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SITTING DAYS—2013

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FORTY-THIRD PARLIAMENT
FIRST SESSION—NINTH PERIOD

Governor-General
Her Excellency the Hon. Quentin Bryce AC, CVO

House of Representatives Office holders
Speaker—Ms Anna Elizabeth Burke MP
Deputy Speaker—Hon. Bruce Craig Scott MP
Second Deputy Speaker—Mr Steven Georganas MP

Members of the Speaker's Panel—Hon. Dick Godfrey Harry Adams MP, Mr Darren Cheeseman MP, Ms Sharon Joy Grierson MP, Ms Jill Griffiths Hall MP, Dr Andrew Keith Leigh MP, Ms Kirsten Fiona Livermore MP, Mr Geoffrey Raymond Lyons MP, Hon. Robert Bruce McClelland MP, Mr Robert George Mitchell MP, Mr John Paul Murphy MP, Mr Robert James Murray Oakeshott MP, Ms Deborah Mary O'Neill MP, Ms Amanda Louise Rishworth MP, Ms Janelle Anne Saffin MP, Mr Michael Stuart Symon MP, Ms Maria Vamvakinou MP, Mr Anthony Harold Curties Windsor MP

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

Party Leaders and Whips
Australian Labor Party
Leader—Hon. Julia Eileen Gillard MP
Deputy Leader—Hon. Wayne Maxwell Swan MP
Chief Government Whip—Mr Christopher Patrick Hayes MP
Government Whips—Ms Jill Griffiths Hall MP, Mr Robert George Mitchell MP and Mr Graham Douglas Perrett MP

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

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

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## Members of the House of Representatives

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<td>Vasta, Ross Xavier</td>
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<tr>
<td>Zappia, Tony</td>
<td>Makin, SA</td>
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**PARTY ABBREVIATIONS**

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

### Heads of Parliamentary Departments

- Clerk of the Senate—R Laing
- Clerk of the House of Representatives—B Wright
- Secretary, Department of Parliamentary Services—C Mills
- Parliamentary Budget Officer—P Bowen
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<td>The Hon Julia Gillard MP</td>
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<tr>
<td>Minister Assisting the Prime Minister on Digital Productivity</td>
<td>Senator the Hon Stephen Conroy</td>
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<tr>
<td>Minister Assisting the Prime Minister on Asian Century Policy</td>
<td>The Hon Dr Craig Emerson MP</td>
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<tr>
<td><strong>Minister for Social Inclusion</strong></td>
<td>The Hon Mark Butler MP</td>
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<tr>
<td>Minister Assisting the Prime Minister on Mental Health Reform</td>
<td>The Hon Mark Butler MP</td>
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<tr>
<td><strong>Minister for the Public Service and Integrity</strong></td>
<td>The Hon Jason Clare MP</td>
</tr>
<tr>
<td><strong>Cabinet Secretary</strong></td>
<td>The Hon Warren Snowdon MP</td>
</tr>
<tr>
<td>Minister Assisting the Prime Minister on the Centenary of ANZAC</td>
<td>The Hon Mark Dreyfus QC MP</td>
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<tr>
<td>Parliamentary Secretary to the Prime Minister</td>
<td>The Hon Dr Andrew Leigh MP</td>
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<tr>
<td><strong>Treasurer</strong></td>
<td>The Hon Wayne Swan MP</td>
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<tr>
<td>(Deputy Prime Minister)</td>
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<tr>
<td><strong>Minister for Financial Services and Superannuation</strong></td>
<td>The Hon Bill Shorten MP</td>
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<tr>
<td>Assistant Treasurer</td>
<td>The Hon David Bradbury MP</td>
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<td>Parliamentary Secretary to the Treasurer</td>
<td>The Hon Bernie Ripoll MP</td>
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<tr>
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<td>Senator the Hon Stephen Conroy</td>
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<td>Mr Darren Chester MP</td>
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<td>The Hon Sussan Ley MP</td>
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<tr>
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<tr>
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The DEPUTY SPEAKER (Mr Scott) took the chair at 09:00, made an acknowledgement of country and read prayers.

BILLS
Sugar Research and Development Services Bill 2013
First Reading
Bill and explanatory memorandum presented by Mr Sidebottom.
Bill read a first time.

Second Reading
Mr SIDEBOTTOM (Braddon—Parliamentary Secretary for Agriculture, Fisheries and Forestry) (09:02): I move:
That this bill be now read a second time.

The Australian sugar industry, comprising more than 4,000 farms across Queensland and northern New South Wales, is an important contributor to regional economies in these areas and the Australian economy in general.

It produces on average 34 to 38 million tonnes of cane per season, which equates to approximately 4.5 to 5.5 million tonnes of raw sugar, with a gross value of production of $1.5 to $2.5 billion.

More than 80 per cent of this sugar is exported, making Australia the third largest raw sugar supplier in the world.

As with all industries, particularly those that are heavily export dependent, research and development underpins the competitiveness of the Australian sugar industry. It drives productivity improvements and ensures the economic viability of the industry. It also generates significant flow-on effects to the broader community and economy in terms of regional development, exports and employment opportunities.

It is vital that research and development is delivered in the most effective and efficient manner.

With this in mind, the Australian Sugar Industry Alliance undertook a review of research and development arrangements and recommended reform of these arrangements to best meet current and future needs.

On 22 September last year, it submitted a proposal to the Australian government asking it to restructure research and development arrangements.

Under these reforms, the Sugar Research and Development Corporation, or SRDC, and BSES Limited will be wound-up and their assets and research and development functions, along with the research coordination activities of Sugar Research Limited, transferred to the industry owned company Sugar Research Australia Limited, which was established on 8 May 2013.

Under the proposal, the statutory levy will increase from 14c per tonne to 70c per tonne of sugar cane that is processed or sold for processing, shared equally between growing and milling businesses. Thirty-five cents a tonne will be paid by the growing business and 35c a tonne by the milling business.

While this is a significant increase, the new statutory levy will also replace the BSES Limited service fee for both growers and millers.

In considering the proposal, the government looked at other options, including continuation of existing arrangements. It also took account of objections received during the formal six-week objection period, of which there were eight, and other representations on the issue.

The government determined that, on balance, this proposal represents the best mechanism for long-term delivery of
research and development to the sugar industry.

This view is supported by the industry itself. All levy-paying businesses had the opportunity to vote on the new arrangements, including the increase in the levy, in a poll of all levy-paying businesses run by the Australian Electoral Commission in a poll in August 2012. Eighty-four per cent of those growers who voted supported the proposal. This represents 64 per cent of all cane growers. Seven of the eight milling businesses also voted in favour.

The changes will build on, rather than replace, current arrangements.

The knowledge and expertise of BSES Limited will not be lost but will transfer across to the new industry owned company. Similarly, the research and development knowledge that has been facilitated and funded through SRDC will remain publicly available, as will that generated by Sugar Research Australia Limited.

Operating one industry research body should deliver increased efficiencies. The new company should have the capacity to better integrate and avoid duplication of research and development activities across the sugar industry supply chain, leading to a wider range of research opportunities and increased industry and public good benefits.

Incorporating the existing sugar statutory levy and voluntary contributions under a new statutory levy will eliminate free-rider problems, as all industry members that benefit from research and development services provided by Sugar Research Australia Limited will now contribute the same amount to its operation through the new statutory levy.

The change should, therefore, create a stronger national research and development capability, establish equity in the industry in relation to financial contributions to R&D and provide certainty to growers and millers about their liabilities and the amount of funding that will be available for research and development.

There will also be reduced compliance costs for levy payers with growers and millers paying fewer individual levies and fees.

The bills before you today, the Sugar Research and Development Services Bill 2013, and its companion bill the Sugar Research and Development Services (Consequential Amendments and Transitional Provisions) Bill 2013, provide the mechanism to implement key elements of reform of sugar R&D arrangements.

The bill, which commences on the day after it receives royal assent, provides the Minister for Agriculture, Fisheries and Forestry with the power to enter into a funding contract with an eligible company, currently proposed to be Sugar Research Australia Limited, to enable it to receive and invest levies collected by the Commonwealth for research and development. It will also allow it to receive the Commonwealth's matching funding for eligible research and development expenditure up to a determined funding cap.

Once the funding contract is in place, and the minister is satisfied that Sugar Research Australia Limited will comply with its contractual and statutory obligations, the minister can declare the company with which the contract is made to be the industry services body.

The companion bill makes consequential amendments to a number of acts and regulations to ensure the new arrangements operate, as intended, in respect of the imposition and collection of the levy, including provision for the increase in the levy rate on 1 July 2013.
It also covers matters arising from the transition to a new industry services body such as the transfer of assets and liabilities from SRDC to the industry services body and the wind-up of the SRDC on 30 September 2013.

While the government supports the proposal, it is also conscious of the need to make sure that appropriate governance arrangements are in place and, where appropriate, are reflected in Sugar Research Australia Limited's constitution.

In this regard, the government has made sure that issues such as accountability to government and members, protecting the rights of levy payers, appropriate consultation and the operation of Sugar Research Australia Limited as both a funder and provider of research have indeed been addressed.

The government worked closely with the Australian Sugar Industry Alliance in the development of the constitution for Sugar Research Australia Limited to make sure it supports, among other things, a suitably skilled and independent board and the rights of all levy-paying members to be treated equitably.

Sugar Research Australia Limited will be unique among rural research and development corporations as both a purchaser and provider of research. Sugar Research Australia Limited's constitution requires it to ensure the sugar industry is supported by research capability from a range of providers. In addition, and noting the potential for conflict of interest, there will be explicit governance oversight of this issue by the Audit and Risk Committee of Sugar Research Australia Limited.

The contract between the Commonwealth and Sugar Research Australia Limited, commonly referred to as the Statutory Funding Agreement, will also play a key role in achieving this objective.

The Statutory Funding Agreement will set out the expectations of the government in relation to the prudent management of industry and Commonwealth funds and the development of strategic and annual operating plans.

The Statutory Funding Agreement also requires the development of an agreed industry consultation plan and priority setting process. It is important that this is in place to both guide and ensure a broad industry consultation process. It is appropriate for all industry levy payers to be consulted on the operation of the company and to contribute to its priority setting processes.

In line with government policy, the Statutory Funding Agreement will require Sugar Research Australia Limited to identify extension pathways that will facilitate the adoption of its research and development outcomes. Every three years, it must undertake a performance review to assess the company's effectiveness in meeting the priorities, targets and budgets outlined in its plans, and its performance in meeting the obligations of the funding agreement. Final performance review reports will be publicly available.

With the Statutory Funding Agreement and the revised constitution, the government is confident that the governance arrangements for the new organisation will satisfy transparency and accountability requirements and support an efficient and effective organisation. This, in turn, should contribute to increased productivity and profitability for the sugar industry.

Debate adjourned.
Sugar Research and Development Services (Consequential Amendments and Transitional Provisions) Bill 2013

First Reading

Bill and explanatory memorandum presented by Mr Sidebottom.

Bill read a first time.

Second Reading

Mr SIDEBOTTOM (Braddon—Parliamentary Secretary for Agriculture, Fisheries and Forestry) (09:13): I move:

That this bill be now read a second time.

The Sugar Research and Development Services (Consequential Amendments and Transitional Provisions) Bill 2013, is the companion bill to the Sugar Research and Development Services Bill 2013.

These bills provide the mechanism to implement key elements of reform to sugar research and development (R&D) arrangements.

The Sugar Research and Development Services Bill 2013, which comes into effect the day after it receives royal assent, provides the Minister for Agriculture, Fisheries and Forestry with the power to enter into a funding contract with an eligible company to enable it to receive and administer levies collected by the Commonwealth for research and development. It will also allow it to receive the Commonwealth's matching funding for eligible research and development expenditure. Once the company has entered into the contract, and the minister is satisfied that the company will comply with its contractual and statutory obligations, the minister can declare the company to be the industry services body.

This bill makes consequential amendments to a number of acts and regulations to ensure the new arrangements operate, as intended, in respect of the imposition and collection of the levy, including the increase in the levy rate.

It also covers matters arising from the transition to a new industry services body such as the transfer of assets and liabilities from the Sugar Research and Development Corporation to the industry services body and the wind-up of SRDC on 30 September 2013.

The SRDC will continue to operate until this date to finalise wind-up activities such as its annual report, but its R&D activities will be transferred to the new industry services body from the date it is declared as such.

This bill also amends the imposition of the levy to ensure that all future uses of processed sugar cane will be captured by the levy and the possibility of avoiding payment of the levy will be eliminated. The bill also introduces an instalment system for payment of the levy to correspond more closely with how sugar cane payments are made in the industry.

These amendments will start taking effect from 1 July 2013 with the increase in the levy rate. Industry has requested Sugar Research Australia Limited be declared as the industry services body by 1 July 2013 which is dependent on a funding contract between the Commonwealth and Sugar Research Australia Limited being in place.

The research and development activities of the Sugar Research and Development Corporation, and 75 per cent of its assets, will be transferred to Sugar Research Australia Limited on the date it is declared as the industry services body. This will ensure there is no break in existing research projects. The remaining assets will be held by the Sugar Research and Development Corporation to cover wind-up costs until it is abolished on 30 September 2013. Any remaining Sugar Research and Development Corporation assets and liabilities will be
transferred to the industry services body on 1 October 2013.

Debate adjourned.

**Australian Education (Consequential and Transitional Provisions) Bill 2013**

**First Reading**

Bill and explanatory memorandum presented by Mr Garrett.

Bill read a first time.

**Second Reading**

Mr Garrett (Kingsford Smith—Minister for School Education, Early Childhood and Youth) (09:18): I move:

That this bill be now read a second time.

Through the comprehensive amendments I introduced yesterday to the Australian Education Bill 2012 the government is enshrining in law a new nationally consistent approach to funding school education based on the needs of schools and students.

This is the government's commitment to ensure that the nation supports our schools so that every child gets the best possible start in life.

This legislative framework will make certain that Australia's schooling system is fair, appropriately supported and based on a culture of improvement and good practice.

We are ensuring that there is a plan for our children to be taught well in schools that are funded well.

This new national approach to schools funding is in response to the first comprehensive review of Australian school funding in almost 40 years.

Through the Australian Education Bill 2012, the government's purpose is to ensure a high-quality and highly equitable schooling system for all students, to achieve a national goal of being placed in the top five countries in reading, science and mathematics, quality and equity in recognised international testing by 2025.

For the first time all recurrent Commonwealth funding for participating schools will be delivered through fair and transparent needs-based arrangements, providing new investment linked to reforms that will help to improve each student's achievements at school.

For participating schools, additional investment will support the evidence-based reforms in the National Plan for School Improvement that are focused on quality teaching, quality learning, transparency and accountability, meeting student need and empowering school leadership.

No matter how rich or poor your parents are, the school you attend or the circumstances of your birth, school funding should be based on what it takes to ensure every student gets an excellent education.

The Australian Education (Consequential and Transitional Provisions) Bill 2013 would amend certain Commonwealth laws and contains transitional arrangements consequential to the enactment of the Australian Education Bill. It forms part of the government's national school education reform agenda.

The government has agreed that Commonwealth recurrent funding for all Australian schools and capital funding for non-government schools will be provided under the proposed Australian Education Act from 1 January 2014. This includes funding for schools participating in the reform arrangements and for government schools in states or territories that choose not to participate.

The Australian Education Bill when enacted will succeed the provisions for recurrent funding under the Federal Financial Relations Act 2009 for government schools and recurrent and capital funding under the
Schools Assistance Act 2008 for non-government schools.

Commonwealth funding to states and territories for the administration of school systems and their associated recurrent expenditure, the national specific purpose payment for schools, is currently provided under section 11 of the Federal Financial Relations Act 2009. The funding is determined on a financial year basis, indexed and apportioned between the states and territories by determination by the Treasurer under that act. The estimated financial year payment, based on the latest available estimates of relevant growth parameters, is paid to the state in advance under section 19 of that act. By convention, and consistent with the Intergovernmental Agreement on Federal Financial Relations, these payments are made in monthly instalments. The minister makes a final determination after the end of the financial year and any adjustment is made in the subsequent financial year.

Schedule 1 of the bill would repeal section 11 of the Federal Financial Relations Act 2009 in relation to national specific purpose payments to schools and transitional provisions would enable a smooth transition from a financial year appropriation under the Federal Financial Relations Act 2009, to a calendar year appropriation under the proposed Australian Education Act.

Schedule 1 would also amend the Schools Assistance Act 2008 to cease calendar year funding for non-government schools for capital purposes under this act from the end of the 2013 calendar year. Commonwealth capital funding for non-government schools is currently appropriated under the Schools Assistance Act 2008 through to December 2014 but is intended to be appropriated under the proposed Australian Education Act from January 2014.

Schedule 1 would also repeal a number of provisions of the Federal Financial Relations Act that deal with the total amount of financial assistance for the 2008-09 financial year, as these provisions are spent.

Schedule 2 of the bill contains transitional provisions, including providing for certain approvals and determinations required by or referred to under the Australian Education Bill to be deemed to have been made in reference to schools and authorities existing prior to 1 January 2014.

These provisions will ease transition and reduce the administrative burden for existing schools and systems moving to the new arrangements.

Specifically, these provisions would allow an approved authority for a non-government school or system under the Schools Assistance Act 2008 as of 31 December 2013 to be deemed an approved authority under the proposed Australian Education Act as of 1 January 2014. A similar provision applies in relation to block grant authorities who administer capital funding for non-government schools. The minister will also be taken to have approved a state or territory to be the approved authority for government schools located in their state or territory.

Further, these transitional provisions also suspend requirements for an approved authority to be a body corporate and have a school improvement plan for each school until 31 December 2014, meaning compliance is not required until 1 January 2015, rather than immediately on 1 January 2014.

The changes in this bill support the implementation of the government's schools funding reform and the National Plan for School Improvement. I commend the bill to the House.

Debate adjourned.
PRIVILEGE

The SPEAKER (09:26): Just before I call the member for Scullin, I want to report back on two matters of privilege. Yesterday two matters of privilege were raised. The Minister for Trade and Competitiveness raised a matter concerning the Deputy Leader of the Opposition. The basis of his complaint was that the Deputy Leader had made a personal explanation on 3 June which was, the minister said, contrary to statements that she had made in an interview that she had given to The Guardian Australia.

The Leader of the House's complaint arose from a report in The Australian of 31 May that the Manager of Opposition Business had written to Independent members in connection with a possible motion of no confidence. The Leader of the House said that at the time the letters in question had not, in fact, gone to any of the members involved, and that there was an issue in respect of the veracity of the reported statements and the responsibilities of the crossbench members.

These matters, like the matter raised last Thursday by the leader of the Nationals, reflect the concerns that members have about statements and actions of other members. The deliberate misleading of the House is a recognised category of contempt, as is any improper interference with the free performance by members of their duties as members.

I understand the concerns of the ministers, and of the leader of the Nationals last Thursday, but I think also that members accept that Speakers have required prima facie evidence of a contempt in order to justify giving precedence to motions for the referral of such matters to the Committee of Privileges and Members' Interests.

In my view it is in the interests of the House that this position be maintained and that members use other processes to pursue matters that I accept are important to them.

BILLS

Homelessness Bill 2013

First Reading

Bill and explanatory memorandum presented by Mr Butler.

Bill read a first time.

Second Reading

Mr BUTLER (Port Adelaide—Minister for Mental Health and Ageing, Minister for Housing and Homelessness, Minister for Social Inclusion and Minister Assisting the Prime Minister on Mental Health Reform) (09:28): I move:

That this bill be now read a second time.

This bill is aimed at increasing recognition and awareness of people who are homeless or at risk of homelessness.

It is not acceptable in Australia, a relatively wealthy country, that so many Australians remain homeless.

A home is the foundation on which a person builds their life. Without stable homes, people struggle to live healthily, stay in training or education, and find and keep jobs.

This Labor government has made homelessness a national priority. Our white paper, The Road Home, outlines how we intend to reduce homelessness—through a program that will require sustained effort by governments, business and the broader community.

We have set clear targets—to halve the rate of homelessness by 2020, and to provide supported accommodation for all rough sleepers who need it.

These targets will be achieved through a significant boost in spending, new agreements with the states and territories,
and an overhaul of the existing legislative framework.

Already, we have seen progress, including through early intervention to prevent homelessness.

The community based early intervention service, Reconnect, has helped more than 67,000 young people to get back with their families and into school or training.

The Household Organisation Management Expenses Advice Program has given advice and assistance to many families—struggling with rent and mortgage payments during times of personal or financial crisis—helping them to stay off the streets.

We have seen our Personal Helpers and Mentors program, or the PhaMS program, prevent people with mental illness from becoming homeless—by giving them support to build social networks, gain employment, and learn to manage their illness and live independently.

We have moved towards integrating mainstream and specialist homelessness services by improving the responses from 'first-to-know' agencies and providers—such as headspace, working with young people with mental health issues, and Job Services Australia—providing tailored assistance to homeless job seekers.

These are just some of the ongoing practical initiatives that will help break the cycle of homelessness for vulnerable people.

The homelessness legislative framework was the subject of a comprehensive inquiry during 2009 by the House of Representatives Standing Committee on Family, Community, Housing and Youth. The committee's report, Housing the homeless, has been vital in shaping this bill introduced today.

With the exception of a legislative right to housing, which is outside current government policy and, in practice, would be significantly dependent on the actions of the states and territories (which are responsible for housing), the committee's recommendations have been incorporated into this bill to the best extent possible.

This bill complements a broader reform process to reduce homelessness, incorporating substantial co-investment with states and territories to expand and implement a range of practical measures to support, and improve outcomes for, Australians facing homelessness. The bill underpins the need to sustain this effort into the future.

The bill draws national attention to the experience of homelessness, and voices the aspiration that all Australians have access to appropriate, affordable, safe and sustainable housing. This is in line with the objective expressed within the National Affordable Housing Agreement between the Commonwealth, states and territories, and local government.

The bill acknowledges the direct relationship between addressing homelessness and social inclusion. It sets out a range of service delivery principles to which the Commonwealth is committed, and the strategies we see as necessary to reduce homelessness.

The bill also confirms the Commonwealth's commitment to cooperation and consultation in reducing homelessness, and promotes the human rights of people facing homelessness.

This legislation that is introduced today has been strengthened through a two-month public exposure period in mid-2012—and we express our gratitude to those many people who lodged written submissions on that exposure draft.

All suggestions made have been carefully considered, and the bill has been refined as a result. In particular, the definition of
homelessness has been improved in light of comments from a number of stakeholders.

We have now clarified that people staying in crisis accommodation (such as a refuge or shelter) cannot be ruled out of the definition through any concept of ‘choice’—we know all too well that people do not choose homelessness by living in crisis accommodation.

The definition of ‘homelessness’ now also recognises that safety must be recognised as a vital element in a person’s living circumstances. Some people may be homeless because they have no safe place to live, even if they do have a usual address. For example, a person who is living temporarily with friends or relatives and cannot return home safely because of domestic violence will now be recognised by the legislation as experiencing homelessness. This preserves an element of the previous legislative definition particularly valued by stakeholders.

Stakeholder feedback has also been reflected in the bill in important matters such as the range of factors recognised as contributing to homelessness, and in the Commonwealth’s aspiration for all Australians to have access to appropriate, affordable, safe and sustainable housing.

This new legislation will replace the Supported Accommodation Assistance Act 1994, which set out important principles and guided the Commonwealth’s response to homelessness in Australia for many years.

That act recognised people who are homeless as one of the most powerless and marginalised groups in society. It made clear the parliament’s view that support should be provided in a way that respects people’s dignity as individuals, enhances their self-esteem, is sensitive to their social and economic circumstances, and respects their cultural backgrounds and beliefs.

The new legislation preserves the best features of the 1994 act. The Homelessness Bill 2013 gives us the opportunity to retain in law the important statements about homelessness, the partnerships, effort and strategies that are needed to tackle it, and the treatment and support that vulnerable Australians deserve.

The 1994 act was primarily a vehicle for providing funding to states and territories to administer the Supported Accommodation Assistance Program—the SAAP. However, new arrangements were introduced in 2009 under the federal financial relations framework, superseding the funding mechanism under the 1994 act.

This current funding framework for Commonwealth, state and territory efforts to reduce homelessness—with funding provided through Commonwealth-state mechanisms such as the National Partnership on Homelessness and the National Affordable Housing Specific Purpose Payment—will continue. That funding framework is the vehicle for the practical steps Australia is taking in support of its international obligation to realise progressively the right to adequate housing.

This bill is therefore complementary to the comprehensive funding arrangements already in place, and is not a funding instrument in itself. The Gillard government continues to work with states and territories on the best possible funding outcomes under the existing framework and the substantial measures that flow from it.

Similarly, the bill is just one part of a bigger policy program of support to people who are homeless or at risk of homelessness.

The issue of service quality is being pursued by working with states and territories to develop a non-legislative Homelessness National Quality Framework. This framework is being developed with the
benefit of consultations and workshop sessions with service providers and stakeholders and individual interviews with homeless people. The framework will be the primary strategy for the white paper goal of ensuring quality services.

The Australian government has committed around $5 billion in new funding since 2008 to provide support services and programs to help people who are homeless or at risk.

Under the National Partnership Agreement on Homelessness, the Australian government, together with the states and territories, has committed $1.1 billion to provide new and better integrated accommodation and support services. The agreement is delivering over 180 new or expanded services across the country to tackle homelessness, as well as 600 homes under the A Place to Call Home initiative.

Increasingly, we are in a position to assess progress against the homelessness targets—using tools such as robust census data from the Australian Bureau of Statistics and information collected by the Australian Institute of Health and Welfare.

These data will be supplemented by the first national longitudinal study of homelessness in Australia, Journeys Home, and research supported by our $11 million-investment on the Homelessness Research Agenda to help drive the development and implementation of evidence-based policy—looking at matters including the experiences and needs of particular vulnerable groups such as families, children and victims of domestic violence, the effectiveness of homelessness programs, and how to end rough sleeping in cities around the country.

The Australian government remains committed to improving outcomes for people experiencing or at risk of homelessness. Ensuring that people receive high-quality services and get every chance to move out of homelessness, or avoid it altogether, is key to the government's policy agenda in this area.

The welfare and safety of our fellow Australians matter a great deal. There can be no more worthy cause than doing all that we can to help reduce homelessness, and this bill is a clear statement of our commitment and values in this vital policy agenda. I commend the bill to the House.

Debate adjourned.

Homelessness (Consequential Amendments) Bill 2013
First Reading

Bill and explanatory memorandum presented by Mr Butler.

Bill read a first time.

Second Reading

Mr BUTLER (Port Adelaide—Minister for Mental Health and Ageing, Minister for Housing and Homelessness, Minister for Social Inclusion and Minister Assisting the Prime Minister on Mental Health Reform) (09:39): I move:

That this bill be now read a second time.

This is a companion bill to the Homelessness Bill 2013, which is aimed at increasing recognition and awareness of people who are homeless or at risk of homelessness.

The Homelessness Bill draws national attention to the experience of homelessness, and records the principles underpinning the Commonwealth’s effort to address homelessness.

The new legislation will replace the Supported Accommodation Assistance Act 1994.

This consequential amendments bill repeals the Supported Accommodation Assistance Act to make way for the new legislation.

A consequential amendment is also made to the Commonwealth Electoral Act 1918.
This is to replace the definition of homeless person that applies in the provisions about including itinerant electors on the electoral rolls.

A person in Australia, who is not entitled to be enrolled in any electoral subdivision because he or she does not live in any subdivision or is a homeless person, may nevertheless apply for enrolment and be enrolled in a suitable subdivision. The inclusion of these provisions in 2010 supported a commitment in the Australian government's white paper on homelessness, The Road Home, to increase civic participation and voting by people experiencing homelessness.

At present, the definition of 'homeless person' partly relies on concepts drawn from the Supported Accommodation Assistance Act. That element of the definition needs to be removed because of the repeal of that act.

The new definition of 'homeless person' will ensure that these provisions will continue to apply simply and clearly so that people who are homeless can still effectively participate in electoral activities in the Australian community. I commend the bill to the House.

Debate adjourned.

COMMITTEES

Human Rights Committee

Report

Mr JENKINS (Scullin) (09:41): On behalf of the Parliamentary Joint Committee on Human Rights I present the committee's seventh report of 2013 entitled Examination of legislation in accordance with the Human Rights (Parliamentary Scrutiny) Act 2011: bills introduced 14-16 May 2013, legislative instruments registered with the Federal Register of Legislative Instruments 20 April-17 May 2013.

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

Mr JENKINS: by leave—The Parliamentary Joint Committee on Human Rights' seventh report of 2013 sets out the committee's consideration of 29 bills introduced during the period 14 to 16 May 2013, 122 legislative instruments registered with the Federal Register of Legislative Instruments (FRLI) during the period 20 April to 17 May 2013 and eight responses to the committee's comments in various previous reports.

The committee has identified 15 bills that it considers require further examination and for which it will seek further information. The remaining 14 bills do not appear to give rise to human rights concerns.

The committee has identified six legislative instruments for which it will seek further information before forming a view about their compatibility with human rights. The committee has decided to consider one instrument as part of its examination of the Migration (Regional Processing) package of legislation.

The remaining 115 instruments considered do not appear to raise human rights concerns and are accompanied by statements of compatibility that meet the committee's expectations. The committee notes that the general standard of statements of compatibility for legislative instruments has improved significantly in recent months.

In this report the committee has continued its consideration of the human rights implications of appropriation bills. I drew the attention of the House to the committee's initial views in this regard when I tabled the committee's third report of 2013.

Appropriation bills, like all other bills, are subject to the requirements of the Human Rights (Parliamentary Scrutiny) Act 2011. In its third report of 2013 the committee noted

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that it does not anticipate it will generally be necessary for it to make substantive comments on appropriation bills. However, the committee stated that it would find it helpful if the statements of compatibility that accompany appropriation bills identify any proposed cuts in expenditure which may amount to retrogression or limitations on human rights.

In its consideration of appropriation bills in this seventh report of 2013, the committee recognises the technical and particular nature of appropriation bills and the fact that they frequently include appropriations for a wide range of programs and activities. The committee notes the minister's advice that the explanatory memoranda to appropriation bills address technical aspects of the operative clauses of the bills, not the policy aspects of proposed government expenditure.

The committee accepts the minister's explanation that the detail about specific appropriations is mainly contained in the individual agency's portfolio budget statement, rather than in the appropriation bill itself.

The committee considers that while appropriation bills may not create any statutory rights or duties, they may nevertheless have an impact on the implementation of international human rights obligations, including the obligation to progressively realise economic, social and cultural rights using the maximum of resources available.

The committee therefore considers that statements that routinely conclude that appropriation bills do not engage any human rights may not be accurate in a strict sense, particularly where specific appropriations may involve reductions in expenditure which could amount to retrogression or limitations on rights.

The committee recognises that in many cases relevant questions of human rights compatibility are likely to have been taken up under the legislation to which appropriations relate, although this may not be the case where the legislative framework predates the commencement of the Human Rights (Parliamentary Scrutiny) Act 2011.

The committee considers that the most practical way to address the compatibility of appropriation bills is to ensure that human rights are appropriately incorporated in the underlying budget processes. The committee encourages the government to consider this proposition, not least as it would be consistent with the government's policy objectives in implementing Australia's Human Rights Framework to ensure appropriate recognition of human rights issues in policy and legislative development.

On behalf of the committee I would like to thank the Minister for Finance and Deregulation for her response to the committee's comments in its third report of 2013. I would also like to acknowledge the constructive discussions on this issue between her department and the committee's secretariat and I thank the minister for her offer for departmental officials to brief the committee. While the committee's commitments may not permit it to take up this offer during this parliament, it considers that there would be benefit in continuing this dialogue in the next parliament.

I commend the committee's seventh report of 2013 to the House.

**Education and Employment Committee Report**

**Mr SYMON** (Deakin) (09:47): On behalf of the House of Representatives Standing Committee on Education and Employment I present the following advisory reports, incorporating dissenting reports, together
with the minutes of proceedings and evidence received by the committee: Fair Work Amendment Bill 2013 and Fair Work Amendment (Tackling Job Insecurity) Bill 2012.

In accordance with standing order 39(f) the reports were made parliamentary papers.

Mr SYMON: by leave—On 21 March 2013 the House Selection Committee referred the Fair Work Amendment Bill for inquiry and report.

The reason for the referral was:

The bill makes changes to the Fair Work Act that will have an impact on each employee and employer in Australia. It is important that the parliament be fully aware of this bill and identify any unintended consequences.

The bill proposes to amend the Fair Work Act 2009 in six broad areas:

- expanding existing family friendly arrangements;
- amending the modern awards objective to provide a fair and relevant minimum safety net of terms and conditions;
- introducing new anti-bullying measures;
- amending right of entry provisions;
- amending the functions of the Fair Work Commission; and
- providing some minor technical amendments.

The bill incorporates a second tranche of amendments to the Fair Work Act, based on recommendations of the Fair Work Act Review Panel. The parliament passed the first tranche of amendments, as recommended by the panel, in 2012.

The amendments contained in this bill seek to alleviate some of the pressures on Australian families and to encourage people with family responsibilities to participate in the workforce. It also ensures that a pregnant employee can transfer to a safe job where one is available, irrespective of the length of their service.

The bill amends the modern awards objective to require that the Fair Work Commission take into account the need to provide additional remuneration for employees working outside normal working hours.

The bill also provides the commission with greater power to deal with disputes about the frequency of right-of-entry visits. It also provides greater clarity about the location of interviews and discussions in situations where employers and employee representatives cannot agree.

The committee was particularly pleased that recommendations made in its previous inquiry into workplace bullying are included in the bill. On the conclusion of that inquiry, the committee recommended to government that workers who are targeted by workplace bullying be provided with an individual right to recourse through an adjudicative process. This bill provides such a mechanism through the Fair Work Commission. A worker who has been the target of workplace bullying will be able to apply to the commission for an order to stop the bullying. This mechanism will represent a significant step forward in combating a phenomenon which the Productivity Commission estimates costs the Australian economy up to $36 billion annually.

The committee recognises that there are opposing interests and views about the desirability of the measures proposed by the bill. However, in light of the extensive consultation that has taken place on the proposals put forth in this bill, the committee is of the opinion that it provides an appropriate balance in addressing the policy intent of the bill. Accordingly, the committee recommends that the House pass the bill.
I thank all those who provided evidence to the inquiry or attended the public hearing, my committee colleagues who participated on the inquiry and, of course, the hard-working secretariat. I commend this report to the House.

Mr Deputy Speaker, the second matter is that I present the Standing Committee on Education and Employment's advisory report on the Fair Work Amendment (Tackling Job Insecurity) Bill 2012. Those minutes of proceedings and evidence have already been tabled.

On 29 November 2012, the House Selection Committee referred the Fair Work Amendment (Tackling Job Insecurity) Bill for inquiry and report.

The reason for the referral was:

To determine whether the bill adequately addresses the nature and effects of insecure work in Australia.

The bill intends to amend the Fair Work Act 2009 to grant casual and rolling-contract employees, and their unions, the right to request a 'secure employment arrangement' from their employer at any time before or after they have commenced employment.

The inquiry received 20 submissions from unions, employer associations and a range of community organisations.

On 24 May 2013 the committee held a public hearing in Melbourne to explore concerns raised in submissions with stakeholders and officials from the Department of Education, Employment and Workplace Relations.

The committee recognises the bill's focus on addressing insecure work, an issue which was raised repeatedly by unions. However, measures to address insecure work should not be legislated without comprehensive analysis of and consultation on the issue, with consideration given to the intended and unintended impacts such legislation would have on employers and employees alike.

The committee shares the concerns raised by stakeholders that the bill's unclear terminology and inconsistency with current Fair Work legislation, enterprise agreements, and modern awards could create confusion and potentially damage employers' and employees' confidence in Australia's industrial relations framework.

The bill, by proposing that the Fair Work Commission be able to impose secure employment orders, would alter the objectives of the workplace relations system as provided by the Fair Work Act 2009.

The committee does not support the bill and recommends that the House not pass the Fair Work Amendment (Tackling Job Insecurity) Bill 2012.

Again, I would like to thank all those who provided evidence to the inquiry and attended, or attended the public hearing, as well as my committee colleagues who participated and, once again, our very hard-working secretariat.

I commend the report to the House.

Mr RAMSEY (Grey) (09:53): by leave—The Fair Work Amendment Bill 2012 is a wide-ranging bill, with many clauses covering many different things within industry. It must be said that the members of the coalition are not able to support the majority's recommendation that the bill be passed. And I must express our disappointment that clauses recommending family-friendly measures are mixed up in this bill with a number of clauses entrenching union power and reach into the workplace even further than it is already: in particular the right-of-entry clauses, which cause us—and the industry, it must be said—deep consternation and difficulty.
I understand there are more than 100 bills before the parliament at the moment and I do not concur with the chair's view that the committee did have sufficient time or ability to fully study the implications of this bill. There were 41 submissions and we had one half-day hearing in Melbourne, with three roundtables. Considering that was the sum total of the ability to contribute and considering the raft of clauses in this bill will impact on every workplace in Australia, the coalition members do not believe this was sufficient. We believe there was a poor case made for change; in fact, it is quite clear this legislation flies in the face of earlier commitments made by the Prime Minister, who actually said in 2007: 'We will make sure that the current right of entry laws stay.'

I noted the chair's comments on the areas considering the anti-bullying measures. I was a part of that inquiry as well. It was a deeply moving inquiry; it was quite confronting. There were 23 recommendations made from that inquiry and, largely, the coalition members' views coincided with those of the government members in the final report. There was one recommendation, though, which we did not support and that was recommendation 23, which called for this individual right of recourse, unspecified. We did not support that because we felt that there was too much room for exploitation for other purposes by other parties. That premise is fully explored within the report. It is unfortunate, I think, that the government has chosen to pick up on just that one recommendation when in fact there were 22 others in the report and I would have liked to have seen some moves right across the spectrum. It is done in isolation and tucked in amongst the clauses in the bill which call for greater power for unions in the workplace. I think it is unfortunate these clauses have been presented in one bill to the parliament.

There was widespread concern across industry that this raft of legislation was going to cause great difficulty for industry and at a time when we are losing jobs. Every day we open the paper and find out another business has closed its doors. We think it is inappropriate these bills should be passed at this time and we recommend that they not be.

Mr. Bandt (Melbourne) (09:57): by leave—I rise to make a brief statement regarding the report on the Fair Work Amendment (Tackling Job Insecurity) Bill, which was a bill I introduced. I thank the Education and Employment Committee for conducting public hearings into the bill and for its consideration of the bill. The motivation for the introduction of the bill was borne out by the evidence given to the committee during the hearings. We have a growing problem in this country when one in four people do not have any paid leave. That is having an increasing impact on people and their livelihoods and on those who are close to them. During the hearing it was confirmed that Australia is one of the worst offenders in this respect and that we are second only to Spain in the OECD in the number of people we have on temporary work—and Spain, of course, has a huge rural workforce.

The committee heard that this problem is particularly acute in the education sector. The bill, as the committee notes, provided exemptions for small business. The committee also noted that on many occasions casual and contract employment is completely legitimate, and it did not seek to regulate that. But what the committee heard was that in some industries, tertiary education and schools in particular, where there are no peaks and troughs of employment, where you always know you are going to need teachers and lecturers, nonetheless there was an extraordinarily high preponderance of casual employment. In the
tertiary education sector, for example, where there is significant federal government regulation and significant federal government funding, the committee heard that, with about 200,000 employees in the sector, only 70,000 were on some kind of permanent arrangement—and by 'permanent' we do not necessarily mean tenure for life; we mean just that you have got an ongoing part-time or full-time role.

Of those 200,000 the committee heard that 45,000 are on fixed-term contracts and 70,000 are on some form of casual hourly-paid employment. The committee heard that this has enormous personal implication for people. The committee heard from one individual, Sharni Chan, who has been working as a researcher for 10 years as a casual. So since 2003 she has had no paid sick leave. This is someone who is a highly-qualified early-career academic. She says:

Being a casual is not something that gives me flexibility to balance work and family, rather I have had to make my whole life flexible in order to meet the demands of casual work, which can mean intermittent demand for your work.

She went on to say that it was having implications on her personal life. She said that her partner has been in casual work for the past eight years:

We've recently decided that despite the insecurity we would get married, but we cannot imagine how we could possibly have children or raise a family when we do not have work for a period of time. I am in my 30s so this is something that has been core in my decision to try to work my way out of the sector.

This bill was an attempt to strike the balance between the legitimate needs of employers—especially small businesses—to have casual and non-secure employment when it is needed, and the need to address the fact that we are affecting people's lives now. They do not know whether they are going to have a job from month to month or from year to year, especially when they are working in sectors where they are teaching our kids or lecturing our students. We have a problem.

This bill was an opportunity to address that problem. As is revealed in the dissenting report, it has widespread support from community organisations, welfare organisations and unions. I am very disappointed that in this parliament, when we could have had the opportunity to tackle this growing scourge, we have seen no legislative action and now have Labor and the coalition saying, 'Don't pass the bill!' It is very likely that this parliament will rise without having taking one single step to tackle the scourge of job insecurity.

National Capital and External Territories Committee

Report

Ms BRODTMANN (Canberra) (10:02): On behalf of the Joint Standing Committee on the National Capital and External Territories I present the committee’s report on the visit to Norfolk Island on 29 and 30 April 2013, together with the minutes of proceedings.

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

Ms BRODTMANN: by leave—The committee visited Norfolk Island very briefly from 29 to 30 April this year. It followed up on a visit made in May 2011 and was to assess how Norfolk Island was managing under the road map that was introduced in December 2010 by the former minister for territories, Simon Crean.

Many people know about the challenges faced by Norfolk. They are many and varied. Essentially, they are in a pretty difficult situation. The recent economic situation has shown a real deterioration there. Economic activity, as of September 2012, was down 20 per cent on the previous year, about 40 per
cent of shops had closed, about 25 per cent of the male population aged between 25 and 50 had left the island since August 2011, the overall population had dropped by 9.4 per cent since August 2011 and tourism trends had been variable throughout the year.

We were keen to go and get an assessment of how things are going, because the road map that was introduced by the minister in 2010 involved a great deal of reform to the central underpinnings of a strong and sustainable economy and society. There were reforms in governance, reforms in financial management, reforms in FOI and reforms in transparency.

During our visit, the purpose of which was to examine recent progress under the road map, expectations of further progress and the current state of Norfolk Island's economy and government finances, we held discussions with the Administrator, Commonwealth Finance Officer, Chief Secretary, the Norfolk Island government that had just been elected in March this year, members of the assembly, CEO of the Norfolk Island administration, representatives of the Norfolk Island Chamber of Commerce and Government Tourist Bureau, the Accommodation and Tourism Association and representatives of a variety of women's and social welfare groups. During my own visits to the island as well as those of the committee, we have always been keen to connect with the social, community and local women's groups to get a sense of what is actually happening on the ground. The committee found its brief stay on Norfolk Island worthwhile. We thank all those who met with the committee, particularly the new Administrator there, the Hon. Neil Pope, and his staff.

The focus of our discussions was to get a readout on where things stood with the road map, a readout of where the economy was at and a readout of where the governance arrangements were at. But we were also keen to focus on what Norfolk Island were doing in the area of revenue raising. The ultimate aim of the road map is to get the underpinnings in place to allow Norfolk Island to integrate with the Australian tax system and so get the associated benefits—health services, Medicare, PBS and a range of other services. But it is a journey along that road and a number of elements need to be put in place before we can reach that point. We were therefore keen to get an understanding of what Norfolk Island were doing, given that they are in this difficult economic situation, to put in place the revenue-raising vehicles needed to underpin and sustain their economy. So a lot of our focus was on revenue raising, particularly on the notion of municipal rating or land rates.

We came up with a number of observations during the visit. The main thing we are keen to underscore is the fact that the Norfolk Island government maintains its commitment to the road map and to the fulfilment of its obligations under the road map. We believe that they are an essential requirement of Norfolk Island's success and progress.

We made just one recommendation following our visit. We recommended that the commitment of the Norfolk Island government and the Australian government to reform should be documented in a joint statement and timetable. This timetable should document the legislative changes required of both the Norfolk Island and Australian governments to improve governance and administration and to integrate Norfolk Island into the Australian taxation and welfare system. Any timetable should be predicated on the Norfolk Island government introducing its own revenue streams, such as municipal rates, reforming
its immigration system and divesting its government business enterprises.

In closing, I again thank all those who met with the committee. I also thank my fellow committee members, who have taken a longstanding and keen interest in Norfolk Island. I particularly thank the secretariat for the work they did in organising our visit, in conjunction with the Administrator, and in writing the report.

**BILLS**

**Australian Education Bill 2012**

Consideration in Detail

Debate resumed.

The DEPUTY SPEAKER (Mr Oakeshott) (10:08): The question is that the amendments be agreed to.

Mr PYNE (Sturt—Manager of Opposition Business) (10:08): Now begins a long a process in the House of considering in detail the 71 pages of amendments the government dropped into the parliament yesterday. I say at the outset that the sheer incompetence of this government in trying to implement a new school funding model has been quite breathtaking. It has been like watching a passenger jet slamming into the deck of an aircraft carrier which has just hit an iceberg.

The Gonski report was handed to the government in late 2011. It was published in February 2012. We are now in parliament in June 2013 with the school funding model due to run out on 31 December this year, yet the government is still trying to get agreement to a new school funding model—six months before it is supposed to take effect.

It is quite impossible for this government to implement a new school-funding model competently in the time that it has given itself. If this government were competent, if it understood good public policy, if it were not obsessively inwardly focused, it would have been doing this last year. It would have been going through the process methodically and calmly like adults in the room, rather than threatening and shouting with megaphone diplomacy to the states and the non-government sector.

In this particular instance, late last year the government introduced a nine-page bill, a bill full of platitudes, called the Australian Education Bill—a nine-page bill with no detail—which they expected the parliament to debate and which we have been dutifully debating. Yesterday, without any notice to me as the shadow minister, without giving me the courtesy of delivering these amendments to my office, they dropped 71 pages of detailed amendments into the parliament which they expected to debate and pass at five o'clock last night. The minister insists that my office had these amendments delivered to it. It did not. There is no record in my office of these amendments appearing at any point yesterday. In fact, to get access to these amendments, my office had to download them from ParlInfo so that I had access to them. So, whatever the department or his office is telling the minister, I have no record of ever receiving these amendments.

There are 71 pages of detailed amendments introducing a complicated new funding model—much more complicated than the model we have had since the year 2000. There is so much detail in these amendments that it is utterly outrageous for the government to expect the parliament to consider them and pass them in a matter of hours. The normal process, if this government had not given up governing already, would have been to have introduced these amendments, to have consulted with the shadow minister and to have given at least a week or two for the Independents and the coalition to consider these amendments.
and come to a position. Instead, this government has given up governing. It is just trying to tick boxes and it thinks that an asinine debate about a new school-funding model rushed through this chamber will somehow repair its stocks with the public. What would repair its stocks with the public is a government of adults that actually governed for the good of the country rather than an inwardly obsessive government worried about its own political survival.

I will over the course of this debate go through in detail many of the concerns that the coalition has about this new school-funding model. But, before I get to the detail of the amendments, which I will go through, I will mention another part of the process, and that is that the sector itself has been shut down with confidentiality agreements that would make the Committee of Public Safety in revolutionary France blush with its heavy-handedness and its draconian measures. The non-government sector has not had the opportunity to speak to its sector, as any government would expect it to do, because of those confidentiality agreements.

Mr IRONS (Swan) (10:13): I rise to speak on the Australian Education Bill 2013 consideration in detail. We have just heard from the shadow minister about process. There is no process in this particular bill, as we have seen since it was first brought to the chamber back in late 2012. Since then we have been preparing speeches, and I finally got to speak on it on Monday. I am seriously concerned about the shadow minister's health. I know he has been running around trying to deal with this bill, deal with the minister and deal with all the schools and the stakeholders involved in this, and I am seriously concerned about the process that he has had to deal with. I am sure he will be up to it and I am sure he will make sure that he takes the argument to the government and makes sure that all the stakeholders involved in this bill are greatly represented in this chamber. I know Deputy Speaker Oakeshott is big on representation in this chamber.

The government's handling of this bill has been chaotic and shambolic—a debacle. As I said in my speech on the second reading speech, the bill had no proper detail and would have been better suited as a press release rather than a bill in this place. As we heard from the shadow minister yesterday, at five o'clock 71 pages of amendments were produced. The document is that large that we cannot even download it through ParlInfo.

Through that process, we have gone from a bill with no detail contained in it to a situation where the Minister for School Education, Early Childhood and Youth is moving detailed and complex amendments to the bill at the eleventh hour—it is probably nearly the twelfth hour. It is good that the minister took the coalition's advice on board and introduced more content into the bill. But he should have done so from the start and not at this late stage of consideration. We now have these detailed amendments in front of us that the House has had very little time to consider. This means that coalition members have had no opportunity to talk with our local communities, to schools or with state governments about the amendments moved by the government.

It is particularly disappointing that I will not have the opportunity to speak with local schools in my electorate of Swan in Western Australia, about these changes because, as usual, with anything to do with this government, Western Australia comes out the worst. I know that parents and students at Lathlain Primary School will be disappointed that I have not had an opportunity to talk with them when they will lose, according to reports in the local papers, $466,316 in funding, thanks to the government's proposed changes. I hope that the minister
will come to Western Australia, go to Lathlain Primary School and tell them why they are going to lose $466,316 out of their budget because of this bill.

These tactics are symptomatic of this government. It is always about politics rather than achieving well-thought through and lasting reforms to our education sector. When the minister treats the parliament like this, it is clear to schools, parents and students—like those at Lathlain Primary School—that they are the ones who lose. Parents and students at Wesley College, Penrhos College, Como Secondary College and the East Victoria Park Primary School are all reportedly under threat of losing large chunks of funding under these changes. I see the minister smiling; I am sure that they will not be happy about losing their funding under this particular system. I am sure that they would all like proper scrutiny of these changes, especially when it is their futures that are under threat. The government has still refused to hand over individual school information to the sector for the years 2014-15 and 2015-16, despite repeated requests.

There is simply no excuse for the chaos and no excuse for the government to be ramming through these changes without proper scrutiny from the parliament and all stakeholders. The only strategy here is getting through the election. There is still no notional agreement on these changes. This is important, as it is the states and territories that run our schools. But the federal government, which does not run any schools and does not employ one teacher, thinks that it is okay to ram through changes like this without the support of the states. That is farcical. The Premier of Western Australia, Colin Barnett, said, 'Why would I want to hand over control of the schools in Western Australia to the federal government?" Victoria have allocated no money in their budget for these new measures. South Australia, a Labor state, have refused to confirm if they will allocated money in their budget today for these measures.

The budget papers give us an insight into Labor's true plans for education. What the government does not want the Australian public to work out is that most of the money being promised under this new model will not flow until two or three elections away. The new model is less transparent than the old model and, given the track record of the government when it comes to keeping their promises and telling the truth—especially when it comes to budget figures—the states and territories and the Australian public can be forgiven for being highly sceptical of the government's proposals. I repeat my invite to the minister to come to Western Australia and to Swan and talk to the schools in my electorate that are going to lose out.

Mr GARRETT (Kingsford Smith—Minister for School Education, Early Childhood and Youth) (10:18): The first thing to say is that this is a truly important day for the parliament in terms of education reform. It is a day when we will see enshrined in legislation a new needs-based funding model for schools and students across Australia. In relation to the debate that we are having here, it ought to be a debate that focuses on why it was that the Gonski panel made the recommendations that they did; how the government has responded to those recommendations after significant consultation and discussion with states, territories and non-government organisations; how crucial and critical it is that we put in place these funding arrangements to meet the needs of students and schools around Australia; and how urgent it is for other states and territories to work closely with the Commonwealth as we deliver this significant reform.

CHAMBER
In relation to the spray that we just had from the member for Sturt, I remind the member that the amendments were circulated at 1.20 yesterday afternoon. If it is the case that your internal processes are so poorly organised that they do not get a single amendment to you then I do not think that you can come in and blame us for that particular issue. That responsibility lies with your party in this parliament. It should organise itself properly. Those amendments were circulated. I want to make clear that we have also now made available draft regulations for the bill for consideration at this time as well.

But we should not be surprised by the spray from the member for Sturt, because he has sprayed from day one. Not only did he walk out 22 or 23 minutes after the Gonski panel brought down its recommendations and its findings and dismissed them out of hand but, when the New South Wales government agreed with the approach that was taken by this government to work to those recommendations to deliver a new national plan for school improvement, he then went on to say that in fact the New South Wales Premier had been conned.

