But we need to remember that innovation and manufacturing need support.

Manufacturing in this country has been under enormous pressure, especially from the mining boom. The mining boom has driven up the Australian dollar and the mining boom has been great for those states that are resource rich. But in the south-eastern states, where much of the manufacturing is concentrated and where you do not have the same benefits of the mining boom, you get the pressures of the mining boom. You get a high Australian dollar, which affects your costs, especially if you are wanting to export. You have to compete with rising costs of labour and other inputs with the mining and resources sector that can afford to pay more, and you find yourself—as we have in Victoria—under Liberal governments at the state and federal level with the gross state product per capita going backwards. We have had negative economic growth in Victoria when the Liberals have been in charge at both levels. We are seeing that happening at the same time as some significant decisions are being made that will affect Victoria and the south-eastern states in particular, with the car makers moving out and will all be gone by 2017. That is a fact: they are going. And they will be gone in 2017.

We have to decide between now and then, and with an eye to what happens after that, is the transition for states like Victoria and South Australia that get the pressures but not the benefits of the mining boom, and where there are many people employed in manufacturing and associated industries. What we have though is a government that believes vision is a dirty word and that refuses to have a plan to ensure that the Australian manufacturing sector will survive the pressures of the mining boom and the pressures of global competition.

It is not as if this government is not prepared to support some industries. There is $13 to $18 billion in subsidies going to the mining sector that are quite prepared to bankroll the Liberal Party to ensure that they got into power so that they could then repeal the mining tax for them. They are quite happy to say to the likes of Gina Rinehart, 'We will give you a subsidy on your petrol and your diesel so that you do not have to pay the same tax that everyone else has to pay.' They are quite happy to write out the cheques for several billion dollars every year on accelerated depreciation concessions and other forms of generous treatment to those in the industry that they like. They are quite happy to say to the four large banks, 'Look we have heard the IMF say that the Australian public is actually subsidising you to the tune of about $3 billion a year by standing behind you with a taxpayer guarantee that allows you to go and borrow more cheaply in a way that your smaller competitors cannot. We are quite happy to give you that form of public subsidy.'

We are quite happy to have an industry policy that says big mining and big banks are worth billions and billions of dollars every year. But what we are not prepared to do is come up with a transition for the manufacturing sector that will help Australia move to a clean energy future where there are jobs if we have the vision to ensure them. Instead, they are coming along and saying, 'We want to cut off the lifeline that we have given you that will be there for a couple years in order to transform your sector. We want to cut that off early. We are not content with you leaving in 2017 and with people trying to find work and trying to find additional contracts for their businesses over the next couple of years. We want you to leave in an unplanned fashion at severe economic cost'.

I think transformation in our motor vehicle and transport sector is a great idea. We have been calling for some time for governments, Labor and Liberal, to come up with a plan to
transition our car-making sector to the vehicles of the future, where there are lower emissions and where we grasp the opportunities that electric vehicles provide. This is not something that is fanciful. A year or so ago, the front page of the Herald Sun drive section previewed the electric Commodore. The electric Commodore was put together by a small consortium of Victorian manufacturers with Holden support, working on a shoestring, to take a best-selling car in Australia and make it electric. And they had worked out how to do it. They were asking for support to get that up and running so that that could be something that might sustain car making in Australia in the future. Similarly, when we look around the world, we see that the German and the United States governments have set targets in their countries for electric vehicles, about how many electric vehicles they want to have on the road within the next decade or so. That is the kind of thing we could be doing in this country and that would drive that innovation.

We, as the Greens, want to see much greater investment in public transport. But public transport needs rolling stock. It needs components. It needs equipment and resources that can be found in this country.

Mr Pasin: It needs customers too.

Mr BANDT: The interjection is that public transport needs customers. Up until a little while ago, there was some federal government money going towards public transport projects. This government has come along and cut it out because, apparently, that is not what federal governments do. They are quite happy to put billions into a road that will then in turn support car retailers but they are not happy to put money into public transport that could create jobs locally.

So if we want to build that rolling stock and other components for public transport we could do that here as well—even renewables. The solar plants that you see that have a large number of solar panels that all face the sun at a particular point in time and which all tilt and turn as the sun moves around require gears and hydraulics. And there are companies in Australia that are now able to manufacture those. In fact, they are being scouted for by overseas solar plant developers in countries where they have a far more farsighted view about renewable energy than this government does. But even that requires manufacturing. There is a future for manufacturing in this country if we choose to grasp it, but we need a plan.

It is all well and good to talk about high-tech, high-value jobs in advanced manufacturing being what will sustain us in the 21st century, but advanced manufacturing needs a general manufacturing base. It is that interaction between the innovative designs, being able to test them in the place that makes them and then being able to continue that loop that is essential. If you gut the country's manufacturing base then you cut the capacity to innovate in the same way as you otherwise could.

One thing that this government does not seem to understand—none of the speakers that I have heard so far speaking to this bill have addressed this—is that, yes, everyone in this parliament, and I expect everyone in the country, accept that the car makers will be gone in 2017. Yes, there is an argument about why you would continue any particular scheme after that. But what is not spoken about is the position, not of the people who work for the car makers but of the people who work for the components companies.
No-one from the government side is talking about this. There are tens of thousands of people who work in those component-manufacturing companies in the components sector. What is crystal clear is that if this scheme is brought to an end early then that includes removing support for the components sector early, because that is part of this bill as well. And if the money is removed from the components sector then the car makers themselves may not be able to source the components locally and may in fact move out much earlier than 2017, or when they have otherwise planned.

In other words, cutting the subsidy early may have the effect of hastening significant unemployment for tens of thousands of people who work not just for the car makers but for the components manufacturers as well. That puts them in a very difficult position, because people are relying on this next couple of years to diversify their companies. People are relying on this next couple of years with planned government support to say, 'I can see the writing on the wall with car makers going and so maybe only to find a new market for the components that I make. Maybe I need to look overseas. Maybe I need to diversify into renewables. Maybe I need to go somewhere else entirely.' If this bill passes they will not have that option to transition; the rug will have been pulled out from underneath them.