The use of colourful language by the member for Sturt is recognised both here and further afield; after all, he was the one who described the goal that is set and that we have enshrined in the National Plan for School Improvement, which is to be in the top five of education nations by 2025, as mad. At no point in the debate over a period of more than 12 months has he ever participated constructively in moving this reform through the parliaments of Australia through their budgets to be delivered to the 9,350 or so schools and 3½ million students or so for whom it is intended. There has not been a single instance on the record where we have had construction engagement from the opposition on education.

The shadow minister gets up and says, 'We're trying to reach agreement.' I will remind him that we have reached agreement with New South Wales. The Liberal Premier was very clear about it: he signed up to the deal because 'it provides additional resources, fairer distribution, to deliver higher standards and better outcomes in schools across New South Wales'. That is what he said. The education minister likewise said, 'It's wrong to suggest'—as the shadow minister on a couple of occasions—'that indexation under the present model would be high.'

The fact is that the New South Wales Premier and the New South Wales education minister looked at these propositions, spent the time—as we have with other states and territories and non-government school organisations—in working through what a new funding model would look like and then committed to it. They did that because there is more money, money that is provided in the budget to deliver this reform. It does not matter how many times the shadow minister runs his lines out, either here or outside, the fact is that it is in the budget. That is the offer that is on the table from the Prime Minister. And it is a two-for-one offer for states and territories.

I say to the member that this is an important piece of legislation and that these amendments not only reflect the discussion, consultation and consideration that we have had of this issue for a considerable period of time but also finally provide for once and for all the opportunity for schools around Australia to be funded on the basis of the needs of their students, whatever school they are in, wherever they live, however much money their parents earn.

Mr BANDT (Melbourne) (10:23): The Greens are also working through the amendments that were tabled yesterday. We
share the sense of disappointment that it is being debated in one of the final weeks of parliament. This is something that, as I said during my speech on the second reading, ideally we would have done years ago. The funding model of former Prime Minister John Howard was an unfair funding model. It grew the gap between public and private schools. As we know, public schools are where you find the most disadvantage being addressed, so that was a model that needed to be changed. To repeat the point that we made previously, someone who started primary school in the year that former Prime Minister Kevin Rudd was elected will have finished primary school under that unfair John Howard funding model, despite there being several years of a changed government. And they are probably going to finish high school before the full impact of this new package.

That leads to one of the concerns that we have had and that we will continue to pursue, which is reflected in an amendment that I circulated, which is that we are very concerned that, as we get closer to election time, we want to make sure that any model that finds its way into legislation is one where—especially if it is being back-ended for budgetary reasons—the money goes first of all to those who most need it, and that is the most disadvantaged public schools. In the light of the substantial amendments tabled by the government, it is not immediately clear how our proposed amendment in a technical sense would relate to the amendments proposed by the government, so I just want to indicate to the House and to the chair that the Greens will not be pursuing the amendment here. We will pursue the issue in the Senate after we have had a chance to digest how our amendment might relate to the proposed amendments of the government.

Mr Fletcher (Bradfield) (10:25): I am very pleased to rise to contribute briefly to this consideration-in-detail debate. The minister in his earlier remarks outlined a series of noble-sounding aspirations, and that is all very well. But I think it is perfectly reasonable for those of us on this side of the chamber to adopt the very sound principle that was articulated by former United States President Ronald Reagan when he said, 'Trust, but verify.' The purpose of a consideration-in-detail debate is to engage in that verification process, to see if the words and language of the bill before us give effect to the noble aspirations which have been stated by the minister and by the government. Based upon the experience of this government's performance in the time that it has been in office, you would be naive and credulous in the extreme if you took the government's representations at face value and failed to go through a detailed process of scrutiny of the actual provisions in the bill, consistent with the very purpose of a consideration-in-detail debate. So I hope the minister will not be offended if, while noting his statement of lofty aspirations, we on this side of the House insist on the opportunity to test the wording and detail of the bill so that we may understand its actual legal effect.

With that, I come first to amendment (1) on the government's list of amendments which has been circulated. That amendment would have the effect that, in the preamble on line 8, after the word 'succeed', we insert the words 'achieve his or her aspirations'. At the moment, as members would be aware, the relevant paragraph of the preamble reads:

All students in all schools are entitled to an excellent education, allowing each student to reach his or her full potential so that he or she can succeed and contribute fully to his or her community, now and in the future.

The amendment which has been proposed would insert after the word 'succeed' the words 'achieve his or her aspirations'. I am interested to understand the drafting
intention behind the addition of the phrase 'achieve his or her aspirations'. I am interested to understand from the minister what the difference between 'succeed' and 'achieve his or her aspirations' is. I am interested to understand the government's thinking in the extent to which the preamble as presently worded is deficient in not including the words 'achieve his or her aspirations' and the benefit which is derived by adding the words 'achieve his or her aspirations' to the preamble. I am also interested to understand from the minister: what is the legal effect of including these words? On the other hand, what would the legal effect be if these words were not included?

I am also interested to understand the minister's perspective at perhaps a deeper level. I am interested to hear from the minister whether it is his view, underpinning the approach that has been taken in the drafting, that it is possible to succeed without achieving your aspirations.

I am interested also to understand, conversely, whether it is possible to 'achieve your aspirations' without 'succeeding', because I think it will assist the House in its assessment of the minister's drafting intentions in adding in the words 'achieve his or her aspirations' if we can understand the minister's view as to the difference between succeeding and achieving your aspirations.

I am also interested to understand from the minister the extent to which the present legislative and regulatory framework in the area of school education impedes students from, on the one hand, succeeding and, on the other hand, achieving their aspirations. I am also interested to understand from the minister—given that he is clearly a believer in legislation through the use of noble statements of intent—why he has not chosen to include such adverbs as, for example, 'fully succeeding' or 'comprehensively succeeding' or 'comprehensively achieving your aspirations' or, indeed, 'spectacularly'. Why has the minister not considered using the word 'spectacularly'?

Finally, I am interested to know why the minister thinks it makes sense to include these lofty aspirations in a bill. 

(Time expired)

Mr HAWKE (Mitchell) (10:31): I want to raise some points with the minister about this matter because, even as I have been sitting here right now, I have received a letter emailed to me from a Catholic school principal in my electorate. I have not even had time to read it but I want to read the questions that Mrs Helen Kingsley from Our Lady of Lourdes Primary School in my electorate has raised about this matter in a letter to the Prime Minister that has just been sent to me.

Mrs Helen Kingsley asks for clarification about the following outstanding issues:

When will the final financial outcomes for each of the six years of the rollout, 2014 to 19 inclusive, for each of catholic school (both Catholic Education Commission and non-systemically funded) be known?

Minister, can I have the answer.

The second point she raises with the Prime Minister is:

Can you explain your claim on Sunday 19 May that the average non-government school in New South Wales will lose $800,000 if the new funding model is not adopted?

I would like an explanation too, Minister.

The third point Mrs Kingsley raises is:

Can you explain your claim on Sunday 19 May that the average non-government school in New South Wales will lose $800,000 if the new funding model is not adopted?

I would like an explanation too, Minister.

The third point Mrs Kingsley raises is:

What guarantees do we have that the full funding for the model will actually be found or delivered by 2019?

A very important question indeed, Minister.

The final question Mrs Kingsley asks is:

How can the Commonwealth predict funding for 2016 at this stage given the 2015 review of indexation?
These are the concerns we are hearing all around the nation at the moment because of the lack of detail in this bill. I was on the inquiry into this bill and I want to record for the House that we had 10 pages in that bill to inquire into, which basically said, 'We believe that children are our future; teach them well and let them lead the way.' Minister, we all agree that is a great proposal for education in this country. But you have put forward 71 pages of amendments. All of the detail that matters to schools in this country is in that 71 pages. And you said 1 pm yesterday is enough time for Mrs Kingsley of the Catholic system in my electorate to consider the detail of your amendments. I can tell you, Minister, it was not.

My further question to you in this matter is: will you now allow the House to conduct a further inquiry into the actual detail of this bill, because every single witness that came forward said, 'We do not have sufficient detail'? You can read the dissenting report from our members here on this side, which explain to you that with 10 pages every single witness could not identify how the funding model would affect their system, their school or their sector. Every single witness said, 'We cannot talk to you about it because we are in confidential negotiations.' Every single witness came forward and said, 'Sorry, we do not have the detail about what will happen to school funding in Australia under this bill.' That is because they did not have the detail available to them. So that inquiry was a complete farce, and we were required to report before the 71 pages were made available. You required that inquiry to report to this House before we had seen the 71 pages of detail.

Minister, tell us: how can anyone in this chamber vote on this bill without the proper inquiry into the detail? I have already started to look through the 71 pages. I can tell you they are very complex. It would be unfair of me to ask you to explain the detail of your amendments, because I am sure at this stage you could not explain to this House the detail of those amendments on how the funding model works and how it affects each sector: the independent sector, the Catholic sector and all of the different education sectors affected by this bill.

Minister, if you cannot explain the amendments to this House and if we cannot explain then because we are just reading them for the first time today to understand what the loadings are, what the indexation is and how these affect each sector, and if the sector itself is writing to me as we speak in this chamber and asking serious questions about what the funding will mean for them—what these amendments will mean for them—how are we supposed to cast a vote on this bill? How are we supposed to cast a vote on this bill without a proper inquiry into its detail? You have provided significant detail on the funding, and we need the time to consider it. We need much more time to consider how it will impact on all the different schools in all of our electorates around the country.

Minister, if what you say is true and this is an important matter and it really means a lot to you—I noted in your second reading speech that you said 'right a moral wrong'—then certainly what you are doing is not the only goal. How you are going to do it is the purpose of legislation—how? And the 'how' you have not explained to this House. We have not had sufficient time to consider the amendments. The detail already appears to be quite complex. It is very complex for the schooling systems around Australia, and that complexity has been noted in media reports this morning. So, Minister, I have asked all of these questions, but will you allow for a further inquiry so that this House can consider the detail?
Mr GARRETT (Kingsford Smith—Minister for School Education, Early Childhood and Youth) (10:35): I am mindful of the fact that we are hearing some commentary from coalition members on the other side of the House, and so I think it is useful for me to provide some context and information in relation to the matters that have been raised by members. I am happy to note the member for Melbourne’s comments and to basically provide the assurance to him that the new schooling resource standard model, with the loadings that are identified in this legislation, provides the clearest possible commitment and delivery to students of need in our nation.

The fact is that the Gonski panel findings were an absolute challenge to us as Australians. They were a challenge because our school system was not in a position to deliver the best education to all students enrolled. It was a challenge because the gap between children from less well-off backgrounds and those from better backgrounds is very wide—in fact, it is the widest of equity gaps amongst comparative nations. For Australia, this is a crucial and important challenge, and the model which is identified clearly in these amendments goes to that very matter.

The member for Bradfield made an extremely confusing contribution around preambles and aspirations, and then asked me for my perspective on these matters. I am pretty happy to share my perspective with him, I have to say. The first thing I would share of my perspective is that the coalition, under the opposition leader and the member for Sturt, has shown no appreciable interest in, or commitment to, education reform by way of both investment or policy during the terms of the last two parliaments—and I include this parliament. Previously, we had commitments from them to cut education. They wanted to cut the teacher quality national partnership; they wanted to take $425 million away from it. They wanted to abandon the computers in schools program because that was a total waste of money. The program has been delivered by this government. In fact, this government has delivered more than the numbers originally contemplated. The coalition want to cut the trades training centre program. They want to take money from our neediest schools. We are in the process of delivering reforms like the national curriculum—which I know the member for Aston is aware of, although the opposition leader seems to think it has not been implemented. There is the My School website for greater transparency. There are the professional teaching standards and qualities. There has been nearly a doubling in appropriation investment by this parliament compared to the years when the coalition were in government. We have provided the resources, and they can be seen in schools right around the country and are no more than was provided during the Building the Education Revolution.

I go to many schools, so let me share my perspective of that with the members opposite. I have not been to a single school in this country where a principal or teacher has said to me anything other than, ‘We are absolutely grateful for the fact that finally a federal Labor government has decided to invest in the infrastructure of our schools’—such as the covered outdoor learning areas and the improved science laboratories. With every single facility in those primary schools improvement has occurred. How many of you would go to those schools and gainsay that investment now? Very few, I would dare to suggest.

This was one of the most significant public infrastructure investments in education that we have ever seen, in record time, keeping this country from recession. That is what this government did, and at the
same time delivering significant reforms, working with stakeholders, establishing an institute of teaching and school leadership, a curriculum and reporting authority whose rigour members opposite know delivers to students in this country the best possible curriculum that they can have. These are the sorts of commitments that this government has made and we have backed them up in the budget. We are willing to do the last and most important piece of work, which is a needs based funding system for students and schools around Australia.

The fact is that no school—no school—will be worse off as a consequence of our investment in A National Plan for School Improvement. Schools will be worse off only if the opposition leader tears up the agreements that we have already reached and seeks to block the agreements that we are currently engaged in and wanting to deliver for the good of students in states and territories right around Australia.

Mr Hawke: Madam Deputy Speaker, I have a point of order. I seek leave to table a letter from Our Lady of Lourdes Primary School to the Prime Minister in relation to this education funding system model.

Leave not granted.

Mr Pyne (Sturt—Manager of Opposition Business) (10:41): I now put on the record what a swindle these amendments are and this legislation is in attempting to pretend that it is introducing the recommendations of the Gonski report. The Gonski report required $6.5 billion of new spending each year to implement Mr Gonski’s recommendations. Over the next four years, over the forward estimates, that would be $26 billion of new money. This government is delivering a $326 million cut to school funding alone in this budget over the forward estimates. This government is, in fact, taking money from schools over the forward estimates and in the never-never, in year 5 and in year 6, is attempting to get credit for apparently rivers of gold that will flow to schools in years 5 and 6 that are not even in the forward estimates.

To believe that, you have to suspend everything you know about the Prime Minister and this government. You have to suspend all the broken promises in the last six years to believe that in five or six years, outside the forward estimates, this government will be re-elected three times and will deliver rivers of gold to schools. What we do know is that in the next four years there is a $326 million cut to schools. That is not including cuts to universities, cuts to apprentices and traineeships and cuts to early childhood education. That all adds up to $4.7 billion. So the total cut to education in this budget is $5 billion. To claim that the government is trying to introduce Gonski reforms is a fraud and a swindle. That is the reason that David Gonski has been so silent on the government’s legislation and amendments, because he does not want his good name to be associated with amendments that are not even close to, that are a pale imitation of, the Gonski reforms. If they were implementing the Gonski report they would be costing $26 billion over the forward estimates, but this government is delivering a $326 million cut to school funding over that time.

Do not just take my word for it. The whole sector is up in arms about the shemozzle that this minister is presiding over. Bishop Fisher, the chair of the Catholic Education Commission in New South Wales, wrote to the diocesan directors and principals of congregational schools, and he said:

This is a most unsatisfactory situation and this dissatisfaction has been strongly expressed by the National Catholic Education Commission to the Commonwealth government.

Further:
Compared to present funding mechanisms, the new model itself has become extremely complex and annually variable. It is made even more difficult for schools to predict future funding levels because so much of the model is based on loading which themselves involve poor or imprecise measures of student needs.

That is the Catholic Education Commission of New South Wales speaking on behalf of the National Catholic Education Commission.

The member for Mitchell has read into the Hansard record a letter from one of his local schools. I asked the minister last Thursday to answer a question that Mary MacKillop College in my electorate asked. It was a very simple question: how much in additional funds will Mary MacKillop College receive in 2014, 2015 and 2016? His answer was so vague that I gave him an extension of time that the parliament granted, over the objections of some of his colleagues, so that he could answer that question. But this minister was entirely incapable of answering that question.

Hearing the minister answering that question was a little resonant of their pink batts disaster. It reminded me of his handling of the pink batts disaster. Now, 101 days from the election, he has his hand on the levers again. (Time expired)

Mr TUDGE (Aston) (10:46): At the beginning of this debate about these amendments, the minister said that these 71 pages of amendments provide funding certainty for our schools. That is the claim that he made. I would like to put on the record that these amendments do no such thing. It is an extraordinary claim for the minister to make, because if these amendments did provide funding certainty, as he claims, then he would be able to tell every school in the nation exactly how much money they will receive next year and the year after and the year after and the year after that. But he cannot do that.

As the shadow minister, Christopher Pyne, pointed out, the minister was asked specifically in parliament only a few days ago, just in relation to one school, to inform the parliament what that one school would receive next year or the year after. Again, we do not know. When you look through these 71 pages of amendments, a framework is outlined and there are a lot of words. There are great complexities, formulas are introduced, but there is no detail for any school to determine how much money they will receive.

The reason for this is that there is so much complexity and there are so many loadings which have no consequential numbers attached to them. For example, there are supposed to be loadings in relation to location, in relation to the size of schools, in relation to disability and in relation to the capacity to pay. There are additional loadings for new and old per student amounts, but there is no detail. We do not know what those are. All we are given in these 71 pages of amendments are the base amounts. But for most schools that is just the beginning. If they were only to receive those base amounts then they would be significantly behind. That is particularly the case for the more remote schools. In your electorate, Madam Deputy Speaker Livermore, some of the remote schools will have per student funding of $50,000 or $60,000. There is no indication in these amendments that those schools will not have their funding slashed. All this document gives is an initial per student amount as base funding.
Perhaps we could be satisfied that there is not sufficient detail at this stage if it were the very beginning of the process towards school funding. But we are not at the beginning of the process. Far from it, we are 100 days from the next election, six months before the new school year and schools have to plan for their budgets. And, what is more, we have had a House of Representatives inquiry and we have had the Gonski inquiry going on for 18 months. But the most damning point in relation to this is that this has actually been a nine-year process, because nine years ago was the last time that the Labor government—that the Labor Party—had a school-funding model. Nine years ago!

We have waited nine years to get to this point. Nine years, so that schools would know what they would be entitled to under a Labor government. We know what the policy was nine years ago: that was laid out very clearly in election documents—incredibly clearly for everybody to see. It was known as the 'hit list'. But at least they were upfront and honest then in 2004. They said, very specifically—they were upfront and honest—that these schools would have their funding cut.

Now, nine years later, we are still waiting for what the policy will be. And in those nine years they have bagged the current policy up hill and down dale. Almost every year, every month, every week and every day they have criticised the SES funding model, but they have not come up with an alternative. And so we have been waiting.

And when the minister tabled the 71 pages of amendments yesterday, we thought, 'Finally, we will be able to see.' Finally! One hundred days before the election—six months before a new school year and 18 months after Gonski and our House of Representatives inquiry, we will finally get the details'. But there are no details here. Schools still do not know, and if the minister does know the answers then perhaps he can get up now and say how much money individual schools will get next year, and the year after and the year after that, because at the moment the only certainty we know is in the budget papers, and the budget papers say a funding cut of $345 million over four—

(Time expired)

Mr GARRETT (Kingsford Smith—Minister for School Education, Early Childhood and Youth) (10:51): I do want to take the opportunity to respond to some of the erroneous claims that have been made by the coalition in the course of this debate, and to reflect, as it were, on the fact that up to this point in time we have not seen any commitment from the coalition to education reform of any kind. Neither have we seen any commitment from the coalition to investment in schools.

In fact, what we do have is a commitment to a broken funding model—identified as broken by the Gonski panel itself. I was invited by one of those opposite to talk about where it is in the amendments that we give effect to the Gonski recommendations. Quite clearly, the amendments are about a schooling resource standard, plus loadings to be delivered to approved authorities—states and territories and non-government school bodies.

I will just read the recommendation of the Gonski panel itself. It is very straightforward and very clear in what it says—in particular:

The Australian Government and the states and territories, in consultation with the nongovernment sector, should develop and implement a schooling resource standard as the basis for general recurrent funding of government and non-government schools. The schooling resource standard should:

• reflect the agreed outcomes and goals of schooling …

… … …
include amounts per primary and secondary student …
complement and help drive broader schooling reform to improve Australia’s overall performance and reduce inequity of outcomes. That is absolutely what sits in these amendments to this bill. That is literally what it is about.

For the member for Sturt to come in here and say that, when in the budget papers there is quite clearly additional appropriation in the budget over time—considerable appropriation, that would see $14.5 billion delivered over six years on a two-for-one basis of effective partnership between the Commonwealth and the states—and to maintain that it is anything other than an increase in funding for schools is literally laughable. The shadow minister will say anything at all—that is true.

There is one other point that needs to be made here, and that is that we have, and we will continue, to be in constructive negotiations with states and territories and the non-government school sector, who stand to benefit considerably. For the independent school sector there is around $1 billion and for the Catholic system there is around $1.4 billion. My expectation is that as we reach agreements with those sectors over time, as we should, then we will be in a position to make clear what the benefits are for this National Plan for School Improvement.

When I hear those opposite assail the government on the basis of delivery in education, I think they must be living in a parallel universe where negativism is inherent and where no clear or rational thinking in a debate of this kind is actually delivered. I can see some students watching us here. I look for an example of how this legislation works. The example has been made public, but it is a useful one. Members have been shouting at us, asking, 'How does it work; what does it mean?' I am very happy to share it with them.

Let us look at an inner regional independent primary school of some 220 students. You take the school’s characteristics, you look at the base SRS amount and you then see whether the loadings that are inherent in this model would be applied—loadings for low socioeconomic background, disability, the size of the school, its location and whether or not it has students who require additional support for English language proficiency. That is what is included in this legislation that is before the House and which we are now debating. But the fact is that the shadow minister just wants to oppose—that is all the coalition can do—for the sake of opposing. It does not go to the heart of what this will mean for schools and students around Australia.

If we as a nation lock in a funding model which meets the needs of students both now and into the future, we are not only locking in equity and fairness but driving the whole of the appropriation. Yes, there is additional investment, but it is about every single dollar and cent that we as governments spend on education, on a model that is focused on student need. The government have articulated those things which we think are necessary. We have reached agreement with the New South Wales government. We know that those bilateral agreements will reflect A National Plan for School Improvement and we know that those resources will be put to the best possible use they can.

Mr PYNE (Sturt—Manager of Opposition Business) (10:56): Just to continue the theme of the government trying to swindle the Australian public on this so-called national agreement, we are debating 71 pages of amendments in the House today on the basis that two jurisdictions out of
eight—New South Wales and the Australian Capital Territory—have apparently agreed to this national agreement. Before the parliament rises, we will be passing these bills because the government, I assume, has the numbers. We rise on 27 June and, by 30 June, other states and territories may sign up. But there is no national agreement. We are being asked to pass bills on the basis that the minister is claiming that there is a national agreement to introduce a new school funding model. There is not. The non-government schools have not come out and said that they want this new school funding model. The Catholic schools in Victoria, New South Wales, Queensland and elsewhere have all raised specific concerns. The Independent Schools Council, the AISs in Victoria, New South Wales, Queensland and other states have all come out and raised concerns. Western Australia has indicated that they will not sign. Queensland, Victoria and the Northern Territory have all indicated that they will not sign. The South Australian budget is being handed down today. It will be very interesting to see whether there is any money in the South Australian budget to meet the expectations of the federal government of signing this national agreement. My hunch is that there will not be. So there will not be a national agreement.

The non-government schools are not on board; the states and territories are not on board. Yet the government intends to ram these bills through the House and gag the debate today, when we have only had since yesterday to consider 71 pages of amendments.

It is no surprise that the government would want to do that, because what is hidden in this new school funding model? It is referred to in part 7 of the amendments that we received yesterday, under the heading 'Implementation plans,' and it is also explained more clearly in the explanatory memorandum:

The amendments also provide the Minister with a residual power to give approved authorities directions in relation to their implementation plans, for example, where an approved authority is not undertaking the activities it has committed to. In deciding whether to give such a direction the Minister must have regard to any relevant education agreement that the approved authority is a party to such as the National Education Reform Agreement or the National Education Agreement.

What does that mean in layman's language? It means that any state or territory or non-government school sector that signs up to this national agreement, and which is implemented, will be handing over the most unprecedented powers to the federal minister for education in Australia's education history.

No wonder the Labor government wants this bill to go through, because then the federal minister for education would love to be able to tell the states and territories how to run their schools. He would love to be able to say to the Catholic systems, which Labor has always hated and opposed violently since 1963. They did not introduce the funding of non-government schools, the Menzies government did. And ever since then, ever since 1963, every bit of Labor government policy when it has been in power has been to try to undermine the funding of non-government schools, particularly Catholic schools.

This legislation, these amendments, will allow the minister for education to say to the Catholic systems: 'If you intend to vary the national model we have established, you need to get agreement from the federal minister for education.' So if the Catholic systems want to say that St Ignatius' Riverview will cross-subsidise St Monica's down the road in their system, they will have
to get agreement from the federal minister for education. And every time they vary their system, they will have to go to the federal government to get agreement to do that. If I was a Catholic principal, if I was a Catholic educator in one of the Catholic education commissions, I would not be handing over my power to the federal minister to distribute amongst the Catholic schools in the way they have done for decades so that local parish schools can be cross-subsidised by wealthier, high-end Catholic schools.

It is not just for the Catholic schools though, of course. Every independent school is handing over this power to the federal minister for education, and every state and territory. And that is one of the reasons they will not sign up. (Time expired)

Ms MARINO (Forrest—Opposition Whip) (11:01): I see the minister for education sitting at the table. Minister, I am the member for Forrest, and that is in the south-west of Western Australia. My schools today would be looking at these amendments, if they can download them, and they would find, like so many in this chamber, that basically this group of amendments to them is as clear as mud. It is as clear as mud for them. This does not give them any certainty at all. In fact I repeat: this gives my schools in the south-west of Western Australia no clear idea of what you are intending; this is as clear as mud for them.

We have had these amendments for such a short time. Bunbury Catholic College would be really interested; they would be flipping through this saying, 'You know, what does this actually mean for Bunbury Catholic College?' I defy them to be able to send me an email right now and tell me exactly what this means for them. At the Georgiana Molloy Anglican School, a very good school in my electorate, I know the principal there, Ted Kosicki, would be looking through this and he would be saying, 'What does this actually mean for Georgiana Molloy Anglican School?' I am sure that is what he would be thinking—well, I am not really sure, according to this. I cannot find a list that says this is what GMAS is going to receive. There is nothing in here for my schools.

And yet—after what is an absolutely shambolic process that we have seen here—let us face it, Minister: government is supposed to be about process. That is what we understand on this side—that is, that good government is about good process. But we have had six years of a shambles and a circus, a circus and a shambles, and it is almost, to me, as though this is just a dreadful indictment on a very serious issue. We on this side take education extremely seriously, but in dropping these amendments on the table just yesterday, a short time away from an election, I ask: how important is education really to this government? They come in here and make incredible statements, but when you look at the facts the opposite is the case. The government could have done this, as we know, such a long time ago. Gonski, that they talk about so much: we hear that it has gone from a noun to a verb and back—that is interesting for schools—but what we do know—

Mr Fletcher interjecting—

Ms MARINO: Yes, it is an interesting thing for schools to debate about Gonski: is it a noun, is it a verb? And that seems about the extent of the government's concern about education in this nation. To introduce this at this point shows contempt, as does throwing 71 pages of amendments at us, the opposition, and saying, 'You have to pass this.' I would liken it to this: what is our duty of care to our schools? It is to actually scrutinise this in detail, as the shadow
minister needs to do; to look at this and say, 'What exactly does this mean for every school in our country?' But we are not being given the opportunity to do so. Clearly this government does not place that value on our schools, and certainly not on the schools in my electorate.

There has been such a complete lack of detail and it is truly, as we have heard from the shadow minister, a swindle. We know that the funding is not in the forward estimates. The funding is simply not there. The Australian people, they understand this government; they understand that you cannot believe a thing that this government says. So why on earth would you believe anything that they would say about education—particularly when you look at the process the government has used? Gonski was delivered at the end of 2011. Here we are, almost two years later, on the eve of an election with a couple of weeks left of parliament, and the minister comes in and says, 'There's 71 pages and we want you to pass them now.' But for my own schools in the south-west of Western Australia—and I suspect some of them will be watching this debate with no idea what any of this mean for them—it is as I said; when my principals in my schools read these documents they are as clear as mud, and yet here we have a minister who is saying to us, 'Tick and flick.' That is not how the schools in this nation work, and it certainly is not the way that we as an opposition work, Minister. We do not tick and flick because we know there is nothing that this government says that can be trusted, and we certainly know, in looking at the budget figures, there is no money in the budget for what you are proposing.

Mr FLETCHER (Bradfield) (11:07): I respond to the comments made by the minister who dismissed my previous contribution in relation to the first amendment to this bill, the Australian Education Bill 2012, that the government has moved and who, in a hand-waving way, described it as 'confusing' and had nothing more to say. The point that I am making is that the minister has included, within both the bill and now the amendments, many pages of worthy aspirations. It would seem from the amendments that the government is moving that it was not satisfied with the first several pages of worthy aspirations and wanted to add some more.

In my view, this is a meaningless exercise with no legal validity. The inclusion of these many pages of statements will not affect one iota the way that a court interprets the substantive provisions of the legislation. As I read the bill I see that is also the government's view, because proposed section 10 of the bill—prior to the amendments being moved—states:

This Act does not create rights or duties that are legally enforceable in judicial or other proceedings.

I have two specific questions for the minister, because I have not been able to work them out myself in the time available. Will proposed section 10 still stand after the amendments are moved, assuming they are accepted? Will proposed section 10 stand in relation to every provision of the bill or, as I presume is more likely, in relation to the preamble and some other clauses? I would like an answer to those questions. More broadly, the question I am asking the minister to address, which to date he has simply dismissed by describing my contribution as 'confusing', is: what is the substantive point of the many pages of wafty and lofty statements of aspiration contained in the original bill which are expanded upon, in ways I have already commented on, in the amendments? Also, what is the work which is done by the further amendments to these statements of high-minded and desirable aspirations?
To put the question another way, in language that lawyers often use, what work do these words do? If you put language into a contract, if you put language into a bill, you do so because it is intended to have a legal effect. The words are intended to do some work. I do not know whether the minister practised as a lawyer but I know that he has a law degree, so I assume he will understand the point I am making. What is the work which these words do? Could the minister explain it to the House and could he explain further the effect of the amendments? If the government has moved amendments it presumably thinks they are intended to have a purpose. Therefore, in a consideration in detail stage the minister ought to be able to explain to the House what that purpose is. He ought to be able to explain to the House why he considers it is appropriate that the parliament should pass into law a bill which contains these words.

There are many serious concerns we on this side of the House have about the bill and the 70-plus pages of amendments which are before the House. We have very serious questions about process; we have very serious questions about the government's bona fides; we have very serious questions about whether this bill does what the government claims it does. Our concerns are only heightened by the appalling process in which the government has dropped 70 pages of amendments on us with only a few hours to analyse them. I also have—as I am sure my colleagues have—other serious questions, and one of my serious questions is: what is the purpose of this high-minded statement of aspirations when proposed section 10 of the original bill says this act does not create legally enforceable obligations? Could the minister please explain how that clause will now apply in relation to the preamble and other parts of the bill? Could the minister please explain the purpose of these high-minded provisions and how precisely the government expects the court to interpret them?

Mr EWEN JONES (Herbert) (11:12): I rise to speak on the Australian Education Bill. This is what it has come to with this government. All that time telling the people of Australia about the education revolution has come down to a nine-page bill and a 71-page amendment. The sum total of consultation or committee for this series of amendments is zero. After six years in government, with education at the core of what our current Prime Minister said was at her heart, this is what the government has given us. This government should hang its head in shame.

Education funding is already very complex, and this makes it ridiculous. I always found in sales meetings that the sales guy who had not made a sale or who had nothing to add always went on with the most detail. These amendments show that this minister has not been across the detail. He has not made the sale. Otherwise, he would be able to come in here and explain these things to us. His legacy will be one of failure.

I have some questions for the minister. Can the minister tell me what additional funds individual schools will get in 2014 as compared to 2013? If so, can he supply a list of my schools and get me those numbers? If not, why not, and how can any school budget for anything next year? What does the National Plan for School Improvement do that the Australian Curriculum Assessment and Reporting Authority could not do or does not already do? In an era of quality control and best practice, how does this bill address the issue of teacher performance in areas of: (1) classroom management; (2) content delivery; and (3) monitoring and feedback of student progress given that
research identifies that the teacher—that is, teacher quality—is a key factor for student success?

Should my son's school principal or the Principal of Mundingburra State School apply for a loan now on the strength of this funding model for the dollars the minister says will come after three more elections? If the government were a bank would it take on the loan on the proviso that the principal and interest will become payable only if the government comes good with its funding? If not, why not?

As an organisation, how much extra funding can the Townsville diocese of Catholic education expect in funding from this government each year from 2014? If a teacher is performing above and beyond what is reasonably expected, how does a principal in this model reward that teacher? If a teacher is not performing anywhere near the standard required, how does a principal in this model counsel that teacher? And, inevitably, how does he get rid of that teacher if they are not suited to the work? Does this bill make that easier?

The minister before raised the issue of computers in schools. I would also like to ask the minister what provision in the budget has come for the replacement of those schools that were bought out? What provision has come for the replacement of all those computers that you put into high schools in Queensland—or have you just passed that on to the state government for them to pick up? What should you do?

We have seen what they have done to the home insulation business. We see what they are doing to the telecommunications industry at present. Please: let's pull back from here, because this is folly. This is untested. This is partisan politics at its worst. Not one state education minister has seen this document. The private, Catholic, Christian and independent schools have not seen this document, and neither have their concerns been answered by this increasingly erratic and desperate minister.

We should be building communities of learning. Instead you are ripping $2.8 billion out of the university sector and you cannot tell me if the money raised by the parents at St Joseph's The Strand's Beach-A-Thon will count against them in this rubbish amendment. The problem we have here is that you are not giving any certainty. Schools are not the place for an experiment. Schools are not the place to experiment with funding models. We must have certainty. Schools must have certainty. Go into my son's school or Mundingburra State School and explain to the teacher's aide that their funding next year or the year after has been cut, because that is what the principal has to do. Of course when you go to a school everyone is telling you what a good job you have done. Bloody hell! You have to look beyond that to what is actually happening out there. This minister should hang his head in shame.

Mr RAMSEY (Grey) (11:16): I have spent three months on an inquiry with the House of Representatives Standing Committee on Education and Employment looking at the Australian Education Bill 2012—the first version, or the version without amendments, it must be said; the 1,400 words, the aspirational bill—and I have not come across one person, including the members of the coalition, who seriously disliked the bill. So we have had three months looking at a bill that said nothing, and now, at the eleventh hour of this parliament—some could say, in fact, five minutes to midnight for this parliament—the government brings in 71 pages of amendments to that bill, still with no clarity about what it means in individual dollars for individual schools. It
does have funding formulas in there; but, of course, we cannot fill out the Xs and Ys in an algebraic fashion to know exactly what that funding means. We are given no time at all to discuss, to discover, to explore what these amendments mean for Australian schools.

I consider it my responsibility as deputy chair of that committee to make sure that legislation we do not fully understand is not passed through this place. It is the committee's job to explore the bills so they can explain to the parliament what it is that changes markedly, that changes the way we do business in Australia—in this case, the way we do business in the education sector. Quite seriously I cannot give that advice to the parliament. Our dissenting members' report, for instance, highlighted the lack of detail and lack of good process where the government seem to be virtually thumbing their nose at the parliament, saying, 'We have the numbers.' That is the only thing that matters at the end of the day. 'We have the numbers,' and we presume that sometime today the government are going shut off the debate on this bill and use those numbers to push the bill through the parliament when we do not know what it means and neither does any school in Australia.

It has been a great frustration to the committee throughout that inquiry that, while some of the leading educators in Australia have come to speak to us, those very few that were inside the beltway and had some idea of where the negotiations were going were not at liberty to discuss those negotiations with the committee that is supposed to report to the parliament and give advice on how this bill is going to affect their everyday lives. The rest of the contributors just do not know. They do not have any idea. There is absolute confusion out there. Most of those in the education sector are being asked to take the government at trust. If the last three years have taught us anything about this government, it is that you cannot trust them. You cannot trust their word. They say not only 'Trust us on this bill, and it will be alright on 1 January next year' but also 'Trust us; we're going to take $300 million out of education, but you're going to be better off in five years time.' That is the kind of trust the government is asking schools and the education sector to take them on. Quite clearly the members of the coalition on the education and employment committee could not recommend that this bill be passed on that basis.

We asked that the bill lie on the table until the detail is provided. Apparently about 12 hours ago the minister provided the detail, but we have not yet had the opportunity to have a look at that detail. As we expressed in our dissenting report, we believe strongly that, once that detail is provided, it should come back to the education and employment committee to reconsider and not have a 24-hour, 48-hour or three-day inquiry as many of the bills in the education and employment sector that are being referred back to that committee in this time are. It should have a genuine inquiry that will give the educators and the schooling systems of Australia the opportunity to fully explore what this legislation means for them—what these amendments mean. As of today, as far as I know, they do not know, and that is a very serious concern for all educators in Australia.

Mrs MARKUS (Macquarie) (11:21): All of us in this place would agree that the greatest asset of our nation is our young people. The current generation and future generations deserve nothing but the best. We would all agree that their future and reaching their fullest potential will depend on many factors and one of these factors is their education. We all agree on the significance of education for their future, but it is about priorities. It is about how money is spent.
The focus ought to be on teacher quality. It ought to be on pedagogy. Teachers and educators in my community in the electorate of Macquarie are telling me on a daily basis that it is how teachers are trained and mentored and how they are connected with the teaching environment once they are trained.

The minister is saying that drawing out the best of future generations—the gifts, the talents, the abilities and the strengths—is about more money. Well, all of us in this place, having looked at the budget closely, understand that that there is no additional money in the budget; in fact there is less. So how can the minister come into this place and claim that he is committed to the future education of our people? I do not think so.

The current bill does not cater for the diversity in the non-government sector. We have moved an amendment to supplement the definitions in this bill, to define both systemic and non-systemic schools. We have not seen the minister respond to these issues adequately.

Looking at these amendments, there are some more questions. The 71 pages of amendments to this bill actually raise more questions than they give us answers. The minister talks today about buildings. He mentioned how significant the buildings revolution, as he called it, was. However, again let me focus on what the educators in my community are telling me. While buildings may be of assistance, they do not really bring change. It is the people inside the buildings that bring change, and that is where the investment ought to go.

What is deeply concerning about the bill here is that there are a number of sections that give power to the minister in a way that we have never seen before—power for the minister to intervene in school systems that distribute money according to the various needs of their students and their schools. The minister again says today that he is concerned about meeting the needs of students, but how can a minister in Canberra really know what is needed across a particular system? The Parramatta diocese, which looks after the students in the Catholic schools in my electorate, understands the needs of all its communities. It has new schools, large schools, smaller schools, isolated schools—the list goes on. But there are some sections about giving the minister power that are deeply concerning. Proposed section 81 in division 2 talks about variation or revocation of approval on a minister's own initiative, and this is very deeply concerning.

I will just read proposed subsection (2) of that, because I think the minister needs to answer questions about what this means for individual schools and individual systems:

Without limiting subsection (1), the Minister may vary an approved authority’s approval by making the approval subject to one or more conditions, and the approved authority must comply with those conditions.

Please clarify all the conditions that could be imposed or removed.

What is important here is that there needs to be a level of trust, firstly, in the government—well, there is none. With all due respect to the minister, we do not trust what you or your government say, and the people of my electorate, the electorate of Macquarie, do not either. You have broken so many promises. Dollars have not added up, and this is no different. Then you introduce a bill with no transparency, no consultation and no opportunity for us to consult with our local schools and our local communities. You expect us to read it in a brief period of time while we are standing here about to debate, and then you want to interfere in schools' autonomy and their ability to make decisions. (Time expired)
Mr GARRETT (Kingsford Smith—Minister for School Education, Early Childhood and Youth) (11:26): I just want to take the opportunity to respond briefly to some of the contributions that we have heard from the coalition and to clarify some matters for them, as it is clear that they have not been paying attention closely. That is a pity, because this is a very important piece of legislation which is an expression of the desire of this government to see students funded on the basis of need across our schooling sectors.

Very quickly, I say to the member for Bradfield, who raised the question about the legal capacity that we might have to understand those matters that are in front of us: I assure you that we do. It is a great pity that the member for Bradfield did not take more time to read these amendments carefully before he started producing spurious and slightly dubious legalistic arguments from the other side of the House. But I just take him to amendment (12) on page 21 of the amendments that have been delivered to him, where the omission of clause 10, the 'not legally enforceable clause', is provided for. I am sorry to point this out in such a basic way to the member, but if he is going to stand up in the federal parliament and start playing bush lawyer then he had better be across those matters to which he is referring. He clearly was not in this case.

In relation to the questions that were put by the member for Macquarie and others, on the issue of ministerial discretion and direction under the bill, I just make the point that, firstly, similar to the Schools Assistance Act, the Australian Education Bill does give the minister power to make decisions and determinations and give direction, and they are necessary powers to give full effect to the legislation. But as a safeguard, where the minister has these powers, decisions are not made without regard to what is defined in the bill as relevant arrangements. The point is that that is defined in the bill. It is a written arrangement between the Commonwealth and an authority. It relates to the grants of financial assistance provided in accordance with the act. For a participating government school, it is the National Education Reform Agreement, and that is absolutely straightforward. For non-participating governments, it is the Intergovernmental Agreement on Federal Financial Relations. For the Catholic sector, for example, it would be a memorandum of understanding agreed with the state-based Catholic education commission. Remember that states and the non-government sector are afforded added protection through the appeals and review process in the legislation. It is considerably more robust than existing arrangements, so you actually have more safeguards in this bill.

So I really query the point that is being made by those opposite. It may be that we have a bunch of political cliches searching for a solution here, but you have to read the amendments to understand that and look at it closely. This is a consequence of stakeholder engagement. I say this to the shadow minister: significant additional concessions have been given to address the concerns that stakeholders had by adding the requirement for the minister to have regard for relevant arrangements when exercising certain powers. By the time we went through the second consultation process, the reference to the requirements had been made more extensively and now appear at section 22, section 58, section 59, section 65, section 73, section 81, section 106 and section 110.

The fact is that in this legislation the powers of the minister are now clearly set out in the legislation as opposed to the current arrangements where the minister has broad discretions under various of funding
arrangements. So, these new arrangements, I say to those opposite, increase transparency and give stronger legal protections for the funding recipients, and that is as it should be.

Mr PYNE (Sturt—Manager of Opposition Business) (11:30): There are a few more issues that need to be ventilated before the government attempts to gag this debate. I have heard that they intend to gag it in about four or five minutes from now. It would be an absolutely extraordinary act to gag a debate on 71 pages of amendments that the opposition and the Independents received yesterday after less than an hour and a half's debate. I hope that rumour is not true.

In the agreement that the government has signed and has proposed that other states sign, the National Education Reform Agreement—in schedule H—there is a very interesting measure that is called the capacity to contribute. It says:
The anticipated level of private contribution will be based on a school’s SES score until a new, individual measure of parental capacity to contribute is developed.

We know that this is to be developed by 2017 for implementation in 2017, so an individual measure of parental capacity to contribute will replace the SES score in 2017. And individual parental capacity to contribute can only mean one thing—that is, that parents of children in non-government schools will be means-tested to see what their capacity to contribute is to their local school.

When I raised this issue, the minister said that what that meant is an aggregate of parents' capacity to contribute. But if it is an aggregate of parents' capacity to contribute, why doesn't it say an aggregate of parents' capacity to contribute? It does not say aggregate, because it is not aggregate; it is individual, and individual parental capacity to contribute can only be a means test on parents of non-government schools.

The minister can duck and weave and spin his wheels as much as he likes. Parents, when they hear 'individual parental capacity to contribute', hear means test. So I say to the Independents and the Labor members who intend to support this new school funding model and I say to the states and territories who have signed up to it or are thinking of signing up to it: understand you are signing up to a national reform agreement on schools that requires you to be a party to means-testing parents in non-government schools. No amount of spin and obfuscation from the minister can deny the fact that, if this was meant to be an aggregate of parents' capacity to contribute to the schooling of their children, then it would say aggregate. It says individual because that is what the government means to implement—a means test from 2017.

I know there are members of the Labor caucus who support Catholic schooling, in spite of their party's longstanding opposition to non-government schooling, because they believe in choice for parents. They are signing up—John Murphy in Reid would be one of them; he is being asked to sign up to a new reform agreement that will introduce means tests on his parents in non-government schools.

The sector is so concerned about what the government is proposing that in an article in The Sydney Morning Herald on 5 June, Geoff Newcombe, the executive director of the Association of Independent Schools of New South Wales said:
The data is so rubbery. We're going to do a quality assurance on the data with the government to try and fix where it's obviously incorrect.This is six months from when the new system is designed to be implemented.
I have already talked about the National Catholic Education Commission and Mary McKillop College in my own electorate, and most members would have letters from Catholic schools. The Australian Parents Council have expressed their concern. The Independent Education Union have expressed their concern, and we have the Catholics, independents, the Independent Education Union, the Australian Parents Council and individual principals all asking for more information, all asking to delay the process so they can get it right. But the government is deaf to them, and the minister has said in his rebuttal to my points that the argument that they are cutting is not true.

I asked a question three weeks ago about this particular chart. It shows that the cuts to education—

Mr PYNE: I would like to table this graph. I would like to table NewsExtra from the IEU.

Mr PYNE: Can I just finish going through my list, please?

Mr PYNE: That is exactly what I am doing but I have got to name the documents first.

Leave is not granted.

Mr PYNE: I have not named the documents, Madam Acting Deputy Speaker. How could you know what the documents are unless you allow me to finish my statement?

Mr GARRETT (Kingsford Smith—Minister for School Education, Early Childhood and Youth) (11:37): I want to finally respond to some of the additional misplaced and incorrect contributions that we have heard from the coalition, and in particular from a very heated member for Sturt.

The first thing to say is that the preamble expressly identifies, recognises and acknowledges non-government school
systems. So those views that have been put by members opposite on that matter are incorrect. The fact is that, if there is any risk or threat to funding for government and non-government schools, it lies in a continuation with the current broken funding model that would see $16.2 billion less going to schools over time. That was recognised by Minister Piccoli when he said specifically—and after all he is a National Party education minister—that the status quo would see New South Wales worse off.

In the absence of any real policy for the future, what we have now is very clearly in front of us a bill that enshrines what we have been talking about and working on with state governments, territory governments and the non-government school sector for a considerable period of time. The fact is that the community has moved on from sectoral debates; it has moved on from the kind of half-hearted scare campaign about alleged means-testing in the model—which is not there at all. The community has moved on, and this bill enshrines what we have been talking about as a government; making sure that every student gets the support in their education that they need and deserve. And we have been prepared to back it in the budget with over $9 billion of investment. If you add that to the states, who want to see this National Plan for School Improvement, we would see $14.5 billion in investment going to schools in the future.

I note that even today Mr Innes Willox of the Australian Industry Group is reported as recommending the principles of the National Plan for School Improvement, the Gonski recommendations. He said that they are fundamentally sound and he wants to see governments deliver them. That is a rational response; not like the constant cavilling, carry-on and caterwauling that we have heard from those opposite.

This bill is about better schools for all Australians. That is what we want to see happen right now. That is what the parliament will vote on, and that is what the parliament will deliver.

Mr OAKESHOTT (Lyne) (11:40): Equity in education matters. And this is a really important contribution to that principle of equity. I have been chased up hill and down dale about a certain 17-minute speech, but anyone who listened beyond about the 10-minute mark would have heard me talking about the importance of equity in education and the clear failures in the education data around rural students, Aboriginal students and low-SES families. So I am thrilled that we are actually seeing that education data being addressed in a substantive way. That is why this legislation does need to progress through this chamber. That is why state sovereignty as promoted in the budget in reply should be protected and endorsed in an agreement between New South Wales and the Commonwealth, and that is why my judgement call is that this should progress through this chamber relatively swiftly this morning.

I am listening to this debate and I am seeing people get up for a second and a third time and in many ways repeating messages of a political kind rather than drilling down on the detail. It is a pretty simple proposal before the House. We either accept the education data or we do not. If we do accept the education data, we are accepting a massive failure of public policy. So, righto; if we accept there is a problem, what is the solution? The Gonski process identified an 'intolerable link' between the education data and the funding formula. So either we accept that link or we do not. We accept that it is tolerable or intolerable. Once we have got across that very simple hurdle, we accept loadings and a new funding formula or we do not.
We can complain about 70 pages and we can complain about what schools know what level of detail, but in the end it is a pretty simple question before the House: is there a problem in our education data? Yes. Is there an intolerable link that has been identified? Yes. Is the solution to put in place loadings specific to regionality, Aboriginality and to socioeconomic status? That is the question before the House. I think everyone has had a crack at second reads; everyone has had a crack in this debate this morning. And I know I am going to get a bucketful from the shadow minister in the chair—

Mr Pyne: We only got the amendments yesterday, you fool.

The SPEAKER: The member for Sturt is warned.

Mr Oakeshott: but we have a backlog over the next two weeks of 50 bills. We have been around the buoys of arguments in this debate on numerous occasions. It is a pretty simple question before the House. Rather than the government moving a gag motion, I am going to do it myself. I am going to express my no confidence in the shadow minister in the chair and I move:

That the question be now put.

Ms O'Dwyer interjecting—

The SPEAKER: Order! The member for Higgins!

A division having been called and the bells being rung—

Mr Pyne: You didn't have the courage to do it yourself so you got your quisling to do it.

The SPEAKER: The member for Sturt has been warned. The doors are open. I remind the member for Sturt of something which he should know by now: he is not covered by privilege in that time. I only came into the chair because I was appalled at his behaviour to one of the deputies before me. And the member for Higgins can show some respect.

Mr Tudge: Twenty-four hours, Rob.

The SPEAKER: The member for Aston should have been listening to my warning to the member for Sturt, if he wants to be here for a vote. I can assure him he will not be if he continues the way he is going. The question is that the question be now put.

The House divided. [11:48]

(The Speaker—Ms Anna Burke)

Ayes ...................... 70
Noes ...................... 69
Majority ............... 1

AYES

Adams, DGH
Bandt, AP
Bowen, CE
Brodie-Mann, G
Butler, MC
Champion, ND
Clare, JD
Crean, SF
D'Alberto, Y
Elliot, MJ
Emerson, CA
Ferguson, MJ
Garrett, PR
Gibbons, SW
Grierson, SJ
Hall, JG
Jenkins, HA
King, CF
Livermore, KF
Macklin, JI
McClelland, RB
Mitchell, RG (teller)
Neumann, SK
O'Connell, BPJ
Owens, J
Perrett, GD (teller)
Ripoli, BF
Rowland, MA
Rudd, KM
Shorten, WR
Smyth, L
Swan, WM
Thomson, CR
Vamvakinou, M
Windsor, AHC

Albanese, AN
Bird, SL
Bradbury, DJ
Burke, AS
Byrne, AM
Cheeseman, DL
Collins, JM
Danby, M
Dreyfus, MA
Ellis, KM
Ferguson, LDT
Fitzgibbon, JA
Geogemas, S
Gillard, JE
Griffin, AP
Husic, EN
Jones, SP
Leigh, AK
Lyons, GR
Marles, RD
Melham, D
Murphy, JP
Oakeshott, RJM
O'Neill, DM
Parke, M
Plibersek, TJ
Rishworth, AL
Roxon, NL
Saffin, JA
Sidebottom, PS
Snowdon, WE
Symon, MS
Thomson, KJ
Wilkie, AD
Zappia, A
Third Reading

Mr Garrett (Kingsford Smith—Minister for School Education, Early Childhood and Youth) (11:54): by leave—I move:

That this bill be now read a third time.

Question agreed to.

Bill read a third time.

The Speaker (11:55): We will wave goodbye to Warrigal Road State School. My kids go to a state school in Warrigal Road, but in Melbourne! You have been very good watching.

Constitution Alteration (Local Government) 2013

Second Reading

Debate resumed on the motion:

That this bill be now read a second time.

Ms Rowland (Greenway) (11:55): I rise to strongly support the Constitution Alteration (Local Government) 2013, and I do so as the Chair of the former Select Committee on Constitutional Recognition of Local Government and as a former Deputy Mayor of Blacktown City Council, the most populous local government area in New South Wales.

The road to financial recognition of local government has been long and it has been hard, but it has gained momentum in recent years due to a number of factors. These include, but are not limited to, a number of High Court decisions, which have in themselves cast some doubt on direct Commonwealth funding to certain entities. These cases include those of Pape and Williams, which I will explore later, which have placed some uncertainty around the way the Commonwealth can and does fund our local communities, including the roads, libraries, childcare centres and sporting...
facilities built and maintained by local councils and shires across Australia.

In local government circles and, certainly, in the wider community and amongst people who are interested in issues of constitutional reform, this issue has been on the agenda for decades. Anyone with a local government background would know this. The Independent Expert Panel on Constitutional Recognition of Local Government, chaired by the Hon. James Spigelman AC, QC, was appointed in August 2011 by the Australian government to consult with the community on whether Australia’s Constitution should be changed to include local government. It reported to government in December 2011.

The expert panel did two very important things. Firstly, it specifically recommended that recognition of local government in the Constitution should take the form of financial recognition. It expressly ruled out other forms of recognition, such as symbolic recognition, or recognition through federal cooperation, which were two other forms of recognition that were explored. Secondly, the expert panel recommended the form of words that should be added to section 96 of the Constitution, which are:

… or to any local government body formed by State or Territory legislation …

This means that the proposal would change section 96 to read:

… the Parliament may grant financial assistance to any State or to any local government body formed by State or Territory legislation on such terms and conditions as the Parliament sees fit.

Following on from the work of the expert panel, the Joint Select Committee on Constitutional Recognition of Local Government, established under the unanimous remit of this place, was established by the parliament on 1 November 2012, and received full membership on 28 November 2012.

The committee assessed the likelihood of success of a referendum on financial recognition, amongst other things, and in March this year the committee handed down its final report, making one recommendation that:

Taking the major finding into consideration, the Committee recommends that a referendum on the financial recognition of local government be put to Australian voters at the 2013 federal election.

Finally, on 9 May this year, the Prime Minister announced that the government is planning to hold a referendum on 14 September to recognise local government in our Constitution. The government has proposed wording based on the wording suggested by the expert panel, and subsequently endorsed by the committee.

The issue then arises: why vote ‘yes’? At the time of drafting the Constitution, local governments were not included in the section 96 Commonwealth funding head of power. The financial arrangements that were outlined in the Constitution over 100 years ago reflected the financial arrangements that existed at that time. The colony governments, soon to become state governments, were relatively independent and guarded that independence jealously. From a financial perspective they held the majority of the revenue-raising ability compared to the Commonwealth. Over time, this situation has of course changed. The Commonwealth is now the main revenue raiser in the nation and distributes its revenues to the states directly, as well as to local community and other projects, which includes local government. The Commonwealth has been providing substantial funds to local government for over two decades or, indeed, over four decades if you include factors such as the Regional Employment Development Scheme, which began in the 1970s.
What has been common practice for the benefit of local communities should indeed be recognised in the Constitution. This was a key issue that was considered in the joint select committee process. We heard from a variety of constitutional experts, including Professor Anne Twomey, Professor Alexander Brown and the Chair of the Legal Practice Section of the Law Council of Australia, Ms Maureen Peatman, on whether these forms of funding could be at risk. The committee also heard from Mr Ronald Williams, who brought the school chaplains case before the High Court, which found, amongst other things, that funding by the Commonwealth of the school chaplaincy program was unconstitutional. As noted by the committee in its preliminary report, the High Court's decision in that case was likely to bolster the confidence of people willing to challenge the Commonwealth on constitutional grounds.

As was noted in the initial report, the question arose as to whether it would not be a matter of 'if' but 'when' the presently understood ability of the Commonwealth to fund local government would or could be struck down. It was also noted in that interim report that those High Court decisions did create some uncertainty with regard to ongoing direct funding of programs such as Roads to Recovery, with some experts appearing before the committee giving views that it would most likely be found unconstitutional.

As all members would be aware, in response to this case the parliament passed remedial legislation, the Financial Framework Legislation Amendment (No. 3) Act, in June 2012 to remedy the decisions arising from these cases. Importantly, the reason I mention this is that, from the evidence given to the committee by Mr Williams, it was quite obvious that he expected to take these issues back to the High Court and again challenge the school chaplaincy program on constitutional grounds. As he said, 'While I was listening to parliament live'—on the financial framework legislation amendment debate—'I made my decision that we must take this back to the High Court.'

In light of all this evidence brought before the committee, we were determined to make an evidence based decision, and that we did. While opinions for and against the referendum varied, the 173 submissions from local government bodies and seven from local government associations were resoundingly in favour of holding a referendum to effect financial recognition by amending section 96 of the Constitution. The issues of constitutional cases are not, I believe, the most compelling reason to support this bill. As I mentioned previously, the role of local government has evolved dramatically over the past few decades, and a big part of that is the changing nature of the federal/local government dynamic. As someone whose first experience in public office was as a local councillor, I find few things give me greater satisfaction than delivering on things that make a tangible difference to people's lives, such as a new sporting field, a new playground, a new girl guides hall and even a new long-jump pit. That is because financial recognition of local government goes to the very heart of what it means to be a federated nation and people's expectations of what their government should provide for local communities.

In my local community this government has partnered with local councils to achieve great outcomes and I will just name a few: $7 million to Blacktown City Council for the Roads to Recovery program from 2009 to 2410; $450,000 to upgrade to the CV Kelly Park, in Girraween in Holroyd council's area, which has been welcomed greatly by the local community including the Girraween
Little Athletics Association and many other sporting groups; $250,000 to upgrade International Peace Park in Seven Hills specifically for the benefit of Seven Hills Junior Rugby League Club and their clubhouse; and $4.5 million for the upgrade of Burdekin Road in Quakers Hill. And I am pleased to be on a unity ticket with the Liberal Mayor of Blacktown, Councillor Len Robinson, who has said on the issue of financial recognition of local government and the proposed referendum:

If we are not recognised in the Constitution, we won't have access to federal funding streams such as the Roads to Recovery and the Black Spot programs. This will cause a noticeable reduction in the work we are doing on our local roads.

This is an issue with widespread community support, and recent polling tells us that. It is also an issue with widespread political support, and I know that at the federal level.

I wish to acknowledge the presence in the chamber of the member for Ryan, a former councillor for the largest council area in Australia, that of Brisbane City Council, and also one of the other speakers on the list, the member for Parkes, who has a great recognition of the important role federal funding plays in his area, particularly when it comes to regionally focused funding programs. I also welcome the Leader of the Opposition's support for constitutional recognition of local government and I encourage him to lobby some of his state colleagues on the matter. In my home state of New South Wales, Premier O'Farrell's government once did support constitutional recognition, when they were in opposition. Since coming to power, unfortunately, they have walked away from this.

As noted by the committee, and I think this is a very important thing to address, the support of the states would greatly enhance the prospects of the referendum's success. I would encourage all members of this place and all state members of parliament to campaign with their local councils in support of this. Local councils expressed their great support to the committee and I am reminded of the evidence provided by the Mayor of Mount Isa, the Hon. Councillor Tony McGrady AM, who told the committee:

... the reality is that any politician who came out against this proposal would have to answer to his or her peers. I am quite confident that a campaign led by local councils would guarantee support for and the success of this referendum.

As I mentioned, in my local community this federal government has worked with local governments to achieve some fantastic outcomes for residents. I do fear that outcomes are at risk in the future, whether or not in the immediate future but certainly in the long-term future, unless this referendum is successful. Since 2009 the federal Labor government has provided $2,896,500 to local councils in my electorate to fund a variety of projects. In addition to those I have mentioned, they include road upgrades, playground upgrades, sporting upgrades and much more.

I know there is a campaign for the 'no case' underway. One of the things that I have seen mentioned in that no case is the issue of funding. I think that there are three important points to note in the issue of funding, and again I would acknowledge the member for Ryan who raised the issue of civics education in this. The three things I think we should be aware of are: firstly, it is the fact that if there is a no vote in either house by a member it would trigger the requirement for the Electoral Commission to produce both the yes and the no pamphlets, which will go out for any referendum. There is also the question of funding for partisan cases. It is always a government decision on the proportion of funding that would be given to the yes and no cases, but this is always informed and assisted by the vote in the
parliament on the matter, which I think is very appropriate.

In addition, there is a national awareness education campaign so that people are aware of this proposed Constitutional reform, what is happening, what it would actually propose and what it would actually mean. We live in a democracy. People can make up their own minds about whether to vote yes or no, but I think that it is very important for people to know the facts about these issues, and I am sure that no-one in this place would disagree with that.

In conclusion, I would like to note that unless specific programs are supported by a head of power in the Constitution, then funds would need to be channelled through the states and through the states only if they are to reach local communities. I am concerned that any flexibility that the Commonwealth and local government enjoy could potentially be lost in the future. As I have said, I think that is a factor and it is certainly the evidence that we took in the joint select committee. It was the evidence that we heard. But more importantly, I think that it is very important to recognise that this is a modest change. We are recognising that we have three tiers of government in 2013 and we have had three tiers of government and of partnering between the Commonwealth tier and the local tier for a very long time. We need to recognise that our Constitution is a living entity. I think that it is important for the community to be ready to talk about the Constitution again. Sometimes we do it with regard to campaigns that have been often on the agenda and we need to remember that the last time we actually voted in a referendum was in 1999 on the issue of an Australian head of state. At that time, we did not have the same mechanisms that are available to us today to disseminate information, to conduct campaigns and to conduct them more quickly, and to involve so many more people. The advent of new technology since 1999, quite frankly, is beyond belief. I think that the more people we engage with, the more people we can let know about the relationships and partnerships enjoyed between the federal and local level that are important to our everyday lives, the more that people will come to understand how important it is to vote in this yes case. So I am very pleased to support this motion before the parliament and for everyone to be aware and to have their say and make an informed choice on this matter on 14 September.

Mrs PRENTICE (Ryan) (12:10): I rise to speak on the Constitution Alteration (Local Government) 2013, and I would like to start by acknowledging the very recent comments and contribution made by the member for Greenway. Local government is the real lifeblood of Australian politics. It is without doubt the level of politics closest to the people. That is not just a slogan; those words sum up a patently obvious reality. I make this observation as someone who has spent many years as a local councillor and member of civic cabinet in Australia's largest council, the Brisbane City Council. Being in this place emphasises the importance of local government, because the reality of federal and state politics is that parliamentary responsibilities take you away from your electorate so often.

So it is against this experience that I have made my judgement about this matter. Happily, my judgment coincides with the coalition's policy on this issue. This bill includes the official wording to be put to the Australian people to amend section 96 of the Constitution. The referendum to be considered at the federal election would amend section 96, to read:

During a period of ten years after the establishment of the Commonwealth and thereafter until the Parliament otherwise provides,
the Parliament may grant financial assistance to a State, or local government body formed by a law of a State, on such terms and conditions as the Parliament thinks fit.

This bill has been a long time coming during this session of parliament. In August 2011, the government formed the Expert Panel on Constitutional Recognition of Local Government, the 'expert panel', to identify options for the Constitutional recognition of local government and to report on the level of support for such recognition among stakeholders and in the general community.

I was honoured to be the coalition representative on that expert panel and to hear many submissions from people all over Australia. The expert panel's final report in December 2011 stated:

The majority of panel members support a referendum in 2013 subject to two conditions: first, that the Commonwealth negotiate with the States to achieve their support for the financial recognition option; and second, that the Commonwealth adopt steps suggested by ALGA necessary to achieve informed and positive public engagement with the issue, as set out in the section of this report on the concerns about a failed referendum. Steps include allocating substantial resources to a major public awareness campaign and making changes to the referendum process.

As such, the expert panel was supportive of a 2013 referendum on financial recognition of local government through a change to section 96 of the Constitution, provided two conditions were met. The first condition was negotiation with the states to achieve their support for the government's proposed question and, secondly, to take steps as recommended by Australian Local Government Association to achieve informed and positive public engagement with the issue.

And what did the federal Labor government do? They did nothing. They sat on their hands. They did not engage with the states and they set this referendum up to fail. Then in November 2012, the government dallied and delayed further and then formed the Parliamentary Joint Select Committee on Constitutional Recognition of Local Government. It took this government until 29 May 2013—17 months after the expert panel's report—to finally introduce a bill to allow a referendum on the Constitutional recognition of local government at this year's federal election.

What are the issues that underpin this debate? Firstly, there is no doubt that there are issues with funding for local government. Indeed, the constitutional challenges to federal funding in the Pape and Williams cases demonstrated that there are issues going forward. As it stands, the door is open to legally challenge funding programs such as Roads to Recovery, Regional and Local Community Infrastructure, Pathways to Adaptation, Regional Partnerships and the Regional Development Australian Fund. This is, therefore, an important referendum. By including local government in the Australian Constitution it will confirm the federal government's ability to provide funding directly to councils and give local communities certainty about funding for vital infrastructure and community services.

More generally, as Professor AJ Brown said in his comments to the hearing held in Sydney earlier this year, this constitutional change should not be seen as anything more than a new conduit for funding to local government. It is not about taking away the rights of state governments; it is more about funding local government to provide specific services on the ground. Professor Brown's report states:

... this is a mechanism for local government to get a larger agreed share of the total financial pie. That is what local government is legitimately looking for and that is what it should be looking for.
State governments are incrementally allowing local government a larger share of responsibility and resources in the federal system as a whole, as is the federal government. When anything major happens, the first thing that both federal and state governments agree on, (once they have agreed that they need to do something,) is who is going to do it, and more often than not local government plays a huge role.

I think we have all seen that over the years. We have seen the shifting of responsibility from state and federal governments down to local government. Because local government is closer to the people, because it does have that community contact, they are in a place to deliver programs and projects more efficiently, more effectively and, quite frankly, with better financial value than many of the state and federal governments. Dare I say it, if local government had delivered the pink batts scheme, it would have worked. You are never going to achieve something like that from the federal government level.

Speaking to local government representatives in Queensland, they are very aware of the disparate relationship between revenue and service delivery. The Australian Bureau of Statistics has previously confirmed that Commonwealth government taxation revenue represents 80 per cent of taxation revenue for all levels of government. Approximately 16 per cent of revenue is collected by the states, with a mere four per cent going to local government authorities. If we talk about actual service delivery, those figures are reversed: the vast majority of services are provided by local governments.

Once again, it is all very well shifting the jobs onto local government, but we need to be able to fund them so that they can do it effectively. Local governments now do everything from running the bus and transport system to providing libraries and child care. Councils are responsible for making their regions better places to live through arts and cultural programs, recreational facilities, events and festivals, youth development programs, and healthy environments.

Through economic development initiatives, councils help create jobs in their communities. In fact, local government is one of the largest employment sectors. In Queensland, more than 40,000 people work for councils as full-time, part-time and casual employees and apprentices and trainees. Because they are closest to the people on a day-to-day basis they pick up the need in the community because they see and understand it. They know what their communities want. We need to be able to fund them effectively.

Federal funding for local government projects has been particularly important. The Roads to Recovery program has delivered $356 million in roads funding to Queensland communities since 2009; the Regional and Community Infrastructure Program has delivered more than $146 million since 2008-09; and the Regional Development Australia Fund has provided $54.1 million since 2011 to Queensland communities and councils.

In recognition of these successful programs, it is no surprise that local government organisations, including ALGA, LGAQ and the myriad of individual councils across this country, support financial recognition of local governments. They have worked constructively with federal governments in the past, but they need certainty that our Constitution will allow the federal government to continue this cooperative relationship. It is therefore crucial that we discuss how to supplement local government revenue, given the inherent constraints they face in raising revenue. As
Professor Brown said during the committee hearings:

So we really need to recognise that this is about increasing, in a planned, sustainable way, the financial flows of resources to local government—growing them, even though that should occur necessarily as a result of both federal government and state government being prepared to share those resources with the third tier of government more effectively. That is what this is about.

The other issue that Professor Brown highlighted, and with which I agree, is that any change that could possibly pass as a referendum would need to leave regulatory control over local government with state governments, as it is currently. Once again, I highlight that this is not a conspiracy to wipe out state governments. We all agree that regulatory control over local government should be left with the states.

Constitutional recognition will not change the status of local government, its powers, or its relationship with the state government. Councils will remain the responsibility of state governments. The states will still be able to amalgamate councils, de-amalgamate councils, change council boundaries and dismiss nonperforming councils.

However, it is true that Commonwealth funding via state governments is inefficient, ineffective and can result in a reduction of the money flowing to local government. The referendum will simply formalise what has already been happening for more than ten years. This is about providing a more effective and efficient conduit for financial delivery for the states.

The coalition supports this referendum. A successful outcome will provide local governments across Australia with the financial security that allows for proper and sensible planning. That planning will, quite simply, provide for more effective local government with better outcomes for local communities. It will also reflect the reality that the implementation of most decisions regarding our nation's infrastructure are carried out at a local level. This reinforcement of the role of local government will provide for better, more informed decision making as local government's role is constitutionally recognised and legal certainty as to funding and the role of the Australian government's support of local government is provided.

This is a win-win situation. Local government will work more effectively. The states will retain their role. The federal government can provide financial support in response to the needs identified by those closest to the people. Most importantly, the real beneficiaries will be the people of Australia—better served, better represented and with better outcomes through more informed local input through effective local government.

Ms OWENS (Parramatta) (12:22): I am pleased to stand to speak on the Constitution Alteration (Local Government) 2013, which is a bill to alter section 96 of the Constitution to specifically state that the Commonwealth may grant financial assistance to local government bodies formed by a law of the state. The bill simply recommends the introduction of 17 words to section 96 for consideration at the referendum on 14 September. Those 17 words essentially put into the Constitution what is already happening in our system of governance in this country.

When the Constitution was first drafted 100 years ago, the role of councils was significantly different compared to now. The roles of the states were incredibly important. They were the principal governing bodies and they are well and truly recognised in the Constitution. But the role of councils, which were very new, was essentially to grade a
few roads to keep them clear for horses and to deal with rubbish collection and not much more than that. So we had councils which were never recognised in the Constitution. Perhaps at the time there was no reason to do so, as the federal and state relationship was the major one that needed to be dealt with. Now, of course, our local councils are remarkably different to that.

I have two councils in my electorate, Holroyd and Parramatta, that cover most of my electorate but Auburn and Hills have little bits on the edges. All are remarkably different councils but they all provide an incredible range of services, from child care to sporting fields to rubbish collection to footpaths to road maintenance, coordinating and assisting a whole range of groups from bushcare groups to people who help the homeless.

In fact, so great is the role of local councils that when I am doorknocking—and I do a lot of doorknocking: I managed to pass the 70,000 houses mark a couple of week ago but unfortunately half of them are in another electorate now due to a redistribution—it is the local council issues that are most often raised. It is the state of a road, whether a local road is being used as a major thoroughfare or whether a footpath needs to be replaced. It is the things that affect daily lives of people. These are the things where the people of our community interact mostly with government and in the most cases their major interaction is with local government.

I find when I am dealing with community organisations, particularly the grassroots organisations, so strong is the influence of council and the support that council provides those organisations that they tend to fall within council boundaries. So the bushcare organisations in the Parramatta area will fall under the umbrella of the Parramatta City Council and they will all know each other, or they will fall under the umbrella of the Holroyd City Council and they will know each other. People who work with the homeless, and particularly the grassroots organisations, will tend to work within one council area or another as the level of financial and other kinds of support given by councils leads to this sort of separation along council lines.

Federal governments over time have recognised this and increasingly we are seeing federal governments contribute directly to local governments. In the past five years alone, the Commonwealth has partnered with local government to deliver over 6,000 community projects which range from things such as libraries, indoor and outdoor sporting facilities, pools, walking trails and bike tracks to bridges, in virtually every single community right across Australia. The practice of the Commonwealth government providing funding directly to local councils is a longstanding one that is well received at local council level and by our local communities.

In the electorate of Parramatta there have been some extraordinary projects funded. In fact, there has been over $2.3 million given for 17 black spots across the electorate since 2007 when I was elected. I had been out to a number of those spots and talked to residents before the funding was given. I had gone out later to see the effects on the local community of that funding. We have received several grants to improve energy efficiency. Our local council of Parramatta, in particular, received more than $550,000 for the upgrading of lighting, heating, cooling and ventilation and the building management system at Riverside and for new lighting in a number of council car parks in the area.
If you then look at sporting and recreational facilities, there was $450,000 for the Kelly Park upgrade—the park playground equipment. That was funded directly in Merrylands. The MJ Bennett Reserve upgrade provided playground equipment and a memorial wall and resurfaced the basketball court. There have been a number of national bike path projects through Parramatta. Most people, including the Attorney-General, know that I am a cyclist and I have ridden over those bike paths probably three to four mornings a week for most of the last 10 years. Every time another bit of it turns up, there is a major celebration.

We have an extraordinarily beautiful river in the Parramatta River, if you are down there at full tide early in the morning or late at night when the river is calm and full. The bike paths that have been funded through that project have opened up some of the most beautiful parts of our foreshore and well and truly linked incredible infrastructure like the great parks at Homebush to Parramatta right through to Richmond now. It is important. We cyclists have well and truly enjoyed that.

The bushcare groups tell me they like it as well because it lets them get into some areas that they could not get into and replant seagrass and such things. There is also an upgrade of Sturt Park, upgrades of parks and reserves at Carlingford and Epping and improved access for a pedestrian path at Harvey Murray Park. There was also quite extensive funding for disability access to buildings and to bus stations which again form an incredibly important funding flow for our local community.

So what does this change actually mean? We have a terrible history in Australia of voting for referendums. I and my local councils really hope this one will be significantly different. The change in many ways is a minimal change. It is the smallest change you could possibly make in order to capture in the federal Constitution what is already happening. The change is worth talking through. The section 96 heading is 'Financial assistance to States'—because, again, a hundred years ago that was the relationship between state and federal governments and councils were mostly very small organisations at the time—and it changes the heading to 'Financial assistance to states and local government bodies'. So the change adds four words—'and local government bodies'.

The next paragraph, as it is now, reads: During a period of ten years after the establishment of the Commonwealth and thereafter until the Parliament otherwise provides, the Parliament may grant financial assistance to any State … I am wondering whether we could lose the words 'During a period of ten years after the establishment of the Commonwealth', Attorney-General, because I think the 10 years has passed. The change adds another 13 words. It adds 'or to any local government body formed by a law of a State'. So it would then read: 'During a period of ten years after the establishment of the Commonwealth and thereafter until the Parliament otherwise provides, the Parliament may grant financial assistance to any State, or any local government body formed by a law of a State'. I point out again that the provision of financial assistance to a local government body formed by a law of a state is something that already happens and has happened for many years, and I have outlined already some of the projects funded under that practice which is currently in place.

This minimal change leaves alone any question of Commonwealth involvement in the management of councils. That is well and truly a role for the state. States form councils, they can amalgamate them, they...
can abolish them and they have oversight of them. This change to the Constitution leaves that as it is. There is no change to the relationship between the Commonwealth government and local council, except that it recognises that Commonwealth governments do provide financial assistance to local councils. This is an incredibly minimal change that recognises the reality of the three levels of governance in Australia.

I should also add that these words were developed in incredibly strong consultation with local councils. They are, in fact, the choice of local councils. As a person who spends a lot of time trying to remove words from every document I ever write, I have to say that this is an incredibly efficient way to make a minimal change that simply recognises the existing relationship between Commonwealth government and local councils in terms of funding, and leaves alone the responsibility for local councils with state government. I commend the bill to the House.

Mr COULTON (Parkes—The Nationals Chief Whip) (12:33): I rise here this afternoon to speak on this bill, Constitution Alteration (Local Government) 2013, and to add my support for the referendum to recognise local government in the Constitution. In February 2008 when I made my very first speech in this chamber, I mentioned local government and the important role that it plays in local communities and the relationship between local government and the federal government. It was my involvement through local government that found me leaving my former occupation as a farmer and coming down here. While local government is the government closest to the people, quite often it is the decisions that are made here and in different state capitals around the country that impact on local communities. So that relationship between federal, state and local governments is very important.

I would like to say from the outset that I am disappointed about the process. I believe that we are undertaking this process at five minutes to midnight. Indeed, going back to the hearing of the committee that was set up to look at the success of this referendum, back in January the Electoral Commission said that they believed that optimally they would need six months to conduct a referendum. I will not go into the reasons why that was delayed, but to have it announced when it was, four months out, is going to make it that much harder. But, having said that, the decision has been made to have this referendum, and therefore the Australian people need to get behind it.

I represent 17 local government areas in the electorate of Parkes. One of the issues is that in regional areas the relationship between the federal government and the local entity is more important than in the larger metropolitan areas, because a lot of the services that are taken care of by either state or federal governments or, indeed, private enterprise in a large metropolitan area are left to the local councils in regional areas. Professor Anne Twomey, back in January when she addressed the committee of which I was a member, spoke in opposition to this referendum. One of the reasons she gave was that she believed this change would unfairly favour local governments in regional areas. Indeed, that would be one reason why I would be supporting it. But I think that this is minimal. In some ways I believe we should be going further, because what we have here is a minimal change.

It has been very frustrating that some of the state governments and some quite well-known commentators and ex-members of this place have been very vocal in their
opposition to this. Their position in opposition was before the wording was even known. I wonder how you could be strongly opposed to something when you do not even know what was being proposed. When the wording did come out, this was seen as a minimal change. The previous speaker, the member for Parramatta, indicated that this is a minimal change. It is basically fixing up the loopholes that would make direct funding vulnerable to a High Court challenge. I believe the Williams case on school chaplaincy and the Pape case on the stimulus program, which are well-known challenges in the High Court, have put the relationship between the Commonwealth and local government in jeopardy, and I do not believe that we can be sure that we can continue on with the programs we do if we are subject to another High Court challenge.

This is not a change to the relationship between state and local government. Local government is the creature of the states; it is pretty well wholly and solely owned and controlled by the states. This change does not alter that. Some of the website comments I have seen—that this is some sort of power grab from Canberra—are nonsense. The great conspiracy theorists of our country are coming out and speaking about Agenda 21 and a whole range of other quite bizarre movements as being behind this. I find that a nonsense. This is a bit of housekeeping—a minimal change—and should be seen as that.

Historically, some successful programs have come out of this place. In the previous Howard government my predecessor in the now abolished seat of Gwydir, John Anderson, was very much involved in the Roads to Recovery program. It has been a very successful program right across the country. All but maybe three of my councils would be unviable without that program. In more recent times, there has been the rollout of funding under the stimulus programs during the global financial crisis. There has been a lot of discussion about how some of those programs were disasters—look at the pink batts program and at the mismanaged school halls program. But I can tell you there is one program that was rolled out under the Rudd government which you do not hear any complaints about, and that is the funding for regional infrastructure that went out to every local government in the whole 500-odd local government areas in Australia. I have not heard any complaints that that funding was not spent in a timely manner; and it also leveraged other funding in those communities. That funding, which came from the federal government during that period, was multiplied to great effect. I can take you right around my electorate to see programs that were rolled out under that program at that time; programs that were a success because they were under the management of local government. We should acknowledge that.

During the time that I was a former mayor of Gwydir Shire Council, the council ended up having two medical centres—one in Bingara and one in Warialda—that were partly funded by the federal government. Indeed, when I was mayor, the Warialda centre was, I think, funded under the health infrastructure fund under the Regional Partnerships program. That was a program that was very well regarded in regional Australia, despite the attempt by the current government during 2008-2009 to try and destroy the reputation of that program, and Regional Partnerships was a very effective program. Indeed, if you go right around Australia you will see some magnificent pieces of community infrastructure funded by that program. But going back to the medical centre, towns like Warialda now have doctors—because we have a community-owned medical centre that was funded by the local council with assistance
from the federal government. In many regional areas, the local healthcare facilities are owned by the council. I have quite a few of those in my electorate. That is another relationship where the federal government directly funds local government through health care. I could go on and on about how that is needed. I find it very frustrating that we seem to be getting into a philosophical argument on this without an understanding of the practical ramifications. One of the positives of the programs that go straight through to the local government is that they do not have to deal with the state bureaucracy; the local government can target the money to where it is needed. I am not sure what the Roads to Recovery program involves now but I understand that when it was established there was only a handful of bureaucrats that managed that program, and pretty well every cent of the money ended up being laid out as roadworks, and not gobbled up by state bureaucracies.

Mr Deputy Speaker, the Australian people do have a decision to make on 14 September: as well as deciding who is going to be the government of the day, they need to decide where they stand on this. I believe that due to the short time frame, every council right across Australia should be campaigning to make their residents aware of the importance of this referendum. They need to calm down—hose down—the conspiracy theorists and need to point out to people that the sporting fields that they train on, the local pool that they use, and the local medical centre that they attend have all been possible because of a relationship between their council and the federal government. This is a bipartisan referendum, and I will acknowledge that it is the policy of the coalition, as it is of the government, that we support this referendum. Indeed, I believe that all members in this place should be doing that.

Australia does have a poor record when it comes to supporting referendums. I would just ask that the Australian people look at this and realise that it is a minimalistic request; realise that it is not going to change the balance of power or the relationship between the three levels of government; realise that it is just going to give certainty to programs of which they would be aware and from which they are gaining benefit in their communities; and get in and support this referendum. Dismiss the nay-sayers, dismiss the conspiracy theorists and dismiss those who may be trying to find their time in the sunshine again and get a public profile over an issue. This is basic housekeeping, it is not major reform, and not only should this House get behind this referendum but, indeed, everyone in Australia should support this. It is just common sense.

Mr LYONS (Bass) (12:46): I rise in the House to add my remarks to the proposed Constitution Alteration (Local Government) 2013. The Australian Constitution is the nation’s founding political and legal document, and was developed in a series of constitutional conventions in the 1890s. It came into effect at Federation in 1901. Australia has changed significantly since then, and it is quite sensible to recognise local government in that document.

It is notable that in the last five years the Commonwealth has partnered with local government to deliver over 6,000 community projects to generate local employment and provide long-term benefits for local communities. These are in addition to the repair and upkeep of roads that have taken place at 16,000 road sites across Australia under the Roads to Recovery scheme. Working with local government, we the Labor government have invested billions of dollars in constructing sporting grounds, libraries, ovals, parks, gardens, town halls and community centres.
In my electorate of Bass this partnership is evident in many projects. During May this year the federal government announced Black Spot funding and community heritage grants. In the last five years, federal Labor money has gone to Aurora Stadium, to the regional tennis centre, to the regional swimming centre and to many other sporting and cultural facilities. The federal government and the local government have worked together to build lasting infrastructure during the global financial crisis and to keep jobs in local communities.

To give some background on this particular issue, local government is now recognised in all state constitutions. The Commonwealth Constitutional Convention, established by the Whitlam government, recommended at a number of sessions between 1973 and 1985 that local government be given recognition in state constitutions and/or the Australian Constitution. As a consequence, all states recognise local government. Proposals to recognise local government in the Australian Constitution have twice been put unsuccessfully: by the Whitlam government in 1974 and by the Hawke government in 1988. This issue is once again on the agenda.

I am, however, alarmed that the opposition seem a bit divided on this issue. At a local meeting in Bass, the Liberal candidate for Bass followed and agreed with Olga Scully in saying that there should not be constitutional change to recognise local government. Indeed, those opposite seem divided on a number of issues lately, including paid parental leave and electoral funding. On the big issues, it seems that they just cannot get their act together.

In December 2011, the expert panel presented its final report, concluding that financial recognition of local government through an amendment to section 96 of the Constitution was a viable option in 2013. In 2012 the parliament established a Joint Select Committee on Constitutional Recognition of Local Government. The committee released its final report in March this year, and the committee recommended that a referendum on the financial recognition of local government be held in the 2013 federal election.

The alteration to section 96 would specify that state and Commonwealth 'may grant financial assistance to local government bodies formed by a law of the state'. The financial assistance can be for a wide range of services and facilities and, without limiting the generality of the specific provisions, the long title of the act refers to grants of financial assistance for community and other services typically provided by local government bodies.

The Prime Minister, on 9 May, announced that the government was planning to hold a referendum on 14 September 2013 to recognise local government in the Constitution. The terms of the proposal were publicly released on 16 May. This is a modest but important change to ensure our Constitution remains relevant and reflects all spheres of government in Australia.

If you know how to swim today, the chances are you learnt to swim in your local pool. If you kick a footy with your mates on weekends, the chances are you learnt to do that on the council-run oval and of course there is the example we all know of, when you pull out of your driveway, the chances are that the street you are on is maintained by your local council. Many of these facilities
are provided in partnership with federal government. Despite this modern reality, the Constitution is silent on the role of local government. We are asking the Australian people, on 14 September, to support a modest change to the Constitution. It is a common sense change, which should be supported. It is about saying 'yes' to retain important community benefits; it is about saying 'yes' to our communities.

But I would not like to see this change that is being proposed in any way diminish the role of states with regard to administration of local government. Recognition in the Constitution does not alter the fact that local governments are created by and are accountable to state governments. Constitutional recognition has never pretended to address the issue of financial sustainability. Local governments remain responsible to the states. From time to time, the Commonwealth continues to contribute in the form of financial assistance, grants and other support.

I thank local councils in my electorate for the work they do in making our community a better place to live. I enjoy a great working relationship with the councils in Bass. Local government is important to Australia and that is why I support this change to the Constitution. It is time for a sensible, modest change to the Australian Constitution to reflect the reality that, for many years, the Commonwealth has partnered with local government to deliver services and infrastructure that are essential to our local communities.

Mr CRAIG KELLY (Hughes) (12:52): I rise to speak on the bill: Constitution Alteration (Local Government) 2013. Our Australian Constitution is not just another piece of legislation; it is the document that is the heart of our very democracy. In drafting our Constitution, our forefathers well understood the dangers of centralisation of powers. They understood that decisions about how our nation is governed are best decided by those closest to the coalface. So our Constitution was designed with built-in checks and balances, to limit the power of politicians and government bureaucrats so that no particular person or group had total control. It has served our nation well for over 100 years. Therefore, we should not make any change to our Constitution lightly.

I suppose it is the sceptic in me but I believe that, when considering any change to our Constitution, no matter how small or how superficial, we should apply the Adam Smith test. Over 200 years ago Adam Smith warned in *The Wealth of Nations*:
The proposal of any new law or regulation … ought always to be listened to with great precaution, and ought never to be adopted till after having been long and carefully examined, not only with the most scrupulous, but with the most suspicious attention.

And that is the test that we must apply to any proposed change to our Constitution.

These changes that are being proposed are being marketed under the slogan of recognising local government. 'Recognising' is certainly an emotive word—everyone wants to be recognised—and with some notable exceptions the majority of our local councils are doing a very fine job. The electorate of Hughes, which I represent, overlaps three local council areas: Liverpool, Bankstown and Sutherland. All three councils are doing a fine job in very difficult circumstances. They are providing a wide array of services: child care, sporting fields, swimming pools, libraries, local roads, disability programs, arts festivals and galleries, buses and more. We would all like to see our local government recognised for the great work that they are currently doing.

But, coming to the proposed changes, the word 'recognised' does not actually appear in
these proposed legislative changes. Section 96—excluding the short preamble—of the Constitution currently states:

… the Parliament may grant financial assistance to any State on such terms and conditions as the Parliament thinks fit.

The proposals will see 13 words added to that; so, if amended, it would read:

… the Parliament may grant financial assistance to any State, or to any local government body formed by a law of a State, on such terms and conditions as the Parliament thinks fit.

So the word 'recognition' is not in these changes.

There have been two previous attempts to pass constitutional changes regarding local government, and both have been defeated. If we all agree that our local councils are doing such a good job, despite two previous questions being defeated, why is there a need for change and why is there a need for change now?

I understood that the central argument underpinning the yes case for this proposed referendum question being put arose from two recent High Court cases, Pape v Commissioner of Taxation and Williams v Commonwealth of Australia, and that the High Court's decision in those cases brought into question the legality of direct federal funding to local governments. At first glance, it seems that these High Court decisions gave an overwhelming reason to support the yes case. However, what I found surprising is that these very central arguments about these two court cases, which apparently brought the legality of direct federal funding into question, were not even mentioned anywhere in the explanatory memorandum; nor was this argument used or were these two cases mentioned even once by the Attorney-General when he delivered his second reading speech. So it was with great interest that I read the comments of Anne Twomey, professor of constitutional law at the University of Sydney. The professor has noted:

… neither case threatened, at all, the capacity for the Commonwealth to fund local government, as this may still validly occur through s 96 grants.

… … …

… The Pape and Williams cases appear to be being used to manufacture a ‘problem’ which constitutional amendment can purportedly fix. … Whether there is a genuine ‘problem’ … and whether an amendment will give rise to any tangible benefits … remain matters of debate.

The professor continued:

It is difficult to argue that the potential unconstitutionality of such grants is the ‘problem’ that needs to be ‘fixed’ by a referendum, when there is another, clearly valid, way of giving the same amount of money to the States for the same purposes without the need for a constitutional amendment. In effect, there is no ‘problem’ – merely a perception of a problem …

So what appears to be the very central argument of this referendum appears to carry little weight. The so-called threat to local council funding, according to one of our most respected constitutional experts, appears to be a furphy.

The second argument for the yes case appears to be the thought that local councils will end up with more money in their coffers. According to the ALGA submission to the expert panel on this bill, it appeared to be based upon the assumption that simply changing the Constitution will result in more funding for local government and that funding will be secure. It is simply not clear how this would result from this amendment. If the yes case were successful, the Commonwealth would still increase or decrease its funding to local government as it does now. As Professor Twomey notes:

Arguments that constitutional recognition of local government is ‘required to guarantee Commonwealth funding of local government’ are
flawed, because the mere fact that the Constitution is amended to permit the Commonwealth to make grants directly to local government, rather than through the States, does not in any way guarantee that it will give more money, or indeed, any money. It is not an obligation to fund local government, or to fund it to a particular level.

So, rather than more money for councils, could the opposite happen? Could councils get less money from these amendments? This is exactly what Professor Twomey warns—and again I quote:

Most supporters of the campaign, who are by and large members of local government bodies, appear to think that constitutional recognition will improve their status and the respect accorded to local government and that it will give rise to rivers of gold.

As for the rivers of gold, they might yet turn to rivers of tears for local government bodies in the more populous areas if an equalisation approach to direct funding was taken by the Commonwealth as a consequence of a successful referendum.

We need to be clear: there is the potential—through these amendments—that councils in New South Wales, in my electorate of Hughes, could end up with less funding and not more.

There are other concerns but, on balance, although the arguments for the yes case at first blush appear to have merit, upon further analysis they simply do not stand up. So we must closely examine if there are risks of unintended consequences from such a change of little substance. This is exactly what former Prime Minister Howard warned of when he said:

… even a casual reference to local government in the Constitution would end up having legal implications far beyond what might be advocated by the proponents of such a change.

And there does seem to be the real possibility of unintended consequences. There appears to be the chance that this change could give more power to Canberra. So the first question would be: is this a good or a bad thing? There are certainly some on the other side of the chamber that would say more power centralised in Canberra is a good thing. I say it is not. I believe that our local governments know best how to undertake local projects—far better than any state government and definitely far better than any unaccountable bureaucracy in Canberra—and we cannot risk that changing.

In considering this proposed constitutional amendment it is import to consider the full words of the amendment, which finish with: ‘the money may be given on such terms and conditions as the parliament thinks fit’. This means that there are no limits whatsoever on the terms and conditions that the federal government can tie to giving a grant. And as the old saying goes, ‘He who pays the piper calls the tune.’ So if a local council receives federal money to re-turf a local sporting field, a federal government could make it a term and condition of that grant that the local council had to provide greater power to the union movement—or any other term and condition that the federal government might like to come up with. Professor Saunders has rung the bell loud on these dangers. The professor notes:

This is not constitutional recognition of local government. Constitutional recognition is about dignity. There is nothing dignified about receiving conditional grants under these kinds of arrangements.

Professor Saunders warns that this proposed change may mean that federal bureaucrats will be running local councils. A yes vote could see cash-strapped local councils being bullied and dictated to and forced to spend money in line with Canberra policies and priorities—contrary to what is what is good for our local communities.
Professors Aroney and Prasser in their submission to the expert panel also raised these concerns. They said:

Affirming the power of the Commonwealth to make financial grants to local government, though superficially attractive, will not necessarily strengthen local government, but have every potential, especially in the long term, to increase the power of the Commonwealth … over local government.

Local government may appear to benefit from a relatively greater level of independence from the States and from the establishment of a constitutionally secure source of funding, but it would do so at the expense of greater subordination to the Commonwealth, a much more distant government that is inherently less likely to be responsive to the concerns of particular local communities.

Funding would also most likely become tied to conditions that impose uniform Commonwealth policies on local government bodies, reducing their autonomy and their capacity to serve the particular interests of their own communities. That is definitely a serious concern about this proposed amendment.

The other concern is that the panel itself accepted that there is a very real doubt about the constitutional validity of direct grant programs that do not fall under a head of Commonwealth legislative powers, but they acknowledged that they could be made under section 96. The panel further went on to note that one of the reasons it had been argued as to why this was needed was that the Commonwealth was more likely to fund local government if it can do so directly 'with all the political advantages that entails'. This is simply an argument in favour of the Commonwealth government pork-barrelling local councils. If bureaucrats in Canberra can be directed to direct the funding of our local governments based on political agendas and priorities of the Canberra based federal government, how is this in our nation's best interests?

Another concern is that there are currently two lines of authority. Councils at the moment are agencies of the state; they take their directions from the state. But, if passed, this referendum would see local government bodies being in the invidious position of being slaves to two masters: being responsible to both Commonwealth government and state government. They would be subject to the conditions imposed by the Commonwealth on its funding, with conditions that could well extend beyond the use of the grants to any type of policy that the Commonwealth wished local governments to pursue, as well as being subject to state laws, ministerial directions and policies. We would simply have two masters that local councils would be responsible to.

On balance, at best the yes case is weak. Even if direct Commonwealth funding of local government is in peril, which our constitutional experts question, exactly the same amount of funding can be given to local governments under section 96 grants. The problem with this referendum proposal is that it is difficult to find any compelling reason for it, other than it being symbolic.

I am a great supporter of local councils. I want to see our local councils remain independent and strong. It is for this reason, due to the clear risks of the adverse unintended consequences and the potential that it may harm our local councils, as detailed by our most highly respected and recognised constitutional experts, that at this stage—and only by a very fine margin—I cannot support these changes to our Constitution. The process for the proposal that has been brought forward by this government has been deeply flawed. I have doubts about its merits. I know I am not alone in this. The public is yet to be convinced of its merits. Until there is momentum, this process should not go
Mr STEPHEN JONES (Throsby) (13:07): With great pleasure I rise to speak on the Constitution Alteration (Local Government) 2013, which would provide a modest amendment to our Constitution for the recognition of local government for the purposes of financial grants from the Commonwealth to local governments. I listened with great interest to the member for Hughes in his contribution and was surprised to hear some of the claims that he made. I will deal with them first before addressing some of the substance of the bill.

If you listened to the member the Hughes, there were two concerns raised in his contribution. The first concern was that somehow this was a massive overreach of central government into the affairs which have traditionally been the privilege of state governments and that this is somehow improper. We have seen similar claims made by a former senator for South Australia, Nick Minchin, and more recently by others on that side of politics. I find it very strange that these claims are made because they come from the only party, as far as I am aware, which has introduced laws and come to arrangements in this parliament, together with other parliaments around the country, which tie to grants made to independent organisations political requirements that those organisations do not speak out against the policies or decisions of the government of the day. If the member for Hughes or the former senator for South Australia were so concerned that financial grants via this or any other level of government would somehow tie, inhibit or constrain the political independence of a local government or any other organisation in this country then I suspect those concerns would be best voiced in their party rooms and not in the parliament. It is the Liberal and National parties in this country that have a track record of ensuring that there is political constraint on the grant finances to independent organisations, not those on this side of the House. If they are concerned about the political interference in independent bodies, raise them in their party rooms. Raise those objections, particularly in New South Wales and Queensland, but also in Victoria, where coalition governments in those states are including those constraints within their contractual arrangements with independent bodies at this very point in time.

The second point that was raised by the member for Hughes was that he is a great advocate for local governments, particularly in our own state of New South Wales, and he wished them to continue in their independence, financially and otherwise. The member for Hughes has probably not picked up a newspaper or has not been following the raging debate that is going on in New South Wales, where there is a debate about the financial sustainability of local governments—and, I suspect, local governments in New South Wales do not have a monopoly on this issue. It goes to the nub of the issue. We know that there are financial constraints on local government. It is a part of what we like to call in public finances the vertical fiscal imbalance—that is, the imbalance between the responsibility for delivering services and the capacity to raise revenue to pay for those services. At no level of government is that constraint greater than in the area of local government.

I know this very well in my own electorate, where we have the Shellharbour City Council, a fine council, with a relatively low ratepayer base and a great need for provision of new services—particularly new roads and infrastructure services to new urban developments within its local government boundaries. The Shellharbour City Council is faced with a situation where
it can seek to increase rates—and there is a debate going on within the Shellharbour City Council about its capacity to do that. The ratepayers in this region are within the lower band of socioeconomic status. They are not high wage and salary earners in that particular local government area. So there is a limited capacity to raise those rates. The other area you can turn to is developer levies—placing a levy on the developers who are proposing to put new subdivisions into a particular area. There are also constraints on the capacity to do that, particularly when you are trying to develop affordable housing within the electorate. So a council like Shellharbour relies on the grants that it can gain from other sources, whether that is direct financial grants from the state government or direct financial grants from the federal government.

The member for Hughes in his contribution quoted some constitutional scholars, including Prof. Anne Twomey. Students of constitutional law would be familiar with the work of Prof. Anne Twomey, but she is not the only voice in the debate. Whilst I respect her expertise in this area, she is not the only voice in this debate. People who have been following this particular area of constitutional law would be very familiar that there is a big question mark over the capacity of the Commonwealth level of government to provide direct financial grants to local government.

So if you are concerned about the political independence of local governments or you are concerned about the financial viability of local governments, as I am, in their capacity to deliver services, then you should be standing in this parliament and voting and speaking in favour of this bill and then going out to your community and talking in favour of this modest constitutional amendment. It is, if anything, directed at ensuring the independence and the political security of local government—but, more importantly than that, the financial security of local governments.

Of the three tiers of government in Australia, local government and the services they provide are of closest proximity to us. We each rely on local government services every day as we go about in our communities. Local governments carry out a great service to our community that is simply beyond the capacity of any other tier of government—certainly Commonwealth and also state, in my view.

Their services are broad and expanding. They include not only planning and development services and development approval but also parking, immunisation, public amenities such as toilets and parks, waste disposal and the cleaning and maintenance of local streets, footpaths and roads. There is also an extensive range of community services including libraries, public gardens and sports grounds. I am very pleased to be speaking on this bill today because the bill is directed at ensuring that local governments continue to have financial viability and that they can continue to grow and expand in the delivering of these services.

Many Australians would be surprised to hear that local government is not already recognised in our federal Constitution. We are going to hear all sorts of things in this debate, and they need to be addressed head-on. I have already addressed the concerns raised by the member for Hughes, but I simply say this: it is important to note at the outset that this bill does not give the federal parliament any power over local governments. It does not change the status of local councils and it does not intrude in the relationship between local and state governments. What it does do is provide
certainty over the federal government's ability to provide funding directly to local governments such as already occurs through the popular Roads to Recovery program, a program initiated by the previous coalition government and continued by this Labor government.

A short historical interlude: I understand that Adelaide—I see the member for Boothby at the table; he can probably correct me on this—claims the establishment of the first elected municipal council in 1840, followed by Sydney and Melbourne in around 1842. Local government in Australia preceded the establishment, obviously, of our own national government. It is true that the 1901 Constitution ignores the existence of local government and many might ask why local government was overlooked in the first place. According to a 1984 study of this matter by Chapman and Wood, it is believed that 'at none of the three constitutional conventions held in the 1890s was local government discussed; it was not important for the creation of the federation'.

Despite the early establishment of local councils in our system of government, it is interesting to note that local government did not come under much consideration during the 1890s constitutional conventions that led to Federation. This is because many present at the conventions, such as Sir Samuel Griffith, saw local government as purely a domestic responsibility of the individual states which had no relevance to federal discussions. Alfred Deakin, a future Prime Minister, apparently suggested at the Australasian Federal Convention in 1897 that some individual 'localities' might be funded directly by the Commonwealth; however, another future Prime Minister, Edmund Barton, saw this as a risky financial proposition. I interrupt myself to say his concerns were about the financial viability of the federal government, not about any political concerns about that tier of government funding the local governments. Barton's response reflected the consensus view that Australia's Federation was an agreement between the existing states to create a future nation on mutually agreed principles. It is interesting to note that some estimate that nearly 30 per cent of the first federal parliamentarians elected in 1901 had served in local government. A survey of today's federal parliament would probably yield a similar result.

The proposal for this bill today to enable a referendum on this question has a lengthy period of consultation and deliberation behind it, led by this government. In August 2011 the government approved an Expert Panel on Constitutional Recognition of Local Government. In December 2011 the expert panel presented its final report, concluding that financial recognition of local government through an amendment of section 96 of the Constitution was a viable option in 2013. In November 2012 the parliament established a Joint Select Committee on Constitutional Recognition of Local Government. The committee released its final report in March 2013. The committee recommended that a referendum on financial recognition of local government be held at the 2013 federal election after a lengthy consultation process, engaging with the community—importantly, with all tiers of government as well as with the community—on the questions to be considered at a future referendum.

The bill before the House today is a bill to alter section 96 of the Constitution to specifically state that the Commonwealth may grant financial assistance to local government bodies formed by a law of a state. Item 1 of schedule 1 alters the heading to section 96 of the Constitution by including the words 'and local government bodies'. Item 2 alters the Constitution by inserting in
section 96, after 'to any State', the text set out in the schedule. As amended, section 96 would be as follows:

Financial assistance to States and local government bodies

During a period of ten years after the establishment of the Commonwealth and thereafter until the Parliament otherwise provides, the Parliament may grant financial assistance to any State, or local government body formed by a law of a State, on such terms and conditions as the Parliament thinks fit.

The alteration of s 96 would establish specifically that the Commonwealth may grant financial assistance to local government bodies formed by a law of a State.

That is an important point. The Commonwealth would thus no longer need to rely on other, less specific sources of power to provide financial assistance to local government bodies. The wording was specifically designed to give assurance to state governments that, under the proposed change, local governments would remain the responsibility of state and territory governments. I know that is a matter of some concern to many local government bodies, particularly in New South Wales and Queensland where the authorities—some may say the tyranny of central authorities—in Sydney and in Brisbane, and previously in Victoria with the central authority of Melbourne, have run roughshod over the views of local councillors and local citizens in either merging or demerging, or taking over, local government bodies and putting in place administrators. Nothing in this legislation will impair the ability of a state government to do, or not do, any of those things. It goes merely to the financial arrangements between the federal government and the local government.

This bill provides long overdue Constitutional recognition for local government. I commend it to the House. I urge voters in my own electorate of Throsby and across the country to support the proposition and to vote yes at a referendum to be held at the federal election on 14 September 2013. I commend the bill to the House.

Mr HAWKE (Mitchell) (13:22): I rise to speak on the Constitution Alteration (Local Government) 2013. It is quite frightening to listen to some of the Labor Party's backbenchers, including the member for Throsby, and their lack of sufficient understanding about our Constitution and why it is structured the way it is—and, indeed, the role of local government in that Constitution.

It is not accurate to say, as he said, that in New South Wales there is a financial problem with councils, and therefore the Commonwealth has to step in and fund them. It is accurate to say that the viability of very small councils is what is at stake, and the purpose of that report was to provide for mergers and acquisitions of two small councils, two small political units, and the mismanagement of those finances. The member for Throsby belfs the cat when he says: 'It's just money. It's just finances. What's everybody worried about?' That is the attitude of a government that is heading towards $300 billion of debt, where money does not matter, because money always matters and who controls the money controls the power. It has always been thus. Changes to our Constitution that affect financial arrangements between our Commonwealth and state systems very much affect the power balance between the Commonwealth and state governments, and to imply differently is to either be disingenuous or hide a broader agenda.

I oppose this change to our Constitution because I believe it is another attempt to change the political conversation that this
government has put forward, to mask from the Australian people what is really going on. I note the dissenting report from coalition members and senators, which particularly noted that the preconditions for success of this referendum, highlighted by the expert panel and other stakeholders such as the Australian Local Government Association, have not yet been met. I also record that this is the third time this referendum will be put to the Australian people. The governments that have put it before are: the Whitlam government in 1974, which saw a 53 per cent 'no' vote in all states except New South Wales; and the Hawke government in 1988, when 66 per cent said no and every state voted against it.

Bad governments that are nearing an election should not distort our politics by trying to change our Constitution in this shameless way. I agree with Peter Reith, who says that the yes case will saturate the airways in the week before September 14, and the no case will be silent for lack of funds. The process is the ultimate constitutional fix and besmirches Australia's record of clean elections—more on that later. This is certainly a referendum that the government has set up to fail, and that the Prime Minister has set up to fail. Indeed, constitutional lawyer and vice-chancellor Professor Greg Craven said:

This will be a rushed referendum on words drafted in haste for political purposes.