But it is not just the businesses who are going to be significantly affected if this bill goes through. It will not be just the big businesses and the small businesses in the components sector but a group of people who the government very rarely thinks about, which is the workers in those sectors. One thing should be very obvious, and that is that if you are about to lose your job in a couple of years because the car maker is about to pull out, and you know it, you can plan for it. You can plan to retrain and you can plan to go and look for another job. Anyone will tell you it is much easier to find a new job if you are in an existing job. If you are in an existing job you have the security to then be able to go and look for new work elsewhere. That is what the car makers are doing at the moment with their employees—helping them find work elsewhere.

But if you pull the rug out from under these people now then you are going to put tens of thousands of people into the labour market at the same time and force them all to look for a job while living on $250 a week. And if they are under 30 they will probably spend the first six months not getting any money at all, if this government gets its way. But the government will be forcing people who have been working in this sector for some time all to go into the job market at the same time and all to try to find jobs while all of them have $250 a week. That is this government's brilliant plan for dealing with growing unemployment. And I can tell you, Mr Deputy Speaker, that it is going to hit the south-eastern states hardest and that is where we are already suffering, as I have said before.

There is a different way. If the government had the guts and a vision to realise where the rest of the world is going—to realise that there is a clean energy future and to understand that there is a place for manufacturing and advanced manufacturing in that—there is a place for us. In Germany there are about 400,000 jobs in the renewables sector. That is about 100,000 in Australian terms. And that is right across the spectrum—that is not just the people who put solar panels on your roof but it is the people who make the wind turbines. It is the people who lay the cables. It is people in manufacturing and especially in advanced manufacturing. In Germany they do not have to put up new wind turbines because, with their advanced manufacturing capacity, people are able to go back and retrofit existing turbines with new
gears that generate between two and four times as much electricity from the same turbine. That is the kind of innovation and the kind of advanced manufacturing that this country is capable of. But it needs a plan and it needs a vision.

This government comes in here, saying, 'The only plan that is on the table at the moment is to support people as they transition out of an industry which is closing, and we're going to take that away without anything to put in its place.' In fact, it scorns the idea that you would possibly have a plan, because somehow a plan is something akin to a Stalinist command economy, whereas this government simply says, 'Let it rip and whatever happens, happens.' We are not going to be part of that.

Yes, we want to see Australia move to a clean energy future and, yes, we want to see Australia moving away from heavy reliance on cars to electric cars and public transport, but that is not this government's vision. This government is quite happy to prop up its mates at the big end of town if they will bankroll this government and everyone else can go hang. We will not support that. (Time expired)

Mr FLETCHER (Bradfield—Parliamentary Secretary to the Minister for Communications) (20:52): I am very pleased to rise to speak on the Automotive Transformation Scheme Amendment Bill 2014. This is an important bill, which gives effect to decisions announced by the government in the context of the 2013-14 Mid-Year Economic and Fiscal Outlook—the MYEFO—and gives effect to budget decisions taken by the government in respect of the Automotive Transformation Scheme.

In the time available to me this evening, I would like to make three points. Firstly, Australia has had for some years an automotive industry which by world standards is subscale and uncompetitive. Secondly, Labor in government refused to acknowledge this reality, whereas the coalition government, the Abbott government, has acknowledged this economic reality and has acknowledged that to promote our competitiveness as a nation we need to move away from industries such as automotive, in terms of where funding goes, and play to our strengths as a nation. And, thirdly, consistent with that, this bill makes sensible savings by reducing the extent of public subsidy to an industry which is no longer competitive in world terms.

Let me turn to the first point, that the automotive industry has been for some years in Australia subscale and uncompetitive. Let us look at the figures for domestically made cars in recent years and the market share captured by domestically made vehicles. Between 2007 and 2012, in just five short years, domestically made cars fell from 19 per cent of total car sales in Australia to less than 13 per cent. In other words: consumers were voting with their feet and that resulted in a situation where an industry that was already subscale by world standards became even more subscale.

Let us have a look at the numbers in terms of automotive manufacture globally. These are the figures for the 2013 year from the global automotive peak body. In 2013 there were 87.3 million vehicles manufactured: China manufactured 22.1 million; the United States, 11 million; Japan, 9.6 million; Germany, 5.7 million; Korea, 4.5 million. And where was Australia? The total production from Australia sounds like a rounding error when compared to the numbers that I have quoted. Production for Australia in 2013, according to the world automotive industry peak body, was 215,926 vehicles—a tiny, tiny fraction of global production.
And why is this important? It is important because automotive manufacturing is a scale game, and if you cannot have large-scale production and large production runs, then you cannot be world competitive in your pricing, and that is a fundamental difficulty that the Australian automotive sector have got into. I need hardly add that that very small quantum of production was spread across multiple manufacturers, so the production run per manufacturer was even smaller by world standards. Therefore, the question in public policy terms becomes: does it make sense to be putting public money into subsidising an industry that is clearly struggling to be competitive? Is this a good allocation of public money?

The issue about global competitiveness for Australia is one that needs to be recognised as we think about spending taxpayers' money. We need to think about the global competitiveness of Australia. The Business Council of Australia recently released a report from consulting firm McKinsey entitled *Compete to prosper: improving Australia's global competitiveness*, which makes the point that a great deal of Australia's industry assistance has been allocated to declining sectors, and, sadly, the automotive sector has been one of those. We are clearly in a position where we have allocated as a nation very substantial subsidies, very substantial amounts of public money, to an automotive sector which, as the figures demonstrate, is struggling to be competitive. Indeed, according to the Productivity Commission, total support to the automotive industry between 1997 and 2012 has been around $30 billion. During that period, the number of vehicles manufactured locally was slightly over five million and so, working through the maths, the support per vehicle over this period was approaching $6,000. A very substantial amount of public money to subsidise one particular industry, and yet, as the numbers I have quoted indicate, it is an industry that is struggling to survive in a highly competitive global market.