I also turn today to the real essence of why I oppose this referendum. It goes to the heart of why I am a Liberal, and an argument we hear too little about in debates on modern governance—that is, correct political structure and how political structure is vital to providing the checks and balances inherent in protecting rights and liberties limiting the power of government. Any change to our Constitution should be made rarely enough to allow careful consideration and due thought. This is the inherent view of the Australian people, who have rejected the vast bulk of referendum proposals. An inherent scepticism of government politicians and requests for additional power is an essential precondition of a free society. It is a great virtue that Australian people have this understanding inherent in them, and it is something that I commend.

I point to Isabel Paterson and her treatise on structure in government, The God of the Machine. She wrote about the importance of a society being correctly structured to balance power between levels. The balance was important, and must function correctly for the intended impact—in this case, the limitation of power—to function correctly. Simply put, in an Australian context what that means is that the balance between the state and the Commonwealth—that is, our federal compact—must be maintained. The reason I oppose this constitutional change is that it will alter the balance between the state and the Commonwealth. The balance will shift, again, towards the centre, this time through a level of government that can directly deliver services, duplicating that already available in our states in so many ways. That is why several premiers have argued against this referendum. It shows the threat that this constitutional change represents to state reform. Barry O'Farrell said directly:

We do not support local government getting a financial power in the federal constitution because that can fundamentally change the relationship that local government has …

Local government across Australia is set up by state parliaments, this financial recognition essentially changes the relationship, gives it a more direct relationship with the federal government.

He is correct about that. Cheryl Saunders AO, a constitutional lawyer, said:
Even more importantly, this proposal would increase not only Commonwealth power but executive power, exacerbating what already is too prevalent a tendency for the Commonwealth to regulate through the expenditure of public moneys, using executive schemes.

This goes to the heart of why we need this proposal now to change our Constitution. We had a national government, and our national government was formed for particular reasons—particularly the defence of our nation. Given that Defence expenditure—the reason for us having national government—as a percentage of GDP is at its lowest level since 1938, I find it disingenuous for members of the Labor Party and the government to say we should be fixing potholes in local roads when we are starving our nation's Defence forces of funds. I find it furthermore wrong that our diplomats overseas are starved of the funds they need to do their vital jobs at the moment, and that posts are closing. They do not have the funds they need to adequately provide for Australia's interests in trade. Free trade agreements are not being conducted. Billions of dollars are being wasted in debt and deficit. And yet the priority of this parliament is to expand the ability of the Commonwealth to spend money on local roads and local issues—Is that seriously the priority of this national government? Is now really the time to say: 'Let's loosen the purse strings of the Commonwealth. Let's let them spend money more easily. Let's let them spend it in more ways'? The pink batts scheme would indicate we need more limitations on the expenditure of Commonwealth funds. The disasters this government has mismanaged would indicate we need more limitations, not more openings for the Commonwealth to spend more money.

This argument by members, which is essentially 'Let's get our federal government into matters that are not its domain', is hardly compelling to me. It is, essentially: 'Let's fix the state government's potholes. Let's fix the local government council's potholes. Let's not focus our national government on its real purposes—defence, administration of the federal law, diplomacy, trade—all of the things our federal government has done.' I accept that it might be a naive statement of many members here when they say they have no intention to wipe out the state powers of so many MPs in this place, but the intention here is not the same as the effect. MPs in this place saying that it will not do something bad to our political structure is not a sufficient protection. Changes to the Constitution which act to limit power in Australia must, of necessity, be checked for impact against that imperative.

I would like to point out that local government is a creature of the state subject to state laws and governed by state ministers and state acts, and I believe it should remain so. There has been no case made by members today about why that should change. Why shouldn't local governments be the purview of state governments? Why shouldn't they be funded by state governments? What is the problem that exists such that the Constitution needs to be altered today? In fact, all of the projects that member after member have listed have occurred. The money has reached them. The Commonwealth has funded them. The objectives have been met already. There has been no articulate, cogent case made about why the Commonwealth needs to more easily send money to this layer of government.

Certainly I also believe that, as Professor Anne Twomey stated:

Funding would also most likely become tied to conditions that impose uniform Commonwealth policies on local government bodies, reducing
their autonomy and their capacity to serve the particular interests of their own communities.

We have local government because it is local, because it responds to local voters in local electorates. To then tie these local government decision-making bodies to a Commonwealth grant which, as we heard from the changes that are proposed, will be subject to the decision of the executive on what, how and why they can spend money will remove that direct distinction of local government and why we have local government in the first place.

It is certainly the case that I agree with the view of our nation's second-longest-serving Prime Minister, the former Prime Minister John Howard, who said 'even a casual reference to local government in the Constitution would end up having legal implications far beyond what might be advocated by the proponents of such a change.' 'The Constitution is, of course, the founding document of our nation. It is unacceptable that politicians can abuse public money to change the Constitution that limits their power'—that was Julian Leeser.

We have seen what has happened in this debate. We heard from the member for Greenway. I do not believe that the member for Greenway, in chairing her government panel, has convinced states, convinced stakeholders or made a public case for change to our Constitution. Instead, the member for Greenway listed the items of pork-barrelling that she thought were good in her electorate. But, if Australians had any doubt about what this is about, they should listen carefully to the contributions of members here. What is this really about? She did not list one project in her electorate that has gone unfunded because of the current arrangements. She did not cite where a local government would have done something if it had access to this constitutional provision.

It is of course ridiculous for many members to go forward and say, 'If you learnt to swim, it was in your local pool and funded by a local government authority.' Surely our debate about constitutional change has not reached such a low juncture that we are debating local swimming pools. This is about the structure of the Commonwealth and states and balancing and limiting power, providing for the checks and balances that our nation needs to ensure we have limited government in Australia.

I am also very concerned about the public funding of this campaign. Currently, $21.6 million of public money for the 'yes' case has been allocated and zero has been allocated for the 'no' case. That is very concerning. Even before the campaign the 'yes' argument has been allocated three times the public funding of the 1999 referendum. If we are talking about spending public money, it does not seem this government has any problems already. No constitutional change is needed.

It is certainly the case that, even with the High Court cases in relation to Pape and Williams, the federal government has now conceded that these cases do not justify a referendum. The case was not even referenced in the Attorney-General's second reading speech of the Constitution Alteration (Local Government) bill. If you do not even reference the case and do not need to make a case about it then why again are we pursuing this constitutional change? The Attorney-General cannot come forward and reference why we are doing it.

It is certainly the case that, when you look at this proposal before us, we have perhaps the worst government in Australian history. This is a government that spends money like it is going out of fashion. We have government members who in this debate have said, 'Why would money provide power?' I have to say to those members of
parliament that this is not just about the money but it is 'just about the money' because who controls the purse strings makes a big difference to the power of government. It is a ludicrous argument for the members of the Labor Party to suggest that money does not mean power. Governments function through expenditure. One of the prime functions of a government is to deliver a budget which outlines its expenditure and incomings. And yet we have members of the Labor Party saying: 'Hey, don't worry about this. This is just about a few bucks—just so we can send some bucks down to the local government to spend.'

We have a constitutional structure. We have a federation, and that federation has been critical to the success of our nation because it does balance the roles of government. It balances the role of states, it balances the role of the Commonwealth and it allocates to them different purposes and functions which, if they got on with and fulfilled themselves instead of trying to shift, would produce a better compact in this country.

Look at what will happen if this referendum does not get up. What would be the consequence if this referendum failed, if what I am saying comes to fruition—that a 'no' case wins the popular vote and the vote in the states? There is no consequence. The federal government would still be able to fund local government. The condition, of course, would be that the money is paid by state governments as currently allowed by the Constitution and as has happened since the 1920s. Nobody can point to any other consequence that may happen, so why again are we changing the Constitution?

I think we should listen to the voices of so many experts in this field. I think we should listen to the voices of former federal minister Peter Reith, a Liberal minister, and former federal minister Gary Johns, an ALP Special Minister of State. Too often today there is a push in our nation to centralise power in Canberra. Too often there is a lack of understanding in this place of why a balance of power between states and the Commonwealth matters to the success of our society. But political structure matters. It matters in Australia as our federation hinges on a correct balance of power vested in states against the centre, the Commonwealth. Voting 'no' to this referendum will ensure that we retain that balance, we retain the best elements of federation and that competitive federalism continues to deliver great benefits. Local government can keep on doing the work it is doing beholden to the people it should be beholden to: its own local ratepayers.

Dr JENSEN (Tangney) (13:36): I oppose the Constitution Alteration (Local Government) 2013. Section 96 currently allows the Commonwealth to 'grant financial assistance to any state on such terms and conditions as the parliament thinks fit'. The referendum would amend section 96 so as to allow the Commonwealth to grant financial assistance to any state or to any local government body formed by a law of a state.

The argument put by the government early in the piece was that decisions by the High Court in the Williams and Pape cases meant that there was a lack of certainty in the Commonwealth's ability to directly fund local councils under section 96, so it had to be amended. Senator Ryan queried this on 30 May in the Senate Rural and Regional Affairs and Transport Legislation Committee, stating:

… one of the justifications for the referendum is that the Williams decision has put the funding power the Commonwealth has direct to local government not using section 96 in doubt …
for Industry and Innovation, Senator Kate Lundy, replied:

… no, it is not one of our justifications at all.

Therefore Minister Lundy has expressly admitted that other and ulterior motives are behind this bill.

Similar referenda have been defeated before, in 1974 and 1988. However, two recent High Court decisions—the Pape and Williams cases—have elevated the issue. This whole debate should pivot on local communities being able to provide services based on local need, not Canberra's priorities. The 20 May edition of *The Australian Financial Review* reported a Nielsen poll showing 65 per cent in favour, but not actually in favour of the government's proposal—just in favour of 'recognising local government in the Constitution'. Back in 1988 the Hawke government went to the people. The Hawke proposal aimed to recognise local government but not to give the Commonwealth additional powers. The current question is completely different: there is no explicit recognition, but there is a new power for Canberra to fund local government directly, on such conditions as it sees fit. How can this not be an affront to the natural rights of the states?

It is not coincidental that the few referendum questions that have been approved—the last ones were in 1977—have generally been those that cannot be represented as increasing federal power. The bill in question is clearly not in that category. The government has said that the amendment would only add 17 words to the Constitution. Words matter. What of but one word, 'republic'? The changes being proposed to the Constitution are significant in both practice and principle. Whether it is the Gillard government's intention or not, this referendum will permit further federal government expansion into affairs where it does not have original formal jurisdiction. This change to the Constitution would create new opportunities for Canberra to impose its priorities on the states. To echo the words of former Prime Minister Howard, this enabling piece of legislation would:

… distort the Federal structure, give rise to unforeseen and unintended consequences and will lead to an eventual eclipse of the States and their eventual irrelevance as a balance against the centralist power of the Commonwealth.

Currently the federal government provides approximately $2.7 billion to local governments annually. Around 80 per cent of this funding is channelled through state governments, but the remaining 20 per cent is direct funding from the federal to the local level and is used to finance programs such as Roads to Recovery and a number of other smaller infrastructure projects. This proposed referendum is a naked and insidious play to increase the power of Canberra and the central government. It is the antithesis of what a Liberal at heart is about. A true Liberal cannot stand for the slow creep of regulation over the rugged individualism and reason of self-determination—local people making local decisions about issues of local importance. The question is: why is Labor doing this, and why now? Labor at its core is about big government, higher taxes and higher spending. Labor is about government running people's lives. Labor is about having a greater say in all aspects of society. That is not the Liberal way and that is not the Australian way. This bill in essence is un-Australian. This bill would enable the diminution of local sovereignty and democracy, and no Liberal member should, or can, respectfully support less democracy.

There are several other issues to which I direct the attention of the House, the first being local knowledge and the present system of checks and balances. In my
electorate of Tangney, we have two large councils. One council, Melville, works relatively well, whilst the other, Canning, has been endemically corrupt and is now under a commissioner. The major and indisputable advantage of having sole state responsibility for the council, apart from having a clear chain of command, is having a clear chain of control—a control that is strengthened by proximity to the councils and key stakeholders and actors, and unique local knowledge. I put it to any member of this place that oversight committees based in far-off Canberra will have no effective understanding or control of councils in my home state of Western Australia. Concomitantly, if I am to continue to represent Western Australia in this place then I must surely honour my contract with the people of WA. The people of WA have through the ballot box at the last federal election and the last state election voted overwhelmingly for a party that prides itself on telling Canberra to back off.

It was Thomas Jefferson who spoke of education being the first defence against tyranny. I oppose this bill because of the inadequate time given to the AEC to educate on the substance of the bill. The AEC has said that it needs 27 weeks minimum to properly have the argument for the yes and no cases. The reality is that we will have only about eight weeks to debate the issue, as this issue will be completely drowned out in the heat of the election campaign. It is my belief that, if the government is to go ahead with this referendum, the first act of good faith and good practice would have been to invest in a Senate inquiry. Let the Senate fulfil its constitutional role before seeking to dilute and erode the constitutional role of the states. Another act of good faith would have been to give equal weight and, as a corollary, equal funding to both sides of the argument. This is particularly clear given that it is clear—

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

STATEMENTS ON INDULGENCE

Immigration

Mr BRENDAN O'CONNOR (Gorton—Minister for Immigration and Citizenship) (13:45): I seek indulgence to advise the House of additional information that has been drawn to my attention following an answer I gave in the Federation Chamber during consideration in detail last night. I was advised that the former minister for immigration was not briefed on the matter of the Egyptian detainee. I was subsequently advised that the former minister's office received a submission relating to this matter on 28 September 2012. The submission was not signed by the minister.

This submission related to the complex issues surrounding the detainee's capacity to apply for a protection visa. The department has advised me that the submission held by the former minister's office was not returned to the department by the then minister's office. I can confirm that this submission was not provided to me or my office upon appointment as Minister for Immigration and Citizenship. The department has also advised that this submission relating to this detainee's capacity to apply for a protection visa has not been resubmitted to me.

No matters relating to the detainee were raised with me or my office prior to 17 April 2013, as I advised the parliament last night. The brief of 17 April 2013 related to the movement of this detainee from Inverbrackie to Villawood detention facility. I also advise...
the House that the detainee was always in detention for his entire period since arriving in Australia.

Dr Southcott: Mr Deputy Speaker, on a point of order: the minister was quoting from a document, and I ask him for him to table that document.

The DEPUTY SPEAKER: Minister, were you quoting from a document?

Mr BRENDAN O’CONNOR: Yes. The document is confidential.

STATEMENTS BY MEMBERS
Pie of Origin
Mr RUDDOCK (Berowra) (13:47): Tonight there is an epic contest between New South Wales and Queensland, and of course I support the Blues. It is not in the State of Origin; it is in the Pie of Origin. The Pie of Origin is the brainchild of Rob Pirina of Glenorie Bakery. It was first held last year and he raised some $20,000 for victims of floods in Queensland. He challenged Queensland to the best pie competition, and this year he is raising money for the victims of the Bundaberg flood—in the member for Hinkler’s electorate—with money donated for each pie sold during the contest.

The challenge has been accepted by Jon Quinn of Quinney's Pies on the Gold Coast, which the member for Moncrieff knows well. I am confident that New South Wales will be victorious in this epic bake-off: the Blues’ pies are superior to those of their Queensland cousins.

Let me just make it clear: while I commend this competition and the good cause, I commend the New South Wales pies for their superiority. I hope people will buy them. I hope they will participate in the good spirit of this contest. Go the Blues!

Cervical Cancer Vaccine
Mr STEPHEN JONES (Throsby) (13:48): I would like to pay tribute to the GAVI Alliance, the Global Alliance for Vaccines and Immunisation, that funds vaccines for children in the world's 70 poorest countries. It is fantastic that GAVI has recently negotiated to dramatically slash the cost of the vaccine used to prevent cervical cancer.

Globally, 270,000 women die of cervical cancer every year. The vast majority, over 85 per cent of those, are in the developing world. HPV is an extremely common infection. One in two women will get it in our lifetime. In the developing world, it is more likely to persist and more likely to lead to the development of cervical cancer. In countries like Australia, it costs $100 a dose to vaccinate against HPV.

GAVI Alliance has changed the economics of access to this vaccine by driving a hard bargain with the makers of the vaccines. Because GAVI are buying for 60 per cent of the world’s birth cohort and buying over multiple-year periods, they have been able to negotiate a bulk price for the vaccine. The new price per vaccine is $4.50. This means that millions more women can be vaccinated out of the pool of aid funding in developing countries.

In many of these countries, women with cervical cancer die because, by the time it is diagnosed, it is too late for preventative treatment or the drastic therapy which cannot be obtained easily in the developing world. That is why, for women in developing countries, prevention through vaccination is a life-saving option. Well done, GAVI.

Swan Electorate: Victoria Park Swimming Club

The DEPUTY SPEAKER: I call the member for Aston—Swan, my apologies.
Mr IRONS (Swan) (13:50): As much as I would like to live in Aston, I am very proud to live in Swan.

The DEPUTY SPEAKER: Yes, you are and you have the call.

Mr IRONS: I rise to speak about the future of the historic Victoria Park Swimming Club, which sits in my electorate of Swan. I was recently approached by the swimming club for urgent assistance following advice from the Town of Victoria Park that they will have to pay thousands of dollars a year in new lane fees from July this year.

The Victoria Park Swimming Club, one of Perth's oldest professional swimming clubs, was to be charged new lane rates, potentially totalling tens of thousands of dollars a year, and the club was worried they would simply not be able to absorb these new fees and have to pass them on. For members and their children it was an extra cost of $500 per annum.

Fortunately, yesterday on 6PR with Howard Sattler I was able to discuss this issue with the mayor of the Town of Victoria Park, Trevor Vaughan, who I know is a deeply community-minded person, and it looks as though we might have been able to resolve the issue. The mayor has assured me he will look at the issue and try and sort it out.

While we are talking about it, Jennifer Reilly, the dual Olympian, trained at Victoria Park. As is common, most swimming pools around Australia let Olympians in for free. The Town of Victoria Park wants to take that free membership away, which is disappointing, but I will continue to work with the Victoria Park town council and the swimming club to achieve the correct outcomes.

Moreton Electorate: Warrigal Road State School

Mr PERRETT (Moreton—Government Whip) (13:51): Tomorrow is Queensland Day, and let's hope that Queensland Day starts tonight. Today I have the pleasure of seeing Warrigal Road State School's year 6 students here in Parliament House. It was great to catch up with their hardworking teachers: Bob Bekkers, Zoe Vorkus, Judy Ofa, Maris Cock and Kerry Mansfield. They came to Parliament House after I went to their classroom to have a democracy talk as part of the SOSE unit. They came into the chamber to see the historic legislation pass today—our National Plan for School Improvement.

It is always great when students from across Australia come to our nation's capital and learn about our history and our democratic processes. Warrigal Road State School is one of the largest schools in my electorate, with a very multicultural school community. I have enjoyed visiting the school many times since becoming their local member in 2007. They also have one of the best fetes in my patch.

Warrigal Road State School recently won the Queensland primary school category in the 'Safe schools are smart schools' competition, held on 15 March as part of the third National Day of Action Against Bullying and Violence. I want to use this very important opportunity to congratulate Warrigal Road State School for their positive work to create a respectful, inclusive and safe learning environment for their students.

I was also able to open their new multipurpose hall and classroom as part of the BER program. I thank the P&C members and all the hardworking parents for their contributions there—these great 21st century facilities. I would especially like to thank the former principal Jeff Munce, who has been
appointed up and away from the school. I also want to acknowledge the new acting principal, Hugh Goodfellow, who has proven he has the qualities to lead Warrigal Road State School into the future.

Pie of Origin

Mr NEVILLE (Hinkler—The Nationals Deputy Whip) (13:53): I rise to support my colleagues in the clash of the pie-eating states. As you can see I have enjoyed the odd pie or two in my day. While my electorate of Hinkler has many great bakeries, like Chics, Targo Street Bakehouse and Nightingale Pies, it is Nightingale Pies which will be the beneficiary of the competition which starts with tonight's State of Origin.

Sadly this bakery, which has two outlets, in north and east Bundaberg, was severely damaged during the Australia Day floods. So the Pie of Origin 2013 challenge, which will involve $1 from every pie sold during the State of Origin series, will benefit Sue and Greg Burridge from Nightingale Pies.

The Pie of Origin also highlights the 100th anniversary of Bundaberg rugby league—1913 to 2013. The Queensland State of Origin team, which will do battle for Queensland against New South Wales tonight, took time out from its training last week to come to Bundaberg for that momentous event. I am sure that the boys and Cam Smith will be inspired—if not by the competition tonight, certainly by Chics pies—to bring home the bacon in this first State of Origin game. I thank the founder of Pie of Origin, Robert Pirina, from Glenorie Bakery, and Jon and Tony Quinn from Quinney's Pies—(Time expired)

Food Retailing

Mr KATTER (Kennedy) (13:55): The CEO of Coles, Ian McLeod, has warned against further regulation in food retailing. He has said that parties such as me will be extremely detrimental to areas if Coles and Woolworths are in any way damaged. The spotlight is back on the supermarket giants who claim to be the farmer's friend, while helping fundraise for the mates at Animals Australia by importing cheap foreign fruits en masse while our farmers walk off the land.

Yesterday we saw the arrogance of the supermarket giants—CEOs shining through, with their thinly veiled threat of a voter backlash; politicians who dare to speak up for Aussie farmers, suppliers, companies and communities against the might of this all-powerful oligopoly. We now suddenly have all of these politicians coming out of the cracks to lament the skyrocketing market share.

This place put forward a committee and the committee said, in 1999, that there was no problem with the retail giants. They had 64.4 per cent of the market then, and they have risen at an average of two per cent a year. There was an AC Nielsen series, which was discontinued in 2002, which had 74 per cent of the market being held by them and 68 per cent in the ABS series. They have risen astronomically since then. (Time expired)

Australian Education Bill 2012

Ms O'DWYER (Higgins) (13:56): I thought I had seen it all in this place but, unfortunately, we have seen a new low in the parliament. We have seen a debate on education gagged by the Labor Party after only last night delivering and tabling 71 new pages of amendments to the Australian Education Bill and allowing less than 90 minutes for debate in this chamber to analyse and assess that bill.

We know the reason. They do not want there to be any analysis of these amendments because within all the detail of the amendments that they dumped into the House last night, there is the notion of capacity to contribute, a new measure for
parents to pay. It is a means-test on parents who choose to send their children to independent or Catholic schools. It is a new hit list on schools. The Prime Minister knows all about hit lists, because it was the Prime Minister with former Leader of the Labor Party Mark Latham who drew up a hit list on schools. She is now delivering that as Prime Minister in this place.

It is a disgrace that we did not have the opportunity to fully debate the amendments. It is a disgrace that the negotiations have been conducted in secret and it is a disgrace that this Prime Minister will not stand up for strong educational outcomes for all Australians.

Greenway Electorate: Victims' Rights

Ms ROWLAND (Greenway) (13:58): On 18 November 2011, a fire tore through the Quakers Hill Nursing Home centre in my electorate, tragically killing 11 residents. Some perished in the fire; others as a result of their injuries. At 4.22 am on 30 May 2013, the same week that former nurse Roger Dean pleaded guilty to starting that fire, the Victims Rights and Support Bill 2013, which has retrospective application, was passed through the New South Wales Upper House. News Limited journalist Ben McClellan reported in the Blacktown Advocate under the headline 'Families furious over compo changes denying them funds':

THE same week NSW's worst mass murderer pleaded guilty to the Quakers Hill nursing home fire, the NSW Liberal Government ushered in changes to its victim's compensation scheme that will deny half of the 11 murder victims families financial compensation.

This move was defended in that article by Liberal state member for Riverstone, Kevin Conolly. This follows on from criticism from the Community Legal Centres NSW and Women's Legal Services, who say the bill that was passed by the Liberals actually runs counter to the UN's recommendations on reparations for women who have been subjected to violence.

This is truly a sorry state of affairs. It is the worst single tragedy in Quakers Hill. I can understand why families are furious. They deserve dignity, justice and reparations. As one of the victim's family members said: 'We don't get a penny. Why kick us when we are down?' That is a very good question.

Australian Education Bill 2013

Mr TUDGE (Aston) (13:59): I think it was a disgraceful effort of the Labor Party, in concert with the member for Lyne, to gag the debate on the Gonski school reforms today.

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

QUESTIONS WITHOUT NOTICE

Economy

Mr HOCKEY (North Sydney) (14:00): My question is to the Treasurer. I refer the Treasurer to revelations this morning that his own department now says that Australian government debt will reach $290 billion by Christmas this year and will breach the $300 billion limit next year. Given that the Treasurer told parliament just 12 months ago that 'we would be at the end of each year within the $250 billion cap', will the Treasurer now apologise for breaking yet another promise made to the Australian people?

Mr SWAN (Lilley—Deputy Prime Minister and Treasurer) (14:00): Once again we have had more fiction from the shadow Treasurer about debt. I want to go through all of the facts. The first fact is that net debt at 11.4 per cent is a fraction of debt levels of other countries right around the world. In fact, it is one-eighth the level of major
advanced economies. I make that point because those opposite are on this fiscal fear campaign that somehow our debt levels are not responsible and not sustainable. We have very low debt and sustainable debt in this country and it performs a very important role. When events occur in the international economy, we support jobs and growth, and that is what this government is doing. Of course, those opposite do not want to do that.

I was questioned by the shadow Treasurer on those matters in the House only a few weeks ago, the week after the budget, and I made a number of important points. I said that the borrowing limit did not need to be lifted in either this financial year, 2012-13, or next financial year, 2013-14. I did that in the face of the shadow Treasurer running around mixing up market value and face value—he did not know what he was doing at all.

Mr Hockey interjecting—

The SPEAKER: The member for North Sydney has asked his question.

Mr SWAN: I said we will also review that in the usual way and amend it as required. Face value was never provided by those opposite when they were in government; it was never published. But today face value was provided to Senate estimates. I talked with the Treasury. It was the most open and transparent thing to do and it was provided to the opposition today. So the government has been completely open and transparent in providing the face value figures, which have never been provided by those opposite. The face value in 2012-13 and 2013-14 is below the debt cap. I also made the point that these matters are considered on a budget to budget basis in the usual way and we would review it in the usual way and amend it as required. That is actually what I told the parliament when these matters were raised with me in budget week.

But what is this all about? What this is really all about is that debt is the Trojan Horse that those opposite are trying to use, trying to exaggerate its impact so that they will be able to justify if elected savage cuts to the bone when it comes to health and education and a massive impact on jobs and growth in our community. Debt in this country is low. Our public finances are in great shape, and the problem that those opposite have got is that this is what the rating agencies say about these matters. This demonstrates how those opposite want to talk down our economy day in, day out. This is what Standard & Poor's says about Australia: 'The government continues to demonstrate a commitment to prudent fiscal policy over the medium term given the low level of public debt in Australia.' This is what Moody's says about it: 'Australia's relatively low level of government debt has been one of the factors supporting the AAA rating.' (Time expired)

Education

Ms ROWLAND (Greenway) (14:04): My question is to the Prime Minister. Will the Prime Minister update the House on the government's plan to build a stronger and smarter economy and how the passage of the Australian Education Bill through the House brings us one step closer to this?

Ms GILLARD (Lalor—Prime Minister) (14:04): I thank the member for Greenway for her question and I am absolutely delighted that today this House of the parliament passed the Australian Education Bill; that is, we endorsed for Australia's children a better education for the future. We endorsed a method of properly funding our children, our teachers and our classrooms for generations to come. And in saying yes to every child realising their full potential, this
House today also said yes to a stronger economy in the future.

First, to the member for Greenway, we do know from the education reforms that we have brought to date that we can improve children's education, we can make sure that kids get a better education and that student results are lifted. I point to examples like St John's Primary School Auburn, with about 260 kids, most of them from a background where they speak a language other than English. We have invested an extra $915,000 in this school and year-on-year standards are improving. In year 3 reading is up five per cent. By year 5 it is up seven per cent, and numeracy is up a staggeringly 26 per cent. That is one example in one school where extra resources combined with new ways of working have lifted up the standards for our children and enabled them to achieve their full potential. And if you can do it in one school then you can do it in all schools. And if you do it across our schooling system and we achieve our year 12 attainment goals then that means a stronger economy, a gain to the economy of around $11.3 billion, or $416 per person.

You would think that in this parliament there could be a moment of unity around replacing our broken system of funding schools at the moment with a system that will work for all schools for the future, getting it right for generations to come, enabling our children to reach their full potential, enabling our economy to be stronger for the future. But, unfortunately, today we did not see that moment of unity. Unfortunately, the Leader of the Opposition and the opposition voted no to better education for our children. They voted no to a stronger economy in the future.

On this side of the House we understand that there is nothing more important to parents than their child's future: the quality of the teacher in the classroom, the access to specialist teachers, the access to equipment, the access to help if they need it and to programs for gifted children who are doing absolutely their best and achieving at the peak. That is what we are promising every Australian school, and we will continue to fight for this funding reform in every school. (Time expired)

Budget

Mr HOCKEY (North Sydney) (14:07): My question is to the Treasurer. I refer the Treasurer to his statement just three weeks ago to the House:

... it is not necessary to do anything about the debt cap at all ...

Given that we now know that the $3 billion debt cap will be broken next year as a result of the budget he delivered just three weeks ago, why will the Treasurer not accept responsibility for his actions and now increase the debt cap for the fifth time in just six years under Labor, instead of leaving it to 'someone else', as he said a little earlier this year? (Time expired)

Mr SWAN (Lilley—Deputy Prime Minister and Treasurer) (14:08): Can I say that I do welcome these questions. I hope I get 10 on this question, because what we have had now is further deception from the shadow Treasurer. What he has done is quote selectively from the Hansard. I went on to say:

... we will review it in the usual way and, if it were necessary, we would lift it.

That is the bit that he did not actually quote today, because this is part of the continuing deception. And the continuing deception is that somehow Australia has an unsustainable level of debt, when in fact net debt peaks at 11.4 per cent of GDP in 2014-15—about one-eighth of the level of major advanced economies.
We have to stand back and look at where Australia is, because with our low and responsible levels of debt our economy has grown 14 per cent since the end of 2007. I will tell you what that means: 950,000 jobs! That is because we on this side of the House had the guts to support our economy, unlike those who came into this House and the Leader of the Opposition, who slept through the critical vote on the stimulus package and would not support jobs and growth in our economy. We are prepared to take the responsible decisions, as the ratings agencies have said, to have a low level of debt to support jobs, growth and employment security in our economy.

What he is really saying today is that he is outing their hidden agenda, and their hidden agenda is to run a gigantic scare campaign about debt as their excuse for cutting to the bone.

Mr Hockey: Madam Speaker, I rise on a point of order: it goes to relevance. Why does he leave it to ‘someone else’ to clean up his mess? Why?

The SPEAKER: There is no point of order. The member for North Sydney will resume his seat.

Mr SWAN: Both the finance minister and I spoke with the Treasury and said that it would be a good idea for them to put them on the record in estimates because these have never been provided in this way before. They were never provided by those opposite when they were in government. So, once again, another deception. It is all part of their fiscal fear mongering.

What this is all about is an attempt to bully the Australian nation into the unwinding of the social safety net, and massive cuts to health and education a la Campbell Newman. His commission of cuts was all about hiding the truth before the election. What they want to do is go to the election pretending Australia has an unsustainable level of debt and that therefore there will have to be very big cuts to public expenditure after the election.

Now, there are just a couple of problems with that. The rating agencies recognise how responsible our fiscal policy is, which is why we have a AAA rating from the three global rating agencies—with a stable outlook for the first time in our nation’s history. That fact is very embarrassing for those opposite because we understand the importance of good, strong fiscal policy to support jobs and growth, unlike those who want to cut to the bone in health and education and to cut jobs.

(Time expired)

Mr Hockey: Hear, hear!

The SPEAKER: The member for North Sydney is warned.

Education

Ms O’NEILL (Robertson) (14:11): My question is to the Minister for School Education, Early Childhood and Youth. Why is the passage of the Australian Education Bill 2013 through the House today so important for building a stronger, fairer and smarter future for our nation?

Mr GARRETT (Kingsford Smith—Minister for School Education, Early Childhood and Youth) (14:12): I want to thank the member for Robertson for her question. She has been a strong advocate for education both in this parliament and in her electorate, with the delivery of over $77 million for some 97 projects—30 classrooms, eight multipurpose halls and five trade training centres—in the electorate of Robertson. She knows, as we all do on this side of the House, that this is a genuinely historic day in education in Australian history.

It is a day that has been a long time coming, and I want to while I am at the
dispatch box place my appreciation for the efforts of all those people in both the government and non-government education sectors, including Mr Gonski and his panellists, who provided the clear thinking and the recommendations that this government could take and work with for a new, fairer funding model for school education for all schools around Australia.

That is why this reform is so substantial. Yes, there is additional investment that comes with this reform and we committed to it in the budget. But the key thing here is this: every dollar in education that any government spends under this framework in the legislation that passed through this House today is directed at the needs—the individual needs—of students in schools, government and non-government. That is a powerful, transforming reform and a great improvement to the way in which we find schools now and the way that the Leader of the Opposition is still committed to.

I do not have to go far afield to find support for this proposition. Only in the last day or so we had the Australian Industry Group standing up and saying quite clearly that the needs-based funding reform is an essential thing that we need to do—its principles are fundamentally sound. We had the education minister from New South Wales come down here and actively lobby his National Party counterparts on the other side of the House on that very measure as well.

For people in the bush this is such a strong driver of economic vitality and social vitality. The fact is that the loadings in this model recognise disadvantage wherever it occurs, whether it is in rural or regional Australia and whether it is in electorates that have a great deal of disadvantage. I know members on the Labor side of the House understand that only too well.

This is an important day and it is a day which vindicates the significant reforms and high levels of investment that have been the hallmark of this Labor government ever since we came to office. We are pioneering and pushing forward reform which is aimed at lifting educational performance in every school around the nation and lifting the nation as a whole. This legislation passed through the House. The only people who do not want better schools for Australia are the opposition. (Time expired)

**Asylum Seekers**

Mr ABBOTT (Warringah—Leader of the Opposition) (14:15): My question is to the Prime Minister. I remind her that 42,000 people, on 700 illegal boats, have arrived on this government's watch and that more than 10,000 have been released into the community without comprehensive ASIO checks. Given that a convicted jihadist terrorist was held at a family facility in the Adelaide Hills for almost a year, through what officials called a clerical error, will the Prime Minister now concede that Labor's policies have made Australia less safe than it was under the former government?

**The SPEAKER:** The Prime Minister has the call. The last part of the question was out of order.

Ms GILLARD (Lalor—Prime Minister) (14:15): To the Leader of the Opposition: already so clearly in this question time we have seen the divide in Australian politics between this government that is building and investing for the future and this opposition that is trading in fear—trying to trade in fear and make people worry about the economy, when they know that there is no cause to do so and the rating agencies have spoken. Then, with a question like this, it is trying to raise fear in the community when it knows, and the Leader of the Opposition knows, from answers that have been given in this
parliament earlier this week that the person he refers to has always been held in detention. The Leader of the Opposition is out there trying to create fear and people might want to ask themselves why? Why would he be creating fear? Not because he has any answers, that is for sure. The Leader of the Opposition used to walk around saying: 'Stop the boats.'

Mr Simpkins interjecting—

The SPEAKER: Order! The honourable member for Cowan will leave the chamber under standing order 94(a). He cannot continue this behaviour.

Ms GILLARD: Now, of course, they have back-pedalled and back-pedalled. They might hope to make some difference in a few years time, if that is possible. Then the Deputy Leader of the Opposition is out there, effectively claiming that they have got an arrangement with Indonesia. Then she had to back-pedal, back-pedal and back-pedal. Then she was shamed into trying to stutter out the truth by The Guardian newspaper—

Mr Dutton interjecting—

The SPEAKER: Order! The Prime Minister will return to the question.

Ms GILLARD: So all of this fear—

Mr Dutton: That is what Laurie is talking about!

The SPEAKER: Order! The member for Dickson is warned!

Ms GILLARD: raised by an opposition, which, if it were clear and if it were truthful would say that its policies amount to nothing.

Mr Abbott: Madam Speaker, I rise on a point of order. You have, quite commendably, asked the Prime Minister to return to the question. I regret to say that she is defying the Speaker's injunction.

The SPEAKER: The Prime Minister has the call and will refer to the question before the chair.

Ms GILLARD: I am answering a question very broadly worded about safety and, in answering that very broadly worded question, let me give this answer. What this government will do is continue to be clear with people about the facts and the policy choices. We will listen to expert advice.

Mrs Mirabella interjecting—

Ms GILLARD: The member for Indi might think that advice provided by the former Chief of the Defence Force is worth laughing at. We treat people who have served our Defence Force at the highest level with respect. We treat people with the foreign policy expertise of Michael L'Estrange with respect. We treat a man, like Paris Aristotle, who has devoted his life to working with refugees with respect. We of course are out there implementing the policies that have been recommended by those experts while, on the one hand, the opposition come into this parliament and try to raise fear and then, on the other hand, whenever they are called to do so come into this parliament and put up their hands for more votes, which is what the Leader of the Opposition has done time after time in denying the force and effect of the expert panel.

Asylum Seekers

Mr WILKIE (Denison) (14:19): My question is to the Prime Minister. SBS report that no asylum seekers have been processed on Manus Island and that detainees are attempting suicide and self-harm. But who knows for sure, because journalists are not allowed access and SBS was stopped by DIAC and contractors? Prime Minister, your government claims that it is PNG that is
blocking access, but the PNG Prime Minister and the centre administrator both deny it. Someone is lying here. Who is it, Prime Minister?

The SPEAKER: The use of the word 'lying' of course is out of order. So I will ask the member for Denison to rephrase the last part and I will advise that, by now, everyone should know that the use of the word in any context is out of order. The member for Denison, on the last part.

Mr WILKIE: My apologies, Speaker. Someone is being very dishonest here. Who is it, Prime Minister?

Ms GILLARD (Lalor—Prime Minister) (14:20): To the member for Denison, of course PNG is a sovereign nation so it has the ability to control who gets visas and who enters PNG. I think that is self-evident.

In terms of people who are in PNG and who then seek access to the detention centre on Manus Island, unlike the former Howard government, we have been in the business of enabling there to be transparency about what is happening in detention centres. That is why, for example, the Red Cross has been able to travel to that centre and it is why the International Organization for Migration has been able to travel to that centre and it is why, indeed, even Senator Hanson-Young in the other chamber has been able to travel to that centre. So in terms of openness and transparency, that is the track record of the government.

When it comes to why we have people in offshore processing, it comes to the same answer that I just gave to the Leader of the Opposition, although I understand the member for Denison is coming at this from a very different perspective.

Mr Wilkie: Speaker, I rise on a point of order: on relevance. It is clear that DIAC, the government's own department, has prevented journalists from entering the Manus Island facility.

The SPEAKER: The Prime Minister has the call.

Ms GILLARD: Thank you very much, Speaker. I have made clear the way in which people have been given access to the centre, including a parliamentarian from this parliament. My point to the member for Denison is: the reason we have a centre in PNG, the reason we have offshore processing, is that it was recommended by the expert panel and we are implementing their recommendations. Of course, we have been prevented from doing so fully because of the negativity of the opposition, the opposition having consistently wanted to see more boats.

Economy

Mr CHAMPION (Wakefield) (14:22): My question is to the Treasurer. Will the Treasurer update the House on today's National Accounts? What are the government's plans to keep investing in the big reforms to make our economy strong and keep our nation smart?

Mr SWAN (Lilley—Deputy Prime Minister and Treasurer) (14:22): I thank the member for Wakefield for his question because today's National Accounts confirm that Australia's economy continues to outperform the rest of the developed world—0.6 per cent in the quarter, 2.5 per cent throughout the year. This is a strong result for Australia. It is a solid result which is testament to our economic resilience. Our economy is growing faster than just about every other developed economy in the global economy, three times faster than the OECD average. This has been achieved despite the fact that there is global uncertainty and of course despite the very big transitions that are going on in our economy.
It comes at a time when we have seen recession again in Europe. We have seen something like six straight quarters of negative growth in Europe, the worst they have experienced since the Great Depression. Nine out of 23 advanced economies have reported March quarter results that have contracted during that quarter. So there is a very difficult global outlook.

This also comes at a time when the dollar has been high, and it is certainly bearing down on many industry sectors as we are trying to make the transition from mining sources of growth to nonmining sources of growth. We say that this is a very solid result. The outcome of this is that our economy is now 14 per cent larger than it was at the end of 2007. So we have an impressive array of strengths—solid growth, low unemployment, contained inflation, a AAA credit rating and record low interest rates.

What we have to do now is continue to get the big economic calls right, and getting the big economic calls right means making the smart investments for the future within a strong fiscal policy. That is why I was so proud that the parliament this morning passed the education bill. You could not get anything more fundamental to the future of our country than this education bill. It stands alongside other big reforms—the NDIS, the stimulus packages that we put in place back in 2008-09—and is a very substantial achievement for this parliament, a historic day for all our children in this country.

We want to ensure that every child gets a good education and that none is left behind. The danger we have here is that people outside New South Wales are going to be left behind. They will be left behind in my home state of Queensland. We have got a big game tonight and the Maroons are going to do well. But what we want to see is Queensland kids doing well as well in the education race and not being left behind the students in New South Wales. There are only two people standing in the road of that—the Leader of the Opposition and the Premier of Queensland. They ought to get out of the way so that we can get this reform in place and decent education for kids right around our country.

National Security

Mr KEENAN (Stirling) (14:25): My question is to the Minister for Immigration and Citizenship. I refer the minister to his statement to the House yesterday that there has been no assessment in relation to the convicted Egyptian jihadist terrorist asylum claim. How does the minister reconcile that statement with this letter to me where he states, 'The assessment of the protection claim for this individual is being progressed by the department'?

Mr BRENDAN O'CONNOR (Gorton—Minister for Immigration and Citizenship) (14:25): I thank the honourable member for his question. The reference in the letter goes to three particular persons that I was asked about by the honourable member, and I confirmed by way of letter that there was some progress.

But in relation to the one individual, the one that was raised in question time yesterday, the assessment of that individual had not commenced. So the response in the letter went to three people; the question to me yesterday went to one person. And in relation to that person, his assessment had not commenced.

Honourable members interjecting—

The SPEAKER: Order! The member for Reid is not helping himself. The member for Lyons has the call.
Education

Mr Adams (Lyons) (14:26): My question goes to the Minister for Regional Services, Local Communities and Territories. Why is support for schools in regional and rural Australia so important for families, communities and the economy? Are there any issues to ongoing support?

Ms King (Ballarat—Minister for Road Safety, Minister for Regional Services and Local Communities and Territories) (14:27): I want to thank the member for Lyons for his question. I know that he knows how much power education has for changing the opportunities for regional Australians. I know how important this government's education reforms will be for students right across Australia, reforms that have now passed this House despite being opposed by the opposition.

The government's National Plan for School Improvement will deliver around $6 billion in additional funding for regional and remote schools over the next six years. This is a critical investment in delivering a stronger, smarter and fairer Australia. We are making this investment because we believe every student deserves access to the best-quality education regardless of where they live. We know that from OECD studies there is a difference between the performance results of metropolitan and remote schools. Indeed, 15-year-old students enrolled in rural schools are the equivalent of 1½ years behind their city counterparts for reading, maths and scientific literacy. That is why the government has a plan to make sure schools in regional and remote Australia will have the resources they need to overcome this disadvantage.

Under the National Plan for School Improvement, education funding is delivered to those areas most in need. We recognise that schools in rural Australia face unique challenges because of their location and often because of their size. Under our plan, smaller schools will receive extra funding, in recognition that they need additional resources, so they can offer their students the same services as those in larger schools. That is why around 40 per cent of the additional investment in education over the next six years will go to regional and remote schools.

Honourable members: Hear, hear!

Ms King: Absolutely. The reforms that have passed the House today will mean that children in regional Australia will get extra help if they need it. The reforms will mean that regional students will have access to more resources, more skilled teachers who will stay in regional Australia—reforms that the opposition voted against—and money and opportunities that would never be realised under the coalition.

The New South Wales Minister for Education, a member of the Nationals, who represents the people of regional Australia, knows how important this is. I know there are National members who care deeply in this House about their communities—communities outside those major metropolitan cities that do not have access to the same educational opportunities as people in larger cities. I know there are National members who want students in their electorates to have the best chance of a great education. Sadly, they have tied themselves to the coalition's decision to deny regional and remote schools additional resources. People in regional Australia will have an absolutely clear choice—a choice between an additional $6 billion over the next six years for regional schools or cuts of $16.2 billion under the coalition. (Time expired)

The Speaker: The member for Mackellar is seeking to take a point of order?

Mrs Bronwyn Bishop: No, I simply want to ask that the minister table the
document she was reading from—it was several pages.

The SPEAKER: The member for Mackellar will resume her seat! Was the member reading from a document?

Ms King: They were my own notes.

The SPEAKER: I thank the member.

DISTINGUISHED VISITORS

The SPEAKER (14:30): I would like to welcome to the gallery this afternoon Bob Horne, the former member for the seat of Paterson and give a wave to my friends from the bookshop.

Honourable members: Hear, hear!

QUESTIONS WITHOUT NOTICE

National Security

Mr MORRISON (Cook) (14:31): My question is to the Minister for Immigration and Citizenship. I refer the minister to the fact that ASIO informed the Department of Immigration and Citizenship of the presence of a convicted Egyptian jihadist terrorist being held in low-security family accommodation on 30 August 2012. Why didn't the minister know about this serious breach of security until April this year, when his predecessor had been told on 28 September, seven months earlier?

Mr BRENDAN O'CONNOR (Gorton—Minister for Immigration and Citizenship) (14:31): I thank the honourable member for his question. I first refer him to the statement I made just before question time in relation to those matters. As I made clear in parliament last night, I received information for the very first time with respect to this matter on 17 April. That brief went to the transfer of the person in question from one centre to the other. Of course, that was the appropriate thing to do.

What I said throughout the course of the questions put to me in relation to this matter—

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

Mr Pyne: Madam Speaker, the question did not seek a chronology; it asked why he was not informed for seven months after his predecessor—

The SPEAKER: The Manager of Opposition Business will resume his seat. The minister has the call.

Mr BRENDAN O'CONNOR: What I have said in relation to this matter when being asked questions is that at all times our agencies have worked together—that is, ASIO, the Australian Federal Police and the Department of Immigration and Citizenship. As a result, this person has been in detention at all times.

Mr MORRISON (Cook) (14:32): Speaker, I ask a supplementary question to the Minister for Immigration and Citizenship. If the minister believes that the low-security facility in South Australia was appropriate for a convicted jihadist terrorist, why was he immediately moved to a high-security facility when the minister was advised of his presence?

Mr BRENDAN O'CONNOR (Gorton—Minister for Immigration and Citizenship) (14:33): I thank the honourable member for his question. As I indicated, I was briefed for the very first time on this matter on 17 April and the brief went to the transfer of that person from one centre to a centre that was, indeed, a more secure centre. That was the appropriate thing to do by the department upon the advice of the agencies.

Infrastructure

Ms LIVERMORE (Capricornia) (14:33):

My question is to the Minister for
Infrastructure and Transport, and the Minister for Regional Development and Local Government. Will the minister update the House on the new investments the government is making to build infrastructure in Queensland? How is this investment, improving productivity and safety, being received?

Mr ALBANESE (Grayndler—Leader of the House, Minister for Infrastructure and Transport and Minister for Regional Development and Local Government) (14:33): I thank the member for Capricornia for her question. She is a passionate advocate of investment in the Bruce Highway, particularly in her area of Queensland. Indeed, we have delivered, through work such as at Yeppoon, the works on the Bruce Highway as part of the announcement that we had in the budget of a $4.1 billion, 10-year plan, bringing our total investment in the Bruce since we came to office in 2007 to some $5.7 billion—real money for real projects to make a real difference. The Leader of the Nationals, indeed, called upon us to match Queensland's billion-dollar commitment for the Bruce Highway. He said, 'Campbell Newman has committed the incoming LNP government to an extra billion dollars for the Bruce Highway. Clearly the federal government needs to match that offer.' Well, we didn't match it with a billion dollars; we have $4.1 billion on the table. I would have expected, in yesterday's budget by the Queensland government, to actually see some funds. But I looked for it in the budget and I saw the Queensland transport minister say that they will deliver a record $690 million for the Bruce Highway. I thought, 'Well, that's all right—$690 million. I wonder how much of it is Queensland money and how much is from the federal government?' I thought maybe half—maybe $395 million. Nah. Of the $690 million they claim, $587 million is from this Treasurer's budget. There is $103 million from Queensland—that's all. We are putting in 85 per cent of the funding and they are claiming 100 per cent of the credit. And they say that this is their big priority.

But it gets worse, because they wrote to us about the Cross River Rail project. They said, 'If you put in $715 million we'll put in $715 million.' I looked for it. Not a zack, not a cent, for the Cross River Rail project. But it gets better, because today we find out they have an alternative plan for the congestion! They are going to rip seats out of the trains and make people stand up. That is the Newman government's solution to congestion on the rail system in Brisbane. That is austerity in practice. That is the position that this bloke, who has said he won't put one cent into the Cross River Rail project, endorses with his inaction. The combination is diabolical and it is a farce. Queenslanders deserve better. (Time expired)

National Security

Mr KEENAN (Stirling) (14:37): My question is to the Minister for Home Affairs. I refer the minister to the fact that the Australian Federal Police informed the Department of Immigration and Citizenship of the presence of a convicted Egyptian jihadist terrorist in low-security detention on 24 November last year. Why didn't the minister know about this serious breach of security until May this year?

Mr CLARE (Blaxland—Minister for Home Affairs, Minister for Justice and Cabinet Secretary) (14:37): I thank the shadow minister for his question. The Australian Federal Police are an outstanding organisation. They do important work and they do it very well. I see in the gallery today Mr Mark Burgess who represents the Police Federation of Australia. He represents the police forces all across Australia who all do
great work on our behalf. It is good to have him here today.

As the shadow minister knows, and I told him this in parliament last night, there is a separation between operational work and policy work. I have confidence in the Australian Federal Police to advise me on the details that they think appropriate when they think that is appropriate. What I will not do is second-guess the Australian Federal Police on what the Federal Police think is appropriate to brief me on. When I was briefed on this matter by the Australian Federal Police, I asked them to work with DIAC on the review that they are conducting and that is ongoing and that, I think, is appropriate.

Workplace Bullying

Mr SYMON (Deakin) (14:39): My question is to the Minister for Employment and Workplace Relations, Financial Services and Superannuation. Will the minister outline the consistent approach the government is taking to deal with the human and economic costs of bullying in Australian workplaces? Minister, are there other policies on creating fairer workplaces and what would be their impact?

Mr SHORTEN (Maribyrnong—Minister for Financial Services and Superannuation and Minister for Employment and Workplace Relations) (14:39): I thank the member for Deakin for his question. For the information of the House, the member for Deakin has been working with the Panlock family who are constituents in his electorate. Their daughter tragically took her own life after being bullied at work. So this is a very important issue to him.

He believes—as I do and as this government does, and as I believe everyone in the House does—that everyone who goes to work should come home safe. There are no other sets of circumstances which would ever be supported.

The Productivity Commission has estimated that bullying in the workplace costs somewhere between $6 billion and $36 billion. The Gillard government generally wants to address the economic and emotional cost of bullying in the workplace. I have worked with the Panlock family and others. There are no dollars possible to rate the cost of the loss of their daughter's life and the tragedy and the repercussions that continue on forever from that.

We have provided the Fair Work Commission an extra $21.4 million over the next four years to help people who are bullied at work to get help quickly and affordably. I acknowledge that on 9 May those opposite said that they wanted to address workplace bullying. I quote from their policy:

Labor has promised to amend the Fair Work laws to include bullying. The Coalition will support Labor's proposed changes.

That is good; a tick for that. The coalition said they would support the government’s legislation which delivered a key recommendation of the parliament's bullying inquiry and which was an individual right of recourse for victims of workplace bullying. However, to my disappointment, I read in today's Australian Financial Review on page 3 that the coalition apparently is going to move amendments and excise bullying provisions. I am sad to report to the House that the Financial Review has reported that the decision to move amendments to strike out tougher workplace bullying laws, which would see bullying complaints referred to the Fair Work Commission, is a surprise as the coalition's industrial relations policy document indicated support for the move.

What I do hope here—and I mean this with all sincerity—is that there are some
people opposite who just want to tackle the
issue of workplace bullying. I believe that. I
also understand that there is probably the
pragmatic small-target brigade on IR within
the opposition central ranks who probably
want to silence some of the far-right-wing
nutter who exist in the Liberal Party on IR.
Either the *Financial Review* is lying or
someone in the opposition is. Sorry, I
withdraw that. That is unparliamentary.

**The SPEAKER:** The minister should
withdraw.

**Mr SHORTEN:** Labor knows that
bullying is a problem. I know that your
average rank-and-file Liberal MP knows it is
a problem. Let us all get behind tackling
workplace bullying.

**Mr Pyne:** Speaker, on a point of order:
the opposition takes mental health very
seriously and I thought the minister did.
Therefore, I would ask him to withdraw his
slur against members of the opposition,
making fun of people with mental illness.

**The SPEAKER:** The Manager of
Opposition Business will resume his seat. I
will ask the minister to withdraw the
reference and I would caution everybody to
be very careful with some of the terminology
they use. It may seem amusing to some but it
is very hurtful to others.

**Mr SHORTEN:** I withdraw.

**The SPEAKER:** I thank the member.

**National Security**

**Ms JULIE BISHOP** (Curtin—Deputy
Leader of the Opposition) (14:43): My
question is to the Attorney-General. Since
taking up this post, has the Attorney-General
been advised by the Australian Security
Intelligence Organisation that a convicted
jihadist terrorist was being held in low-
security family accommodation in the
Adelaide Hills? If so, when was he advised
and what action has he taken as a result?

**Mr DREYFUS** (Isaacs—Attorney-
General, Minister for Emergency
Management, Minister for the Public Service
and Integrity and Special Minister of State)
(14:43): What a disgrace this opposition is.
They are a disgrace because they seek to
make a political plaything out of national
security. We know that they are seeking to
make a plaything out of national security
because of this question.

**Mr Pyne:** Speaker, on a point of order: in
spite of the ham overacting, the minister was
asked a very serious question about what
action he took about national security. He
has to answer the question and you should
make him do so.

**The SPEAKER:** Order! Everyone will
sit down. The Attorney-General has the call
and will be relevant to the question.

**Mr DREYFUS:** Thank you, Speaker. I
was briefed by the Australian Security
Intelligence Organisation on 24 April this
year in relation to this matter. I say again that
the ongoing attack on our national security
agencies by this opposition is outrageous.
It is further indication that the only interest that
this opposition has in national security is to
use it as a political football.

And rather than second-guessing our
security agencies, rather than attacking our
security agencies, which is what they are
seeking to do, rather than second-guessing
the briefings that they receive on our national
security activities, they should explain how
their cuts to the bone and their cuts to
national security would affect the national
security of our country.

**The SPEAKER:** The Attorney-General
will return to the question.

**Mr DREYFUS:** The recent review of the
administration and expenditure of our
security agencies and our intelligence
agencies, tabled just last Monday by the
Parliamentary Joint Committee on
Intelligence and Security, found that when it comes to visa security and to security checking the joint parliamentary committee was:

...satisfied that the current regime for visa security assessments is the correct one.

The fact is that this government has increased the resources that ASIO has to meet an increasing caseload. ASIO is managing those resources in an effective and efficient manner and it does this by determining, through a triage process, which cases should undergo a full security assessment. I want to quote someone else. This is what the Director-General of ASIO said at the recent Senate estimates hearing:

In the circumstances—this is the Director-General of ASIO—I would submit that the triaging process is the most effective and efficient way of enabling the greatest resources to be applied to the greatest potential risk.

He went on to say:

With a properly managed risk management system you can reduce the risk very considerably by focusing on real problems.

If the opposition is saying that it knows how to manage national security assessments better than ASIO, then it should say how it would do it differently and what it would cost. It is very clear I cannot and will not comment on individual cases, but I would say it is important to note that the individual in question has been in detention at all times since he arrived in Australia. (Time expired)

Ms JULIE BISHOP (Curtin—Deputy Leader of the Opposition) (14:47): Madam Speaker, I ask a supplementary question. After being advised of the security breach on 24 April, what action did the Attorney-General take? Specifically, did the Attorney-General raise this with the National Security Committee of cabinet? If not, why not?

Mr Robb interjecting—

The SPEAKER: The member for Goldstein might be pained in a moment.

Mr Albanese: The Deputy Leader of the Opposition should know full well that it is out of order to ask a question about the National Security Committee of the cabinet and what occurs in the cabinet. If people seriously are suggesting that the National Security Committee cabinet meetings should be open to all, then it says everything about what they think about security.

Mr DREYFUS (Isaacs—Attorney-General, Minister for Emergency Management, Minister for the Public Service and Integrity and Special Minister of State) (14:48): I will not.

Mr Albanese: Deputy Speaker—

Opposition members interjecting—

The SPEAKER: Order! Nobody has the right to go on about what they call me in this place, for goodness sake, because everybody gets it wrong every day of the week. The Leader of the House has the call.

Mr Albanese: Speaker, I usually do get it right.

The SPEAKER: You do.

Mr Albanese: But one thing I have got right is that the question invites the Attorney-General to break the law.

Opposition members: Rubbish!

Mr Albanese: It does!

The SPEAKER: The issue I have is that it is not outside the standing orders. The Attorney-General has the right to explain that in his answer. The Attorney-General has the call.

Mr Hawke: He won’t be Attorney-General for much longer.

The SPEAKER: And the member for Mitchell might not make it to the end of question time again!
Mr DREYFUS: I will not be saying in this chamber what is discussed in the National Security Committee of cabinet. If we had wanted a better example of the way in which this opposition is trying to make a political plaything out of our national security, we have just had it in this question from the Deputy Leader of the Opposition. It continues to play politics with national security. It does not have a plan for national security, other than to cut to the bone and to cut services—

Mr Pyne: Madam Speaker, on a point of order: he was asked what action he took after 24 April. He was asked what action he took after 24 April, and that is the question we want an answer to.

The SPEAKER: The Manager of Opposition Business will resume his seat. The Attorney-General has completed his answer.

Renewable Energy

Ms SAFFIN (Page) (14:50): My question is to the Minister for Climate Change, Industry and Innovation. Minister, why is renewable energy critical for building a stronger economy and delivering a clean energy future? How have the government's policies driven growth in renewable energy since 2007 and what other policies have been proposed?

Mr COMBET (Charlton—Minister for Climate Change, Industry and Innovation) (14:50): I thank the member for Page for her question. Labor supports renewable energy because it is fundamental to our capacity to tackle climate change and to ensure that our economy will be competitive in the years ahead.

Mr Schultz: Great example in South Australia this morning!

The SPEAKER: Order! The member for Hume!
energy target would lead to too much renewable energy. Those opposite are out there trying to bully the Clean Energy Finance Corporation, demanding that it defy the law, defy the parliament, defy the Constitution and stop investing in renewable energy and clean technologies. Their threats to remove the carbon price are destroying investment certainty and last week, when given the opportunity to explain his position on climate change, all the opposition leader could say about it and the science that underpins it was that 'something is happening'. We will tell you what is happening: greenhouse gas emissions are down under carbon pricing; the economy is strong; one million solar panels; renewable energy is up 30 per cent; there is a doubling of jobs in renewable technologies. That is what is happening.

**National Security**

**Mr Abbott** (Warringah—Leader of the Opposition) (14:53): My question is to the Prime Minister. I remind her that ASIO had concluded in August last year that a convicted jihadist terrorist was being held in low-security detention in the Adelaide Hills. When was the Prime Minister or her National Security Adviser informed of this serious security breach?

**Ms Gillard** (Lalor—Prime Minister) (14:54): To the Leader of the Opposition's question I say no amount of spin or trying to raise fear changes the facts here. First and foremost—and I know that when faced with the facts a bit of screaming and distraction has to go on—the facts are these: the person he refers to was always in detention. The language that the Leader of the Opposition is using for these questions, and has clearly instructed others to use when they ask questions, is deliberately calibrated to give people another impression. This person was always in detention.

On the facts of the matter I refer the Leader of the Opposition to the statement of the Minister for Immigration and Citizenship shortly before question time. I also refer him to people who would know more than he does about security assessments, particularly the Director-General of ASIO—

**Mr Abbott**: Speaker, on a point of order: relevance. It was a very simple question: when was the Prime Minister or her office told? I think she owes it to the parliament to give us an answer to this question—

**The Speaker**: The Leader of the Opposition will resume his seat. The Prime Minister has the call.

**Ms Gillard**: The question asked contained wide-ranging imputations. Those opposite are out there trying to raise fear and I am going to answer them because I am not going to leave that uncorrected on the national record. Point No. 1 that the Leader of the Opposition has failed to say: this person was always in detention. Point No. 2 that the Leader of the Opposition has failed to say: I refer him to someone who knows more about national security than he does, someone he may never have met because he has not availed himself of appropriate briefings—that is, the Director-General of ASIO. The Director-General of ASIO said about security assessments, 'The triaging process is the most effective and efficient way of enabling the greatest resources to be applied to the greatest potential risk.' The Leader of the Opposition does not know more about these questions than the Director-General of ASIO.

On briefings to me: I was briefed after the matter was raised in Senate estimates. On briefings to the immigration minister: the immigration minister has dealt very clearly with that on the record today. On discussions in the National Security Committee, in which the Leader of the Opposition has never sat: if
he had ever sat in the National Security Committee he would know that discussions in the National Security Committee are confidential.

Community Services

Ms SMYTH (La Trobe) (14:57): My question is to the Minister for Community Services, Minister for Indigenous Employment and Economic Development and Minister for the Status of Women. What is the government doing to support low-paid working people?

Ms COLLINS (Franklin—Minister for Community Services, Minister for the Status of Women and Minister for Indigenous Employment and Economic Development) (14:57): I thank the member for La Trobe for her question. I know the member for La Trobe understands that this government has set aside almost $3 billion to meet our fair share of the social and community services equal pay decision. This investment today is delivering certainty not only to those workers affected by this decision but also to the community service organisations that employ them.

We know that these workers are some of the lowest paid in Australia. Many of us—including the member for La Trobe—are aware of the dedicated work that these professionals do, day in and day out, in their local communities. But for far too long this work has been undervalued, and for far too long it has been seen as women's work. As a result the community sector has been underpaid. This government has been working hard to turn this around.

Fair Work Australia's historic equal remuneration order last year means that social and community service workers right across Australia are already getting paid more. Indeed, their salaries were increased from 1 December last year. These wage increases will lift the salaries of workers in this sector by between 23 and 45 per cent over the eight years of this decision. We know that the social and community service workers in this industry are predominantly female, and 120,000 of the 150,000 workers in this area are women. We know that this is a long-overdue victory for the community sector, and a significant advance for the equal pay of women.

This government wants to ensure that Australian social and community service workers have their proper reward secured now and into the future, and that is why this government has already met its obligations to its own funded programs.

But I would like to update the House on progress on agreements with the states and territories, particularly those that fund the workers under the national agreements. Last month South Australia accepted the Commonwealth's offer, and I am pleased to advise that this week the Australian Capital Territory has also accepted the Commonwealth's offer. These agreements represent the Commonwealth's fair share of these pay rises and include conditions specifically focused to ensure that this money flows directly to the workers. I strongly encourage the remaining states and territories to follow the lead of South Australia and the ACT.

These reforms are part of this government's vision for a stronger, smarter and fairer Australia, but it is a far cry from what is on offer from those opposite. Indeed, we have seen it in Queensland. The Campbell Newman government has already taken an axe to community service workers in Queensland. We should be very clear that what we are seeing in Queensland is what we will get from those opposite. The Australian people have a clear choice between this government's stronger, smarter and fairer
Australia and what those opposite are offering.

National Security

Mr ABBOTT (Warringah—Leader of the Opposition) (15:00): This is a question to the Prime Minister. Given that a convicted terrorist was left behind a pool fence for almost a year and for eight months after being identified, that ministers were kept in the dark and that she was kept in the dark and refused to seek briefings, is the Prime Minister entirely satisfied that this important matter of national security has been adequately handled by the government?

The SPEAKER: The imputation in the Leader of the Opposition's question was out of order. The Prime Minister has the call and will disregard the argument and the imputation.

Ms GILLARD (Lalor—Prime Minister) (15:01): Thank you very much. First, to the Leader of the Opposition: the person he refers to was always in detention, and no rhetorical flourish makes a difference to that. Second, it is the Leader of the Opposition who does not get national security briefings. Third, I can inform the House that today I have directed the Inspector General of Intelligence and Security to examine the management of Australian government agencies of persons seeking asylum who present complex security issues, particularly this case.

Taxation

Mr LYONS (Bass) (15:02): My question is to the Assistant Treasurer and Minister Assisting for Deregulation. Why is it important to deliver real and fair tax reform for all Australians? What would be the impact on communities of other approaches?

Mr BRADBURY (Lindsay—Assistant Treasurer and Minister Assisting for Deregulation) (15:03): I thank the member for Bass for his question. This government has been delivering real tax reform to ensure that hardworking Australian families and small businesses are able to get a fair share and a fair go. On top of three rounds of tax cuts that we have delivered since 2008 we have tripled the tax-free threshold, we have introduced the instant asset write-off for small businesses and now are interesting loss carry-back, and we have also cut taxes on superannuation for the lowest paid of our workers.

Every single one of these measures has been opposed by those opposite, and I am not surprised because, when it comes to tax reform, those opposite think that tax reform is a three-letter word. It is 'GST'. GST is what is in their DNA. They were the ones who introduced it. We know they always wanted to put it on everything and, if they get half a chance, they will come back and try to do the same again. We are against that because we know any plan to increase the GST will smash families, smash pensioners...
and tie businesses—in particular small businesses—up with even more red tape.

But don't take my word for it; listen to what their Liberal state premier family out there calling for an increase in the GST are saying. Look at what Premier O'Farrell has had to say. He says:

All options should be on the table, broadening the base, looking at the rate and also the rebates back to the states.

And it is not just the Liberal state premiers. Go have a look at the mentors of the Leader of the Opposition—John Howard and Nick Minchin—who are all out there saying: 'Come on, Tony! Come back! Finish the job! We wanted to put it on in the first place; now you finish the job.'

Ms Gillard: That being the usual number of questions, I ask that further questions be placed on the Notice Paper.

MOTIONS
National Security

Mr KEENAN (Stirling) (15:06): In light of the Prime Minister's concession that national security has not been adequately handled in relation—

The SPEAKER: No, question time has concluded.

Mr KEENAN: I seek leave—

The SPEAKER: You need to start with that.

Mr KEENAN: Okay. I seek leave. In light of the Prime Minister's concession that national security has not been adequately handled in relation to the detention of a convicted Egyptian terrorist in the Adelaide Hills—

Mr Dreyfus interjecting—

The SPEAKER: Order, the Attorney-General! I do actually need to know what the member for Stirling is requesting of me.

Mr KEENAN: Madam Speaker, I seek leave to move a motion.

The SPEAKER: Thank you.

Mr KEENAN: In light of the Prime Minister's concession that national security has not been adequately handled in relation to the detention of a convicted Egyptian terrorist in the low-security Adelaide Hills detention centre—

Mr Husic interjecting—

The SPEAKER: Order, the member for Chifley! The member for Stirling is seeking
to move the motion, and then we will see if leave is granted. Is leave granted?

Ms Gillard: Leave is not granted, on the basis that the motion contains an outrageous distortion of what I said to the parliament today, and clearly the motion is therefore pursuing the opposition's campaign of dishonesty.

The SPEAKER: The Prime Minister will resume her seat.

Mr Keenan: I move:

That so much of the standing and sessional orders be suspended as would prevent the Member for Stirling moving the following motion forthwith:

That the Prime Minister immediately commission a cross government review into the Government's incompetent handling of the circumstances surrounding the placing of a convicted Egyptian jihadist terrorist in a low security family detention facility in the Adelaide Hills including:

(1) when was the Prime Minister, the Attorney-General, the Minister for Immigration and Citizenship and the Home Affairs Minister first made aware of the presence of the Egyptian terrorist in the detention network and when did each responsible department or agency brief their Minister and the Prime Minister;

(2) the adequacy of communication arrangements and intelligence sharing between the relevant departments and agencies on matters of national security;

(3) the effects of the Government's budget cuts on our national security agencies ability to detect such cases particularly the $6.9 million cut to ASIO's budget for security screening of asylum seekers; and

(4) a review of any similar cases including those of a Sri Lankan man accused of murder who was released into the community on a bridging visa and an accused Iranian drug smuggler.

This is like government by Sergeant Schultz: nobody knows anything on national security.

Mr Albanese: I rise on a point of order, Speaker. It goes to whether this motion would be in order given that the Prime Minister has already announced an inquiry by the Inspector General of Intelligence and Security and therefore this motion is redundant.

Mr Pyne: Madam Speaker, on the point of order: the Leader of the House is simply time wasting, and I hate to add to it, but the point of this motion is that the House and the parliament should be able to debate the need for a cross-government inquiry into this fiasco. Yes, the Prime Minister has announced that she will ask the Inspector General of Intelligence and Security—

The SPEAKER: The Manager of Opposition Business will resume his seat. The member for Stirling has the call.

Mr Keenan: Thank you, Madam Speaker. We have heard in question time today that nobody within this government knows anything about national security.

Mr Albanese: Speaker, on a point of order: the member should withdraw that accusation, which is simply false and goes to national security.

Mr Dutton interjecting—

The SPEAKER: Order, the member for Dickson! The member for Stirling will withdraw and has the call.

Mr Keenan: I am happy to substantiate it, Madam Speaker.

The SPEAKER: No, the member for Stirling has been asked to withdraw.

Mr Keenan: I withdraw.

The SPEAKER: I thank the member.

Mr Keenan: What we have heard in question time today on this serious breach of national security is that the immigration minister does not know anything, the
Minister for Home Affairs does not think he should know anything—

**The Speaker:** The member for Stirling will resume his seat. The Leader of the House will resume his seat. The member for Stirling is moving a suspension. If he continues along this line, I will sit him down. The member for Stirling can argue his case. He should do so within the suspension and the issue before the chair, without the imputation. The member for Stirling has the call.

**Mr Keenan:** Standing orders must be suspended because this is an urgent matter, and it is an urgent matter because we are dealing with a grave breach of national security, and nobody in the government will take responsibility for it.

**Mr Albanese:** Standing orders need to be suspended because nothing is more important than national security, and we have heard in question time today that we do not have a government that is prepared to take responsibility for it even when it has been breached in such a grievous way.

**Ms Julie Bishop interjecting**

**Mr Albanese:** Speaker, on a point of order: the member for Stirling continues to abuse what should be the processes of standing orders and continues to argue the case as if the suspension had been carried. It has not. He has to refer to a suspension of standing orders—

**Ms Julie Bishop interjecting**

**Mr Albanese:** as he is being instructed by the deputy leader now.

**The Speaker:** The Leader of the House will resume his seat.

**Ms Julie Bishop interjecting**

**Mr Albanese:** I ask that the Deputy Leader of the Opposition withdraw.

**The Speaker:** Could the Deputy Leader of the Opposition, for the assistance of the House, withdraw.

**Ms Julie Bishop:** I withdraw.

**The Speaker:** I thank the Deputy Leader of the Opposition. The member for Stirling has the call on the suspension of standing orders.

**Mr Keenan:** Standing orders need to be suspended because nothing is more important than national security, and we have heard in question time today that we do not have a government that is prepared to take responsibility for it even when it has been breached in such a grievous way.

**Mr Albanese** (Grayndler—Leader of the House, Minister for Infrastructure and Transport and Minister for Regional Development and Local Government) (15:13): Speaker, I gave him every opportunity but, on the basis that he is incapable of taking it up, I move:

That the member be no longer heard.

**The Speaker:** The question is that the member be no longer heard.

The House divided. [15:17]

(The Speaker—Ms Anna Burke)

Ayes .......................... 69

Noes .......................... 75

Majority.................... 6

**AYES**

Adams, DGH
Bird, SL
Bradbury, DJ
Burke, AS
Byrne, AM
Cheeseman, DL
Collins, JM
Crean, SF
DFath, YM
Elliot, MJ
Emerson, CA
Ferguson, MJ
Garrett, PR
Gibbons, SW
Gray, G
Griffin, AP
Husie, EN
Jones, SP
Leigh, AK
Lyons, GR
Marles, RD
Melham, D
Murphy, JP
O'Connor, BPJ
Owens, J

**NOMINAL Roll**

Adams, DGH
Bird, SL
Bradbury, DJ
Burke, AS
Byrne, AM
Cheeseman, DL
Collins, JM
Crean, SF
DFath, YM
Elliot, MJ
Emerson, CA
Ferguson, MJ
Garrett, PR
Gibbons, SW
Gray, G
Griffin, AP
Husie, EN
Jones, SP
Leigh, AK
Lyons, GR
Marles, RD
Melham, D
Murphy, JP
O'Connor, BPJ
Owens, J

**AYES**

Albanese, AN
Bowen, CE
Brodmann, G
Butler, MC
Champion, ND
Clare, JD
Combat, GI
Danby, M
Dreyfus, MA
Ellis, KM
Ferguson, LDT
Fitzgibbon, JA
Georganas, S
Gillard, JE
Grierson, SJ
Hall, JG
Jenkins, HA
King, CF
Livermore, KF
Macklin, JL
McClelland, RB
Mitchell, RG (teller)
Neumann, SK
O'Neil, DM
Parke, M
AYES

Perrett, GD (teller)  Plibersek, TJ
Ripoll, BF  Rishworth, AL
Rowland, MA  Roxon, NL
Rudd, KM  Saffin, JA
Shorten, WR  Sidebottom, PS
Slipper, PN  Smith, SF
Smyth, L  Snowdon, WE
Swan, WM  Symon, MS
Thomson, KJ  Vamvakinou, M
Zappia, A

NOES

Abbott, AJ  Alexander, JG
Andrews, KJ  Andrews, KL
Baldwin, RC  Bandt, AP
Billson, BF  Bishop, BK
Bishop, JI  Briggs, JE
Broadbent, RE  Buchholz, S
Chester, D  Christensen, GR
Ciofbro, SM  Cobb, JK
Coulton, M (teller)  Dutton, PC
Entsch, WG  Fletcher, PW
Forrest, JA  Frydenberg, JA
Gambaro, T  Gash, J
Griggs, NL  Haase, BW
Hartseyker, L  Hawke, AG
Hockey, JB  Hunt, GA
Irons, SJ  Jensen, DG
Jones, ET  Katter, RC
Keenan, M  Kelly, C
Laming, A  Ley, SP
Macfarlane, IE  Marino, NB
Markus, LE  Matheson, RG
McCormack, MF  Mirabella, S
Morrison, SJ  Moylan, JE
Neville, PC  Oakeshott, RJM
O' Dowd, KD  O'Dwyer, KM
Prentice, J  Pyne, CM
Ramsey, RE  Randall, DJ
Robb, AJ  Robert, SR
Roy, WB  Ruddock, PM
Schultz, AJ  Scott, BC
Secker, PD (teller)  Simpkins, LXL
Smith, ADH  Southcott, AJ
Stone, SN  Tehan, DT
Truss, WE  Tudge, AE
Turnbull, MB  Van Manen, AJ
Vasta, RX  Washer, MJ
Wilkie, AD  Windsor, AHC
Wyatt, KG

PAIRS

Hayes, CP  Somlyay, AM
Kelly, MJ  Crook, AJ

Question negatived.

Mr ALBANESE (Grayndler—Leader of the House, Minister for Infrastructure and Transport and Minister for Regional Development and Local Government) (15:25): We will not be lectured on national security and these matters by the party of 'wheat for weapons' and the party that gave us the Haneef scandal—

Opposition members interjecting—

The SPEAKER: The Leader of the House will refer to the suspension motion before the House.

Mr ALBANESE: and that is why standing orders should not be suspended.

Mr Morrison interjecting—

Mr ALBANESE: I am happy to have a point of order from you, Member for Cook. We should not suspend standing orders because what we have before this parliament over the next week and the week after that is nine days of sittings left. We have approaches from the opposition saying: 'Please, Leader of the House, can you make time for us to deal with a range of issues? Can you make time for us to deal with valedictories? Can you make time for us so that we can filibuster on the Education Bill?' That is why we should not suspend standing orders.

Mr Morrison: Still filibustering.

The SPEAKER: The member for Cook is not amusing.

Mr ALBANESE: Earlier on today, we had about five contributions from the Manager of Opposition Business.

Mr Pyne: Four.

Mr ALBANESE: Four? I stand corrected by the Manager of Opposition Business. We
had four contributions from the Manager of Opposition Business, and the usual suspects that they line up when they are filibustering. The member for Bradfield is a special. There are others who come in here regularly to filibuster—

Mr Hawke interjecting—

Mr ALBANESE: including the member for Mitchell. What they said was that the Education Bill was the priority. They said that was the priority and now they seek to suspend standing orders so that they can speak about an inquiry when the Prime Minister has already announced an inquiry by the appropriate inspector general. The Prime Minister has very clearly set an appropriate course of action, which is why we should not be suspending standing orders. It contradicts the behaviour of those opposite throughout not just today but the entire week. We had earlier on today the member for Lyne—

Mr Pyne interjecting—

Mr Keenan interjecting—

The SPEAKER: The members for Sturt and Stirling might be struggling to stay in the chamber for the vote.

Mr ALBANESE: The member for Lyne had to indeed move that the question be put on the Education Bill, because they wanted to continue to debate education. And we were happy with debating education. But they stood up and gave the same speech as the member for Sturt did, not once, not twice, not three times, but—on his own account—four separate occasions. Members of the opposition come in here in order to filibuster just to delay them putting on the record their opposition to opportunity being given to Australian kids, regardless of their background and regardless of whether they went to a public school, a private school, an independent school or a Catholic school. They tried to delay that process.

At the same time they come to me and they ask for discussions to be held about the way that parliament will proceed over the remaining days of the 43rd Parliament. I am always happy, as you are aware, Speaker, to accommodate the opposition whenever I can, because that is the kind of Leader of the House that I am; I am inclusive and always happy to take on board any reasonable request from the opposition or the crossbenchers, as the crossbenchers are indicating right now.

So we have had a specific request from a number of members opposite. I will not embarrass them by putting it on the record because I can actually keep a secret between members of parliament when it is appropriate that it be kept. They have come to me and they have asked for particular times. Also collectively earlier on today I had a discussion with the Manager of Opposition Business about what the priorities would be over the next 10 days.

Mr Fletcher: Name them.

The SPEAKER: The member for Bradfield might be named in a moment.

Mr ALBANESE: I think the member for Bradfield should stick to those little five-minute contributions. What they have done when they came before this chamber is say that they want all of their priorities, but whenever the opportunity arises from those opposite, what they do is delay, move suspensions of standing orders.

You might take their suspensions remotely seriously had they not done it day after day after day. Indeed, they have proposed more suspensions of standing orders in the 43rd Parliament than were proposed in the previous 42 parliaments put together. It is a strategy that they have. We have all had to engage in what we have seen from the Leader of the Opposition: the longest dummy spit in Australian political
They have had one strategy, which is to not engage in serious debate, in spite of the fact that this parliament has presented unique opportunities not seen since the period during the Second World War, because a government that does not have a majority on its benches has to engage by definition with the whole parliament in order to secure the passage of legislation. But those opposite, rather than put up alternative pieces of legislation, rather than ask serious questions during question time, rather than engage in serious issues and put forward an alternative vision for this nation, have chosen instead relentless negativity day after day.

If anything symbolises the relentless negativity of those opposite it is the day-after-day suspensions of standing orders. How do I know it is Wednesday? Because this is the third suspension of standing orders this week. How will I know it is Thursday? Because tomorrow will be the fourth. Every day they come in here like clockwork. It has changed a little bit; it used to be that they did it at 10 to three, just before Playschool came on at three o’clock, so that the Leader of the Opposition got the 10 minutes prior to three o’clock in terms of broadcast time. We have had a slight change in the timing but no change in the strategy. Why? Because, in spite of the fact that we have a minority government dependent upon winning the arguments, the intellectual arguments, for our program of action, whether it be the education reforms that have gone through this week, whether it be DisabilityCare, whether it be the mental health package, whether it be the jobs bill, whether it be the infrastructure legislation—

The SPEAKER: The time for the debate has expired. The question is that the motion be agreed to.

The House divided. [15:38]

(The Speaker—Ms Anna Burke)
Mr ALBANESE (Grayndler—Leader of the House, Minister for Infrastructure and Transport and Minister for Regional Development and Local Government) (15:42): A document is presented as listed in the schedule circulated to honourable members. Details of the document will be recorded in the Votes and Proceedings. I move:

That the House take note of the document:


Debate adjourned.

COMMITTEES

Selection Committee
Report

The SPEAKER (15:42): I present report No. 83 of the Selection Committee, relating to the consideration of committee and delegation reports and private members’ business on Monday, 17 June 2013. The report will be printed in the Hansard for today and the committee's determination will appear on tomorrow's Notice Paper. Copies of the report have been placed on the table.

The report read as follows—

Report relating to the consideration of committee and delegation business and of private Members' business

1. The committee met in private session on Tuesday, 4 June 2013.
2. The committee determined the order of precedence and times to be allotted for consideration of committee and delegation business and private Members' business on Monday, 17 June 2013, as follows:

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

**COMMITTEE AND DELEGATION BUSINESS**

**Presentation and statements**

1 Parliamentary Joint Select Committee on Gambling Reform:


The Committee determined that statements on the report may be made—all statements to conclude by 10.20 am.

Speech time limits—

Mr Wilkie—5 minutes.

Next Member speaking—5 minutes.

[Minimum number of proposed Members speaking = 2 x 5 mins]
2 Standing Committee on Climate Change, Environment and the Arts:

Managing Australia’s biodiversity in a changing climate: the way forward.
The Committee determined that statements on the report may be made—all statements to conclude by 10.30 am.

Speech time limits—

Mr Zappia—5 minutes.
Next Member speaking—5 minutes.

3 Standing Committee on Health and Ageing:

Bridging the Dental Gap: Inquiry into Adult Dental Services.
The Committee determined that statements on the report may be made—all statements to conclude by 10.40 am.

Speech time limits—

Ms Hall—5 minutes.
Next Member speaking—5 minutes.

PRIVATE MEMBERS’ BUSINESS

 Notices

1 Mr Oakeshott: To present a Bill for an Act to amend the Competition and Consumer Act 2010, and for related purposes. (Competition and Consumer Amendment (Strengthening Rules About Misuse of Market Power) Bill 2013) (Notice given 28 May 2013; amended 29 May 2013.)

Time allotted—10 minutes.

Speech time limits—

Mr Oakeshott—10 minutes.

[Minimum number of proposed Members speaking = 1 x 10 mins]

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

2 Mr Katter: To present a Bill for an Act to amend the Reserve Bank Act 1959, and for related purposes. (Reserve Bank Amendment (Australian Reconstruction and Development Board) Bill 2013) (Notice given 4 June 2013.)

Time allotted—10 minutes.

Speech time limits—

Mr Katter—10 minutes.

[Minimum number of proposed Members speaking = 1 x 10 mins]

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

3 Mr Katter: To present a Bill for an Act to provide for a Commissioner for Food Retailing and for various other matters in relation to market share of supermarkets, and for related purposes. (Reducing Supermarket Dominance Bill 2013) (Notice given 4 June 2013.)

Time allotted—10 minutes.

Speech time limits—

Mr Katter—10 minutes.

[Minimum number of proposed Members speaking = 1 x 10 mins]

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

4 Mr L. D. T. Ferguson: To move:

That this House:

(1) recognises the accomplishments of 50 years of fruitful diplomatic relations between Peru and Australia, the continuing friendship between our nations and the contribution of Peruvian migrants in our nation building; and

(2) notes:

(a) the reopening of our Embassy in Lima in September 2010;

(b) our:

(i) shared democratic values in the context of a strong commitment to transparency, well-established policy credibility and good governance structure and quality of institutions; and

(ii) mutual emphasis on multilateral involvement exemplified by Peru's membership to the United Nations, World Trade Organisation (WTO), Organization of American States, Asia-Pacific Economic Cooperation (APEC), Community of Latin American and Caribbean States, Pacific Alliance and Forum for East Asia and Latin America Cooperation;
(c) the roles of Herbert Vere Evatt and former United Nations Secretary General Javier Perez de Cuellar point to our mutual activity;
(d) our similar activity on the free trade front and common membership of the Cairns Group, WTO and APEC; and
(e) the:
   (i) visits to Peru by former Prime Minister Gough Whitlam in 1975 and former Prime Minister Kevin Rudd in 2008, and the visit of former President Alan Garcia Perez to Australia in 2007;
   (ii) November 2011 framework to promote Bilateral Consultations and Cooperation;
   (iii) presence at the 2011 census of 8,441 Peruvian born citizens in Australia and attraction of Peru to Australian visitors totalling 30,000 in 2011; and
   (iv) longstanding Australian mining endeavours in Peru, the growth of Peruvian student numbers in Australia and 56 Australian companies having an office in Peru or investment in a Peruvian project. (Notice given 13 March 2013.)

Time allotted—30 minutes.

Speech time limits—
Mr L. D. T. Ferguson—10 minutes.
Next Member speaking—10 minutes.
Next 2 Members—5 minutes each.
[Minimum number of proposed Members speaking = 2 x 10 + 2 x 5 mins]
The Committee determined that consideration of this should continue on a future day.

5 Mr Christensen: To move:
That this House:
(1) recognises:
   (a) dyslexia as a learning disability which, according to the World Federation of Neurology, is ‘manifested by difficulty in learning to read despite conventional instruction, adequate intelligence and socio-cultural opportunity’;
   (b) the Irlen Syndrome, also known as, Scotopic Sensitivity Syndrome as a specific type of visual perceptual dyslexia; and
(c) that school students with dyslexia learn differently to their fellow students;
(2) supports the concept of compulsory teacher training to ensure educators have:
   (a) an awareness of dyslexia and the impact dyslexia has on students;
   (b) the ability to recognise the symptoms of dyslexia; and
   (c) the ability to utilise a range of multi-sensory learning methods to engage with students with dyslexia;
(3) supports the:
   (a) concept of compulsory training of pre-service teachers in dyslexia and Irlen Syndrome as well as training in multi-sensory teaching methods for children who learn differently; and
   (b) ability of teachers to be able to inform parents directly about concerns they have of their children exhibiting symptoms of dyslexia or Irlen Syndrome;
(4) requests the Government make changes to National Assessment Program—Literacy and Numeracy (NAPLAN) to allow school students with dyslexia or Irlen Syndrome to have their NAPLAN test read to them;
(5) supports the concept of modified homework for school students with dyslexia to reflect their particular learning difficulties; and
(6) recognises that dyslexia would be a significant barrier to learning a second language and supports the ability of school students to opt out of Languages other than English classes. (Notice given 19 March 2013.)

Time allotted—remaining private Members’ business time prior to 12 noon.
Mr Christensen—10 minutes.
Next Member speaking—10 minutes.
[Minimum number of proposed Members speaking = 2 x 10 mins]
The Committee determined that consideration of this should continue at a later hour.
items for House of Representatives Chamber
(8 to 9.30 pm)

PRIVATE MEMBERS’ BUSINESS

Notices - continued

5 Mr Christensen: To move:

That this House:

(1) recognises:
   (a) dyslexia as a learning disability which, according to the World Federation of Neurology, is ‘manifested by difficulty in learning to read despite conventional instruction, adequate intelligence and socio-cultural opportunity’;
   (b) the Irlen Syndrome, also known as, Scotopic Sensitivity Syndrome as a specific type of visual perceptual dyslexia; and
   (c) that school students with dyslexia learn differently to their fellow students;
(2) supports the concept of compulsory teacher training to ensure educators have:
   (a) an awareness of dyslexia and the impact dyslexia has on students;
   (b) the ability to recognise the symptoms of dyslexia; and
   (c) the ability to utilise a range of multi-sensory learning methods to engage with students with dyslexia;
(3) supports the:
   (a) concept of compulsory training of pre-service teachers in dyslexia and Irlen Syndrome as well as training in multi-sensory teaching methods for children who learn differently; and
   (b) ability of teachers to be able to inform parents directly about concerns they have of their children exhibiting symptoms of dyslexia or Irlen Syndrome;
(4) requests the Government make changes to National Assessment Program—Literacy and Numeracy (NAPLAN) to allow school students with dyslexia or Irlen Syndrome to have their NAPLAN test read to them;
(5) supports the concept of modified homework for school students with dyslexia to reflect their particular learning difficulties; and
(6) recognises that dyslexia would be a significant barrier to learning a second language and supports the ability of school students to opt out of Languages other than English classes. (Notice given 19 March 2013.)

Time allotted—40 minutes.

Speech time limits—

All Members—5 minutes each.

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

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

6 Ms Smyth: To move:

That this House recognises that:

(1) wind energy is an important and safe source of renewable energy;
(2) wind energy generation will play a crucial role in enabling Australia to meet its existing renewable energy targets;
(3) bipartisan support for Australia’s renewable energy targets is essential to reducing carbon emissions in Australia’s electricity sector; and
(4) any move to diminish or abolish the current legislated renewable energy targets would have serious and detrimental impacts on investment in renewable energy, impede Australia’s ability to reduce carbon emissions by at least 5 per cent below year 2000 levels by 2020, and undermine the move to a clean energy future. (Notice given 30 May 2013.)

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

Speech time limits—Ms Smyth—10 minutes.

Next Member speaking—10 minutes.

Other Members—5 minutes each.

[Minimum number of proposed Members speaking = 2 x 10 + 6 x 5 mins]

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

Items for Federation Chamber (approx 11 am to approx 1.30 pm)

PRIVATE MEMBERS’ BUSINESS

Notices

1 Dr Stone: To move:

That this House:
(1) acknowledges the economic contribution of fruit growers and workers in the local food processing industry;
(2) recognises the impact and toll that the increased cost of doing business has on local food processors;
(3) acknowledges the significance of iconic local food processors as key employers and contributors to regional communities;
(4) supports the 'Toss a Tin in Your Trolley' campaign to encourage Australians to throw a tin of local canned produce into their shopping trolley, and urges supermarkets to promote this initiative; and
(5) calls on the:
  (a) Treasurer to investigate an emergency World Trade Organisation safeguard action in respect of imported canned fruit and tomato produce; and
  (b) Government to undertake an immediate and comprehensive anti-dumping investigation in respect of the request from SPC Ardmona and the canned food industry. (Notice given 27 May 2013.)

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

Mr Hayes—10 minutes.
Next 5 Members speaking—10 minutes each.
Other Members—5 minutes each.

[Minimum number of proposed Members speaking = 6 x 10 mins + 2 x 5 mins]

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

2 Mr Hayes: To move:

That this House:

(1) notes that:
  (a) on 16 May 2013 two young activists, Nguyen Phuong Uyen, age 21, and Dinh Nguyen Kha, age 25, were sentenced to six and eight years, respectively, in jail by the People's Court of Long An province in the Socialist Republic of Vietnam;
  (b) the two activists were arrested for distributing literature protesting against China's claims to the Paracel and Spratly Islands in the South China Sea; and
  (c) there are credible reports from various international agencies of continuing human rights violations in Vietnam which is evidenced by the high number of house detentions and imprisonment for people engaged in activities as basic as expressing views contrary to the Vietnamese Government's position; and
(2) calls on the Australian Government to:
  (a) refer the matters of Nguyen Phuong Uyen and Dinh Nguyen Kha, and other issues concerning human rights in Vietnam that have been raised in the Australian Parliament, to the next round of the Australia-Vietnam Human Rights Dialogue; and
  (b) continue to take appropriate steps to convey to the Vietnamese Government that Australia expects Vietnam to honour its obligations under the International Covenant on Civil and Political Rights. (Notice given 3 June 2013.)

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

Mr Hayes—10 minutes.
Next 5 Members speaking—10 minutes each.
Other Members—5 minutes each.

[Minimum number of proposed Members speaking = 6 x 10 mins + 2 x 5 mins]

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

Items for Federation Chamber (approx 6.30 pm to 9 pm)

PRIVATE MEMBERS' BUSINESS

Orders of the day


Time allotted—60 minutes.

All Members—5 minutes each.

[Minimum number of proposed Members speaking = 12 x 5 mins]

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

Notice—continued

3 Mr Billson: To move:

That this House notes that:
(1) the National Business Names register has been in operation since 28 May 2012;
(2) the Government has failed to act to fix implementation problems with the National Business Names register, which has left the privacy of home based businesses exposed;
(3) businesses have been waiting on hold for up to 45 minutes to progress to an operator when contacting the Australian Securities and Investment Commission’s hotline; and
(4) a large number of people have had problems registering, renewing, paying and transferring business names since the National Business Names register started operating. (Notice given 12 March 2013.)

Time allotted—60 minutes.
Mr Billson—10 minutes.
Next Member speaking—10 minutes.
Other Members—5 minutes each.

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

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

4 Ms Hall: To move:
That this House:

(1) notes that:
   (a) rare diseases are complex, often with inadequate or no treatment;
   (b) approximately 10 per cent of the Australian population is directly affected by one or more of the 8000 rare diseases and 400,000 of these people are children; and
   (c) collectively there are around 1.2 million Australians with a rare disease, the same number as Australians affected by diabetes;
(2) recognises that:
   (a) Australians living with rare diseases need the opportunity to be involved in national and international clinical trials; and
   (b) in order to progress medical research in the field of rare diseases, the benefits of a national rare disease registry should be investigated;
(3) acknowledges:
   (a) Rare Voices Australia, the first national organisation devoted to rare diseases in Australia that focuses on improving quality of life for all families, friends and carers that are impacted by a rare disease in their everyday lives; and
   (b) the participation of advocates from Rare Voices Australia in a world first international Rare Diseases Research Consortium this year; and
(4) investigates establishing a national patient registry for research purposes for people living with a rare disease, which is free of commercial interests.

Time allotted—remaining private Members’ business time prior to 9 pm.
Ms Hall—5 minutes.
Other Members—5 minutes each.

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

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

3. The committee recommends that the following items of private Members’ business listed on the notice paper be voted on:

**Orders of the Day**

Marine Engineers Qualifications Bill 2013 (Mr Wilkie);
Christian Assyrians (Mr Ruddock);
Cyber-safety (Ms Marino); and
Australian sugar industry (Mr Christensen).

**PERSONAL EXPLANATIONS**

Mr PYNE (Sturt—Manager of Opposition Business) (15:42): I wish to make a personal explanation.

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

Mr PYNE: Yes.

The SPEAKER: Please proceed.

Mr PYNE: In question time today the member for Ballarat said that I had opposed the amendments to the Australian Education Bill. That is false.
Mr ABBOTT (Warringah—Leader of the Opposition) (15:43): I wish to make a personal explanation.

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

Mr ABBOTT: Yes.

The SPEAKER: Please proceed.

Mr ABBOTT: In question time today, and on other occasions this week, the Prime Minister has claimed that I have sought no intelligence briefings. I have had multiple briefings from the Department of Defence. I have had multiple briefings from ASIO, including from the Director-General. I have been briefed by the Australian Federal Police, by Border Protection Command and, on a number of occasions, by Customs. I have had numerous briefings on intelligence and defence—

The SPEAKER: Order! The member needs to show where he has been misrepresented.

Mr ABBOTT: This is the misrepresentation! It is a massive misrepresentation of the facts. And most recently I had an ASIS briefing.

Mr BRIGGS (Mayo) (15:44): I wish to make a personal explanation.

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

Mr BRIGGS: Yes.

The SPEAKER: Please proceed.

Mr BRIGGS: During question time the Assistant Treasurer claimed that I have been arguing for the GST to be increased. I have never said any such thing.

Mr Bradbury: It was on Adelaide radio!

Mr BRIGGS: I never said any such thing, doctor nine to one.

MOTIONS
National Security

Mr WILKIE (Denison) (15:44): I seek leave to move a motion, directing the Minister for Immigration and Citizenship to seek a report from the Parliamentary Joint Standing Committee on Intelligence and Security on the circumstances surrounding the detention of the convicted Egyptian jihadist terrorist.

Leave not granted.

Mr WILKIE: I move:

That so much of the standing and sessional orders be suspended as would prevent the Member for Denison moving the following motion forthwith:

That the Parliamentary Joint Committee on Intelligence and Security be directed by the Minister to report by 20 June 2013 on the following:

(1) to establish all facts in relation to allegations that a convicted Egyptian jihadist terrorist was in a detention centre in full knowledge of the Department of Immigration and Citizenship, without passing this information to the Minister; and

(2) whether processes and/or resources need to change to address any issues raised, and if so, in detail, to recommend where.

I will just speak briefly to this effort to suspend standing orders and to bring this motion on. I think everyone in this House would agree that the possibility that a convicted Egyptian jihadist terrorist was improperly processed and/or improperly held in detention is a cause for very serious concern. I would hope that every person in this place would agree that it is important that someone or some body get to the bottom of it, ensure that any errors are corrected and that this sort of thing does not happen again. That would certainly be in line with the public's expectations.
I note that the Prime Minister has announced today that the Inspector General of Intelligence and Security will look into these matters. I have the utmost respect for the Inspector General of Intelligence and Security and I do not doubt that officer's competency and independence, but I really think this is a matter for the parliament to consider. We have in the parliament a very capable and well-regarded body to look into these matters—that is, the Parliamentary Joint Standing Committee on Intelligence and Security. The PJCIS is a highly regarded body; it is populated with well-regarded members of the parliament and with, I think I can say with some confidence, members of parliament who have a high standing in the community—with the possible exception of me. Crucially, it is a competent organisation and well regarded and familiar with security matters. It is the one parliamentary committee which has the competency and the skills and familiarity with the intelligence community, and which could ramp up and undertake an inquiry very quickly. Crucially, the PJCIS also has a track record of working cooperatively—of achieving consensus wherever consensus can possibly be found and making recommendations that would have the support of the whole parliament and, I think, the confidence of the whole community.

I ask the parliament to support my attempt to suspend standing orders and to bring this motion on for a decision.

Mr Oakeshott: I second the motion and reserve my right to speak.

The SPEAKER: The question is that the motion be agreed to.

The House divided. [15:53]

The Speaker—Ms Anna Burke

Ayes......................74
Noes......................69
Majority...................5

AYES
Abbott, AJ
Andrews, KJ
Baldwin, RC
Billson, BF
Bishop, JT
Broadbelt, RE
Chester, D
Ciobo, SM
Coulton, M (teller)
Entsch, WG
Forrest, JA
Gambare, T
Griggs, NL
Hawke, AG
Irons, SJ
Jones, ET
Keenan, M
Laming, A
Macfarlane, IE
Markus, LE
McCormack, MF
Morrison, SJ
Neville, PC
O'Dowd, KD
Prentice, J
Ramsay, RE
Robb, AJ
Roy, WB
Schultz, AJ
Secker, PD (teller)
Smith, ADH
Southcott, AJ
Tehan, DT
Tudge, AE
Van Manen, AJ
Washer, MJ
Windsor, AHC

AYES
Alexander, JG
Andrews, KL
Bandt, AP
Bishop, BK
Briggs, JE
Buchholz, S
Christensen, GR
Cobb, JK
Dutton, PC
Fletcher, PW
Frydenberg, JA
Gash, J
Haase, BW
Hockey, JB
Jensen, DG
Katter, RC
Kelly, C
Ley, SP
Marino, NB
Matheson, RG
Mirabella, S
Moylan, JE
Oakeshott, RJM
O'Dwyer, KM
Pyne, CM
Randall, DJ
Robert, SR
Ruddock, PM
Scott, BC
Simpkins, LXL
Somlyay, AM
Stone, SN
Truss, WE
Turnbull, MB
Vasta, RX
Wilkie, AD
Wyatt, KG

NOES
Adams, DGH
Bird, SL
Bradbury, DJ
Burke, AS
Byrne, AM
Cheeseman, DL
Collins, JM
Crean, SF
D'Ath, YM
Elliot, MJ
Emerson, CA
Ferguson, MJ
Garrett, PR

NOES
Albanese, AN
Bowen, CE
Braddon, G
Butler, MC
Champion, ND
Clare, JD
Combet, GI
Danby, M
Dreyfus, MA
Ellis, KM
Ferguson, LDT
Fitzgibbon, JA
Geoghanas, S
The requirements for an absolute majority not having been satisfied, the motion was not carried.

Mr PYNE (Sturt—Manager of Opposition Business) (15:58): Under standing order 132(b) I believe that through misadventure at least one member missed the division, and therefore I move:

That in accordance with standing order 132, standing and sessional orders be suspended to enable the House to divide again on the question: That the suspension of standing and sessional orders moved by Mr Wilkie be agreed to.

During the timing of the division, the four-minute spell, one of the opposition's members, the member for Flinders, was seen very clearly at the glass doors of the chamber. He was seconds away from voting. The reason why standing order 132(b) is in the standing orders is so that, if a vote could have been materially affected in a different direction by a member not being able to be present, the vote can be re-committed. In a parliament such as this, there are two members who were not present, Leader of the House, who may have wanted to vote, one of whom we know was standing outside the glass doors—the member for Flinders. The other was the member for Fisher, who did not vote. He did vote in a previous division and he should be given the opportunity to come into the House and vote.

There was great confusion, given the member for Denison moved the motion and many members of the House—I would say a good 142—probably did not know that that motion was going to be about the suspension of standing orders to refer this matter, the matter of the holding of a jihadist terrorist in a detention centre in the Adelaide Hills, to the Joint Standing Committee on Intelligence. It was a very good motion of the member for Denison. The opposition supports it. We believe that national security is one of the most important requirements of a government to get right. We saw in question time today, and have seen all week, that ministers have failed to take responsibility for the fact that a convicted jihadist terrorist was held in detention in the Adelaide Hills behind a pool fence. So we support the member for Denison's motion and I believe the member for Flinders would have supported it. That would have meant 75 votes would have been on the side of the House to achieve the suspension of standing orders—and one other member, the member for Fisher, did not come into the House.

I will not delay the House any longer. Standing order 132(b) exists so that, if there is a misadventure and a member is not entitled to come in and vote because they were inconvenienced for whatever reason, the House be given the opportunity to vote again. I put it to the House that this is such
an occasion and that therefore the House should vote on it.

Mr ALBANESE (Grayndler—Leader of the House, Minister for Infrastructure and Transport and Minister for Regional Development and Local Government) (16:03): What an extraordinarily short memory the member for Sturt has got. During the last sitting week of this parliament there was a genuine misadventure where people put their hand up, stated why they had missed the division and put it on the record—as was provided for when we negotiated the changes to standing orders at the beginning of the 43rd Parliament—and the Manager of Opposition Business opposed it. He opposed it and made this side of the House get an absolute majority in order to allow the recommittal of that vote. You cannot have it both ways.

The member for Flinders has finally made it into the chamber.

Opposition members interjecting—

The SPEAKER: Order! The member for Kooyong wouldn't want the statute majority to fall over, I should suspect.

Mr ALBANESE: The fact is this: the opposition was two votes short of a majority. If it is the case that two members come in here, give an explanation and say they wish to vote, and there was a change, therefore, in the outcome as a result of misadventure, I will support the Manager of Opposition Business's motion. That is what we determined collectively—government, opposition and crossbenchers—after the last parliament.

I will not play the games that the member for Sturt played during the last sitting week. But if you want an example of playing absurd politics with national security, it is this. The Manager of Opposition Business should also know—he might not, but he should—that the suspension of standing orders, if it were carried, and if the motion were moved by the member for Denison, would be out of order. Because you cannot have an inquiry into specific national security matters concerning individuals by this committee. It is expressly outlawed by the standing orders—by *House of Representatives Practice*. I say to the crossbenchers: have a bit of common sense and think about the implications of why the standing orders are addressed that way—why *House of Representatives Practice* is addressed that way. If we are going to have national security matters dealing with individuals dealt with by parliamentary committees based upon votes we endanger our national security.

I say to this parliament and the member for Denison—and the member for Lyne, who I have every respect for—withdraw your motion. It should not be proceeded with. If it were the case that the suspension had been carried—and it will not be carried, because there isn't an absolute majority—it is very clear that it is not—

Ms Julie Bishop: You already know?

Mr ALBANESE: Yes, funnily enough, Deputy Leader of the Opposition, I have got a fair idea of how people are going to vote. That is why you have not won one yet. I have got a fair idea—and I do talk to people and treat them with respect. I am treating the crossbenchers with respect now, because I say to you that the motion moved by the member for Denison would clearly be out of order had the suspension been carried. The Speaker would have had to rule that way and if it then came to the point of the Speaker's ruling, upon advice from the clerks being dissented from, we would have had an issue that went beyond the issues of substance on national security before us today.