We have recently seen from Holden the worst ever loss being announced—$553 million for the calendar year 2013, taking its total losses to approximately $1 billion over the past eight years—and Ford recently announced its third worst ever loss—$267 million, taking its total losses to $1.1 billion over the past eight years. So given these fundamental competitive dynamics, the inevitable result has been a decision by the global automotive manufacturers to cease manufacturing in Australia. It is hardly surprising that they have done that when you look at the tiny production runs in this country, the difficulty in operating economically and the many other difficulties that they face. What did then chief executive of Holden in Australia, Mike Devereux, say when he announced Holden's decision to close in December 2013? He had this to say:

... Australia's automotive industry is up against a perfect storm of negative influences including the sustained strength of the Aussie dollar against almost all major trading currencies, the relatively high cost of production and the relatively small scale of the local domestic market.

... building cars in this country is just not sustainable.

These are not easy decisions, and nobody is saying—the government is certainly not suggesting for a second that the departure of automotive manufacturing in Australia is going to be easy for the country or for the affected communities.

Debate interrupted.

**ADJOURNMENT**

The DEPUTY SPEAKER (Hon. BC Scott) (21:00): Order! I propose the question:
That the House do now adjourn.

Research Funding

Ms BURKE (Chisholm) (21:00): I recently visited the CSIRO Clayton campus in my electorate of Chisholm. I have been there many times over the past 16 years but with each visit, briefing and demonstration from the leading scientists and researchers there, I manage to always come away more impressed and more amazed at the level of innovation and advancement being achieved.

Sadly though, this visit was marred by the severe cuts in government funding that are being faced by the CSIRO Clayton researchers. This financial year, CSIRO has been hit with a $27 million cut and over the next five years $114 million will be stripped from CSIRO's research facilities nationwide. These figures are devastating. In the case of CSIRO, it translates into the loss of 500 jobs and the closure of eight research sites across the country. The cuts will also have major impacts on the collaborative research programs that CSIRO is actively pursuing with business interest. In my electorate CSIRO is working with local business networks such as the South East Melbourne Manufactures Alliance to bring the benefit of research directly into the commercial environment, placing research scientists directly into the businesses so that the research is done in real commercial spaces with results that can be applied quickly to improve production techniques, reduce costs and increase competitiveness. This is science helping to create jobs.

But the future of Australian science and the CSIRO work is at serious risk. Research by the Parliamentary Library shows our national investment in science and innovation has reached a 25-year low of 0.56 per cent of GDP. This is just shocking. And the Prime Minister's unfair budget will cut that even more.

Investment in science and innovation is an investment in Australia's future. A 2012 study established that basic research investment leads to 30 times more economic growth, while investment in applied research leads to 10 times economic growth. Why then is this current government slashing support for science and research when investment in the field is clearly to the advantage of our nation's development? This is just nonsensical. Australia is ranked 18 out of 20 of OECD nations in science and research investment. We are losing the race and the government wants us to fall back to dead last. This is an environment where we are seeing manufacturing jobs being diminished every day. What are they going to be replaced with unless we are looking at science, innovation and research to create the jobs of the future?

An estimated $420 million is to be snatched from five key science and research agencies, while approximately $845 million will be taken from science specific industry support and innovation programs over the next five years. The Prime Minister loves to make the claim, 'If we don't make the necessary decisions now, it will only become tougher in the years ahead,' But cutting funding to science does not strengthen our position for the future. Without government funding to organisations such as CSIRO, we would not enjoy the technological breakthroughs such as polymer banknotes and Wi-Fi that we do on a daily basis—and the money and jobs these innovations have generated.

The cuts will also affect the coming generation. Without support for a broad range of innovative projects, jobs will become limited to a few areas of science. But these areas and research create jobs across the board and across the spectrum through all manufacturing and
all areas of life. With limited funds, we will lose leading researchers to countries that do invest in research. As it stands, science workers face short-term contracts and yearly funding uncertainty, resulting in many trained scientists leaving the lab to retrain for other fields. Moreover, the science community faces high levels of employment uncertainty resulting in the loss of valuable talent to other countries who present better opportunities and security. In the words of Dr Tim Nielsen, the cuts to science and research funding are incalculable. As he aptly summarises:

Faced with a thankless 40-year battle for career survival, and little material reward or public recognition, it is not difficult to understand why so many young scientists are hanging up their labcoats and taking their extraordinary intellects and years of training elsewhere.

Science and research is an investment from which our nation has received valuable returns. CSIRO's Wi-Fi patent to date has earned $230 million dollars in revenue. Research is not an expense to be cut. It requires nurturing, which means long-term meaningful investment.

The Prime Minister must restore the funding to science and not sacrifice our future for a short-term saving today, a saving that will not help but actually be a cut that will reverberate down the generations. This is another short-sighted cut that should be reversed.

School Chaplaincy

**Mr RAMSEY (Grey)** (21:05): I have been receiving a steady stream of inquiries and requests from the 57 schools and supporters of schools in my electorate that have been using the school chaplaincy program in one form or the other. It is a tribute to the state Labor government's misinformation stream, including a disgraceful taxpayer-funded electronic campaign, that quite a number of them seem to believe that the school chaplaincy program's demise in South Australia is caused by federal government budget cuts. This is simply not true and the South Australian government is deliberately misleading the public in an attempt to deflect consideration from its own budget and at the same time is trying to hang onto union concessions from the old and now expired program.