Common sense tells you that while an issue about an individual is being dealt with, it was not appropriate for this resolution to
have been moved. Had there been some consultation with the clerks or with appropriate parliamentary practice, I am absolutely certain that common sense would have prevailed. But I do expect the Manager of Opposition Business to act with some responsibility on this matter and not seek, at each and every opportunity, to gain opportunistic political advantage over an issue that should be above opportunistic politics.

National security cannot be a plaything. That is why I objected to questions being raised about what happened at the National Security Committee of the cabinet. That is why we objected to the track of a number of the questions that went down before the parliament today.

The Prime Minister has acted absolutely responsibly and appropriately in asking the appropriate authority, the Inspector General of Intelligence and Security, to undertake the action as requested by the Prime Minister. So I say to the crossbenchers and to everyone else: don't play politics with national security—act responsibly and think about the consequences and implications behind this motion that was attempted before the chair. This is why the suspension should certainly not have been granted.

With regard to the member for Sturt's motion, I say to him that if it is the case that the member for Flinders missed a vote through misadventure then, of course, in terms of it making a difference to an outcome, if the member for Flinders—

Mr Pyne interjecting—

The SPEAKER: Order. The member for Sturt might want to stay in the chamber for the vote. I thought he might. The Leader of the House has the call.

Mr ALBANESE: The member for Flinders and the member for Fisher, both, did not vote in that last division. It is the case that, were that to have occurred through misadventure, I would support a recommittal of the vote. But it is not the case, and what we have here is a motion for the suspension of standing orders, in order to put this motion by the member for Sturt, in spite of his own actions in trying to block this last time. As Leader of the House, I do not engage under the same standards—or lack of standards—that he exhibits as Manager of Opposition Business. I will do the appropriate thing as Leader of the House. People have missed divisions before. What you do is you have a recommittal. That was the agreement where an outcome was altered. If it is the case that the outcome would be altered, then I will agree to a recommittal under the suspension of standing orders. If it is the case that the suspension is carried, I give notice that, if the member for Denison chooses to proceed with his motion and if the member for Lyne chooses to proceed with his seconding of that motion, I will be pointing to the standing orders and *House of Representatives Practice* which clearly indicate—notwithstanding the good intentions and motivations of the member for Denison and the member for Lyne—that it is highly inappropriate for a very good reason.

Mr HUNT (Flinders) (16:12): Speaker, may I very briefly offer my apologies to the House. Let me make it clear that I was in an interview with Mr David Speers from Sky Television in a soundproof room. As soon as I was aware I took leave. It is my fault and my responsibility. I am the person responsible. I offer my apologies to the House. I will learn to run faster next time.

On the issue in particular, however, of a recommittal, let me say this to the Leader of the House: I can guarantee that my vote will be with the opposition on this. That of itself guarantees that there will be a different numerical outcome. I cannot speak for the member for Fisher but I can guarantee that,
automatically, we will be in a one-vote-better position. As to the member for Fisher's position, I will not of course speak for another member of parliament, but the vote will be different. More importantly, in line with the practice, the procedure, the history and the principle of this parliament, and of the very rules and procedures which the Leader of the House agreed to, it would be right and proper and reasonable to follow that practice and allow this recommittal.

The last thing I would say is that on this particular topic, of all topics, it would be right and proper to allow the vote to proceed. This is about a matter of national security. I have had some experience in this space and we have grave issues which need to be addressed. The government should have nothing to be afraid of if it has done nothing wrong. This is about sensible, prudent oversight of the way in which the government has gone about managing national security and the simple message is this: if you have done nothing wrong, you have nothing to fear from what has been proposed today.

My response to the Leader of the House is very clear. I am responsible for having made the error and I offer my apologies to the House. The Leader of the House is responsible for the tone, tenor and conduct of the House on their side. This is your chance to live up to the principles which you proclaim. This is your chance and your responsibility. Beyond that, on this matter of all matters of the highest national security, in relation to how we treat those with a jihadist background on the government's watch in the government's time, it is absolutely clear this matter would be different if a vote is taken again. This matter should be different and a vote should be allowed.

The SPEAKER: The question is that standing orders be suspended to enable the House to divide again.

The House divided. [16:19]

(The Speaker—Ms Anna Burke)

Ayes .......................... 75
Noes .......................... 69
Majority ....................... 6

AYES

Abbott, AJ
Andrews, KJ
Baldwin, RC
Billson, BF
Bishop, JI
Broadbent, RE
Chester, D
Ciobo, SM
Coulton, M (teller)
Entsch, WG
Forrest, JA
Gambaro, T
Griggs, NL
Hawke, AG
Hunt, GA
Jensen, DG
Katter, RC
Kelly, C
Ley, SP
Marino, NB
Matheson, RG
Mirabella, S
Moylan, JE
Oakeshott, RJM
O'Dwyer, KM
Pyne, CM
Randall, DJ
Robert, SR
Ruddock, PM
Scott, BC
Simpkins, LXL
Somlyay, AM
Stone, SN
Truss, WE
Turnbull, MB
Vasta, RX
Wilkie, AD
Wyatt, KG

NOES

Adams, DGH
Bird, SL

Albanese, AN
Bowen, CE
The requirements for an absolute majority not having been satisfied, the motion was not carried.

**MATTERS OF PUBLIC IMPORTANCE**

**Economy**

The **SPEAKER** (16:25): I have received a letter from the honourable member for North Sydney proposing that a definite matter of public importance be submitted to the House for discussion, namely:

The failure of the Government to appropriately manage the nation's economy.

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 **HOCKEY** (North Sydney) (16:25): Today the National Accounts for the March quarter presented a more sobering picture of the Australian economy than the Treasurer would have us believe. I have three observations. Firstly, it is clear that economic growth is slowing. Growth in the quarter was just 0.6 of one per cent, half of what it was a year ago. A year ago the Treasurer described the 1.2 per cent result for the March quarter:

*I think the country should have a bounce in its step today. What a great day for Australia and what a stunning set of figures.*

Today he said, 'The Australian economy continues to expand at a solid pace ...' I seem to recall he was a little more graphic than that. He described it as 'an incredible achievement'. It is an incredible achievement to have 1.2 per cent growth in the March quarter last year and 0.6 per cent this year. That is an incredible achievement from a Treasurer who is never short of praising himself.

The second thing about today's numbers is that when you look at them you see that all of the growth was in net exports, which contributed one per cent to growth. This is due to rising exports but weak imports. Of the 0.6 per cent in economy growth in the quarter, a full one per cent came from the improvement in net exports. What is concerning is that domestic activity went backwards, with domestic final demand falling by 0.3 of a per cent. This was the first fall in domestic demand since the darkest
days of the financial crisis in late 2008 and early 2009. That is a significant issue. Domestic activity went backwards in the March quarter of this year for the first time since the financial crisis.

The third issue to be aware of is that it is clear that households are cautious. Consumption growth was modest, increasing by only two per cent over the year. Dwelling activity remained muted, increasing by just 2.7 per cent over the year, and household savings continued to rise to 10.6 per cent. What is happening is that people are hibernating—and what a surprise! We have a government that cannot hold policies from budget to budget, week to week or day to day, and that is creating this massive unease in the community which came through in rising household savings and the overall deterioration in domestic activity.

What is clear is that since the March quarter consumer confidence has remained fragile at best. The Westpac Melbourne Institute index of consumer sentiment fell by seven per cent in May to 97.6 per cent, below the break-even 100-point line, and now the number of pessimists in Australia outnumbers the number of optimists for the first time since October last year. Two-thirds of the survey was conducted after the federal government released its budget. Bill Evans, the Chief Economist at Westpac, said:

Of course, the remarkable aspect of this result is that it is the first read of the index since the Reserve Bank cut the cash rate by 0.25% on May 7. Absent any other major influences, we would have expected a solid boost to the Index following that rate cut.

We have had the extraordinary situation where the Reserve Bank has cut interest rates to record lows and consumer confidence falls. And why? Because consumers have been spooked by Wayne Swan, the Treasurer, previously describing three per cent as an emergency level. Now that it has gone beyond three per cent, they are alarmed. Well, why wouldn't they be? The narrative from this government is totally confused. The narrative is, on the one hand: 'Aren't we good? We've got a AAA rating. We're doing really well. The rest of the world wishes they had the Australian economy,' but, on the other hand: 'Oh, the budget's hit by terrible circumstances beyond our control, and it's so bad out there, we can't balance the budget. It's so bad with an unemployment rate with a five in front of it. It's so bad with growth around trend. It's so bad with the best terms of trade in 100 years. We can't get our budget back to surplus—and, by the way, aren't we good?'

The Treasurer is proud of mediocrity. That says everything about this Treasurer. He is proud of mediocrity but, what is more, boastful of mediocrity. There is no grand word in the *Oxford English Dictionary* that the government have not used as a superlative to describe their own performance. 'The biggest reforms', 'the grandest reforms', 'the most significant reforms in a generation', 'the most significant reforms in history', 'the biggest change'—all these big superlatives. They are never short of patting themselves on the back—when they're not stabbing each other in the back! They are not short of patting themselves on the back, but the Australian people are not prepared to pat them on the back, and they cannot understand why. It is because their narrative and their words do not match their actions. That is the fundamental point. Their words and their actions are at odds.

Bill Evans, Westpac chief economist—so it is not just me; this is Bill Evans—went on to say:

... weakness in confidence is being driven by a sharply negative response to the Budget—and—
... the sharp deterioration in the fiscal position, indicating renewed fears about the overall state of the economy.

Finally he said:

... the budget and the associated fiscal deterioration have been the dominant drivers of this sharp drop in confidence.

This is a government that on more than 500 occasions promised to deliver a surplus. This is a government that on more than 500 occasions said that the test of economic success is whether they can deliver a surplus. This is a government that said that pensioners would be worse off if they meandered back to surplus. This is a government that said the measure of its economic performance would be whether it gets the budget back to surplus and starts paying down the debt. That was the benchmark they set.

And they boasted of it. They did not just boast about promising it; they even had the hide to boast they had actually delivered it. The Prime Minister herself in her own words claimed credit for having delivered a surplus.

Mr Tony Smith: And the Assistant Treasurer in his newsletter.

Mr Hockey: The member for Casey reminds me the Assistant Treasurer boasted to his electorate of Lindsay—Western Sydney—that he had delivered a surplus. Not only that; he promised to give them further tax cuts. And they were legislated tax cuts. We thought the whole tax cut promise hit rock bottom when Paul Keating said back in 1993: 'Don't worry, Australia. We're delivering you tax cuts that are l-a-w.' He said they were in law. But, going beyond that, this mob, not pleased to have that great legacy of Paul Keating and the l-a-w tax cuts, not only puts them in l-a-w law but then reverses them.

We used to joke that Labor could not hold a policy from Lateline until lunchtime; now they cannot hold a budget cut from budget to budget. And you know what? There is no intervening election. It is simply their incompetence. So Australians, who were told by the government they should plan with confidence for the tax cuts, compensation, pension increases and increases in the family tax benefit, now have this mob not only taking those away, reversing the legislation and repealing it for tax cuts but again breaking their word.

Nothing illustrates it more than what Labor has said about government debt. In this place on numerous occasions we asked the Treasurer, 'What is going to be the limit on the amount of money you are going to have to borrow on behalf of the Australian people?' After in previous years giving us a fair dinkum answer and saying, 'We believe peak debt will be at X,' this year he obfuscated. He twisted and turned. He tried to have different definitions of debt. He went from net debt to gross debt to the debt subject to the debt limit. He tried every twist and turn. Clearly he did not want to answer. Then in estimates the question was asked, and the Treasury, clearly embarrassed by the failure of the Treasurer to provide an answer, decided that they were going to do it.

Today in Senate estimates the Treasury revealed the true peak in Commonwealth government issuance. Bear in mind that this goes to trust. It was the Labor Party that said we need to have a debt limit of $75 billion. They broke that. Then in previous years giving us a fair dinkum answer and saying, 'We believe peak debt will be at X,' this year he obfuscated. He twisted and turned. He tried to have different definitions of debt. He went from net debt to gross debt to the debt subject to the debt limit. He tried every twist and turn. Clearly he did not want to answer. Then in estimates the question was asked, and the Treasury, clearly embarrassed by the failure of the Treasurer to provide an answer, decided that they were going to do it.
don't worry, because at the end of the year we won't be above $250 billion, because we're going to deliver a surplus.' Well, one broken promise leads to another broken promise, which leads to another broken promise. What a surprise!

So now we find out, as if dragging teeth from a crocodile, that Labor, which has a $300 billion debt limit, now is going to go to $290 billion before Christmas this year, and next year to $330 billion, and the year after that to $340 billion. Then, for the year after that, it says 'not available'. Well, I am kind of hoping you are not going to be available on 15 September. But for some odd reason the debt keeps going up and up and up. It is good enough for the government to be able to forecast in 2016-17 that it is going to spend so much on chasing orange roughies down a river or on education or health. In fact, it is boasting about how much money it is going to spend on education in 2022, but it cannot tell us how much it is going to borrow in four years time. You know why, Mr Deputy Speaker? Because it keeps going up and up and up, and at the same time Labor's credibility is going down, down, down.

You know what is worse? A Treasurer who is proud of mediocrity and proud of his legacy of gargantuan debt and deficits compared to his predecessor. You know what, Mr Deputy Speaker? He does not have the guts to come in here and front the Australian people and say, 'I need to increase the credit limit again.' He sent someone else to the bank. He does not have the guts to front the bank manager and say, 'I need to increase my credit card limit for the fifth time.' Instead he comes into this place and says, 'We've delivered the information on the debt limit that the Liberals never did.' We never had the debt. We paid off your debt last time. Now you are leaving us—or 'someone else', as he said to Neil Mitchell on Melbourne radio—after 14 September to clean up your mess. Shame, Labor, shame! This is the second time in my lifetime in this parliament that we have had to step up to the plate and clean up your damn mess. But the problem is that it is the taxpayers of Australia that do the heavy lifting. It is the taxpayers of Australia that have to find the extra taxes to pay down the debt, because Labor is addicted to debt. Labor is addicted to spending other people's money, and the problem for Labor is that it has run out of other people's money, and that is typical of the socialist way.

Mr BRADBURY (Lindsay—Assistant Treasurer and Minister Assisting for Deregulation) (16:40): Sometimes, in moments of rage and excess, the truth comes out, and we saw it there from the member for North Sydney. They have been trying to conceal exactly what their true plan is, but we saw it in all its glory. The member for North Sydney just said, 'We're going to have to come in and fix up the mess.' Well, we refute the suggestion there is a mess, but I will come to that in a minute. But what he also said was, 'We are going to jack up taxes.' That is what he said. Maybe he did not put that in the memo that he sent out to each and every one of you, when he said: 'Listen, guys. Whatever you do, don't have any contact with the Parliamentary Budget Office, because this time round they might actually record it and they might hold us to account for the unaffordable spending promises that we make.' You heard it there from the member for North Sydney: they are going to jack up taxes if they get elected. You do not have to be Einstein to figure this one out.

The Leader of the Opposition got up and said in his budget-in-reply speech, 'We're going to set up a tax review committee.' Here I was thinking that they are so single-minded in their determination to jack up the GST and
broaden the base of the GST. We know how determined they are to do that, because it is in their DNA. They were the ones that came into this place years ago and put the GST in place. In fact, they did not go nearly as far as they wanted to go. They had to compromise at the time, and in compromising they did not put the GST on fresh food or health and education services. And you know what? They did not even get the rate that they were really looking for, so they had to settle for 10 per cent. Now they see the great opportunity to come back, have a second crack at it and finish off the job—to broaden the base of the GST and slug Australian families by hitting people with higher costs and higher taxes on their health, their education services, their school fees, their private health insurance, their medicines and their medical aids. These are the things that they want to slug Australian families with.

They come into this place day after day and say, 'We are going to save this country money by reducing red tape on small business.' Well, I will give you a tip: never before was there a government that strangled small businesses across this country quite like the Howard government when they introduced the GST. They strangled small businesses.

Ms O’Dwyer: Mr Deputy Speaker, I raise a point of order on relevancy. I would ask the minister to actually speak on the matter that is before this House.

The DEPUTY SPEAKER (Mr S Georganas): The Assistant Treasurer has the call.

Mr BRADBURY: Thanks, Mr Deputy Speaker. I know it hurts. It hurts her in particular, because she contributed to the office of the former Treasurer, the man who writes in the *Telegraph* to tell us how wonderful he was but never, ever received a gong. I will tell you what he did not receive. Forget about the gongs. We are not here for the gongs—even though I might add that there were two Labor Treasurers that were named the world’s best finance minister but that is not a gong that her former boss got. But I will tell you what really matters to the Australian people: it was the fact that we have delivered a AAA credit rating from all of the three major global ratings agencies, something they never, ever achieved.

Ms O’Dwyer interjecting—

Mr BRADBURY: All of the heckling from the former staff member of the former member for Higgins will never change the record or overcome the fact that they never, ever achieved that. They come into this place and say, 'Oh, the economy is terrible.' The member for North Sydney says, 'The Treasurer’s messages are confused.' I tell you what: his message has not been confused; he has been out there day after day for the last six years talking down the economy at every opportunity, trying to scare people. If there is any impact on confidence, it has to be, clearly, the fact that there are too many people out there that might actually be listening to the member for North Sydney. I remind the House that, if you want to understand—

The DEPUTY SPEAKER: The Assistant Treasurer will resume his seat. I point out to the member for Higgins that an MPI is a discussion and members may talk on the topic. It is very difficult to get a—

Ms O’Dwyer: Mr Deputy Speaker, on a point of order: that the government ought to be—

The DEPUTY SPEAKER: There is no point of order. The member for Higgins will resume her seat and will not make frivolous point of orders as I have just explained the standing orders. The Assistant Treasurer.

Mr BRADBURY: I have three letters for you: AAA. That is what we have got, a AAA
credit rating from the three major ratings agencies—that is our record. That is what we delivered; that is what you never could deliver in office.

On top of that I hear the Leader of the Opposition out there saying, 'We're going to create jobs. In the first five years we will create a million jobs.' That is what we have already done. We delivered it—just under a million jobs in the time we have been in office, no thanks to the Leader of the Opposition. We all remember—he might not remember—when the global financial crisis struck. Talk about stepping up to the plate, as the member for North Sydney says—that is what we did. We came into this place and we voted for the stimulus package. The Leader of the Opposition—I know people say he is asleep at the wheel; he was asleep on the lounge in his office after having a few drinks up at the parliamentary dining room.

The DEPUTY SPEAKER: Order! The Assistant Treasurer will withdraw.

Mr BRADBURY: I withdraw; I was merely reflecting upon statements in The Daily Telegraph.

The DEPUTY SPEAKER: The minister will withdraw unequivocally.

Mr BRADBURY: I withdraw, but what I do not withdraw is the fact that Leader of the Opposition slept through our response to the global financial crisis. This is the bloke whose former employer said was an economic illiterate. He is asking the Australian people to trust him with their finances.

Let us have a look at what some other third parties might have said about the strength of the Australian economy. Who was it that said:

When the current prime minister and the treasurer and others tell you that the Australian economy is doing better than most—they are right.

From which oracle did these words of wisdom, these pearls of wisdom, emanate? None other than the former member for Bennelong, the former Liberal Prime Minister, John Howard.

Silence—absolute silence. He still carries some authority and some weight—and I know the member for Higgins in her former job no doubt spent half of her time trying to white-ant him in pursuit of her former employer's aspirations. Notwithstanding that, whenever they are in need of injecting a little credibility into their argument, they have got a few strategies. I spoke in question time the other day about the little pamphlet that the Leader of the Opposition wheels out. He stands in front of the camera and positions this little pamphlet under his chin. It is like a bib—and he needs a bib because of the rubbish that spews out on occasions. There he is with his little pamphlet under his chin. That is one of his attempts to generate a little credibility.

When they are really pushed and really desperate, what they say is: 'We hark back to the great record of the Howard government.' We do not want to go too far back, because then you might have to acknowledge the Howard deficit that was left behind in 1983, the Howard deficit that was left behind for Labor to come in and clean up. If you assume that these people in 1983—

Mr Tony Smith: What?

Mr BRADBURY: Go and read some history books—you are not that young, member for Casey—about how the then member for Bennelong, who was the Treasurer, left this country in serious deficit. It was up to a Labor government to restore the finances. Go and read the history books.

Honourable members interjecting—

The DEPUTY SPEAKER: Order! There is too much chatter across the chambers. I ask members to cease interjecting.
Mr BRADBURY: I can understand why they are so sensitive, because the man who they hold up—

Mr Tony Smith interjecting—

The DEPUTY SPEAKER: The member for Casey, I just asked you to refrain from interjecting.

Mr BRADBURY: They hide behind the myth of the Howard government. They wheel out John Howard at every opportunity to give them some credibility on economic policy, because the Leader of the Opposition, whose former employer said he was an economic illiterate, is bored by economics. That is what the member for Higgins' former employer said. So what they do is they wheel out John Howard, but John Howard was out there and he was speaking the truth. He was talking about the strength of the Australian economy. He also said:

We are still fortunate that we have an unemployment rate with a five in front of it.

When the member for North Sydney is out there talking the Australian economy down, he should remember that we have an unemployment rate with a five in front of it. He goes on and he says:

I wouldn’t have thought that was going to be possible a couple of years ago—

this is from John Howard.

I wouldn't have thought that was possible—

I tell you what: under a Labor government, it has been delivered. He goes on:

… and I do not think many people would have.

He went on to say:

And our debt to GDP ratio, the amount of money we owe to the strength of our economy, is still a lot better than most other countries.

There you have it. Every time those characters come into this place and jump up and start talking about debt and deficit, the words of John Howard should be ringing in their ears. For all of the fraudulence that they come forward with, there is an utterance of truth that comes from the Liberal Party spoken by their elder statesman John Howard.

They are the facts: an economy that is 14 per cent larger than it was before the GFC, unmatched by any advanced economy, and an unemployment rate of 5.5 per cent. We have delivered 960,000 jobs in our economy. We have a record pipeline of investment coming into this country, and it continues to be the case. We have contained inflation. Families are paying less on their interest rates than they paid before.

Those opposite went to an election—we all remember it well; the member for Casey has a pretty poor memory but he might want to go back and have a look—and they said: 'Interest rates will always be lower under the Liberal Party.' Now, all of a sudden, low interest rates are something to lament. The families that I represent, the families that the people on this side of the chamber represent and small businesses like low interest rates. For someone with a mortgage of $300,000, they are paying $5,500 less in repayments every year. That is in their pocket.

It is true, as the member for North Sydney said, people are saving more. That of itself is not such a bad thing. That is about having a little bit more sustainability in the way we conduct ourselves. Go and have a look at the Parliamentary Budget Office's review and the Treasury's review of the structural position of the budget and you will see that they point to the fact that some of the excesses built into the system back in the days of the Howard and Costello governments—no doubt some of the poor policy decisions that the member for Higgins advised her boss about—were put in place and have ensured the structural position of the budget was not as sound as it could have been. We have been making some massive
moves to improve that, and that has been recognised by the PBO and by the Treasury. They go quiet when you talk about the PBO because—

Ms O'Neill: They don't know where it is.

Mr Bradbury: They don't like to talk about costings.

Ms O'Dwyer: That was our policy.

Mr Bradbury: You came into this place and voted against it. How often is it that you come into this place and vote against your own policy?

And they talk about the taxes. I started this speech with reference to what the member for North Sydney said about their new taxes. Let us just talk about their new taxes. We already know that low-income earners are going to get a tax hike on their superannuation from these people. They talk about raiding superannuation, as long as it is the superannuation of some of the poorest people in this country. 'We don't want to touch those who are on the superlarge incomes. We don't want to touch them. They vote for us. We won't touch them.' But they are never, ever afraid to take a meat axe to those people on low and middle incomes; jacking up taxes on their superannuation.

Then there is paid parental leave tax. Even the member for Mitchell—once again just a moment of clarity and truth coming from these people—said, 'unfair, unaffordable'. They say there is a budget emergency. Rubbish! But, if there were a budget emergency, this would be precisely the worst possible time. It is a flawed policy, but this would be the worst time to introduce a $20 billion new tax on business.

Then there is the GST. They cannot go away from it. They just keep coming back to it. The state Liberal premiers are out there saying: 'We want more. We want more. We want more.' Well, we know you never stand between a state premier and a bucket of money. But the bucket of money is actually the money in the pockets of Australians all around this country.

They want to jack up the GST; they want to broaden the base of the GST. The Leader of the Opposition has been given plenty of opportunity to say, 'I will rule it out,' and he will not rule it out. The reason he will not rule it out is that is exactly what he intends to do. They want to jack up the GST. They want to slug health. They want to slug education. They are going to slug business with their paid parental leave tax. They are going to jack up taxes. And that is just the start of it; I have not even got to talk about the secret commission of cuts, where they want to hack away at government services and the support that families are getting.

Mr TONY SMITH (Casey) (16:55): It is a sad day in the parliament when you witness, as this House just has, such a rambling, incoherent speech—I was about to say 'contribution' but I corrected myself; that would be an exaggeration—from a chaotic Assistant Treasurer. I want to start by apologising to the Assistant Treasurer. Yesterday in the Federation Chamber, I accused the Assistant Treasurer of deliberately, coldly and in a calculated way, knowingly deceiving his electors, when he issued a newsletter this time last year declaring that the budget had been returned to surplus.

Mr Ewen Jones: It already had.

Mr TONY SMITH: On hearing the Assistant Treasurer's 15 minutes of rambling, I am starting to wonder whether he believed it or not; perhaps he had been told it and he did not know the difference. Perhaps I ascribed to him a motive that would have required competence, because what we have just heard, in summation, is a litany of personal attacks on the Leader of the
Opposition and the member for Higgins—a list of inventions across the policy spectrum—and the basic message: ‘Everything is fine. What are you complaining about?’

He tried to speak a bit about history. Just before the 1996 election, as net debt was approaching $96 billion—but we did not know the extent of it then, because Labor used to conceal the figures before the Charter of Budget Honesty—former Prime Minister Paul Keating, who I have to say was a lot more articulate than the current Assistant Treasurer, let fly on radio one day and said, ‘What are people going on about?’ That would sum up the Treasurer’s approach and this Assistant Treasurer’s speech that we have just heard in this chamber. He said the budget is all fine. He said that debt is fine and the economy is completely fine. As the shadow Treasurer said, Wayne Swan prides himself on mediocrity. If you listened to the Treasurer’s press conference today, you would think that the figures that were released made his day.

You do not need to take our word for it; the shadow Treasurer very eloquently went through a breakdown of the figures: the growth in the quarter of just 0.6 per cent, what comprised it, and what that means for average families and small businesses across Australia. But the Assistant Treasurer appears to live in a world where, provided he has the script, he will keep repeating it. I say to those opposite: this is just more and more confirmation that a government that ignores reality will always ignore families and small business in Australia.

I accept that those opposite, including the Parliamentary Secretary to the Treasurer, will never take our word for anything, including the day of the week. At least see what some economists say, and this is just in the period since the figures were released.

Jacob Greber, economics correspondent, says: ‘Australia’s economic growth slowed to the weakest annual pace in seven quarters.’ Have a look at the Age online and you will see UBS chief economist Scott Haslem said: ‘The overall tone of the release is pretty soft. When you take away the net export contribution of about one per cent in the quarter, the domestic economy was clearly negative.’ Australian Industry Group has said: ‘Services sector sinks further in May.’ Then from the AAP economics correspondent the headline was ‘GDP figures confirm subnormal growth’ and the first line stated, ‘The economy is just not making the grade.’ That is just in the hours since the figures have been released. But no, according to the Assistant Treasurer, they are all scaremongering.

As the member for Higgins tried to point out during the Assistant Treasurer’s contribution, at no point did he seek to address the release of those figures today. For this government to continue its denial of its failed approach and failed policy is further confirmation to the Australian people that it has no solutions to the problems it has created. We heard the Assistant Treasurer say that he thought the savings result was something to rejoice in because more saving is a good thing, without any awareness of why people are saving. The parliamentary secretary knows, because he knows a bit more than the Assistant Treasurer. People are saving in record numbers as a hedge against your chaos. That is what Australian families are doing: they are looking at the incompetence here in Canberra, they can see it spreading a lack of confidence throughout the electorate and they are saving because of the uncertainty, because of the chaotic policy approach and because they do not know what is around the corner with this government.

They are promised a surplus on more than 500 occasions and in the space of six months
a promised surplus of a little over $1 billion misses by $19 billion. They see a government that has become incapable of honesty. There is no better illustration than its approach to the gross debt ceiling. The ceiling has been lifted from $75 billion to $250 billion to $300 billion, and on each occasion the Treasurer of the country has said, 'I will never need the full limit,' like someone who overspends on their credit card. And we hear today from the Treasury officials in Senate estimates that that level is expected to go to $290 billion by Christmas.

Mr Matheson: How much?

Mr TONY SMITH: $290 billion by Christmas. And the Treasurer comes in to question time and says it is not a problem. He expects the Australian people and every business to look back at his track record of utter failure to hit a target and see a miss on the budget outcome by $20 billion in six months and believe, '$290 billion, we are getting close to the 300,' and we got confirmation it will go over $300 billion next year. That is why the Australian people have lost confidence in the honesty and the competency of this government.

The Treasurer likes to compare Australia to Europe on economic growth, on jobs and particularly on debt. But we on this side of the House say to the Treasurer: do not compare us with the worst runners. If you are competing against sprinters on crutches, that does not make you Usain Bolt, it really doesn't. The Treasurer knows that. As we have seen, the Assistant Treasurer does not know that. The Treasurer knows in his heart of hearts, the Assistant Treasurer does not know, and we will see whether the parliamentary secretary can inject a bit of substance and a bit of honesty into the debate where the Assistant Treasurer failed so dismally.

Mr RIPOLL (Oxley—Parliamentary Secretary to the Treasurer and Parliamentary Secretary for Small Business) (17:05): Doom and gloom—that is the story of the opposition. It is doom and gloom every single day. Not a day has passed without doom and gloom since 2010. They are economical with the facts, economical with reality and economical with working Australians' and ordinary Australians' future. That is what the opposition represent every single day they come into this parliament and every single day since Labor was returned to government. They are merchants of doom, merchants of despair. Every time there is bad news, good news, not so good news or any news at all, they want to turn that into doom and despair, but they particularly love it if there is any bad global news. Anything that could possibly reflect on the Australian economy in some way, you can hear another champagne cork popping in one of their offices because it is the best news they have ever heard. When people suffer it is the best news they have ever heard.

The government comes into this place and tries to introduce policies and laws to assist ordinary families with the cost of living and with kids' education, and to build the nation at a time when the whole world—every single economy, every single country—is going through one of the toughest global economic periods in modern history. But somehow none of that factors into their economic reality. There is the fact that ordinary people who work every single day—because they still have a job, by the way: they still have a job!—and work harder and save harder understand much better than this opposition the economic reality as well as the economic fact that when the world is going through a period of global recession—a global financial crisis—it is a time when people have to readjust the way they work, the way they live and the way they consume.
We have seen that right across our economy and we have seen it right across every sector, and it is acknowledged widely.

So what should a good government do? A good government should put its shoulder to the wheel and it should make the toughest of decisions—the hard decisions. It should spend where spending is required; it should protect jobs where protection is required; it should work with global markets to ensure that we still have a global economy in Australia; it should make sure that we keep interest rates low; it should make sure that we keep inflation under control at the same time; and—lo!—it should make sure that we keep a AAA rating across all three rating agencies. This is something that the economic geniuses across the aisle have never achieved in government while the rivers of gold flowed into this place. It is unprecedented in Australian history: unseen before. But while they had that great economic boom they just did not do enough with it or did not do anything with it. There were no great reforms. The only great reform that came out of that era when the rivers of gold flowed into Canberra was the GST.

Let us just call their strategy from day one for what it is. Let us just put it on the table. On day one Tony Abbott, shadow Treasurer Hockey and others had a meeting and said: 'Our strategy is simple: blow the place up every day. Make it impossible not just for the government but for everybody. Let's just blow the place up. Let's lower confidence. Let's call for an election every day.' Every single day they come into this place they call for an election and every single day out in the community they call for an election because it is about destroying confidence. It is about being negative. Negativity breeds negativity. 'Let's just go out there and poison people's minds. Let's tell them that they're all vulnerable. It is not as if they do not get enough of it on the six o'clock news with what is happening in Europe. It is not as if it is enough to see what happens in Spain, Italy, Portugal, Turkey, Greece and France and what is happening to the US economy and all around the world. It is not enough that they get this every single day at six o'clock at night on the news. We have to make it as bad as possible,' the opposition says, 'for Australia as well. Let's make them suffer!'

That is their strategy: blow the place up, call for an election every day and be negative every single day—and they have been good at it, I have to say—'Let's throw enough mud, because everyone knows the theory of throwing enough mud. Let's just keep throwing mud every single day. Let's go the low road and let's go personal.' That is what they have done. They have done it every single day. And let me tell you: they have been stellar at doing that. That is one thing they are really, really good at doing. Every time there is bad news another champagne bottle gets uncorked over at the Liberal Party headquarters. I have never seen smiles larger and more vivid than when there is one little piece of bad economic news. It is at complete odds with the real economy—real people and what is really happening out there in the world. The fact is that we have managed to keep interest rates low, saving people an enormous amount on their mortgages. That is much better than the Liberal Party ever did in government.

Mr Frydenberg interjecting—

Mr RIPOLL: That is one thing that you cannot deny: it is just a fact. John Howard always used to say, 'You will always have lower interest rates under a Liberal government.' Wrong! Not just wrong; completely wrong, and proved wrong year after year. Every time there is a Reserve Bank decision: wrong again. Any good news on the economy is shut down.
But look at the unemployment numbers. It is not just the case that there are low interest rates and that people who have mortgages are paying less. They have actually made a really smart decision. They have said: 'Times are tough. We all acknowledge that. The world has gone through a GFC.' The Liberals would actually have you believe, had they been in government, that the GFC would not have even happened. There would not have even been one. They would not have had to deal with it because we know their response to the GFC: you oppose everything. You oppose the fact that we want to continue the building and construction industry in this country by investing in schools and school infrastructure: investing in classrooms, investing in science labs, investing in kids, investing in technology and investing in teachers. What could—

Mr Tony Smith: You missed out pink batts!

Mr RIPOLL: Well, let me talk about pink batts. There is nothing wrong—it is still acknowledged that the best single most cost-effective method to save money on electricity bills is to insulate your home. That is still the case today, and it has always been the case. Good insulation helps you to reduce your costs in summer and in winter. This government went out there, and the majority of people who took up that great benefit were older people. Older people understood that because in one way they do not necessarily have revenue coming in. Older people actually took up this opportunity because it was good for their bottom line.

We invested in universities. Since we got to government there has been an incredible increase in university investment. There is less personal debt. People are paying off their credit cards and actually keeping their equity. And about time! What we were seeing in the hedonistic years, right through the Howard years, was that people actually went a little bit too far in some of the borrowings. We saw all sorts of problems, and when the GFC hit we saw the damage it did. So I am all for people keeping more of their equity, reducing their credit card debt and increasing their savings, because that is a good thing. This is unlike the members opposite in the Liberal Party.

Government took on the difficult decisions. It took on more debt to ensure that we have a strong and resilient economy and make sure that if anyone is going to cop the burden of debt and the political cost that it would be us. Let it be us! Let it be us who stand up for the ordinary people in the street who cannot bear that burden. They have less of a burden, as was said just before: they are saving more. True—less of a burden. They are actually paying off their houses: absolutely they are—less of a burden. Do they owe less on their mortgages? Yes—less of a burden. This government has made sure that we will cop the blame and we will cop the burden, but ordinary people—householders and mortgage holders—are the ones who are actually getting the benefit.

That is why I say the 'real economy'. Let us have a look at what is actually happening in the real economy and with real people. I will go to the comments of the member for Casey, because he was right: they are saving more. Good on them! And they ought to. They are paying off their credit cards more. Good on them! They ought to keep doing that. And if the banks complain because they are not getting as much revenue from that, then bad luck for them.

So there is plenty of good news. The fact is that our economy has grown 14 per cent—14 per cent!—since we came to government. Compare that to any other economy. Pick any other economy and compare ours. Those
other economies shrank. That means they lost jobs.

Importantly, there is one other thing that I want to raise in talking about the real economy, real people and what is actually happening out on the ground, and that is that you have to look beyond where we are today. Where will we be in 20 years time? You have to look not just at this budget or the next, or at the fact that these guys promised there would be a budget surplus in their first year and every year after that and then walked away from it. They are not going to manage it any better than anyone else because they will still have the same issues, the same global economy and the same write-downs in revenue.

But we are determined to continue growth, jobs and productivity, and there is only one way you can do that: to invest through innovation. That is why this government has taken the bold step of putting together 10 innovation precincts. I am very hopeful one of them is close to my electorate, but that is not going to matter because those innovation precincts are the way we get to productivity, growth and jobs—the high-paying jobs that Australians expect and the standard of living that we have got used to in this country. If we do not achieve that in the future then our standard of living will fall. It will not fall because of a budget deficit. It will fall because our productivity and innovative capacity fails us and our competitors are running faster than we are. If we are to exploit the intelligence that exists in this country it will be through innovation and productivity. We have understood that. The Liberal Party have no idea what I am talking about.

Mr FRYDENBERG (Kooyong) (17:15): I rise to speak on this important MPI to critique the government's economic performance. Margaret Thatcher, a great hero to those on this side, once said, 'The problem with socialism is that you eventually run out of other people's money.' That is what is happening with this government: it is using other people's money to spend recklessly and, as a result, burden future generations, shackling today's children and the leaders of tomorrow.

We know from testimony at Senate estimates just yesterday that the gross debt for the Commonwealth will hit $270 billion next month. By Christmas it will rise to $290 billion and break through the $300 billion debt ceiling to hit $340 billion soon after that. Those on the other side have lifted the debt ceiling four times: first to $75 billion, then to $200 billion, then to $250 billion and now to $300 billion—and we know that is not enough. This is the party that has delivered us pink batts, overpriced school halls, green loans, cash for clunkers, GroceryWatch, Fuelwatch—and do we all remember the 2020 summit? These are all the creations of those on the other side. As a result, their economic mismanagement has seen this country go into greater and greater debt. We also know from the March quarter National Accounts that growth is only 0.6 per cent. Why that is important is because that is half of what it was last year. Perhaps more worryingly, consumer sentiment is down seven per cent in May. That is as a result of the people of Australia losing confidence in the economic management of those opposite.

We have just had a budget which would normally be released with great fanfare to the Australian people. The galleries were half full, whereas for the Leader of the Opposition's budget-in-reply speech they were overflowing. What did we learn in this budget? We learnt that economic growth was going downwards, down to 2.75 per cent from three per cent. We also knew from this budget that unemployment was going up to
5.75 per cent. That is as a result of this government's economic mismanagement. We also learnt that there were great broken promises in this budget. Remember those opposite writing to their constituents and telling them that there would be an increase to family tax benefit A? None of that was delivered in this budget.

What about their holier-than-thou commitment to spending more on education? In fact, there was a $300 million cut to education in the budget, and billions of dollars cut over the forward estimates. And they are robbing Peter to pay Paul by going to the tertiary education sector, which is supposed to be the hub of productivity and a great export earner for our country, and ripping money out of the higher education budget. Fred Hilmer, the Vice-Chancellor of the University of New South Wales, has said that the government's commitments in the Asian century white paper are now such a joke as a result of these cuts to higher education.

Then there is the greatest broken promise over the carbon tax: 'There will be no carbon tax under a government I lead.' There it is in this budget, with a promise that the carbon price will be $12 a tonne in the coming years when we move to a floating price. Twelve dollars a tonne? If you go to New Zealand it is trading at 85c, if you go to the European Union it is trading around $3 to $4—and the government would have us believe that the carbon price will be $12 a tonne in just a couple of years.

Again there were great predictions about what the mining tax revenue would be producing for the Commonwealth. Currently the mining tax produces just $200 million of revenue for the Commonwealth, but the government in the budget has promised that the revenue coming in from the mining tax will be $2 billion, a 1,000 per cent increase on where it is currently. If you take into account the high Australian dollar, or changes to the dollar, and if you take into account moving commodity prices—which, by the way, are 15 per cent higher than they were at their highest point under the Howard era—then we cannot take this government's funding commitments and revenue promises at face value. In fact, it is another multibillion dollar black hole.

But the best evidence of why you cannot take this government's commitments at face value is that the Treasurer of Australia—the greatest Treasurer in the history of the world, he would have us believe—started his budget last year by saying, 'Tonight I announce four years of budget surpluses.' Well, there has not been a Labor budget surplus since 1989. Do you know what the No. 1 movie was in 1989? Indiana Jones. Why is that interesting? Because Graham Perrett, the member for Moreton, said that this government is in more trouble than Indiana Jones—and Indiana Jones was the No. 1 grossing movie in 1989, the last year that the Labor Party delivered a budget surplus. So when we had Wayne Swan come into this place last year and say, 'Tonight I deliver four years of surpluses,' we did not believe him. And now the Australian people know why we did not believe him, because they have announced the fifth biggest budget deficit in the history of the Commonwealth—$19½ billion, with another $18 billion the year after that. They will never, ever deliver a budget surplus.

Those on the other side go on about the AAA credit ratings that they have been able to manage to achieve. I can tell the House that we had AAA credit ratings when the economy was managed by Peter Costello and John Howard. In fact we inherited in 1996 a AA credit rating and we lifted it to AAA. Moody's and Standard & Poor's, the two key agencies, gave us that AAA credit rating.
The downgrades had come under the Labor government, so do not lecture us about AAA ratings. The record of the Costello-Howard years was not only getting back that AAA rating which Labor had lost, it was also paying back the $96 billion of government debt and leaving $70 billion in the bank.

It was also about creating more than two million new jobs and getting the lowest unemployment and inflation in three decades. It was also about a 22 per cent increase in real wages. That is what people are interested in—real wages growth. It was about getting industrial relations disputes down to record low levels. I will tell you this fact: in 2012, 301,000 days were lost to industrial disputes in Australia, but in the last year of the Howard government, what was that number? It was 49,700. That is the difference between us and them. We delivered real wage increases. We delivered two million new jobs. We delivered the lowest unemployment and inflation in three decades. We have delivered a AAA credit rating, and we obviously paid back all that debt.

What we are seeing now, through the economic mismanagement of those opposite, is 20,000-plus new regulations and 30 new taxes. We are seeing a budget deficit year after year and we are seeing gross debt 'quickly approach the $300 billion debt ceiling', which soon will be breached. We are seeing more than 250,000 jobs being lost in small business; we are seeing more than 100,000 jobs being lost in manufacturing; we have seen major financial decisions by companies to abandon big projects like the Port Hedland extension, Olympic Dam, and obviously there has been the sad news coming out of Ford for Broadmeadows and Geelong.

This is a really serious debate that the Australian people need to have. This government, when it came to power in 2007, had Kevin Rudd promising to be an economic conservative. He has been anything but that, and Julia Gillard has just driven debt higher and higher to the cost of the Australian public. (Time expired)

Ms O’NEILL (Robertson) (17:25): I have to confess that as I was listening to that contribution from the member for Kooyong, who I know does care about his electorate and does his very best in this place, I was conjuring a visual image of a balloon that was getting bigger and bigger and filling with more and more hot air. I just want to puncture the bubble and pop that balloon and get some facts on the record for a change.

The reality is that the criticisms offered by others, the day-in day-out weekly dirge, the negativity, the ongoing decrying of Australia's economy and, indeed, of the challenges that are risen to every day by the Australian people, are just plain wrong. No matter how many times you tell the wrong thing over and over, it will never become the truth. That is a strategy upon which they are relying.

Let us just look to some people who are outside this place, who are making judgements and who have some credibility in terms of making judgements about the Australian economy. Let us look at the ANZ. Their assessment is that:

... substantial tightening of fiscal policy that would have been required to return the budget to surplus any earlier than outlined tonight would be too damaging.

They think we are doing a good job. Westpac said:

The Commonwealth Government’s net debt position remains extremely manageable.

The CBA said:

The Australian economy is not one that needs aggressive fiscal consolidation.

And S&P said:
We continue to consider the Australian government's fiscal position to be a key rating strength...

These third-party endorsements by people who stand outside this place—the ANZ, Westpac, CBA and S&P—are from very valuable commentators who are actually managing money, not just coming in here and playing with words and filling the air with noise and sound and very little truth—and certainly not the sort of truth that is going to inspire any Australian business to pick itself up and push on forward, which is the great strength of Australian businesses that I know from my own family experience and also from working with businesses in my economy.

I want to speak briefly to the budget that was delivered last night in Queensland, because I think that it is a bit of an interesting point of reflection right now. The Queensland Treasurer, Tim Nicholls, has just handed down his state's budget and he said that in the face of falling revenues he had constructed his budget in a particular way. He went on to say that Australia as a whole is facing the same issue. This is something that we have been trying to tell those opposite for years. Treasurer Nicholls acknowledged that out there, there has been a battered world economy. It is a sad thing for the member for North Sydney that Treasurer Nicholls might be more qualified to be the Commonwealth Treasurer than him, because at least he is acknowledging the reality that is out there in the real world. Treasurer Nicholls recognises that across this great nation government revenues are down. The member for North Sydney cannot. Even Treasurer Nicholls can see that returning to surplus too early is going to hurt Queenslanders, but the member for North Sydney cannot. Or can he? Something seems to have happened to him between 28 January and 18 April. This is what the member for North Sydney had to say on AM on 28 January this year:

Our commitment is emphatic. Based on the numbers published today, we will deliver a surplus in our first year and every year after that. ’There will be a surplus under the government I lead.’ I am pretty sure that is what he is saying. But things are changing. In his speech on 18 April he said:

We are not going to go down the path of austerity simply to bring the budget back to surplus because it would end up being a temporary surplus …

This is incredible back-pedalling from a man who thinks he is fit to be the Treasurer of this country.

But there are similarities between the Treasurer of Queensland and the opposition's shadow Treasurer, the member for North Sydney. They share a vision of the world, a very different vision from the one we on this side have. Both of these Liberals—a Treasurer and a potential Treasurer—see a path back to surplus paved with job cuts. They see a path ahead where workers' rights are fair game for stripping back. Both see a path ahead where the future of our kids is just a casualty—thrown aside. Unlike our side, Treasurer Nicholls and the member for North Sydney see investment in education as money ill spent. They cannot understand the concept of investment—investment for the enhancement of this country, investment for the enhancement of our people and investment for the enhancement of our economy.

That observation brings us back to the crux of today's MPI—the appropriate management of the economy. This is not just a conversation about numbers; it is about appropriateness. We as a Labor government have managed the Australian economy through terrible economic circumstances since 2008. The Labor Party is the only party
you can trust to ensure that sensible and appropriate action is taken to deal with challenges of magnitude, challenges such as the GFC. We responded to that challenge and we kept Australia working. On this side of parliament, we know what we have to do to keep Australia working.

I did not hear anything about that from the member for Kooyong. I did not hear anything about jobs, I did not hear anything about education, I did not hear anything about health, I did not hear anything about disability and I did not hear anything about investment. All I heard was fear, alarm and a disgraceful talking down of the Australian economy.

We do not believe it is appropriate to cut wages. We do not believe it is appropriate to take money out of education. It is not appropriate to cut superannuation. But this is what the Liberal Party plan to do if they get onto the Treasury benches. That is how they think they are going to strengthen the economy. That will not strengthen the economy; that will rip the guts out of the Australian economy.

Labor has appropriately managed this economy. Through that appropriate management, we have kept Australia working. No amount of screaming, interjection or talking the place down can undo the fact that we have seen 14 per cent growth in the economy and the addition of almost a million jobs—960,000 jobs. I know it was cause for some sorrow amongst those on the other side to get the most recent data of 0.6 per cent growth in our economy this quarter and 2.5 per cent over the last year.

The fact is that, unlike the very sad story those opposite want to tell every day—talking down the Australian economy and taking away hope—we have seen this economy grow at three times the OECD average. That is a fact.

We have given tax cuts to millions of Australian workers, leaving more money in their pockets, because we believe they deserve it. We are increasing Australia's retirement savings through an increase in super from nine per cent to 12 per cent, something those opposite are dedicated to blocking. If those opposite are allowed to implement their approach to managing the economy, an average 30-year-old working in my electorate will, upon reaching retirement, be $127,000 less well off. That is the kind of management of the economy that people in Robertson do not need and that people across the entire country do not need.

We made sure that we kept Australia working. We doubled investment in school education. We have upgraded facilities at every school and we have provided more information for parents than ever before. We are delivering skills. We have 190,000 extra students studying in this country. We have been able to do this by managing the economy and putting investment into things that will grow our wealth, that will grow the capacity of the community, that will grow the talents and capacities of our individuals whether they be in the field of business, music, arts or literature—any field of endeavour.

These things are possible only because we have appropriately managed the Australian economy. This country has not had a recession for 21 years, but I can tell you that 21 years ago when there was a recession, if you were an apprentice and you lost your job you lost your apprenticeship and it was eight years before you got it back. When we talk about the economy people's eyes glaze over and it is all about numbers, but the fact is that the economy is the thing that enables us to govern in a particular way. Managing it is a revelation of our values. We have invested in Australian people—we have made sure
apprentices have kept jobs—and we will continue to do that. (Time expired)

Mr O’DOWD ( Flynn) (17:36): The subject of today’s matter of public importance is this government's failure to appropriately manage the nation’s economy. Boy, how much evidence do we have of that? On the night that Wayne Swan brought down last year's budget a few of us, including the members for Kooyong, Macarthur and Durack, went out the back and we shook our heads—how could the Treasurer say he was going to bring down a surplus budget? At that time, the consensus of opinion was that in this budget there would be a $20 billion to $25 billion deficit. We just plucked that figure out of the air, but how close we were to the real mark of $19.4 billion.

The Treasurer had a growth rate in last year’s budget of 3.5 per cent. You do not have to be Einstein to go and talk to people who have jobs, who have small businesses or who have big businesses, or to those people who are in the mining industry or who are exporting into Asia—China, Japan, Korea and Indonesia. You just had to talk to them and they would have told you that things were not too good. Since 13 months ago, things have only got worse. What is more, the Treasurer in his wisdom still maintained, until November 2012, that he was on track—everything was rosy in the House, everything was rosy in the government, everything was rosy in the country. In December he changed his mind—‘It might be hard to reach the surplus; we might get there but we might not.’ Come April, in an outlandish statement he said, ‘Bad news—we might have a deficit of about $7 billion.’ That was for all of one week. The next week the Prime Minister herself said, ‘No Wayne, you are wrong—it is going to be $12 billion.’ Holy mackerel, Senator Penny Wong trumped them all with a $17 billion estimate. And she wasn’t right! So much for forward projections. They cannot get their projections right for a week’s time, so how can they get them right for four years or until 2019? How can they possibly get it right? It is amazing.

In the meantime there have been 30 new taxes brought on by this Labor government and 22,000 new regulations that small business and big business have to interpret and put up with. It is unbelievable. It was supposed to be one in, one out. There were approximately 200 out.

Their notion is power at any cost: ‘Keep us in government at any cost. Too bad about our grandkids. Too bad about our kids. Let them pay the debt off.’ What a great philosophy to have! They are not thinking ahead at all. They are thinking to the next election, and I hope they can work the odds that the bookmakers are offering at the moment. Our Treasurer talks about a $1.5 trillion economy, but that is mainly tied up in superannuation funds. And who puts the money in the superannuation funds? The Australian people, not the Australian government. So that is his trickery. He compares us with Greece, Italy, Cyprus, my old country of Ireland, Spain and Portugal but does not mention anything about our Asian neighbours China, Thailand, Indonesia and Singapore, who are doing very well, with growth rates around five to eight per cent in all those countries.

Mr Christensen: They haven't got a carbon tax.

Mr O’DOWD: Yes, they have not got a carbon tax in those countries, and some of their emissions are coming down also.

Our credit card level went from $75 billion to $200 billion to $250 billion, and now she is raring up towards $300 billion. On the forward estimates, it is going to end up at nearly $400 billion. So where do we go? The member for Oxley said, ‘We'd like
to be here for another 20 years.' At this rate, there would not be many Australians left, that is for sure. We would all have to be overseas looking for work. Since 2007 electricity costs have gone up by 93 per cent, water and sewerage costs 63 per cent, utilities 79 per cent, gas 61 per cent, insurance 45 per cent, education 38 per cent, health services 40 per cent and rents 30 per cent. We talk about a low interest rate of 2.75 per cent, but I know a guy in my electorate who went to a bank yesterday for a loan for a small business and was quoted an interest rate of 14 per cent. So the 2.75 per cent is the cash rate but in reality, if you want to try and borrow money, do not expect 2.75 per cent. In fact, do not expect 4.75 per cent; expect a lot more.