It is worth while looking at the origins of the school chaplaincy program to understand how we have come to this point. Originally put in place by the Howard government to provide assistance directly to schools for chaplains, it was not meant to relieve state governments of their responsibilities to provide welfare workers in their schools. Instead, it was to enable schools to engage extra help from the religious sector to help promote family values and provide an avenue for students to engage with adults outside the schooling system and with counsellors who were not part of that system. School counsellors were absolutely prohibited of engaging in religious recruitment.

However the now departed Rudd-Gillard government decided to divert the resources of the program into the unionised mainstream workforce of our schools by allowing access the program to fund secular school welfare workers. Until then, school welfare workers had been the responsibility of the individual school system, either state, Catholic or independent and even though the previous government was willing to spread the program to secular workers, it did not see fit to fund the program past 30 June this year.

The 2013 budget showed no funding in the forward estimates past 30 June this year, and so the National School Chaplaincy Program was for all intents and purposes a completed program. This is a very important point. In its pre-election commitment, the coalition
committed to restarting the program but in its original format—that is, a program to support school chaplains. The Labor party made no such commitment and they made no commitment to the program in the lead-up to the election last September. For them it was dead and buried.

In May this year the coalition government honoured its election commitment to the word to continue supporting school chaplains through the new program. Under this program the government is providing $243.8 million over four years to 2,900 schools across Australia to assist them to engage the services of a school chaplain. Following the recent High Court decision it became necessary for the Commonwealth to provide funding for program through the states. As such, the finance has been made available to each state to run a National School Chaplaincy Program as per our election commitments. Funding was allocated in the May budget and should have provided a seamless transition from the old program to the new program. All states and territories except the ACT and, unfortunately, my state of South Australia have come on board and accepted the program. When all jurisdictions except the two Labor ones have signed on, it is difficult to believe that this is not just about politics.

I understand that the stated objection of South Australia's Minister for Education, Jennifer Rankine, to the National School Chaplaincy Program is that it will no longer fund school welfare workers. Since when did it become the Commonwealth's role to fund state school welfare workers? Why is she prepared to deny all the other schools chaplains just because she does not like it? For the record, under the old program there were 49 schools in the Grey electorate who had employed a school chaplain. Eight more had elected to employ a school welfare officer. At the moment, they all stand to lose their chaplains, and the eight schools with school welfare workers are denied the opportunity to switch to a chaplaincy service for no justifiable reason.

If Minister Rankine would allow the Commonwealth money to flow, those with school welfare workers would be able to employ school chaplains in their place. Should they do so, chaplaincy services will be required to meet all state and territory legislative policy and other requirements, including adhering to Working with Children Checks and mandatory reporting requirements. Chaplains will also be required to meet minimum qualifications and to respect, accept and be sensitive to other people's views, values and beliefs.

Specific student welfare services will not be provided under this program. The coalition is merely honouring an election commitment. The ALP has been going on about us honouring our commitments, so you would think, that even in this state guise, they would allow us to do so.

**Economy**

**Mr KATTER (Kennedy) (21:10):** This is a very different speech from what I normally give. I would like to put on the record for future Australians that in the year of our lord 2014 I said that my country is in dreadful peril. I say that with very great knowledge of the industries involved. This nation's economy depends upon coal, aluminium, iron ore and, to a lesser extent, a number of other commodities. Coal is in desperate trouble because we are no longer the biggest exporters of coal in the world. Indonesia is the biggest exporter of coal. Over the next two years Mongolia will come on stream big time, since the greatest demand for coal is coming from China, and Mongolia is part of China. The value of our coal exports has dropped from $47,000 million a year to $40,000 million a year. Aluminium is doomed. Aluminium came to Australia because we had the cheapest electricity in the world. We now have the
second-highest electricity charges in the world—second to West Germany—and, of course, aluminium is just 'congealed electricity'. So aluminium cannot possibly survive. Aluminium operators in Australia have put all of their plants up for sale; of course, no-one is going to buy them. A lot of people have said natural gas will be wonderful for Australia; it will bring in $23,000 million. Yes, but it will bring it in the same as a boomerang, which runs away from you; the boomerang will go back out again because it is all foreign owned and the cost of production is negligible. So the $23 million would yield no benefit for Australians.

So why aren't we staggering? Thirteen 13 per cent of the nation cannot find full-time employment or do not have any job at all. That does not include the disabled. People hiding in the disabled category are another five or six per cent. During the Great Depression, there was an average of 22 per cent unemployment. It is iron ore that has rescued us and given us a tiny bit of breathing space.

Eleven years ago we sent $1,000 million overseas to buy oil. This year we sent $25,000 million overseas. So we have to find $25,000 million there. The motor-vehicle industry, which is worth $16,000 million a year, is vanishing. We brought in 400,000 on section 457 visas—because they are ostensibly going to leave. There is $20,000 million going into their pockets. The timber, fertiliser and furniture industries are worth $5,000 million, and they are doomed. The steel industry is doomed and the aluminium industry is doomed. So that is $85,000 million. I do not know where we are going to find any of this money.

We would plead with the people who have the power in this place, and who in the future will have power in this place, to understand that every other country on earth has gone to ethanol. For a country that has to buy all of its oil from overseas, why you would not go to ethanol staggers me. Of course, the answer is that the major political parties are owned by the oil companies. Ethanol would bring in $23,000 million a year. It would rescue the grains industry, the beef industry and the sugar industry. If government contracts are given for motor vehicles, for warships and for steel—the same as is done in every other country on earth—you would rescue the motor-vehicle industry and the steel industry. Also, you create a shipbuilding industry, without the discontinuity and buying your ships from Japan.

Of course, overall, there are the interest rates. If you have interest rates that are 1,000 per cent higher than your competitor nations, clearly your dollar is driven up to artificial heights. When it was allowed to freefall under Keating, it went to 49c; when it was allowed to freefall under Costello, it went to 51c. There is no doubt in my mind that this is where it should be at the present moment. If it were, none of these industries would be in trouble. Our farmers in our vanishing agriculture sector in Australia would have got double the income that they have enjoyed for the last 15 years. (Time expired)

**Gilmore Electorate: Economy**

**Mrs SUDMALIS** (Gilmore) (21:15): Being part of a government that puts the economic future of our country as the number one priority is the motive that inspires me to advance my community in as many avenues as possible. For two years, it has been a stated vision to build a strong and prosperous economy and to have a safe and secure Australia. Whilst a lot has been done to make Australia safe, with even more emphasis recently, it is not the time to forget other pressing issues on our own doorstep.
Gilmore has for some time had unemployment challenges. We have over 4,000 people on Newstart. We have a higher than average set of statistics for both overall unemployment and youth unemployment. The number of advertised job vacancies is never close to the number of people looking for work. The problem is not just a lack of skills or a lack of commitment or enthusiasm from our job seekers; much of our regional unemployment comes down to just one thing: a lack of jobs.

Many people in Gilmore rely on small and medium businesses for their continued employment. The introduction of the carbon tax by the Labor government was a kick in the economic guts for small business. For our young people, the only chance of part-time employment they have is at the corner store, the local mechanic, the bakery or the fish-and-chip shop. But it is exactly these kinds of businesses that cannot employ part-timers when they have the federal government on their back with taxes and regulatory burdens. This is why I am proud to be part of a coalition government which has repealed the carbon tax, lowered the company tax rate for almost every Australian company, cut red tape to make it easier to operate a business and appointed the first ever Minister for Small Business.

I am also proud that we have implemented a number of new initiatives aimed squarely at improving our regional economies and upskilling our job seekers and young people. Programs like the Green Army, the Gilmore Work for the Dole trial and community grants to organisations like the Shellharbour Aboriginal Community Youth Association are all initiatives that will be of significant help in our region. It is part of the pathway to get a better slice of the economic pie.

Speaking of slices, Slice of Life Australia, or SOLA, is an incredible not-for-profit organisation making a major difference in the lives of those who are disadvantaged or have disabilities. Founded by Karen Anstiss, SOLA runs a number of local initiatives aimed squarely at making our region a better place for everyone, including a general store and cafe in North Nowra that employs 14 people with an intellectual disability, as well as providing work experience for young people with physical disabilities from across the region. SOLA has expanded into running a sustainable living garden project at Terura, about 10 minutes from Nowra, and Karen has recently established an MOU with Waminda, an organisation that mentors and assists Indigenous women and girls. They are all working together for our community. Karen describes her eventual vision for the garden as being able to offer 'training in horticulture and animal husbandry', and, after only a short few years, Karen is already much of the way there. Through this government's revamped Work for the Dole program, Karen is able to complete much of the project with our local job seekers, but she is also able to offer each and every one of these job seekers extensive work experience in construction, horticulture and agriculture—all excellent start-up skill sets in a rural area like Gilmore.

Another success story is that of Killalea State Park, where one of the government's very first Green Army projects is about to get underway, giving local young people the chance of a full-blown environmental apprenticeship. Nathan Cattell, manager of Killalea, has coordinated a supervisor and 10 of our local young people to construct a pathway, and other environmental project work, that will link the gorgeous Killalea State Park with the rest of the Shellharbour and Kiama communities. I just cannot wait for this project to get underway.

In addition to this Green Army project, last week I announced a grant of $28,435 to the Shellharbour Aboriginal Community Youth Association to help them engage local Aboriginal
youth by developing and implementing a business plan for the nursery in Killalea State Park, developing the potential for wholesale supply and possibly a 'bush tucker' venture. This is just another project that will help our region grow, mature and diversify. While these projects are by no means the solution to all of the South Coast and Illawarra's economic problems, they certainly are a big help.

I often think that many of our issues in Gilmore are a lot about mindset. If our people feel good about themselves, where they live and work, the positive outlook of 'I can do' will promote a sense of confidence and self-belief, and of our region will change—and I am certain that economic change for the better would definitely follow on from this.

Hong Kong

Mr DANBY (Melbourne Ports) (21:20): In Hong Kong, as we stand here, tens of thousands of students and young professionals—thousands from all walks of life—are in the streets of that great city. As many as 80,000 people flooded the streets around the government complex at the peak of the protest at dawn of Monday. Led by the best and the brightest, these Hong Kongers, from a variety of political backgrounds and job experiences, are calling for the implementation of promised political reforms in what may be the biggest and most significant pro-democracy protests in China since 1989. Over the weekend, authorities brought in riot police and used tear gas, but so far the protestors, armed with umbrellas and glad-wrap to protect them from the gas shells, remain unbowed.

The roots of these protests go back to July 1997, when the United Kingdom handed Hong Kong back to China. Under the Basic Law, which Hong Kong adopted upon its return to China, Deng Xiaoping promised universal suffrage elections as the ultimate objective. Unfortunately, in the ensuing 17 years, the Communist Party has stymied democratic progress. Democracy is contradictory to the one-party state. Until now, the territory's chief executive has essentially been selected under a pro-Beijing mechanism. Beijing's long promised reforms to Hong Kong's voting system were officially announced in August this year. To the disappointment of a great many Hong Kongers, Chinese leader Xi Jinping refused genuinely free elections for the chief executive.

In 2017, according to Beijing, there will be a direct election of the Chief Executive of Hong Kong, but only individuals pre-approved by Beijing will be allowed to be candidates. One is reminded of the great American call for freedom, 'No taxation without representation.' In the words of Fairfax East Asia's editor, John Garnaut:

More broadly, they are protesting to preserve not just the hope of democracy … but the institutions of civil society that thrived under British law.

According to Garnaut:

These institutions of civil society have been under sustained assault since the ascendancy of China's impatient and uncompromising leader, Xi Jingping … It is the threat of losing them that has drawn so many in Hong Kong to the streets this week.