If this country needs to kick-start our economy, there are a lot of things that we can do. This is what you do not do: there is an immigration budget blow-out of $6.6 billion and an NBN blow-out of $44.1 billion, and nearly $70 million has been spent on advertising the carbon tax, including $100,000 on three fake kitchens for the carbon tax ads. They could not just pick an ordinary kitchen. No, they had to go and build three kitchens for $100,000. A hundred million dollars was spent on compensation for the live export fiasco. A hundred and fifty million a year is being spent on spin doctors to sell Labor's policies. Wait for this: the knifing of Kevin Rudd cost $1.3 million in staff redundancy packages. Unbelievable! Furthermore, $10 million was donated to the trade unions in the last year's budget. The failed Malaysian solution cost $5 million. The list goes on and on.

I have a lot more to say, but I should read out this unprompted email I received today from an Emerald businessman:

Now about the IR laws Government need to know this company Western Gateway Motel—

that is his motel—has chosen to close the restaurants on Sunday nights and all public holidays because of the high cost of employment with penalty rates [that no other country in the world pays] in these economic times. It's very noticeable when you get backpackers offering to work for no penalty rates just to get a job and they can't understand if they sign a piece of paper with that offer, if accepted, and the company got caught, the person responsible could go to jail with a heavy fine.

... ... ...

It's alright for Shorten to say that he wants Australians to be the best paid in the world, lets hope there is a job at the end of it. We are competing against America at $17.00 per hour. The Rudd government has definitely failed to appropriately manage this economy. There are several more examples I do not have time to go into—with 30 seconds left on the clock. Needless to say, we have to get our country going: our mining industry is in a state of flux, our manufacturing industry is in a state of flux, our cement industry is in a state of flux and our dairy industry in Queensland is nearly gone. We need to get in and give them the incentives they need. Cut the red tape and cut it quick. Bring on September 14 as quickly as possible, because people are out there suffering and they need help.

The DEPUTY SPEAKER (Mr Murphy): The discussion on this MPI has concluded.

BILLS

Australian Citizenship Amendment (Special Residence Requirements) Bill 2013

Report from Federation Chamber

Bill returned from Federation Chamber without amendment; certified copy of bill presented.

Ordered that this bill be considered immediately.
Third Reading

Mr RIPOLL (Oxley—Parliamentary Secretary to the Treasurer and Parliamentary Secretary for Small Business) (17:48): by leave—I move:

That this bill be now read a third time.

Question agreed to.

Bill read a third time.

International Interests in Mobile Equipment (Cape Town Convention) Bill 2013

Report from Federation Chamber

Bill returned from Federation Chamber without amendment; certified copy of bill presented.

Ordered that this bill be considered immediately.

Bill agreed to.

Third Reading

Mr RIPOLL (Oxley—Parliamentary Secretary to the Treasurer and Parliamentary Secretary for Small Business) (17:49): by leave—I move:

That this bill be now read a third time.

Question agreed to.

Bill read a third time.

International Interests in Mobile Equipment (Cape Town Convention) (Consequential Amendments) Bill 2013

Report from Federation Chamber

Bill returned from Federation Chamber without amendment; certified copy of bill presented.

Ordered that this bill be considered immediately.

Bill agreed to.

Third Reading

Mr RIPOLL (Oxley—Parliamentary Secretary to the Treasurer and Parliamentary Secretary for Small Business) (17:50): by leave—I move:

That this bill be now read a third time.

Question agreed to.

Bill read a third time.

DisabilityCare Australia Fund (Consequential Amendments) Bill 2013

Report from Federation Chamber

Bill returned from Federation Chamber without amendment; appropriation message having been reported; certified copy of bill presented.

Ordered that this bill be considered immediately.

Bill agreed to.

Third Reading

Mr RIPOLL (Oxley—Parliamentary Secretary to the Treasurer and Parliamentary Secretary for Small Business) (17:51): by leave—I move:

That this bill be now read a third time.

Question agreed to.

Bill read a third time.

Constitution Alteration (Local Government) 2013

Second Reading

Debate resumed on the motion:

That this bill be now read a second time.

Dr JENSEN (Tangney) (17:52): I continue my speech from earlier today. This is particularly clear, given that it is plain from the previous two referenda on the issue that at least half the population are opposed to this change. This is Australia’s fundamental document, the Constitution, and it should not be a political plaything.
Furthermore, being the Constitution, both sides of the argument must be fairly and equally supported in funding and that must be seen to be the case. Yet, as we know, so far $21.6 million of public funds have been dedicated to the yes campaign, with zero dollars at this stage committed to the no campaign.

This referendum is bad for local communities. Funding will be given based on Canberra's priorities, not local community need. Councils may well be worse off. More Canberran funding means less state funding. Canberra's funding arrangements will mean extra regulations and bureaucracy which can only be paid for through local service cuts or rate increases, neither of which will help the many thousands of people and many businesses doing it tough in my electorate. Neither measure will make our country more competitive—not a single jot.

This debate is about the biggest question of all, the role of government. At its epicentre is a question of trust: does Canberra trust local councils, and can local councils trust Canberra? If we go by the track record of this government, the answer is no. We the Australian people cannot trust a single word they say. The issue of trust is also at play in the question of Canberra illiterati—disdainful and distrusting of the 'feral plebs' in the bush. Local government itself is created and maintained by state government legislation. The geographic extent of local government districts is determined by state governments; the powers of councils are determined by and conferred by state governments; the authority to make regulations is delegated and supervised by state governments; and the establishment of new councils and amalgamation of existing councils are matters for state governments. On both previous occasions the voters firmly rejected the proposals. Local government falls outside the range of matters appropriate to establish and maintain Australia's federal structure and, while very important, local government is a matter for the states and the state constitutions but not for the federal Constitution.

The discussions of the Constitutional Convention concluded that local government is a domestic responsibility of individual states and really has no significance for the proposed federation. Local government is recognised in the state constitutions of all six states. Despite the occasional problem and dissatisfaction among ratepayers and electors, local government has operated adequately for more than 110 years since Federation, as it did in the colonies before Federation when there was no Commonwealth Constitution. Local government would have performed no better even if it had been recognised in the Commonwealth Constitution. If the state government decides to handle rubbish removal, sewerage, water reticulation, road repairs, local transport, parks and gardens, planning issues and libraries itself, it should not be forbidden by the Commonwealth Constitution.

In 1974, the yes vote was only 46.85 per cent. In 1988, that dropped further to only 33.61 per cent. Note the trend was the unambiguous will of the people. Senator Bob Brown and Tony Windsor had given written, unconditional support to the idea of change prior to any hearings. David Mitchell, the former Tasmanian barrister and Tasmanian delegate to the 1998 Australian Constitutional Convention, says:

It is not possible to foresee the full implications that might arise in the future if the Constitution were to be changed in this way.

Constitutional law expert Professor Cheryl Saunders believes that too little time has been allowed for effective public debate—indeed, only eight weeks instead of 27 on the issue—in particular because there has been
absolutely no public consultation on it. Western Australian Premier Barnett stated that the amendment goes well beyond the symbolic recognition that the WA government has indicated it would support.

The 16 May announcement of the wording provided for just two weeks of community consultation. Consultation on the bill did not need to be this perfunctory. The government's expert panel on constitutional recognition of local government made its recommendations in December 2011 and a specially convened parliamentary committee indicated as early as January this year that it would recommend the referendum go ahead.

The expert panel's consultation findings are revealing: 43 per cent of submissions came from local councils supporting the plan and 42 per cent came from private individuals opposing it. Public consultation takes on additional significance when a referendum is constitutionally mandated to win confidence in any planned change. Constitutional expert Professor Anne Twomey argued that the government's release of the proposed wording has misled the press, which republished it everywhere understandably presuming it was accurate. Professor Twomey argues the Constitution already provides the Commonwealth with a power to make grants to the states on the condition that all money is passed on to local government. That is the way Commonwealth funding has worked since the 1920s. Each state already has the necessary information about each of its local government bodies.

If local government were to be funded directly from Canberra instead, a new bureaucracy would be needed to collect and assess the information. It would need to develop a single funding formula to fit local government bodies across the country. It would also increase the administrative burden on local government bodies as they would have to provide different information dependent on two different funding formulas for two different levels of government. Let us protect the Commonwealth we have today and focus on the real issues of competitiveness, cost of living and protecting our borders.

Mr McCormack (Riverina) (17:59): Now you are about to witness the great difference between this side of the parliament and that side of the parliament because, while I respect the member for Tangney and his no case, I am now going to give you the yes case in favour of constitutional recognition of local government.

On this side there is a great variety of ideas. Often we disagree and we express our differences of opinion in the parliament. However, on that side of the parliament, unfortunately, you have to toe the party line or you get expelled from the Labor Party. That is the way it is.

Local government is the closest arm of government to the people. It is because of this that many of my coalition colleagues—and I stress 'many'—and I support the recognition of local government in the Constitution. Such a recognition will allow the federal government to foster a more direct relationship with local councils in order to better manage funding of critical infrastructure projects within local government areas.

I am pleased the government has announced there will be a referendum held on election day, 14 September 2013, which will allow the nation to decide if local government should be recognised in the Constitution of the nation and thereby make federal-to-council funding a much easier process. However, whilst I am pleased that the government has done this I do question
the government's motives in doing this. I will refer to that later.

In discussing the local government referendum with the mayor of the Temora Shire, Councillor Rick Firman, he told me that it is of paramount importance that this bill and this referendum pass. If it is not passed, Councillor Firman argues, there will be one group which suffers most: the community—the citizens who this parliament and our counterparts in local government and, indeed, those in state parliaments are elected to represent. Critical infrastructure projects such as the Roads to Recovery projects, from which the Temora Shire was able to receive more than more than $2 million in funding, will be managed much more easily with the recognition of local government in the Constitution.

Councillor Firman says the direct funding of projects by the federal government would simplify the process and would mean that councils can focus on delivering the critical infrastructure upgrades rather than complicated, bureaucratic involvement with the states. He also believes that such a recognition would mean that well-performing councils such as his in Temora will be rewarded. He supports a move which will simplify the process.

Temora council is in surplus, thanks to due diligence of its nine councillors and the staff capably led by General Manager, Gary Lavelle.

Mr Windsor: Hear, hear!

Mr McCormack: Councillor Firman does share some of the coalition's concerns. I hear the member for New England hear hearing the Temora Shire Council's due diligence, because he visited Temora in the wonderful electorate of Riverina only recently and he knows the wonderful work that Temora Shire is doing. He also knows the wonderful work that the shadow minister for local government, Senator Barnaby Joyce, is doing in this portfolio area. Chief amongst the concerns that the coalition has is the fact that the government only announced this referendum on 9 May, a mere four months before the election. Is that time to press the case for 'yes'? Time will tell. But it is, as the member for Tangney noted in his speech, perhaps not enough time. The Australian Electoral Commission would have preferred more time.

Mr Windsor interjecting—

Mr McCormack: The member for New England can disagree with me there but the AEC said that more time should have been allotted. I wonder, was this just another distraction by the Gillard Labor government? Time will tell.

As members are aware, of the 44 referenda since Federation, only eight have passed. If the Labor Party was genuine about this change it would have announced a referendum much earlier and would have ensured that there was a proper community-wide education campaign to demonstrate why the Constitution needs changing. The Electoral Commission agrees, warning Labor that there is 'a range of risks' in announcing a referendum so late in the electoral cycle. Referenda will only pass with a double majority—that is, a majority of people in a majority of states and with bipartisan support.

This change does have bipartisan support, even though we have heard the member for Tangney disagree and even though there are other members of the coalition who disagree and who are putting the 'no' case forward. But, overall, there is bipartisan support. This change does have that support. We all know that Labor has not properly consulted with the states, particularly my state of New South Wales.
In essence, the Labor Party has set up this constitutional change to fail. It is using it as a wedge issue, a distraction. Labor is using the constitutional recognition of local government to divert our attention from what this election should be all about—a referendum on the disastrous six years of government from this broken Labor Party. It is the responsibility of the government to demonstrate that this referendum proposal has a reasonable chance of succeeding at a general election. The coalition—or many members of the coalition—and I will be trying to help this get through. But there is not much we can do about the timing of its announcement by the Prime Minister and the Minister for Regional Development and Local Government, Minister Albanese—he took over, as you will recall, from Minister Crean during that recent failed spill.

At the federal council of the Nationals, held in Canberra just last Saturday, the party voted overwhelmingly in favour of supporting the constitutional recognition of local government.

Mr Windsor: Hear, hear!

Mr McCormack: 'Hear, hear!' I hear from the member for New England. It was a good federal council, too.

Mr Windsor: Name them!

Mr McCormack: Name them? I will. I could name the many people who were there. Certainly the Nationals held a great council and they certainly look forward to change in New England! But I digress.

This motion was supported by my colleague Mark Coulton, the member for Parkes, and attracted some passionate debate from other National Party members, including the person who sits right next to me, the member for Hinkler, who spoke in favour of constitutional recognition of local government. I am pleased that this received overwhelming national support and I look forward to supporting the constitutional change when it is put to the people in September.

I am disappointed, however, that the Labor Party waited so long to announce it. As I say, I think that was certainly a distraction and I am disappointed that such an important change has all the tarnished hallmarks of the haste for which this Labor government has become so famous—or, should I say, infamous. Local government is the closest level of government to the people. It is important that this referendum passes. I support the recognition of local government and I commend it to the House.

In December 2011, the Expert Panel on Constitutional Recognition of Local Government—and I understand the member for New England was part of this process—produced quite a tome as its final report.

Mr Windsor: I was a senior member of it.

Mr McCormack: I am sure you had a worthy contribution to make, too, as you did to the regional Australia committee. That certainly benefited from your wisdom, even if the Australian people have not benefited from your support of this tarnished Labor government.

In this final report of the Expert Panel on Constitutional Recognition of Local Government, there were some very interesting graphs and pie charts, one of which was titled 'Support by Regional/Urban (Percentages)'. Regionally, there was overwhelming support for the yes case—even more so in the remote areas. Interestingly, in the urban areas of Australia, the no case received the majority of the votes. The chart suggests it was somewhere near 60 per cent. That leads me to believe that a lot of people in city areas, in metropolitan electorates—I do not like saying this—just seem to exist. They just
live their lives. They are good people and they contribute to tax revenue and all the rest of it. But they do not always know who their local councillors are. They do not get involved in local councils unless they really have to. A lot of them do not even know who their state members are, let alone their federal members.

When you come to the bush, so many more people are aware who their federal member is and who their state member is—and they get involved in local councils. There is a lot more media attention. The local newspapers, radio stations and television stations talk about the parish pump stuff of potholes in roads, garbage services and all those great local services which we know our local councils do such a fantastic job of delivering. In my Riverina electorate, there are 13 local government areas.

Ms Hall interjecting—

Mr McCormack: I hear the member for Shortland agreeing with me. She is certainly agreeing with the—I do not know what she is saying, but I am sure she is agreeing with the yes case

She is hand signalling she has five in her electorate.

Ms Hall: I just wanted you to finish up.

Mr McCormack: I am not going to finish, because I really think it is important that we push on with the yes case debate. While the member for Shortland would like me to finish, and while she would like to gag me as Labor did with the education bill earlier today, silencing me and nine of my colleagues, they are not going to silence me on this. I really want to emphasise the yes case.

I know that my colleague Senator Barnaby Joyce, hopefully the next member for New England after the 14 September election, very much supports the yes case. When he did a doorstop interview at Parliament House on 16 May he said that local government must stand up and mount their very best case. He is right. The Australian Local Government Association has put a lot of money into pushing the yes case. That money has come from councils and that money could have been, some might argue, better spent on the delivery of local roads, fixing potholes, and doing all the great things such as providing childcare services that local government does. Local government knows that it is so important to get recognition in the Constitution that it has spent a considerable sum of money pushing the yes case. As Senator Joyce said, it is now for local government to take up the cudgels, because it is about the future of local government. And he is right. Senator Joyce said:

I don’t know whether political involvement on a grand scale from Canberra is going to be of the sort of assistance that local government wants. I think the Australian people are going to be very interested in the discussion local government wants. I think the Australian people are going to be interested in the discussion local government has with the Australian people on why they see this, what I even say, a form of housekeeping, is brought into place so you can continue with funding such things as Roads to Recovery, Black Spot and future Coalition policy, such as Bridges to Recovery.

They are all important things for local councils.

I know in Gundagai shire at the moment they have a huge problem with Gobarralong bridge, and they are lobbying for state funding for the repair of that bridge. Many of the farmers in that district are having to go the long way around because B-doubles are no longer able to traverse that piece of vital infrastructure. I know that Gundagai shire and certainly the mayor there, Abb McAlister, would very much appreciate receiving federal funding for Gobarralong bridge. Unfortunately, they will have to rely on either their own funds, of which there are...
not many, or state financial assistance to rebuild that hundred-year-plus bridge to a state where it can be used—

Ms Hall interjecting—

Mr McCormack: I only have a minute and 43 seconds to go. It is hard to read a bit of scribble when you are trying to push the yes case for something that is so important.

Mr Windsor: We need to show some passion.

Mr McCormack: Yes, show some passion for local government areas and local councils. Of the 13 local government areas in my electorate, 13 are supporting the yes case. It is vital for them.

Mr Windsor: Hear, hear!

Mr McCormack: I know the local government areas within New England are also very supportive of local government recognition. I know of the work the member for New England has done in this place and I do acknowledge that. I also acknowledge the work that Senator Joyce has done as shadow minister for local government. He also said it is very important that we note that within the coalition there will be a no case mounted—we heard that from the member for Tangney—but it is crucial that we get this through.

Local governments have spent money to push the case for the yes vote. That expenditure needs to be recognised in the context of the need to get people to vote in favour of this proposal. It is going to be a tough ask. Federal Labor has not allowed enough time to mount a good, educational campaign sufficient to get this across the line. We know that the success rate of referenda is not high, but may I again emphasise to the people of Australia—certainly those who rely on good, grassroots representation—that there ought to be constitutional recognition of local government.

Ms Hall (Shortland) (18:14): I am very aware of the fact that we have very little time to speak in this debate and I will keep my contribution extremely short. The reason that I seek to speak on this particular piece of legislation is, firstly, to express my support for it and also to share with the parliament a letter I have just received from my local council, which I will seek leave to table after I have completed my contribution to this debate.

My local council, Lake Macquarie City Council, has contacted me by mail—I received a letter from the mayor—requesting that I support this legislation. The mayor pointed out to me that it is critical for the city of Lake Macquarie and communities around Australia. She goes through and highlights the reasons this is so important. She highlights that the council made a number of submissions to the joint select committee and the Expert Panel on Constitutional Recognition of Local Government and that they passed resolutions through council confirming their support for financial recognition by the change to section 96 of the Constitution. She concludes by asking me to vote in favour of the bill, saying that it is a crucial step and vital for local government.

I strongly support the legislation for all the reasons that have been highlighted by the Mayor of Lake Macquarie and for many other reasons. It is about ensuring the viability of local government and better services for the people that I represent in this parliament. I seek leave to table the letter from the mayor of Lake Macquarie.

Leave granted.

Ms Hall: I thank the House.

Mr Windsor (New England) (18:16): I would like to speak briefly to the bill before
the House, the Constitution Amendment (Local Government) 2013. As most people would know, it was part of the agreement in the formation of a minority government that a referendum be held on the financial recognition of local government in the Constitution, so I am personally very pleased that the government is proceeding with this. I am pleased to a certain extent about the bipartisan support that exists in this chamber and in the other place, but I am a little bit disappointed in the sort of dual attitudes that the coalition seems to have in relation to this—almost expressing the view that they hope it fails even though they are supportive of it, or they say they are supportive of it.

There is an argument out there that there needed to be more time. The quite simple amendment I think embraces nine words in the Constitution. It is a very simple phrase that is going to be placed in the Constitution. It is being put there because of various High Court challenges and legal advice that local government, if it is not recognised, will not, in certain circumstances, be able to receive direct funding from the Commonwealth government.

This is not about eroding the powers of the states; it is about ensuring the viability of very good programs. The coalition should be right on this and full of enthusiasm and not just leaving it to local government to promote itself. All of us in this building should be promoting this. The coalition’s original program of Roads to Recovery is an excellent program. It is very fair, it gives local government areas the capacity to determine where the money is spent, everybody knows how the formula works and everybody gets a fair share. That is direct funding from the federal government to local government. That is under threat— with the High Court challenges and the legal opinion that is out there, the capacity of the Commonwealth government to fund Roads to Recovery, for instance, and many other programs, would be under threat.

The financial recognition is solely about that. It is solely about allowing what we have taken for granted in the past to occur in the future, because there is very real legal opinion that a challenge could be upheld if we do not in fact change the Constitution. I was on both the committees—the Jim Spigelman committee and the parliamentary committee—that looked at this particular issue. I have never been involved in local government, but I think it is a very, very important aspect of governance in this country, particularly in country areas. The member for Riverina talked about the 13 councils in his area. He is quite right to say that in my electorate all the councils are very, very supportive.

There is another reason for the support of the financial recognition of local government. I am not sure whether others in the debate have actually addressed this. If you think back to the Rudd years and the global financial crisis, there will be varying opinion in this building as to the response to that crisis. Personally I think one of the great things that did happen was in relation to the stimulus payments. The decision was made to stimulate the economy financially, and do it quickly and with some degree of largesse. I think most economists would agree with that process. Other countries in the world did it quickly and were able to come through the global financial crisis reasonably well, but none of them as well as Australia did. How do you apply stimulus payments to an economy to actually get the money to flow through the economy and have all the economic impacts when the private sector is stalling? People may remember that the mining boom was in fact stalling. There is a rumour running around the parliament that we got through the global financial crisis because of the mining industry. That is not
correct. There was a gap there that needed stimulus payments and the government, the parliament, actually acted upon those payments.

The reason I mention that is that one of the most successful avenues for stimulating the economy was local government. There were massive payments made. Local government spent that money fairly quickly. It had an impact on the regional economies. It had an impact on the capacity of local government to update itself in terms of some its infrastructure et cetera. But the money was spent right across the nation so there was a successful injection of funds. I do not think anybody from any political persuasion would argue that the money was wasted in any shape or form. It was part of a legitimate process between the Commonwealth government of the day and local government.

The reason I raise that is that there are strategic reasons why we need to recognise local government in a financial sense in the Constitution. If we ever had the need to stimulate the economy again and state governments were of varying political persuasions, the argument some people would put up is, 'Look, you can do all this through the state governments anyway; if there is a need to do something you can do it through the state governments.' If you want to run Roads to Recovery after it has been challenged successfully in the High Court, you can do it through state governments, besides the political implications that would engender in terms of fairness et cetera.

I think there is a very simple reason for it: if you need the Commonwealth government to stimulate the economy, or the federal government of the day has to have a direct input into local government in a non-political sense, if you go through the states and the states have different political persuasions, you run the risk of all of the politics that we see between state and Commonwealth governments coming into play. So there are very strategic reasons why that needs to be done.

If, in fact, the arrangements that we fear in terms of the legal challenges had been in place when the global financial crisis occurred, the Rudd government may well not have been able to stimulate the economy through local government. It may have been blocked and played with in terms of various state political persuasions. The success of those stimulus payments was that a decision was made quickly and an injection of funds occurred. We were one of the few countries in the world that were able to get through without a recession.

Many people in here will still argue that there was too much, too little, too this or too that. The fact is that it worked and one of the reasons it did work it was that the federal government of the day had the capacity to have a direct and quick relationship with local government. That is a strategic reason that we need to look very closely at. I think all of us, irrespective of who is going to be the federal governments of the future, need to be part of that particular process.

I would like to thank a lot of the people who participated in the various committee processes that did take place and Jim Spigelman, in particular. I think he did an extraordinary job. I thank ministers Crean and Albanese for the way in which they have conducted the processes. Once you start thanking people obviously you leave people out, but I thank the member for Parkes who has been involved in this process as well. From a country perspective, he has been a sounding board and judge because of his local government background. He has been a judge of the need for this to happen.

I encourage all political parties, particularly the coalition who say they are on
side—but are sort of hedging their bets as, if it fails, it will be because of the Labor government and because we did not have time to explain what nine words meant. I have a little more faith in the capacity of the voter to actually understand more than one line. I know we have had the politics of bumper stickers run in this place—stop this, stop that, no to something else. But I think the average voter really does understand, particularly in country areas where they have seen the benefits of some of the direct relationships between Commonwealth governments and local government. Hopefully all of us of various political persuasions will get out there and actually say this is not something to be afraid of—this is putting in place what you all believe to be the status quo.

Rather than looking at arguments such as, 'I wish we had more time', I think there is plenty of time to develop these arguments and get them into the community. The Australian Local Government Association and the state based organisations have money that has been put away for over a year that is ready to go in terms of promoting the yes campaign. So I would encourage all of us to get behind this program.

Finally, I thank the Prime Minister, who was a signatory to the arrangement that a referendum on this issue would occur. She signed that document with the member for Lyne and myself. I thank her for adhering to the agreement, as she has done very diligently on many of the other programs that were within the agreement.

Mr NEVILLE (Hinkler—The Nationals Deputy Whip) (18:28): I welcome this opportunity to speak on this Constitutional Alteration (Local Government) 2013 or, as it has been popularly called today, the constitutional recognition of local government. I would just like to make a statement at the beginning to clear my conscience on this. I am not here to snarl or degrade the states. I am very much a states man. I think we have a unique Constitution. We had six colonies or states. They spent 10 years putting the Constitution together. It has worked very well and its bastardisation over time has been at the hands of non-constitutional measures that all of us politicians have had a hand in. Periodically, you have to go back to the public and get those things straightened out.

I do not want it said that Paul Neville was setting up something to denigrate the states; quite the contrary. I am an advocate for the removal of overlap and duplication, and we have heaps of it under governments of both political persuasions, state and federal, and it has been going on for far too long. As a young man in the National Party—it might even have been called the Country Party at the time—I saw Charles Cutler, the then Deputy Premier of New South Wales, and John McEwen have a blazing fight over, when it really got down to the short strokes, whether the corridors at the Dubbo high school should be four feet six inches or four feet nine inches wide. That was the sort of duplication that came into many of these measures.

I would quote my leader and colleague Warren Truss especially for those people who are seeing all sorts of devious people behind trees in this exercise. He said that in Australia local government authorities are created under state legislation and the proposed referendum in question will have no impact on this status. The wording of the proposed changes specifically restricts the Commonwealth to making payments only to local government bodies formed by the law.
of a state. I think that is critical; it nails it right from the beginning.

If you want to go back to earlier referenda, you will note back in 1974 the wording was different. It talked about the Commonwealth's powers to borrow money and make financial assistance grants to local government, which was quite a different proposition in 1974. In 1974, 46 per cent voted yes and only one state voted yes, so it did not get up. And when you come to the last time this was put before the Australian public, in 1988, the question was around the wording of 'full constitutional recognition of local government'. The public on that occasion were even more definitive. That referendum went down 66 per cent to 33 per cent, with no state giving the majority. So you can see the Australian public want to see local government empowered, but they do not want to create a third monster. They want local government to stay within the bounds of the laws of the states.

I would like to congratulate some members and some former colleagues—I see the member for New England with me here today, and elsewhere are the member for Ryan and the member for Braddon and former members Senator Bob Brown and Ross Cameron—who participated in the Spigelman report. I think the Spigelman report is a very interesting document and I recommend everyone, assuming this is passed today, to have a good look at it before this referendum. It is not going to be an easy ask because of those who put submissions to Spigelman, it was 53 to 45 in favour of doing this—53 to 45 is not a big majority.

Another interesting thing was that the capital cities were not all that terribly enamoured about it. You can understand why. Why would they want more power for local government? They have highways and expressways and motorways and opera houses and art galleries and beautiful harbours and all sorts of facilities—beautiful hospitals and tourist attractions, opera houses and the like. People in the country do not have that, and it is what their local councils provide that become the foundation for the quality of life in those towns. That is sometimes forgotten. So when you go back to Spigelman and look at what happened there, in submissions that came from regional areas about 60 per cent were in favour of this measure; in remote areas, which have even less still, up to 70 per cent were in favour.

But when you look at the submissions from the cities, the urban areas and the larger cities, only about 30 per cent were in favour. So you can see there is a cry out there from regional and remote Australia for a better quality of government, and you can understand that. Local government is dismissed sometimes as the third tier of government, but it is the form of government that is closest to the people. And if you go back in human history, it was the first form of government that regulated the tribes, that regulated the small communities, before nations even formed and played significant roles in the running of great nations of Europe, for example.

The other interesting thing, and parliament needs to be on its toes about this, is that if you again go back to Spigelman and look at the support state-by-state, you will find that Queensland and Victoria are not in favour—they are two big states not in favour—and the majority in Western Australia and Tasmania are not all that flash either. What you can assume from that is this is going to be no pushover. And I am somewhat critical of the government in that I think they did not recognise how important it is to get this thing launched earlier. It should have been launched three or perhaps even six months ago so that people would have a good chance
to understand the dynamics of what was happening. A lot of people, and even members in this House, think that this is an erosion of states' rights, that we are doing it for the wrong reasons and it is not really financial, it is going to be other things.

But, again, we go back to Spigelman, and we find that overall 46 per cent of those who put in submissions said it should be recognised on the basis of financial matters; 30 per cent said for symbolic reasons; and 11 per cent said for democratic reasons. On taking the councils out it went up even higher: 64 per cent said financial; 21 per cent said symbolic; and 25 per cent said democratic. There is a dynamic there that could easily push this overboard. I think the government was unwise not to get into the explanation of this earlier.

We all know from the history of referenda in Australia that if the Australian public has the least doubt then they will not abide it. If one major party opposes it they will not abide it. If one or two states become virulently against it they will not abide it. And, as we see from the last two referenda on this subject, although the arguments were reasoned they went too far, and out of those two referenda only one state carried it in one referendum—not a very convincing result. That is the first thing I wanted to say.

There is adequate evidence that this could be brought in on a financial basis only and not to empower local government beyond that point. It will still be the child of the state government. What it will do is streamline the system of payments and since the Keating and Howard governments, in particular, a lot of money has supposedly gone directly to local governments. But when it has been filtered through the states it does not always get there in the best order.

I will tell you a little story: it is not quite on local government, but it illustrates a point I want to make. The federal government during the Howard years made a grant available to country high schools for assembly blocks. It was a great idea because a lot of these high schools developed over time; they were grade 10 high schools and then they became grade 12 high schools. This particular school got a full Commonwealth grant of half a million dollars. I was handed the paperwork for that. About $110,000 of that half-million dollars went into design and architecture and about $130,000 went into—would you believe—QBuild, which is effectively the Queensland state department of works. In other words, on that half-million-dollar job the state took $240,000. But the sad thing about it was that it was not something built in that town with local tradesmen; it was a prefabricated building that came off the shelf of a factory in Brisbane or the Gold Coast, travelled on the back of seven trucks, was put on a simple slab and was put together like a meccano set. The state government took $240,000 out of half a million dollars.

We come now to this local government thing. There is a facility for the Commonwealth to take moneys like this direct to local government. I think we can get a bigger bang for the taxpayers' bucks—

Mr Albanese: Hear, hear!

Mr NEVILLE: I see the Leader of the House there, who has transport in his portfolio. I think we can see a lot more bridges and roads in shires and towns. I think the direct funding would be a great fillip to local authorities.

The other thing this will do—and there will be an element of symbolism in it—is that it will say to people that local government deserves to be, if not in a controlling position, respected. I know my Labor colleagues will not like this, but I think the Beattie and Bligh governments...
absolutely emasculated local government in Queensland. They did things like not allowing councillors to stand for state government elections without resigning. In fact, they tried to apply it to federal elections, but the High Court overturned it. The High Court said, 'None of that; you don't touch the feds.' They took away things like a 40 per cent subsidy on sewage and water and put that back onto local government. That became a huge impost on the rates of, at that time, 150 local authorities in Queensland. It was a huge impost.

Had those sorts of moneys, and perhaps a refinement of the Federal Assistance Grants, been considered part of this the local authorities would have greater authority in where they put their money. They, too, would get better bang for their sewage and water bucks, which are big components of a country town or a provincial city. In fact, they are sometimes the key to unlocking industry and residential development. So, while I am critical of the fact that this has taken a while to come about, I think it is a good measure, and I support it for the reasons I have given.

Mr ALBANESE (Grayndler—Leader of the House, Minister for Infrastructure and Transport and Minister for Regional Development and Local Government) (18:43): I rise as the local government minister to support the Constitution Alteration (Local Government) 2013. Local governments provide services and facilities which play an invaluable role in the daily lives of all Australians, and yet it is currently not mentioned in the Constitution. Recognising the financial relationship between the Commonwealth and local governments simply recognises an existing reality. Drive around any suburb or town and we will see there is almost certainly a town hall, a sports oval, a new wing to the local library or a rejuvenated main street that was built with Commonwealth help.

In December 2008, I was at the Local Government Constitutional Summit, which was convened by the Australian Local Government Association. The conference resolved:

to ensure the quality of planning and delivery of services and infrastructure provided to all Australians, and the ongoing sustainability of local government, any constitutional amendment put to the people in a referendum by the Australian Parliament … The power of the Commonwealth to directly fund local government should be explicitly recognised …

The idea that this referendum has been sprung on anybody is, quite frankly, absurd. That constitutional convention was in 2008. It was attended by me and the relevant shadow minister, who I think was at the time Mr Truss. But it was certainly a bipartisan event, and from that point we provided funding. In June 2010, at the Australian Local Government Association national conference here in Canberra, I made an announcement of seed funding to go out and consult about constitutional recognition of local government with all the local government bodies around the country.

The Attorney-General has gone through and outlined the bill in some detail. The government proposes a modest amendment which would add 17 words to section 96 of the Constitution. This amendment will recognise local government by allowing the Commonwealth parliament to grant financial assistance directly to local government bodies. This reflects the fact that the Commonwealth has partnered with local governments to deliver local roads, sporting fields, libraries, child care, community services and much more. Importantly, the proposed change to the Constitution does not diminish the role of the states with regard to the administration of local government.
Recognition in the Constitution does not alter the fact that local governments are created by and accountable to the states. We do not propose to alter those relationships. What we do propose is to recognise the reality that in Australia we have three tiers of government.

In the last five years the Commonwealth has partnered with local government to deliver over 6,000 community projects such as libraries, indoor and outdoor sporting facilities, pools, walking trails, roads and bridges. I take up the point that was made by the member for Hinkler. I give a very practical example which reinforces the view that he holds that there are some circumstances whereby local governments can deliver infrastructure cheaper and more efficiently than state or territory governments.

I give the practical example of the Ironsley River bridge in Far North Queensland. The Ironsley River bridge was an issue that was campaigned for by the member for Kennedy not just for years but, according to the member for Kennedy—and I never doubt him—for decades. At each opportunity, funding was knocked back. The Ironsley River bridge, which went under when there was flooding, meant that communities around Normanton and Karumba in the Gulf Country were isolated and had to have food, supplies and medical assistance choppered in at enormous expense, but no government at any level had made the tough decision to invest and fix the problem permanently at this particular site.

The state government had costed it at $31 million. Through the Regional and Local Community Infrastructure Program this grant was criticised by the National Audit Office, by the way—we received a submission from the relevant council that sought, from memory, in the order of $17 million for that project. It was almost half what the state government said it would cost. They built the bridge, fixed the problem and then came back and said: ‘We’ve got money left over. Do you mind if we build another bridge with the money that’s left over?’ And they did that efficiently, employing local labour and making a difference to that local community. There were no political votes in it in a party political sense. It was the right thing to do by those communities that have been isolated when there have been events such as floods.

So I certainly confirm the views of the member for Hinkler that this is particularly important to people in regional Australia. There is no doubt that the relationship between local government and regional communities is absolutely vital. Sometimes it can be the main employer, and it is the link that holds a community together—much more so than in an inner-urban community in a city such as where I live in Sydney. So it is a vital role. I acknowledge the fact that many of the strongest supporters of this referendum are people such as Senator Barnaby Joyce, the Leader of the Nationals, the member for Hinkler and other National Party representatives. They are very strong in their support of this referendum.

The Commonwealth Roads to Recovery Program alone has delivered $1.75 billion in funding over the last five years. That is supporting safe and efficient roads right across the country. It is important that the modern reality of governance in Australia be recognised. I have heard a lot of completely false arguments against the common-sense piece of housekeeping that this piece of constitutional change represents. It is surely common sense that the Constitution, our most important legal document, should actually represent the reality of modern Australia, including our governance.
structures, and that is what this referendum will do.

So I urge all members to campaign in their local communities. Local government will certainly be campaigning itself for a yes vote in this referendum. There will be all sorts of nonsense arguments that come up, I am sure. I have not seen any valid ones yet. I have seen one legal academic, who clearly had not even bothered to read the bill that is before the House and the proposed changes, jumping at something that was a nonissue. Common sense tells you this should be supported, and I ask all Australians to say yes on 14 September.

Mr DREYFUS (Isaacs—Attorney-General, Minister for Emergency Management, Minister for the Public Service and Integrity and Special Minister of State) (18:52): I thank honourable members for their contributions to this important debate, and in particular my colleague the Minister for Regional Development and Local Government. The Constitution Alteration (Local Government) 2013 will make a small but important amendment to the Constitution by including an express statement that the Commonwealth can grant financial assistance to local government. This would include assistance for community and other services.

Local government bodies play an increasingly important role in our system of governance. From their establishment in providing basic services such as rubbish and roads, local governments now deliver a range of services that make our communities so livable. From local swimming pools and water parks to libraries, book loan vans, aged-care hostels, disability programs, arts festivals, galleries and tourism promotion, local governments are an essential facet in our lives. That they receive no mention in the Constitution and that there is no express provision for local government bodies to receive financial assistance directly from the Commonwealth is increasingly difficult to justify.

As speakers have pointed out, many of these council services are provided in partnership with the federal government. This has been common practice for decades. As I made clear in my second reading speech, and as the explanatory memorandum to the alteration bill also makes very clear, this proposed change will not diminish the role of the states with regard to the administration of local government. Recognition in the Constitution does not alter the fact that local governments are created by and are accountable to state governments. This is about saying yes to important community benefits from the partnership between federal and local spheres of government.

Of course, history shows that a referendum has the best chance of success when it has bipartisan support at the federal level. I thank the opposition for its support for the bill and encourage coalition members to join the campaign for a yes vote in September. It was very strange to hear the member for Mitchell imply that supporting recognition for local government somehow contradicts Liberal philosophy. He should try to explain that to the leader of his own party, who supports this change to our Constitution. We have heard considered and thoughtful contributions from across the chamber: from the member for Parkes, the member for Ryan and the member for Riverina. Of course, they represent the position of the federal opposition, which is to support this amendment. We have also heard a measured and helpful contribution from the member for New England and a like contribution from the member for Hinkler. The member for Hinkler rightly pointed out the significant differences in the process which has been
followed in relation to this proposal to amend the Constitution compared with the previous proposals which related to local government, in 1974 and 1988.

It is only when members try to drag this debate down into party political attacks that we see the no case emerge. The member for Hughes, for example, labelled the proposal that has been brought forward by the government 'deeply flawed'. I would remind the member that this wording was first proposed by the 2012 expert panel led by the Hon. James Spigelman AC, QC, and subsequently endorsed by a parliamentary joint select committee comprising members from across the political spectrum. It has been drafted by the First Parliamentary Counsel and reviewed by the Solicitor-General. I prefer to pursue an amendment considered by these experts and informed by broad-ranging community consultation, rather than any alternative proposal from the member for Hughes.

The member for Mitchell also made the claim during debate that the government has committed $21.6 million to a campaign to support the yes vote at the referendum. This is simply not true. What the government has committed to—and this is set out in the budget papers—is $10 million to fund a neutral, non-partisan civics education campaign. That campaign will provide the community with information about the Constitution and the process for considering any change in the roles of the Commonwealth, the states and local government, and about the terms of the proposed alteration. This education campaign will not advocate either a yes vote or a no vote but will help ensure electors are aware of the issue and in a position to make an informed vote—which brings me to the contribution of the member for Tangney. He is not content to simply call this change 'anti-Liberal'; he calls it 'un-Australian'. I quote from the member:

That is not the Liberal way and that is not the Australian way. This bill in essence is un-Australian. This bill would enable the diminution of local sovereignty and democracy, and no Liberal member should, or can, respectfully support less democracy.

That the member is so willing to question the love for country and support for democracy of anyone supporting the referendum question, including members of this parliament, gives a clear indication of the feverish no campaign that is planned by some. Of course, the member for Tangney is completely wrong to suggest that the bill would diminish local sovereignty or democracy. Local government is free to reject any offer of assistance from the federal government.

In stark contrast to these isolated voices, when I introduced this bill I noted that it is actually part of a truly democratic process. There is no better way to honour the democratic society in which we live than to engage in constructive discussion and decision on the structure of our government. The referendum will give the people of Australia the opportunity to decide whether 17 words should be added to the Constitution. These words will recognise the modern reality that the Commonwealth grants financial assistance to local government for a variety of important community and other services. I thank the House for its support for this important proposal for constitutional amendment.

Question agreed to.

Bill read a second time.

Third Reading

Mr DREYFUS (Isaacs—Attorney-General, Minister for Emergency Management, Minister for the Public Service
and Integrity and Special Minister of State)
(19:00): by leave—I move:

That this bill be now read a third time.

The DEPUTY SPEAKER (Mr S Georganas): The question is that the bill be read a third time. As this is a bill to amend the Constitution, the provisions of section 128 of the Constitution must be observed. I therefore direct that the bells be rung.

The House divided. [19:04]
(The Speaker—Ms Anna Burke)

Ayes....................132
Noes.......................2
Majority...............130

AYES

Adams, DGH
Alexander, JG
Andrews, KL
Bandt, AP
Bird, SL
Bishop, Ji
Bradbury, DJ
Broadbent, RE
Buchholz, S
Butler, MC
Champion, ND
Chester, D
Ciobo, SM
Cobb, JK
Combet, GI
Crean, SF
D’Ath, YM
Dutton, PC
Ellis, KM
Entsch, WG
Ferguson, MJ
Fletcher, PW
Frydenberg, JA
Garrett, PR
Georganas, S
Gray, G
Griffin, AP
Haase, BW
Hayes, CP
Husic, EN
Jenkins, HA
Jones, SP
Keenan, M
Laming, A
Ley, SP
Lyons, GR
Macklin, JL
Markus, LE
Matheson, RG
McCormack, MF
Morrison, SJ
Murphy, JP
Neville, PC
O’Connor, BPJ
O’Neill, DM
Parke, M
Plibersek, TJ
Pyne, CM
Randall, DJ
Rishworth, AL
Robert, SR
Roxon, NL
Rudd, KM
Saffin, JA
Scott, BC
Shorten, WR
Simpkins, LXL
Smith, SF
Snowdon, WE
Southcott, AJ
Swan, WM
Thomson, KJ
Turnbull, MB
Van Manen, AJ
Watson, MJ
Wyatt, KG

NOES

Hawke, AG (teller)
Jensen, DG (teller)

PAIRS

Gillard, JE
Abbott, AJ

Question agreed to.

The SPEAKER: The question is resolved in the affirmative by an absolute majority as required by the Constitution.

Bill read a third time.

COMMITTEES

Selection Committee

Report

The SPEAKER (19:20): I present report 84 of the Selection Committee relating to the
consideration of committee and delegation business and private members' business on Monday, 17 June 2013 and consideration of bills. The report will be printed in the Hansard for today and the committee's determination will appear on tomorrow's Notice Paper. Copies of the report have been placed on the table.

The report read as follows—

Report relating to the consideration of committee and delegation business and of private Members' business
1. The committee met in private session on Wednesday 5 June 2013.
2. The committee determined the amend the order of precedence and times to be allotted for consideration of committee and delegation business and private Members' business on Monday, 17 June 2013, as follows, with amended entries marked with *:

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

COMMITTEE AND DELEGATION BUSINESS

Presentation and statements
1 Parliamentary Joint Select Committee on Gambling Reform:
   Fifth report—The advertising and promotion of gambling services in sport; Broadcasting Services Amendment (Advertising for Sports Betting) Bill 2013.
   The Committee determined that statements on the report may be made—all statements to conclude by 10.20 am.
   Speech time limits—
   Mr Wilkie—5 minutes.
   Next Member speaking—5 minutes.
   [Minimum number of proposed Members speaking = 2 x 5 mins]

2 Standing Committee on Climate Change, Environment and the Arts:
   Managing Australia's biodiversity in a changing climate: the way forward.
   The Committee determined that statements on the report may be made—all statements to conclude by 10.30 am.
   Speech time limits—
   Mr Zappia—5 minutes.
   Next Member speaking—5 minutes.
   [Minimum number of proposed Members speaking = 2 x 5 mins]

3 Standing Committee on Health and Ageing:
   Bridging the Dental Gap: Inquiry into Adult Dental Services.
   The Committee determined that statements on the report may be made—all statements to conclude by 10.40 am.
   Speech time limits—
   Ms Hall—5 minutes.
   Next Member speaking—5 minutes.
   [Minimum number of proposed Members speaking = 2 x 5 mins]

PRIVATE MEMBERS' BUSINESS

Notices
1 Mr Oakeshott: To present a Bill for an Act to amend the Competition and Consumer Act 2010, and for related purposes. (Competition and Consumer Amendment (Strengthening Rules About Misuse of Market Power) Bill 2013) (Notice given 28 May 2013; amended 29 May 2013.)
   Time allotted—10 minutes.
   Speech time limits—
   Mr Oakeshott—10 minutes.
   [Minimum number of proposed Members speaking = 1 x 10 mins]

2 Mr Katter: To present a Bill for an Act to amend the Reserve Bank Act 1959, and for related purposes. (Reserve Bank Amendment (Australian Reconstruction and Development Board) Bill 2013) (Notice given 4 June 2013.)
   Time allotted—10 minutes.
   Speech time limits—
   Mr Katter—10 minutes.
The Committee determined that consideration of this should continue on a future day.

3 Mr Katter: To present a Bill for an Act to provide for a Commissioner for Food Retailing and for various other matters in relation to market share of supermarkets, and for related purposes. (Reducing Supermarket Dominance Bill 2013) (Notice given 4 June 2013.)

Time allotted—10 minutes.

Speech time limits—

Mr Katter—10 minutes.

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

4 Mr L. D. T. Ferguson: To move:

That this House:

(1) recognises the accomplishments of 50 years of fruitful diplomatic relations between Peru and Australia, the continuing friendship between our nations and the contribution of Peruvian migrants in our nation building; and

(2) notes:

(a) the reopening of our Embassy in Lima in September 2010;

(b) our:

(i) shared democratic values in the context of a strong commitment to transparency, well-established policy credibility and good governance structure and quality of institutions; and

(ii) mutual emphasis on multilateral involvement exemplified by Peru's membership to the United Nations, World Trade Organisation (WTO), Organization of American States, Asia-Pacific Economic Cooperation (APEC), Community of Latin American and Caribbean States, Pacific Alliance and Forum for East Asia and Latin America Cooperation;

(c) the roles of Herbert Vere Evatt and former United Nations Secretary General Javier Perez de Cuellar point to our mutual activity;

(d) our similar activity on the free trade front and common membership of the Cairns Group, WTO and APEC; and

(e) the:

(i) visits to Peru by former Prime Minister Gough Whitlam in 1975 and former Prime Minister Kevin Rudd in 2008, and the visit of former President Alan Garcia Perez to Australia in 2007;

(ii) November 2011 framework to promote Bilateral Consultations and Cooperation;

(iii) presence at the 2011 census of 8,441 Peruvian born citizens in Australia and attraction of Peru to Australian visitors totalling 30,000 in 2011; and

(iv) longstanding Australian mining endeavours in Peru, the growth of Peruvian student numbers in Australia and 56 Australian companies having an office in Peru or investment in a Peruvian project. (Notice given 13 March 2013.)

Time allotted—30 minutes.

Speech time limits—

Mr L. D. T. Ferguson—10 minutes.

Next Member speaking—10 minutes.

Next 2 Members—5 minutes each.

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

5 Mr Christensen: To move:

That this House:

(1) recognises:

(a) dyslexia as a learning disability which, according to the World Federation of Neurology, is 'manifested by difficulty in learning to read despite conventional instruction, adequate intelligence and socio-cultural opportunity';

(b) the Irlen Syndrome, also known as, Scotopic Sensitivity Syndrome as a specific type of visual perceptual dyslexia; and

(c) that school students with dyslexia learn differently to their fellow students;

(2) supports the concept of compulsory teacher training to ensure educators have:
(a) an awareness of dyslexia and the impact dyslexia has on students;
(b) the ability to recognise the symptoms of dyslexia; and
(c) the ability to utilise a range of multi-sensory learning methods to engage with students with dyslexia;

(3) supports the:
   (a) concept of compulsory training of pre-service teachers in dyslexia and Irlen Syndrome as well as training in multi-sensory teaching methods for children who learn differently; and
   (b) ability of teachers to be able to inform parents directly about concerns they have of their children exhibiting symptoms of dyslexia or Irlen Syndrome;

(4) requests the Government make changes to National Assessment Program—Literacy and Numeracy (NAPLAN) to allow school students with dyslexia or Irlen Syndrome to have their NAPLAN test read to them;

(5) supports the concept of modified homework for school students with dyslexia to reflect their particular learning difficulties; and

(6) recognises that dyslexia would be a significant barrier to learning a second language and supports the ability of school students to opt out of Languages other than English classes. (Notice given 19 March 2013.)

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

Mr Christensen—10 minutes.
Next Member speaking—10 minutes.

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

The Committee determined that consideration of this should continue at a later hour.

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

PRIVATE MEMBERS’ BUSINESS

Notices - continued

5 Mr Christensen: To move:

That this House:

(1) recognises:

(a) dyslexia as a learning disability which, according to the World Federation of Neurology, is ‘manifested by difficulty in learning to read despite conventional instruction, adequate intelligence and socio-cultural opportunity’;
(b) the Irlen Syndrome, also known as, Scotopic Sensitivity Syndrome as a specific type of visual perceptual dyslexia; and
(c) that school students with dyslexia learn differently to their fellow students;

(2) supports the concept of compulsory teacher training to ensure educators have:

(a) an awareness of dyslexia and the impact dyslexia has on students;
(b) the ability to recognise the symptoms of dyslexia; and
(c) the ability to utilise a range of multi-sensory learning methods to engage with students with dyslexia;

(3) supports the:

(a) concept of compulsory training of pre-service teachers in dyslexia and Irlen Syndrome as well as training in multi-sensory teaching methods for children who learn differently; and

(b) ability of teachers to be able to inform parents directly about concerns they have of their children exhibiting symptoms of dyslexia or Irlen Syndrome;

(4) requests the Government make changes to National Assessment Program—Literacy and Numeracy (NAPLAN) to allow school students with dyslexia or Irlen Syndrome to have their NAPLAN test read to them;

(5) supports the concept of modified homework for school students with dyslexia to reflect their particular learning difficulties; and

(6) recognises that dyslexia would be a significant barrier to learning a second language and supports the ability of school students to opt out of Languages other than English classes. (Notice given 19 March 2013.)

Time allotted—40 minutes.

Speech time limits—

All Members—5 minutes each.

[Minimum number of proposed Members speaking = 8 x 5 mins]
The Committee determined that consideration of this should continue on a future day.

**6 Ms Smyth:** To move:

That this House recognises that:

1. wind energy is an important and safe source of renewable energy;
2. wind energy generation will play a crucial role in enabling Australia to meet its existing renewable energy targets;
3. bipartisan support for Australia's renewable energy targets is essential to reducing carbon emissions in Australia's electricity sector; and
4. any move to diminish or abolish the current legislated renewable energy targets would have serious and detrimental impacts on investment in renewable energy, impede Australia's ability to reduce carbon emissions by at least 5 per cent below year 2000 levels by 2020, and undermine the move to a clean energy future. (Notice given 30 May 2013.)