Beijing's refusal to allow genuine democratic reforms in Hong Kong will be put in stark relief later this month when East Asia's other behemoth, Indonesia, swears in its new democratically elected president, Joko Widodo. Self-made Mr Widodo, who was born in a slum and started his working life as a furniture maker, was directly elected by tens of millions of Indonesians. Indonesia, which all of us Australians now celebrate, is a raucous democracy.
Coincidentally, Australia's great neighbour to the north began its journey away from autocracy and towards democracy in July 1997 with the onset of the Asian Financial Crisis, an event which eventually led to the resignation of President Suharto after 31 years in power. In the intervening 17 years, in contrast to the situation in Hong Kong and China as a whole, Indonesia has succeeded in becoming South-East Asia's most democratic nation, a state of affairs that would have seemed unbelievable in the 1990s. As our closest and most important neighbour, Australians of course celebrate that great transition to democracy that has taken place in a country which, I might also remark, is the largest Muslim country in the world and proof that religion, ethnicity and being in Asia are no bar to people having aspirations common with those aspirations that most Australians have for freedom and life under the rule of law.

Despite the disturbing trends in evidence under Mr Xi, I remain optimistic that perhaps sooner or later the successors to the current leadership will realise that the best way to secure a strong, respected and prosperous China—a truly great power in every sense—is to dismantle the apparatus of state control and allow the Chinese people to choose their own government. Beijing only needs to look to Jakarta to see that democratic reform, while hard, can be achieved; and, not only that, it can be achieved while maintaining a high rate of economic growth.

Bao Pu, a democracy activist, recently said:

Nobody expects Beijing will change its mind, but nor can they arrest everybody. They're not playing for today but for their children … It's a fight for the future not the present. There's no mistake there: either you die kneeling down or standing up, and they're choosing to stand.

That is what the struggle in Hong Kong represents: the world of future democratic rule in China—the dark repression of Beijing or the democratic future of Hong Kong.

**Bennelong Electorate: Bennelong Cup**

**Bennelong Electorate: Bennelong Gardens**

Mr ALEXANDER (Bennelong) (21:25): During my time serving the people of Bennelong I have worked with my staff to instigate worthwhile and ongoing projects within my electorate. This year I am proud that the Bennelong Cup table tennis competition celebrates its fourth anniversary. It is an initiative that has fostered friendly competition, physical activity and a sense of school pride within the schools of Bennelong. Once again Hyundai Australia is proud sponsor, and I thank the good people at Hyundai for their ongoing interest and support.

The Hyundai Bennelong Cup is an annual event where local schools create their own internal competition using table tennis tables we donated to our schools back in 2011. Once the school champions have been decided through the internal competitions, they are entered into the Bennelong Cup interschool table tennis tournament. In a little over three weeks, our best young primary and high school table tennis players will go head to head, school against school, culminating in the awarding of the perpetual Bennelong Cup trophy at ELS Hall in North Ryde.

Our table tennis competition came about when we noticed that in ethnically diverse Bennelong there was somewhat of a cultural divide when it came to participation and interest in sports. We all know that involvement in sport and physical activity is paramount to health.
both mental and physical, and the game of table tennis is something that transcends gender, age and skill.

Alongside the schools' competition, this year's Bennelong Cup will see an international table tennis tournament where Australia's elite table tennis players will compete against some of the world's top players from China, Japan and Korea, including a world-class competition right here in the Great Hall of Parliament House on Thursday, 23 October. I invite my parliamentary colleagues to come along and enjoy the awesome spectacle of this world-class competition.

Another project that I have been working on is the Bennelong Gardens Initiative. Next Tuesday Bennelong Gardens will be officially launched with our Silver Spade event to celebrate the planting of our first apple trees for our heritage granny smith apple orchard.

Bennelong Gardens is a large-scale, commercially viable community gardens project utilising unused public lands across Bennelong. It provides rewarding work for people with disabilities as well as volunteer opportunities for local retirees and others who will benefit greatly from social interaction and physical activity. Through partnerships with Achieve Australia, Royal Rehab, Harris Farm Markets, Ryde City Council, the New South Wales state government, Australian Native Landscapes, TAFE NSW and Social Ventures Australia, the Bennelong Gardens social enterprise will provide a collective impact bringing the community together and helping people achieve economic independence through commercial success.

The aim is to establish commercial market gardens across approximately 100 acres of unused land throughout the electorate. Fresh fruit and vegetables grown in the Bennelong Gardens will be sold on-site to local greengrocers and members of the public. Harris Farm Markets has agreed to allocate Bennelong Gardens shelf space, with all sales going directly to our social enterprise. As beneficiaries of the Bennelong Gardens social enterprise, the people with disabilities will gain economic benefit from the sale of produce. Achieve Australia will administer the project.

Seed funding for Bennelong Gardens comes from the establishment of the Heritage Granny Smith Apple Orchard in honour of Bennelong being the home of the granny smith apple. Each tree will be sponsored by a company or individual for $1,000, and I was delighted to buy the very first tree. Royal Rehab in Putney will house the first of the apple trees, and next week we will proudly be turning the first sod to get this fantastic project up and running.

I invite all my Parliamentary colleagues to consider contributing to Bennelong Gardens social enterprise by sponsoring a tree or to start a similar initiative in their own electorate. This project represents direct action to support those who need it most in our community to empower them to achieve independence and an increased sense of personal pride. I would be happy to work with any member or senator to assist the roll out of this initiative.

The DEPUTY SPEAKER (Hon. BC Scott): Order! It being 9:30 pm, the debate is interrupted.

House adjourned at 21:30
NOTICES

The following notices were given:

Mr McCormack to present a bill for an act to abolish the Albury-Wodonga Development Corporation, and for related purposes.

Mr Matheson to move:

That this House:
(1) notes that National Police Remembrance Day will be held on 29 September 2014;
(2) recognises and acknowledges the significant role that officers across Australia make to our local communities and the great deal of risk and sacrifice that comes with the job;
(3) acknowledges the:
   (a) ultimate sacrifice made by the officers who have been tragically killed in the course of their duty, and honours their lives and memories; and
   (b) good work of Police Legacy who look after the remaining loved ones of the police officers that have been killed in the line of duty; and
(4) expresses gratitude and reaffirms its support for the nation’s police officers whose dedication and commitment ensure continuous peace and safety across our communities.

Mr Thistlethwaite to move:

That this House:
(1) acknowledges that 10 October is Fiji Day;
(2) notes:
   (a) that Fiji Day celebrates the anniversary of Fiji’s independence from British rule in 1970;
   (b) the positive contribution of Fijian Australians in promoting harmony and multiculturalism in our community; and
   (c) the recent successful national elections held in Fiji; and
(3) commits to working with the people of Fiji and the Fijian Government on further progress towards democracy.

Mr Conroy to move:

That this House:
(1) recognises the importance of Government support for child care in order to improve workforce participation and early childhood education;
(2) condemns the Government for its $157 million cut to Family Day Care (FDC) funding by changing the eligibility for the FDC component of the Community Support Program and forcing existing services to re-apply;
(3) notes that:
   (a) FDC:
      (i) supports more than 98,000 families and 165,000 children across Australia; and
      (ii) employs more than 25,000 educators, as well as coordination unit staff;
   (b) Department of Education figures indicate that over 80 per cent of all FDC services will be denied essential funding due to these cuts; and
   (c) these cuts will force FDC services to increase fees, reduce services or close; and
(4) calls on the Government to reverse its cruel and short-sighted decision to cut FDC funding.
Mr Wilkie to present a Bill for an Act to give the community rights in relation to the development of phone towers and certain telecommunications facilities, and for related purposes.

Mrs Prentice to move:

That this House:

(1) recognises that:

(a) over the next four years, total annual Commonwealth funding to Queensland is increasing by around $5.8 billion (including GST);

(b) despite the tight budget conditions, the Commonwealth is increasing annual funding for Queensland hospitals by 40 per cent, and schools by 47 per cent, over the next four years; and

(c) this represents a combined increase in funding to Queensland schools and hospitals of over 40 per cent by 2017-18, on 2013-14 funding levels;

(2) commends the Government for investing $13.4 billion to build the infrastructure of the 21st century for Queensland, including:

(a) $6.7 billion towards fixing the Bruce Highway; and

(b) almost:

(i) $1.3 billion towards the Toowoomba Second Range Crossing; and

(ii) $1 billion towards the upgrade of the Gateway Motorway North; and

(3) notes that the Queensland Government estimated the impact of the carbon tax to be $148 million in its 2013-14 state budget and its repeal will help support jobs and investment.
QUESTIONS IN WRITING

Financial Assistance Grants
(Question No. 236)

Ms Collins asked the Minister for Infrastructure and Regional Development, in writing, on 15 July 2014:

In respect of the freeze on indexation to Financial Assistance Grants resulting in an estimated total loss of $925 million in council funding,

(a) is he aware of comments made by the President of the Municipal Association of Victoria, Councillor Bill McArthur, that these cuts will create a ‘black hole’ in Victorian council budgets, primarily in rural communities,

(b) can he advise what services local councils should cut to recover this loss of funding,

(c) is it a fact that rural, remote and Indigenous councils will at the same time incur rising diesel costs, as claimed by the Chief Executive of the Local Government Association Queensland, Mr Greg Hallam, and

(d) did he ask his department to undertake a regional impact study to assess the impact on rural and regional councils; if not, why not.

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

(a) Yes.

(b) The management of local government's programme and budgetary practices is a matter for each individual local government body.

(c) As fuel excise is applied at a flat rate, the re-introduction of indexation will be the same in rural areas as it will be in urban areas.

For those businesses using fuel in off-road operations or operating a vehicle with a gross vehicle mass in excess of 4.5 tonnes, this measure will not increase their business costs. These businesses are able to receive fuel tax credits to offset the fuel duty paid. For off-road activities, this is the full reimbursement of fuel duty while for on-road vehicles with a gross vehicle mass in excess of 4.5 tonnes this is equivalent to the duty rate minus the Road User Charge.

Councils will also benefit substantially from the abolition of the carbon tax, saving millions of dollars in road construction costs, waste management emissions taxes, electricity and street lighting costs.

(d) No. This measure was one of a number of significant packages and measures that were directed at supporting stronger and more sustainable economic growth and repairing the budget, and the 2014-15 Budget makes clear that all Australians are being asked to contribute to this task (page 1-8 of Budget Paper No.1), including all local government bodies.

General Practice Education and Training
(Question No. 258)

Ms King asked the Minister for Health, in writing, on 26 August 2014:

Following the cessation of General Practice Education and Training:

(a) What funding is available for registrars training in Aboriginal Medical Services.

(b) Will the Government continue to fund:

(i) a registrar research and development officer; and

(ii) a registrar research workshop to build research capacity in general practice.
Has the Government entered into discussions with any university to establish a post-graduate general practice training program.

**Mr Dutton:** The answer to the honourable member's question is as follows:
(a) General Practice Education and Training (GPET) funding arrangements, including those supporting registrar training in Aboriginal Medical Services, will transfer to the Department of Health, and will continue.
(b) (i) and (ii) The Government will honour any existing commitments under funding agreements entered into by GPET.
(c) No.

**Medicare Locals to Primary Health Care Networks**

(Question No. 259)

**Ms King** asked the Minister for Health, in writing, on 26 August 2014:

(1) What has the Government budgeted for the tender process to transition from Medicare Locals to Primary Health Care Networks.
(2) Have the funds for this process been absorbed from the existing budgets for Medicare Locals; if so, (a) what quantum of each Medicare Local budget has gone towards this tender process, and (b) what programs have been ceased because of this change.
(3) Will the scope of the Primary Health Care Networks' role be different from Medicare Locals; if so, how.

**Mr Dutton:** The answer to the honourable member's question is as follows:
(1) The tender process will be run from within existing resources in the Department of Health.
(2) No.
(3) The role of Primary Health Networks (PHN) will be different from Medicare Locals in many ways. PHNs will:
- have more efficient corporate structures that reduce administrative cost to ensure funding goes to provide frontline services to benefit patients;
- create savings through economies of scale and greater purchasing power, have better planning capacity and increased authority to engage with Local Hospital Networks and jurisdictional governments;
- have greater local GP involvement to ensure optimal patient care with GP-led Clinical Councils having a direct say in the activities of PHNs;
- ensure local accountability and relevance, and a focus on patient-centred decision making through Community Advisory Committees; and
- be regional purchasers of health services (and providers only in exceptional circumstances) with the flexibility to stimulate innovative public and private health care solutions to improve frontline services.

**Speech and Media Training**

(Question No. 308)

**Mr Conroy** asked the Minister for Agriculture, in writing, on 1 September 2014:

In respect of speech and/or media training since 7 September 2013, (a) what total sum has the Minister’s department spent, and (b) what is the breakdown for such training for the (i) Minister, (ii) Minister’s staff, and where applicable, each (iii) junior Minister (including Assistant Ministers), (iv)
junior (and Assistant) Minister’s staff, (v) Parliamentary Secretary, and (vi) Parliamentary Secretary’s staff, and (c) what services were provided, and by whom.

**Mr Joyce:** Minister for Agriculture has provided the following answer to the honourable member’s question:

No money has been spent on media training since 7 September 2013.

(a) Nil.
(b) (i) Nil.
   (ii) Nil.
   (iii) Nil.
   (iv) Nil.
   (v) Nil.
   (vi) Nil.
(c) N/A

**Speech and Media Training**

(Question No. 309)

**Mr Conroy** asked the Minister for Education, in writing, on 1 September 2014:

In respect of speech and/or media training since 7 September 2013, (a) what total sum has the Minister's department spent, and (b) what is the breakdown for such training for the (i) Minister, (ii) Minister's staff, and where applicable, each (iii) junior Minister (including Assistant Ministers), (iv) junior (and Assistant) Minister's staff, (v) Parliamentary Secretary, and (vi) Parliamentary Secretary's staff, and (c) what services were provided, and by whom.

**Mr Pyne:** The answer to the honourable member's question is as follows:

The Department of Education has not purchased speech and/or media training services since 7 September 2013.

**Minister for Human Services: Drinks Cabinet for Ministers**

(Question No. 341)

**Mr Conroy** asked the Minister representing the Minister for Human Services, in writing, on 3 September 2014:

Since 7 September 2013, has the Minister's department paid for or stocked the 'drinks cabinet' for (a) the Minister, and where applicable, each (b) junior Minister (including Assistant Ministers), and (c) Parliamentary Secretary; if so, at what cost.

**Mr Andrews:** The answer to the honourable member's question is as follows:

(a) No.
(b) Not applicable.
(c) Not applicable.

**Department of Education: Functions**

(Question No. 355)

**Mr Conroy** asked the Minister for Education, in writing, on 3 September 2014:

In respect of hospitality since 7 September 2013, has the Minister's department paid for any function to introduce to the department (a) the Minister, (b) the Minister's staff, and where applicable, each (c)
Mr Pyne: The answer to the honourable member's question is as follows:
Since 7 September 2013 the Department of Education has paid for one function to introduce Minister Pyne and three of the Minister's staff to departmental staff. The total cost for the function was $222.00 (GST inclusive).

Department of Education: Secondments
(Question No. 373)

Mr Conroy asked the Minister for Education, in writing, on 3 September 2014:
Since 7 September 2013, (a) how many departmental officials have been seconded to the (i) Minister's office, and where applicable, each (ii) junior Minister's office (including Assistant Ministers), and (iii) Parliamentary Secretary's office, (b) for how long, and (c) at what level.

Mr Pyne: The answer to the honourable member's question is as follows:
(a) Since 7 September 2013, three departmental officials have been seconded:
   (i) one in my office
   (ii) two in Assistant Minister Ley's office
   (iii) none in Parliamentary Secretary Ryan's office.
(b) Secondment periods range from two to eleven weeks.
(c) Two APS 4 and one EL 2.

Media Monitoring and Clipping Services
(Question No. 390)

Mr Conroy asked the the Minister for Agriculture, in writing, on 3 September 2014:
In respect of media monitoring and clipping services in the financial periods since 7 September 2013, (a) what sum has been spent on such services engaged by (i) the Minister's office, and where applicable, each (ii) junior Minister (including Assistant Ministers), and (iii) Parliamentary Secretary, and (b) what was the (i) name, and (ii) postal address, of each media monitoring company engaged by each of these offices.

Mr Joyce: The Minister for Agriculture has provided the following answer to the honourable member's question:
   iSentia Pty Ltd is contracted to provide media monitoring services to the Department of Agriculture. Daily clippings reports are provided to the department, the Minister's office and the Parliamentary Secretary's office.
   (a) (i) Nil.
      (ii) N/A.
      (iii) Nil.
   (b) N/A.

Media Monitoring and Clipping Services
(Question No. 395)

Mr Conroy asked the Minister representing the Minister for Human Services, in writing, on 1 September 2014:
In respect of media monitoring and clipping services in the financial periods since 7 September 2013, (a) what sum has been spent on such services engaged by (i) the Minister's office, and where applicable, each (ii) junior Minister (including Assistant Ministers), and (iii) Parliamentary Secretary, and (b) what was the (i) name, and (ii) postal address, of each media monitoring company engaged by each of these offices.

Mr Andrews: The answer to the honourable member's question is as follows:
(a) The Department of Human Services has a media clipping contract with iSentia Pty Ltd. The Minister's office accesses press clippings as part of the department's contract. There are no additional costs.
(b) Not applicable.