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

*Speech time limits—Ms Smyth—10 minutes.*

*Next Member speaking—10 minutes.*

*Other Members—5 minutes each.*

[Minimum number of proposed Members speaking = 2 x 10 + 6 x 5 mins]

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

**Private Members' Business (approx 11 am to approx 1.30 pm)**

**Notices**

**1 Dr Stone:** To move:

That this House:

1. acknowledges the economic contribution of fruit growers and workers in the local food processing industry;
2. recognises the impact and toll that the increased cost of doing business has on local food processors;
3. acknowledges the significance of iconic local food processors as key employers and contributors to regional communities;
4. supports the 'Toss a Tin in Your Trolley' campaign to encourage Australians to throw a tin of local canned produce into their shopping trolley, and urges supermarkets to promote this initiative; and
5. calls on the:
   a. Treasurer to investigate an emergency World Trade Organisation safeguard action in respect of imported canned fruit and tomato produce; and
   b. Government to undertake an immediate and comprehensive anti-dumping investigation in respect of the request from SPC Ardmona and the canned food industry. (Notice given 27 May 2013.)

**Time allotted—80 minutes.**

*Dr Stone—10 minutes.*

*Next 3 Members speaking—10 minutes each.*

*Other Members—5 minutes each.*

[Minimum number of proposed Members speaking = 4 x 10 mins + 8 x 5 mins]

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

**2 Mr Hayes:** To move:

That this House:

1. notes that:
   a. on 16 May 2013 two young activists, Nguyen Phuong Uyen, age 21, and Dinh Nguyen Kha, age 25, were sentenced to six and eight years, respectively, in jail by the People's Court of Long An province in the Socialist Republic of Vietnam;
   b. the two activists were arrested for distributing literature protesting against China's claims to the Paracel and Spratly Islands in the South China Sea; and
   c. there are credible reports from various international agencies of continuing human rights violations in Vietnam which is evidenced by the high number of house detentions and imprisonment for people engaged in activities as basic as expressing views contrary to the Vietnamese Government's position; and
2. calls on the Australian Government to:
(a) refer the matters of Nguyen Phuong Uyen and Dinh Nguyen Kha, and other issues concerning human rights in Vietnam that have been raised in the Australian Parliament, to the next round of the Australia-Vietnam Human Rights Dialogue; and

(b) continue to take appropriate steps to convey to the Vietnamese Government that Australia expects Vietnam to honour its obligations under the International Covenant on Civil and Political Rights. (Notice given 3 June 2013.)

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

Mr Hayes—10 minutes.

Next 5 Members speaking—10 minutes each.

Other Members—5 minutes each.

[Minimum number of proposed Members speaking = 6 x 10 mins + 2 x 5 mins]

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

Items for Federation Chamber (approx 6.30 pm to 9 pm)

PRIVATE MEMBERS’ BUSINESS

Orders of the day


Time allotted—30 minutes.

All Members—5 minutes each.

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

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

Notices—continued

3 Mr Billson: To move:

That this House notes that:

(1) the National Business Names register has been in operation since 28 May 2012;

(2) the Government has failed to act to fix implementation problems with the National Business Names register, which has left the privacy of home based businesses exposed;

(3) businesses have been waiting on hold for up to 45 minutes to progress to an operator when contacting the Australian Securities and Investment Commission's hotline; and

(4) a large number of people have had problems registering, renewing, paying and transferring business names since the National Business Names register started operating. (Notice given 12 March 2013.)

Time allotted—60 minutes.

Mr Billson—10 minutes.

Next Member speaking—10 minutes.

Other Members—5 minutes each.

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

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

*4 Ms Hall: To move:

That this House:

(1) notes that:

(a) Wednesday 19 June 2013 is Red Aussie Apple Day, part of the month-long national campaign throughout June to raise awareness of bowel cancer;

(b) more than 14,000 Australians will be diagnosed with bowel cancer this year;

(c) bowel cancer is Australia's second biggest killer after lung cancer, claiming the lives of 77 Australians every week; and

(d) bowel cancer is one of the most curable forms of cancer when detected early; and

(2) recognises:

(a) bowel cancer can develop without any early warning signs;

(b) if bowel cancer is detected before it has spread beyond the bowel, there is a 90 per cent chance of surviving more than five years;

(c) that regular screening every two years for people aged 50 and over can reduce the risk of dying from bowel cancer by up to 33 per cent; and

(d) more than 12,000 suspected or confirmed cancers will be detected through free screening, saving between 300 and 500 lives each year; and
(3) commends the Government for its four year commitment to provide an extra $49.7 million boost to the National Bowel Cancer Screening Program; and

(4) encourages Members to continue support efforts to raise awareness of the importance of early detection as well as the signs and symptoms of bowel cancer. (Notice given 4 June 2013.)

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

Ms Hall—10 minutes.

Next member speaking—10 minutes.

Other Members—5 minutes each.

[Minimum number of proposed Members speaking = \(2 \times 10 + 8 \times 5\) mins]

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

3. The committee recommends that the following additional item of private Members’ business listed on the notice paper be voted on:

Order of the Day—

Department of the Treasury and Department of Finance and Deregulation (Mr Oakeshott)

4. The committee determined that the following referral of a bill to a committee be made—

House Standing Committee on Education and Employment:


REASONS FOR REFERRAL/PRINCIPAL ISSUES FOR CONSIDERATION:

To ensure scrutiny of legislation associated with the Australian Education Bill.

ADJOURNMENT

The SPEAKER: Order! It being after 7 pm, I propose the question:

That the House do now adjourn.

Petitions: Dyslexia

Mr PYNE (Sturt—Manager of Opposition Business) (19:20): As shadow minister for education I firmly believe that there is no shame in a learning disability; the only shame is if it is not recognised and treated. Dyslexia is a learning disability that can hinder a person’s ability to read, write, spell and sometimes even speak and is a major challenge for many children and their parents. Dyslexia affects between three and 10 per cent of the population and can cause great difficulties for children in their early years of schooling if not diagnosed and treated properly. Dyslexia is not a sign that children are lazy or unintelligent. It is a genuine disability, and it is crucial for children who suffer from dyslexia that they receive the appropriate diagnosis, treatment and support in their school.

For parents of children with a disability choices are limited. They want what every parent wants for their child—the right to choose an education that will allow their child to reach their full potential. Currently, students with a disability can expect vastly different treatment depending on which state they live in, what type of school they go to and how their disability is classified. Proper support for children with dyslexia has not always been available. Although attitudes are changing as people come to understand the condition more, there is still much work to be done. We need to ensure that all Australian children with dyslexia get the support they need. It is imperative that dyslexia is recognised for what it is—a disability.

I have been working with Specific Learning Difficulties SA, SPELD, from my electorate of Sturt to raise awareness of this by asking the parliament to formally recognise dyslexia as a disability and to provide funding to ensure that students with dyslexia receive high-quality intervention as soon as diagnosis has been confirmed. Funding to meet the particular needs of students with dyslexia should be regarded as a basic entitlement for that child and should therefore be portable. I am also calling for
the use of modified curricula and instruction, appropriate assistive technology and extra time for learning as students with dyslexia progress through school.

Recently I presented over 10,000 signatures on petitions advocating for the recognition of dyslexia as a disability to the Standing Committee on Petitions. The petition asks the House of Representatives to endorse the use of modified curricula and instruction, appropriate assistive technology and extra time for learning as students with dyslexia progress through school. I am pleased to present to the parliament the signed petition and ask that it is tabled at the end of my contribution.

I would like to use this forum to acknowledge the hard work of Angela Weeks and her team at SPELD SA. This was a tremendous community effort by all involved and I am extremely proud of everyone who signed this petition and circulated it. Recognition of dyslexia as a genuine disability and the provision of appropriate support will ensure that students with dyslexia are no longer discriminated against by our education systems.

On a personal note, can I say that my father, who was an ophthalmologist, was the first vice-president of SPELD in South Australia in the early 1970s and was known for his work in trying to break ground in using assistance through ophthalmology through optometry for children with dyslexia. He was acknowledged for his work by being named Father of the Year in South Australia in 1975 for his work with children with dyslexia. I table the petitions.

The petitions read as follows—

To the honourable speaker and members of the House of Representatives:

This petition draws to the attention of the House concerns about the lack of recognition given to students with dyslexia in Australia.

Education systems and schools need to accept the clinical diagnosis of dyslexia and recognise that diagnosis indicates a genuine learning disability. We therefore ask the House to recognise dyslexia as a disability and to provide funding to ensure that students with dyslexia receive high-quality intervention as soon as diagnosis has been confirmed.

This petition asks the House to endorse the use of modified curricula and instruction, appropriate assistive technology, and extra time for learning as students with dyslexia progress through school. So that high-stakes tests and examinations assess ability and not disability, it is essential that students with dyslexia be offered access to accommodations, additional time, and the use of a computer.

Recognition of dyslexia as a genuine disability and the provision of appropriate support will ensure that students with dyslexia are no longer discriminated against by our education systems.

from 8,647 and 641 citizens.

Petitions received.

Higher Education

Mr MURPHY (Reid) (19:24): Since the 1990s there have been many steps taken to develop the Australian private higher education system so that private institutions can compete with the long-established public universities. Private and public providers became subject to Australian Universities Quality Agency audits from the commencement of that organisation and students enrolled at a private higher education provider have been given access to FEE-HELP. Private providers can become self-accrediting institutions like universities, and more recently both private and public providers have been regulated by the Tertiary Education Quality Standards Agency. According to the Council of Private Higher Education, this has resulted in about eight to nine per cent of total enrolment in higher education being in the private sector. Education is now the third largest earner,
second behind mining exports, for Australia, and private providers have played their part in this.

The name 'university' is a protected name. The Bradley report sets out ways that private providers could aspire to university status. Thus far only one institution—the former Melbourne College of Divinity—has been able to achieve that goal, despite enthusiasm in some quarters for the so-called 'teaching universities'. Academics in Australia have always associated quality universities with substantial research performance, a factor recognised in the Bradley report.

The problem for all private higher education providers at the moment is that, apart from the distant goal of university status of some type, there is no immediate reward or incentive for developing the research capacity which is the recognised mark of any quality higher education institution. Put another way: there is very little that distinguishes the best private providers from those that barely meet registration and accreditation standards. The current system is good at setting minimum standards for private higher education, but provides little to encourage excellence.

One obvious way to encourage excellence is to reward research performance—not by an entitlement to more funds but by opening competition for research funds to those private institutions that have been judged capable of offering research higher degrees. These institutions have been judged to have the research capability in the fields in which they offer these degrees. Not surprisingly, the public universities have resisted such competition from the private sector institutions, but it is difficult to see anything other than self-interest motivating this opposition if it is a competition based on excellence. One would hope that competition from private providers might further lift research performance across the whole sector.

Let us now turn to the experience of the Australian College of Theology. The ACT is the largest provider of theology graduates in Australia. The college has 1,450 equivalent full-time students or around 3,300 students spread across 18 affiliated colleges throughout Australia. Of these students, 3.5 per cent, or around 88 students, are enrolled in higher degrees by research. Sixty are enrolled in doctoral degrees. These students receive no research scholarships to pay fees or stipends. That is outrageous.

If these same students went to a public university or one of the few private universities with access to the Research Training Scheme they would likely have their fees paid. The cost of funding these students would be minimal, less than $1 million annually, even if all were enrolled full time. The ACT has been assessed twice by AUQA, both with exemplary outcomes, and has been granted the right to accredit its own courses by an accreditation panel of the New South Wales Department of Education, and that status is recognised by TEQSA.

Access to research funding has been raised with the former Minister for Tertiary Education, Skills, Science and Research, Senator Chris Evans. He praised the efforts of the ACT but declined to provide access to table B of the Higher Education Support Act 2003, which would have given qualified ACT students the chance to compete for research funds. In other words, the ACT has hit a brick wall in its efforts to improve its own quality.

As a private, fee-paying institution the ACT simply cannot compete with the government provided financial assistance for research available to research degree students enrolled in those institutions listed in table B of the HESA. The ACT does not

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necessarily need to be listed on table B of the HESA, but it needs some way that it can compete on an even playing field with other institutions that are self-accrediting and are deemed capable of offering higher degrees by research. I believe such an opportunity for research students in the ACT should be available to all research degree students in private higher education institutions.

Casey Electorate

Mr TONY SMITH (Casey) (19:29): As this parliament nears its end, I rise to give what will surely be my final adjournment speech before the coming election. I would like to take this opportunity to talk about the electorate I am so honoured to represent in this House of Representatives—the electorate of Casey; to talk about what it is, what it could be and what it should be.

Casey encompasses around 2,500 square kilometres, ranging from the outer eastern suburbs of Melbourne through the bulk of the Yarra Valley: from Steels Creek and Dixons Creek, Healesville and Yarra Glen in the north to Mount Dandenong, Kalorama, Olinda, Monbulk and The Patch in the south; from the edge of Croydon through Mooroolbark, Bayswater North, Kilsyth, Monbulk and Lilydale and out eastwards along the Warburton Highway beyond the historic town after which that road is named.

The Casey electorate is quintessential middle Australia that includes suburban neighbourhoods and country towns. It is a part of the country where the combination of aspiration and perspiration has produced a determination to build a better life. Much of the region was settled more than a century ago by pioneers who sought nothing more than an opportunity to determine their own fate and their own future. They tilled the fields and built homes and businesses—people like the Chapmans, who founded Chappies fruits, or the Flemings, who established Flemings Nurseries.

As the descendants of that first generation have dedicated themselves to building upon the legacy of their founders, they have been joined by successive waves of newer arrivals from other parts of Australia and the world. But whether they were born there or moved there, all have seen our local community as a place of optimism and opportunity. While some commute to work elsewhere, others find employment with the wide diversity of local business enterprises that range from furniture manufacturing right through to food manufacturing. There are orchards, nurseries, flower farms, vineyards, timber, tourism, light manufacturing and engineering industries, to name just a few. And there are many, many small business owners who work the long hours required to turn vision and ambition into entrepreneurial success. The local quality of life has also been enriched by a vibrant tapestry of local communities, where local volunteers do so much, for so many, so often.

It saddens me to report that the people I represent in this House are now hurting in increasing numbers, their futures handicapped, limited and handcuffed by the incompetent policies of the most inept federal Labor government in recent memory. Many are struggling under the burden of Labor's carbon tax that they were promised they would never have. The small business owners amongst them are being drowned by Labor's high taxes and strangled by excess red tape churned out by a Labor regulatory state on steroids. They have watched a massive level of debt run up in their name by Labor's high taxes and strangled by excess red tape churned out by a Labor regulatory state on steroids. They have watched a massive level of debt run up in their name by a Labor government that is stealing from their future. They have watched as gross debt heads to $290 billion this December. First-time voters and young families know that Labor's debt is not free: it costs $12 or $13 billion every year in interest—and that is...
before the principal has even begun to be repaid. They know that any more of Labor after 14 September will only mean more debt and intergenerational theft.

There is a better way: the coalition way that offers hope, reward and opportunity by ensuring government lives within its means instead of racking up charge after charge on the national credit card; a way that restores confidence in the competence of Canberra. If the coalition is fortunate enough to win the upcoming federal election, our first order of business in the new parliament will be to repeal Labor's job-destroying carbon tax. We will also enhance local control of schools and hospitals because we recognise local communities have a better sense of local priorities than far distant bureaucrats. And we will restore the same integrity to Australia's border protection through the tried and true policies that worked well under the Howard government.

The 14th of September will mark a major fork in the road. The Labor road will head to continued failure, continued cons and continued chaos. The coalition road will lead to stronger communities, a strong and prosperous economy and a safe and secure Australia. (Time expired)

National Security

Mr SLIPPER (Fisher) (19:34): A number of honourable members and some members of the media might well be wondering why I chose to abstain from the vote this afternoon on the motion moved by the honourable member for Denison to suspend standing orders and seek an inquiry by the Parliamentary Joint Committee on Intelligence and Security, with which I must say I had quite a lot of sympathy because no-one in this country supports terrorism and no-one would support the lack of inquiry into a circumstance relating to the detention of a convicted Egyptian jihadist terrorist and how, indeed, that person was detained. As Speaker, however, I was always of the view that the standing orders of this place ought to be respected, and there are very many opportunities in our parliament for members such as the honourable member for Denison to raise issues which are of importance to this nation.

For instance, we have private members' bills, private members' motions, the adjournment debate in either this chamber or the Federation Chamber, the grievance debate, questions without notice to ministers, questions in writing to ministers, petitions, committee and delegation business, private members' business—bills and motions—and 90-second statements. In the Federation Chamber, time is allocated for three-minute constituency statements, committee and delegation business, private members' business, petitions, members' statements, the adjournment debate, the budget debate and the address-in-reply. But for this parliament to operate as it should, when I was Speaker—like, no doubt, most of my predecessors—I sought to enforce the standing orders and make sure that, while standing orders were in place, those standing orders were observed.

Despite my sympathy for the motion sought to be moved by the honourable member for Denison, it is important to recognise that the standing orders establishing the Parliamentary Joint Committee on Intelligence and Security outline its responsibilities in dealing with matters of principle and administration and the listing of prohibited terrorist organisations. The PJCIS is explicitly barred from considering operational matters such as how, why, when, and who knew this alleged Egyptian terrorist was kept in a lower security detention from November 2012 to April 2013.
Unfortunately, this contrasts with Britain's Parliamentary Intelligence Committee and the Senate and House Intelligence Committees of the US congress. The correct procedure for this parliament would have been to have moved in a debate to change the standing orders under which the PJCIS operates and if the parliament had, after mature discussion, fully considered the implications of this and had voted to change the standing order, then I would have been the first person in this parliament to stand up and support the motion outlined by the honourable member for Denison.

It would be quite proper for the PJCIS to discuss the inquiry being undertaken by the independent Inspector General of Intelligence and Security once she had made a detailed report to government. IGIS, like ASIO and other security services, reports on matters of principle and administration to the intelligence committee. So, while I greatly admire the stand taken by the honourable member for Denison, I believe that it is incumbent on all of us not simply to take positions of, shall we say, political advantage. We should not be taking the opportunity to take pot shots at one another. I think that it is entirely inappropriate for the parliament to carry a motion to suspend standing orders when in fact, had that motion been carried, we would have been breaching the standing orders of the House of Representatives itself.

We are a parliament which operates by rules. We change those rules from time to time. It is within the ability and capacity of us as members of the House of Representatives to change the standing orders whenever we collectively believe they should be changed. However, the motion moved by the honourable member for Denison, while well-intentioned, was not within the standing orders. I was approached by the opposition, by the government and by a member of the crossbench to participate in that vote but the concern I had was that, had I supported that vote in parliament, which was my intention, I would have been breaching the standing orders of the House of Representatives, and that would not be appropriate. (Time expired)

McMillan Electorate: Infrastructure

Mr BROADBENT (McMillan) (19:39):
This may be the only opportunity I have in an adjournment debate before the election campaign as well. I want to put to you and this House my dream, for my beautiful electorate of McMillan, of what we would have if we had the money. Clearly, we do not have the money. The first thing I would like is a brand new hospital in the West Gippsland region. It will only cost $230 million. The state government will not have the money and the only way it can ever be done is by a coalition government that has money in the bank to do some major projects. We can put $20 million per year into this ageing facility and perhaps rebuild it over a long length of time, but we will still have an old facility—done up. We need to have, in clear sight, a brand new hospital and that is what the people of West Gippsland are asking for. And it would be for the surrounding districts as well, because it would draw from Pakenham all the way through the Latrobe Valley down to the new West Gippsland hospital.

There is the Port Welshpool Long Jetty, a historic tourism facility. We promised during the last two election campaigns that if we were elected we would rebuild the long jetty—$3 million to $5 million—because it is such an important material asset to the community. It would mean that the school progresses, business progresses and the pub progresses, and it would mean disability access for fishing—and I could go on. It
ticks every box for a community that needs rebuilding.

You would want to look at bypasses for Korumburra. We would want to look at a soccer stadium and complex for Pakenham, and a new facility in Moe-Newborough for our 'keenagers'. Who are our keenagers? Keenagers are older people who play table tennis. They would normally be sitting at home twiddling their thumbs or watching daytime television. But, no, they are out there playing table tennis. They need a $1 million addition to the Moe-Newborough complex to make a difference to their lives so they are not setting tables up and down every time they go in.

The other thing that has come to my attention is that we need more respite care. It can be aged care, but quite often it is needed for people with diseases that do have an effect on people—those who are still suffering from the effects of polio as a younger person, or Parkinson's disease sufferers and so on—where our great heroes, our most magnificent carers in our community, just need a break. We are going to need more money for those people that need a break but, sadly, the money is not there.

We need duplication of roads, but especially the rebuilding of local roads. We had the drought and then we had the rain and then we had more rain, and the roads have broken up. We have had landslips all over my electorate and those landslips can cost as much as $1 million to fix. There go the roads that were going to be fixed with that $1 million!

The sad part is that because this government has gone into a budget emergency there is no money there to promise. Otherwise we would be promising other people's money; we would be promising borrowed funds, and that is not the coalition way.

So here am I standing with all these desperate needs for my electorate of McMillan and we cannot promise to rectify one of them. You may think that it is a big dream for a West Gippsland hospital—well, I am a big dreamer for a brand new West Gippsland hospital. I am a big dreamer for the rebuilding of the long jetty. And I will continue as the member for McMillan to work towards these important projects. I will not give up just because they are a dream. I believe in this country. I believe in the wealth of this country and the ingenuity and strength of the people. I believe that one day under a coalition government we will turn the corner. We will pay off the debt. We will get our economy in order as every household has to do, the same as this country has to do. One day my great dream is that I will stand up—and perhaps you will still be in this place—and I will say, 'Tick for the West Gippsland hospital; tick for the Port Welshpool Long Jetty; tick for a Korumburra and Leongatha bypass; tick for a soccer stadium for Pakenham; tick for a new centre for Moe-Newborough for keenagers; tick for further respite care for aged care and people with disabilities such as Parkinson's and those suffering from polio; and a big tick for a whole lot of money to be poured into the infrastructure for our local roads right across my electorate of McMillan.'

Calwell Electorate
Petition: Cost of Living

Ms VAMVAKINOU (Calwell) (19:44): Tonight I would like to share with the House some recent events that have taken place in my electorate and also table a petition from
the Northern Turkish Women's Association in Meadow Heights.

I was pleased to visit the wonderful Greenvale Primary School during Education Week in May. I was invited there by the school, which had recently sent some of their students on a leadership Kidsview Conference at Coolaroo Primary School in my electorate. The school was very keen for me to visit them, because this was part of a follow-up to the conference. They wanted to hear from me about the federal government's role and contribution, and its overseas aid and development program.

The Kidsview Conference was run by the Bahay Tuluyan Philippines Australia Volunteer Group, which advocates for the rights of children and those in need of special care. The name Bahay Tuluyan means 'house of welcome'. It is an organisation that believes in the power of all children to create change. The BT conference encouraged students to discuss the global distribution of wealth, the impact of poverty, education and life opportunities, and basically it encouraged students to think about how they could act on making a difference on these issues.

The kids also got the opportunity to hear from young people who had grown up in extreme poverty and who had managed to go on and become role models and community leaders in their own communities. The BT conference allowed students an opportunity to have a glimpse into how different their lives could have been had they been born, in this case, in the Philippines instead of Australia. During my visit students shared with me what they had learnt and many of them explained how it had moved, inspired and indeed motivated them.

I was pleased to share with the students that the government has increased Australia's Official Development Assistance to a record $5.7 billion in 2013-14 budget. I was also pleased to tell students that over the next four years the government will target malnutrition among women and children in the Asia-Pacific region, lift universal education by supporting an additional 1.2 million children to go to school, and also increase access to maternal and child health services for a further 900,000 women.

The students said to me that the conference had been for many of them a life-changing experience and they came away with a greater appreciation of their own lives, as they were able to reflect on how lucky they were to access education, running water, electricity and also have the warmth and shelter of their homes. That was a very rewarding experience for myself and the kids.

I also want to inform the House about a recent visit to the very wonderful Brite Industries in my electorate. I visited them to announce funding that they received from the federal government's Local Solutions Fund. They received $82,000 in funding which will help Brite Industries develop a project which will provide a local hands-on, supported learning environment for people with disability and those that are vocationally disadvantaged. The initiative will facilitate the pathway for pre-accreditation to accredited training and provide opportunities for participants to undertake qualifications in Certificate I in AgriFood Operations and Certificate II in Horticulture. Anticipated outcomes of that the program will include providing opportunities for people to learn, work and participate socially and economically in their local community; and create a social enterprise which will be self-sustaining and give Broadmeadows the opportunity to provide organic herbs for the local community.
In closing, I would like to table a petition from the Northern Turkish Women's Association in Meadow Heights. This is a wonderful group of women who have been collecting signatures petitioning the government on a range of issues. In November I tabled the first part of this ongoing petition of 1,429 signatures. Today I table the following, comprising 212 signatures. I inform that House that the petition was considered at a recent meeting of the Standing Committee on Petitions and certified as being in accordance with standing orders.

The petition read as follows—
To the Honourable The Speaker and Members of the House of Representatives

This petition of the undersigned residents of Australia draws the attention of the House to issues affecting the daily cost of living for families, the living standards of pensioners and carers, as well as the accessibility of medical services. We feel we have spent our entire working lives in Australia and should be permitted to receive our pensions in manner that does not restrict our freedom to move.

We feel the rising cost of electricity, gas, water, rates and groceries, as well as the price of fresh fruit and vegetables, have become unaffordable. In addition to almost paying double for amenities, we feel the Government needs to examine the manner billing rates are determined and charged. We feel the Government should encourage farming by providing incentives to make it financially viable. We have also noted in our respective communities a concerning increase in waiting periods for necessary medical procedures in the public health system.

We therefore ask the House to request the Government to:

1. Reassess the criteria of awarding aged care and disability pensions for Australians who wish to visit families overseas for a period longer than six weeks.

2. Examine the rising cost of amenities and groceries.

3. Examine the factors contributing to the time residents wait for medical procedures in the public health sector.

from 212 citizens

Petition received.

Government Policies

Mr ALEXANDER (Bennelong) (19:49):

A great champion is one who can turn adversity into triumph. There will be 1,200 highly skilled workers out of work at Ford, which announced that it was ceasing production in Australia after 93 years—a major adversity. Come in spinner: a triumphant announcement was made of relief packages and then the operational headquarters of the NDIS coming to a Ford factory near you! A champion of spin, but no champion—no Shane Warne. There will be no more Falcons, which were the most reliable and durable taxi—the family car; the fastest four-door car in the world and a legendary race car. No more.

In Bennelong over the last 5½ years of Labor government thousands of workers have lost their jobs. According to the most recent ABS data, over 3,000 small businesses in Bennelong have closed their doors each year under this government. These small business people were suffering from escalating energy costs and unfair competition practices by the big players and then finally succumbed to the most difficult trading times of their lives. They were promised Grocery Watch, but what they got was a great big tax—more regulation and more broken promises. Federal policy hits Bennelong.

There are 14 multinational pharmaceutical companies operating in Bennelong—big businesses that invest big money in the creation of life-saving drugs. They are companies crucial to the nation's health. They need certainty. They need to be able to trust a government that they enter into
agreements with, like the MOU that confirmed that the PBAC process would be honoured in regard to approval of new drugs to be listed on the PBS. When, at the first hurdle, this did not eventuate, the response around this global industry was that Australia is a country of sovereign risk.

There has been a loss of confidence; there have been cutbacks and job losses. Federal policy hits Bennelong. Now those opposite promise Gonski. The timing is marvellous! This big-spending plan of investment in education at the very moment that they promise to rein in spending because we are facing economic peril and national debt projected to exceed $290 billion before the year is out—ramming through the House 71 pages of amendments to a nine-page bill, with no notice, and allowing only 90 minutes of debate, showing that this government prefers to turn this important issue into a political football rather than engage in genuine debate. Even those with the shortest of memories will remember their last investment in education, the BER. In Bennelong alone there were 15 school halls built that never taught one child one thing but had an average cost to taxpayers of over $2 million per building—federal policy hits Bennelong again.

Then there is border protection, a policy that worked but is now sunk with, in its place, boats arriving in ever greater numbers. This may at times seem a distant problem other than for the small item of a cost blow-out of some $6 billion. Concerns raised by Bennelong residents that asylum seekers were being housed inappropriately at Macquarie University, side-by-side with female international students, were dismissed. Now one of these Red Cross clients is waiting in custody on charges of sexual assault on one of those students—federal policy hits Bennelong again. There will be no carbon tax under the government I lead' was said, but there is a carbon tax and it hits everything. Even our local pool has seen its costs go up and up—more broken promises, and federal policy hits Bennelong again.

In Bennelong, whether you are trying to survive as a small business operator or desperately wanting to keep your job, if you want your child to get the best education for the money that is available, if you are a multinational pharmaceutical company, if you are a university wanting to attract foreign students, or if you simply want to take a swim this all-encompassing array of policies so hastily dreamt up and wastefully implemented hits everyone in Bennelong. Federal policy hits Bennelong again and again. There is no spin for Bennelong, just hard facts. This government has not missed us once over the past five years and, when you are gone, we will not miss you.

Robertson Electorate: Telework

Ms O'NEILL (Robertson) (19:54): Bennelong sounds like a very miserable place to be. I have a whole different story to tell. It is almost like it is another country when you head north up the F3 and you get to the seat of Robertson, where innovation and job creation are on target and we are obviously responding very much to the capacity of our NBN to change things.

Recently, in the week beginning Monday 20 May, we celebrated a week of teleworking. Teleworking really is about enabling people who live on the Central Coast and travel through the region to use a smart hub facility on the coast. These smart working spaces were created by Wyong Race Club and the Central Coast Leagues Club. I want to pay tribute to the leadership of both those institutions on the coast for providing a space in which some of our commuters, who were able to convince their employers to give them teleworking for a
week, were able to spend a week of doing their work from the Central Coast Leagues Club or the Wyong Race Club.

This was a very important campaign to allow people to consider what would happen if they were actually able to get off the train or the F3 for four hours a day—because a trip to Sydney and back is two hours each way. This wonderful week was made possible by the leadership of the team at the Regional Development Australia Central Coast. I pay tribute to them, a great team of people who are really driving innovation and improved life outcomes for people on the coast. I am delighted to say I was able to provide some support in terms of funding for this event as well.

We have 45,000 Central Coast commuters leaving the region each day and a telework hub is a very different alternative to just being able to work at home, especially on the back of having the NBN rolled out, turned on and about to go live in Gosford. The Central Coast Leagues Club, as a result of the success of this day, are thinking about whether this could be another way they could diversify their business and be able to provide parking for commuters who would come in from the Central Coast itself, with a shorter drive of 20 or 30 minutes perhaps, and be able to go to a dedicated work space where they could plug in and do their work.

We hoped to gain some insights from this experiment and we certainly did that. I am pleased to say that the University of Newcastle has a research team gathering data from this event and analysing it as it moves forward. I would like to acknowledge also the participation and leadership shown with regard to innovation on the coast by Gosford Council and particularly the leadership of the new general manager Paul Anderson, Colleen Worthy Jennings and our mayor, Laurie McKinna, who are very supportive of these sorts of events.

In the time that remains I would like to put on the record that a number of people had a very significant role in enabling this. Anthony Penny was an assistant who made sure everything worked on the occasion. He made sure all of the things connected so that people could get on and do their job. There was Jake Uren. Samantha Babcock from Innov8Central looked at how organising teams and innovation through this sort of model might be possible. Eddie Bernard, who is the business development manager with New South Wales Trade and Investment, was very active in this space. Kevin Bryan really was the poster boy for this event. He works with TAFE—and this was a significant part of TAFE’s contribution—providing his skills and his time to help manage the event and get all of the information out into our communities so that we were able to get a broad range of people to participate in the telecommuting. Helen Polkinghorne is doing a wonderful job looking at how we can enhance learning and life experiences for people on the coast, particularly in this area. Brooke Simmons looked after the media communications and Greg Combes worked on social inclusion elements of the project. Mark Wigley was the project development manager from Regional Development Australia. He really helped us with raising the profile more broadly. There was great leadership by Graham Baker who is the innovations regions facilitator of Enterprise Connect and I do not think anybody in our electorate has worked harder on developing this vision of the coast. The teleworking project is one of 10 cluster groups that have been identified with the innovation plan for the Central Coast. Obviously with our 45,000 commuters the capacity to telework, improve productivity, and improve life work balance,
the system was well tested and proved to be a great asset.

Organ Donation

Mr McCormack (Riverina) (19:59):
At the National Party's federal council in Canberra on Saturday a motion was passed that organ donation laws be changed from requiring written approval via organ donation registration to an opt-out system following, and complemented by, a strong community wide education campaign. The mover of this motion was Dominic Hopkinson of the Wagga Wagga Young Nationals. As the New South Wales chairman, Niall Blair MLC, said this has started the conversation. In 2012, 354 organ donors gave 1,052 Australians a new chance at life. There are currently 1,600 people in Australia requiring an organ transplant. Do not take your organs to heaven because heaven knows we need them here: that was the message spelled out loud and clear. Even though I realise there will be cultural, religious and ethical issues, it was a good motion and a very good debate. I am pleased that it passed because certainly we need more organs donated for those people here who need them and particularly in rural and regional areas.

The Deputy Speaker: Order! It being 8 pm, the debate is interrupted.

House adjourned at 20:00

NOTICES

The following notice was given:

Mr O'Conner: To present a Bill for an Act to amend the Migration Act 1958, and for related purposes.
The DEPUTY SPEAKER (Mr Georganas) took the chair at 09:30.

CONSTITUENCY STATEMENTS

Casey Electorate: Cancer Council Morning Tea

Mr TONY SMITH (Casey) (09:30): On Thursday, 23 May I had the pleasure of attending two Biggest Morning Teas, where dedicated members of the local community in the electorate of Casey raised money for the Cancer Council. The first was at Arrabri Community House, in Bayswater North, where Jackie Warren and the team from the house worked very hard selling tickets as well as cookbooks from the centre. The guests there included David Watt, the senior manager of the Mount Evelyn Community Bank; Councillor Tony Dib; and former councillor and mayor Peter Gurr.

Later in the morning I attended the Biggest Morning Tea in Mount Evelyn, which has grown steadily in the last two years. They raised a little over $4,000. That takes their total fundraising for the Cancer Council to a little over $10,000 over the past three years. They not only raised lots of money on the day; they also did so by holding two sausage sizzles on the Saturdays leading up to the morning tea on Thursday. I want to pay tribute to the fundraising team at Mount Evelyn: Kathie Freeman from the Mount Evelyn Chamber of Commerce; Meaghan Hicks and Garrick Hicks from the Functional Beverage Co and Yarra Valley Tea Company; Leanne Vaytauer, the branch manager at the Mount Evelyn Community Bank; and Glen Booth and hospitality students from Ranges TEC, who baked over 400 scones and came along on the day to serve Devonshire teas.

There were many local businesses who not only supported the morning teas on the day but donated many prizes for the raffle. There are too many to list but I would like to say once again in this House what a great job they do for their local community. This was another sign of the strong community spirit in Mount Evelyn. I pay tribute to the organisers and everyone who was involved at both morning teas in Bayswater North and Mount Evelyn.

Creative Young Stars Program

Mr DANBY (Melbourne Ports—Parliamentary Secretary for the Arts) (09:33): When recently inducting the great Australian trumpeter James Morrison into the Hall of Fame at the Jazz Bell Awards I was told something extraordinary by him: that weekend he had 3,500 young Australians gathering in Mt Gambier in South Australia to participate in training with Australia's leading jazz musicians. That says a lot about the yearning for creativity amongst young people in this country. The dynamism, imagination, enthusiasm and vision of people impresses anyone who works with the Australian arts sector. This includes Australia's visual artists, writers, classical jazz and contemporary musicians, film, theatre and circus people as well as the dedicated arts administrators.

This budget has delivered excellently for the arts, especially for young people. In particular, I am pleased that $8 million has been provided in the budget for the Creative Young Stars Program. This program is part of the National Cultural Policy for a Creative Australia. It encourages young people up to 25 years old, with funding available in every federal electorate. I hope all the members sitting here are listening. A similar program exists to encourage young sports people, so I am delighted that this will be replicated in the area of
the arts. We understand that many young gifted people are unable to take advantage of opportunities to pursue their interests in art and culture because they simply do not have the money. This can be the case in particular in Indigenous, non-English-speaking and low-income communities.

The Creative Young Stars Program will help young Australians develop their talents, participate in events such as eisteddfods, public speaking contests and all types of competitions cultural, artistic and academic. Participation is an investment in the future that will help develop their talents, build professional connections and open up pathways to future employment.

Grants of $500 for eligible individuals and $3,000 for eligible groups are now available. Each federal electorate will have 23 grants of $500 for individuals and four grants of $3,000 for groups to be awarded over two application rounds each financial year. Grants will be made by the federal member acting on the advice of an expert local committee. In round 1, the program will deliver grants to 12 individuals and two groups in each of the 150 electorates across Australia. Applications close on 21 June 2013.

I am proud the Australian government is able to make this practical investment to ensure more young Australians get the chance to reach their potential and make an even greater contribution to Australia in the creative fields. I encourage honourable members to take part in this program, to publicise it in their electorates and encourage young people from across Australia to apply for these grants.

James Morrison was inspiring, and the fact that 3½ thousand young people wanted to come from across Australia to get themselves into big bands or to learn jazz music is an indication, in many cultural areas, of where young people's motivation lies. We should encourage them and we will be via this Creative Young Stars Program.

Mr HAWKE (Mitchell) (09:38): I rise to speak on a matter of great concern regarding a rapper by the name of Tyler, The Creator who is due to perform in Australia to concerts of all age groups in Sydney, Perth, Melbourne and Brisbane in coming weeks. The grave concern I have is that this so-called 'art' promotes extreme violence against women, including murder, rape, genital mutilation and many other vile misogynist lyrics. Allowing this man a visa to promote this misogyny to audiences, including children, is a complete disgrace and an insult to all of us, and to women in particular. Australia must be clear that we have a zero tolerance for these extreme acts of violence, and the government and the minister have power to take action against this sort of intolerance and those encouraging the dehumanisation of women.

I want to congratulate the groups Collective Shout, news.com, the Herald Sun and the Courier Mail who have raised this issue of the granting of a visa to a man who promotes extreme violence as entertainment. My view is that Tyler, The Creator should not be provided with a platform to promote hatred against women and rape as acceptable.

The Minister for Immigration and Citizenship, Brendan O'Connor, has the authority to refuse or cancel a visa under the grounds of a failure of the character test under section 501 of the Migration Act 1958. This character test was formed to protect Australians, including our children, from people like Tyler, The Creator. It is my view that children should not be subjected to this sort of vile misogyny in lyrics or in the form of music and the vilification of
women in our country. I note that in New Zealand a ban was imposed on the same artist by the Big Day Out for homophobic lyrics, forcing him to seek his own concerts. Any examination of the lyrics of this rapper clearly reveal their misogynistic character and the promotion of violence against women, yet Tyler, The Creator has managed to have a visa granted in this country.

I also want to note that on 9 October 2012 in the House of Representatives the Prime Minister said that she would call out misogyny whenever she saw it—we are were all there. Prime Minister, I urge you and the Minister for Immigration and Citizenship to seriously reconsider and review the visa granted to Tyler, The Creator under section 501—the character assessment test. All of us in his House should stop the spread of this vile message against women.

Budgewoi Beach Student Care Project

Ms HALL (Shortland) (09:38): On Sunday I visited the Budgewoi Beach Student Care Project at Budgewoi in my electorate. They were celebrating their 18th birthday. It really brought home to me the wonderful work that they have done. I have visited this project and been with the workers there on many occasions over a number of years. I have seen how they have revegetated the dunes all the way from the roundabout at Budgewoi right down to Lakes Surf Club.

They are working in conjunction with a number of other groups, sharing their expertise and leading to further work being done all the way to Norah Head lighthouse. It is fantastic to know that we have people with this level of skill and a commitment to this project. There are people who have been involved in it for the whole 18 years that it has been running. I pay special credit to Phil Heaton. He is the coordinator—the driving force. I think it is worthwhile to look at the support that they have had over the years. They have had four federal grants, totalling over $110,000. They have had grants from the Central Coast Hunter Region Catchment Management Authority totalling $50,000. Volunteers on the ground have contributed 53,000 man hours, which equates to $1,000,590 in dollar terms. There are 750 metres of boardwalk and beach access, at a cost of $150,000. A corporate sponsorship and in-kind contribution of $80,000 has been made. I must mention Delta Electricity, who always got behind community groups in Shortland electorate and on the Central Coast. There has also been the propagation and planting of 60,000 endemic plants, totalling $120,000. Wyong Council has provided support over the years, making a contribution of $160,000. All this has been done over an 18-year period.

The site covers 29.5 hectares of coastal land, including several ecologically endangered communities that are being restored and maintained. All tiers of education have been involved and have supported numerous projects over this 18-year period. The vision and aim of the group are to encourage involvement of the community in the restoration of the natural environment. Congratulations, Budgewoi Beach Dunecare. You do a fantastic job and I appreciate your work, as does the community. (Time expired)

Broadband

Mr HARTSUYKER (Cowper) (09:41): I rise in the chamber to alert the House to the fact that the NBN asbestos contamination problem has made an appearance in Coffs Harbour, and that is not to be unexpected, given that it seems to be following the rollout. The matter is
raised in today's *Coffs Coast Advocate* in an article entitled 'NBN unearths public fears'. It is of great concern to the people of Coffs Harbour. Whilst our response to these matters must always be measured, it is certainly of concern that shoddy workmanship has already been seen around Coffs Harbour. I have photographs here that provide quite graphic evidence of the project's shoddy workmanship. This may well now be transferring itself into the handling of asbestos, which is of very great concern.

Also of concern for the people of Coffs Harbour and the nation more widely is the fact that the statements of the CEO of NBN Co., Mike Quigley, cannot be relied upon. He has made an art form of deceiving and misleading the parliamentary committee which has oversight of the NBN. At recently as 19 April, Mr Quigley was questioned on the issue of asbestos. A member of the coalition asked him what his views were on the issue and he said, 'I would not say it is a big issue.' The real concern for the people of Coffs Harbour is not only the shoddy workmanship and the problems of potential asbestos contamination; there is a real issue here of the reliability people can have on the statements made by the CEO of NBN Co. and on NBN Co. itself.

We have a potentially very difficult situation. Unfortunately, it appears that a rerun of the pink batts debacle is starting to unfold before us. We have a CEO who has has said as recently as a couple of months ago that this is not a big issue. That is clearly a deceptive statement and it is just one of many that have been made to the parliamentary committee. People should be able to rely on the CEO of a major government agency to be truthful and honest, particularly on an issue as important as asbestos.

The *Coffs Coast Advocate* has quite rightly highlighted a problem which should not have occurred. This should have been dealt with properly. Instead, we have a pit that is fenced off with some tape around it. It is of concern to the people of Coffs Harbour. *(Time expired)*

**Royal Hobart Hospital**

Mr WILKIE (Denison) (09:44): I rise to express my great disappointment with the ongoing delays plaguing the Royal Hobart Hospital redevelopment. The state government has made deep cuts to Tasmania's struggling public health system, with often dire consequences. Front-line staff have been fired, wards shut have been down and waiting lists remain shockingly long. That is why the $340 million towards the rebuild I negotiated after the 2010 federal election and the $325 million cash injection I secured for the health system more broadly are so crucial. Without these funds, Tasmania's public health system would indeed be in complete crisis. That is why the continuing delay in the hospital redevelopment is so hard to stomach. Yes, the hospital redevelopment is a big and complicated project, and, yes, it will take time to put it together properly and some delay is understandable. But the extent of the delay—18 months according to the original proposal to the Health and Hospitals Fund—is proof that state government is not doing everything in its power to get this job done as quickly as possible.

A crucial dimension of the hospital redevelopment is the jobs that it will generate. This is one of the most significant infrastructure projects in Tasmania's history and it will provide a significant stimulus to the local economy, especially in the construction sector, which is winding up other projects and is desperate to move workers to new work. It is not just the construction sector in for stimulus, because the hospital redevelopment and cash injection for Tasmanian health will employ many clinicians and health researchers, a boost all the more
important considering the federal government's tertiary education cuts will cost 150 jobs at the University of Tasmania.

I simply cannot fathom the news this week that the Tasmanian government's latest budget shows that $114 million earmarked for the hospital redevelopment this year will not be spent, when the project is of such importance and when so much time has already passed since funding became available. In fact, the state government received the first $100 million for the redevelopment just after the 2010 federal election and another payment of $170 million not all that long afterwards. The Tasmanian Minister for Health says that delivering the best result, and in particular consulting with clinicians, has caused the delay. But the truth is that just about everything the Tasmanian state government touches moves at a glacial pace. The state government must get the job done and done quickly.

**Queensland Greats**

*Mrs PRENTICE (Ryan) (09:47):* I rise to acknowledge a number of outstanding Queenslanders who were this week recognised as 'Queensland Greats'. Among them were two people who play an important role in the Ryan community: Dr Dimity Dornan AM and Professor Max Lu.

Dr Dornan is the founder of the Hear and Say Centres for deaf children, based in Auchenflower in my electorate. Dr Dornan is a pioneer in her field, and her resolve to find an auditory-verbal solution for deaf children has led to a number of world firsts, including providing the world's first comprehensive training for teaching professionals in auditory-verbal therapy and creating the world's first AVT e-learning model for service delivery. Dr Dornan plays a significant role in raising the profile of hearing health throughout Queensland, Australia and the world.

Professor Max Lu is an engineer of international standing whose contributions to Queensland and world science are leaving a powerful legacy. Professor Lu is an accomplished leader at the University of Queensland in Ryan and has spearheaded one of Australia's premier research centres, the Australian Research Council Centre of Excellence for Functional Nanomaterials. Throughout his career, Professor Lu has mentored more than 100 next generation researchers and has co-authored more than 500 publications and 20 patents, achieving the elite scientist status of 'highly cited researcher' from the Institute for Scientific Information—top 0.1 per cent in the world.

I would also like to recognise legendary Brisbane businessman Stefan Ackerie, another 2013 'Queensland Great'. His commitment to educating young people both in life skills and hairdressing over the last 47 years has seen thousands of young Queenslanders employed under the Stefan rainbow and realising their career dreams. Mr Ackerie is also known for his generosity and charity work to support the homeless, the needy and sick children in hospitals all over Queensland.

Businessman, pastoralist and philanthropist Tim Fairfax AM was also named as a 2013 'Queensland Great'. Mr Fairfax is well known for his philanthropy and leadership within the arts, particularly in association with the Queensland Art Gallery's Gallery of Modern Art. Through the Tim Fairfax Family Foundation, his generosity and commitment have enriched the Queensland Art Gallery collection. Mr Fairfax has also played a critical role in realising
many of the initiatives of the Queensland Art Gallery's Children's Art Centre by running children's programs through regional and remote Queensland.

Another 2013 'Queensland Great', the Australian Red Cross Society, was recognised for helping Queenslanders to prepare for, respond to and recover from disasters, particularly in the wake of ex-tropical cyclone Oswald, when the organisation managed 18 evacuation centres and supported more than 36,000 people. The society was established in 1914. It is one of the largest and most respected humanitarian organisations in Queensland. The organisation currently has more than 75 town branches, over 2,500 members and more than 6,000 volunteers.

Congratulations to this year's 'Queensland Greats' and thank you for the real and positive difference you make in our community. On that note, can I say ‘go the mighty Maroons tonight.’

Corio Electorate: Geelong

Mr MARLES (Corio) (09:50): Go the Maroons, indeed—that is where my heart is tonight as well. In recent months in Geelong there has been a debate about the Ritz building. This is an old, beautiful Geelong building which is in a tragic state of dilapidation. The debate rages about whether in fact to level the building or seek that the owners restore it. It is a very, very sad thing to look at that building, as I do every day on my way to work. What it does highlight is the value of heritage within our community. I have had some preliminary discussions with the City of Greater Geelong to explore ways in which we can develop our heritage in Geelong. It has shown me some really exciting work that it has done with owners who have restored beautiful old heritage buildings to a wonderful state in the City of Greater Geelong. The T&G building, which is perhaps the most iconic building within Geelong has been restored to a wonderful state in its original art deco form. It stands there on the corner of Moorabool and Ryrie streets right in the heart of Geelong. We look forward to the day when the men who come out and ring the bell on the hour, which is something I grew up watching, can happen again. What has been done there is fantastic.

The Village Cinemas, also in Ryrie Street, is another wonderful example of how restoration of old, beautiful buildings can completely change the vista of our city. Indeed, the building in which my electorate office resides was built in 1851 and was the Royal Mail Hotel. In 1972 it reached a point where it was dilapidated and boarded up. It was revitalised in 2005 and now, since the Commonwealth took out a lease on it for my electorate office, I get to enjoy this wonderful heritage building which displays the very best in Geelong.

I believe that the way forward in terms of trying to develop the heritage of our city is to identify some of the key heritage buildings in Geelong which would benefit from investment by their owner and which could have the same kind of transformation that I have described with other buildings. I would like to get those owners in the same room as some of the people who have actually done this work to hear the commercial benefit of it, why they did it, what it has done for the value of their building and how it has contributed to our city. As we speak, I am talking with the city of Greater Geelong about bringing that meeting together, so we can try to spread the good word about heritage. We have enormous heritage value in Geelong. We do not develop it in the same way as cities like Ballarat and Bendigo, and yet in many respects the heritage and history of Geelong is much more significant than those cities and it could be a real economic boom for our city if we can develop our heritage.
Republic of Macedonia

Mr SIMPKINS (Cowan) (09:53): I would like to raise an issue of concern on the part of my constituents of Macedonian origin as it relates to their homeland, the Republic of Macedonia. I have spoken before about Albanian separatists and the pursuit of the concept of a Greater Albania in southern Europe. When I last spoke of this I referred to villages and towns around Ohrid and Struga in the west of Macedonia where local ethnic Albanians, contrary to the laws of the republic, fly only flags of the neighbouring country of Albania.

In April, during local government elections Fatmir Dehari was elected as the ethnic Albanian mayor of Kicevo near Struga. In late 2012, he spoke in Chicago to inspire ethnic Albanians who have emigrated to the US to return to vote in the election. He said:

Dear friends and brothers, a joined Kichevo is a dream not just for its locals but for all Albanians. Now if we depart from Tirana together with its Mayor Lulzim Basha, passing through other Albanian municipalities, coming down to Struga where he will be greeted by an Albanian Mayor, continuing on to Kichevo where an Albanian Mayor also awaits, so that he then continues onto Gostivar and Tetovo so to then arrive at the capital city of Idzet Medziti, the city of Skenderberg, Hasan Prishtina and others, continuing yet again to Kumanovo. All of this is one Albanian administration and that is all we want, that is one Albania which we dreamed of.

In 2004, the Prime Minister of the centre-left government in the republic, Branko Crvenkovski, gave in to ethnic Albanian demands to redraw local municipal boundaries to ensure ethnic Albanian mayors would be elected. Ethnic Macedonians were outraged by the social democratic government's actions and, as a result, Kicevo was 'left' for the 2013 elections in order to help ease the tensions. It should be noted that, in 2009, 2,000 Albanians flew back from overseas just to win the mayor's position in Struga.

Before the adjustments in 2013, according to the 2002 census, Kicevo had over 30,000 inhabitants, of which 53.6 per cent were Macedonian and 30 per cent Albanian. Following territorial adjustments in 2013, the municipalities of Drugovo, Vranestica, Zajas and Oslomej have been combined into the municipality. Therefore, 54 per cent of people were shown as Albanian and 36 per cent as Macedonian on the 2002 census. However, Zajas and Oslomej, which combined would have had 21,000 people according to that census, have seen 70 per cent of their residents leave to go to Western Europe and the US. In April, 4000 Albanians flew back on 20 chartered flights from Switzerland and the US to mainly vote in Kicevo and help Fatmir Dehari get elected. This is an abuse of democracy. Yes, ethnic Macedonians are unhappy, but it is not racism; it is about Albanian mayors promoting anti-Macedonian rhetoric and speaking of a greater Albania with no respect towards the Republic of Macedonia. The republic has respect for its minorities, but minorities must also respect the nation.

DisabilityCare Australia

Ms PLIBERSEK (Sydney—Minister for Health) (09:56): I rise today to talk about DisabilityCare Australia, as big a change in this generation as Medicare was in our parents' generation. It will transform the lives of Australians with disabilities and their carers. We are creating this new scheme and locking in funding for the future. By 2018-19, around 150,000 people with disability in New South Wales will be benefiting from DisabilityCare Australia and the National Disability Insurance Scheme. If a person has a permanent disability that means they cannot function without help with things like getting around or communicating, it
is likely that they will get support from DisabilityCare Australia. We estimate that in my electorate of Sydney around 1,800 people, 1,837 individuals, will be eligible for help.

On the weekend of Saturday, 25 May, I met at a street stall with a beautiful family, Karen and Richard Keith and their children Aaron and Roxy. Aaron was born with cerebral palsy and Karen, Aaron and Roxy came to thank me as a representative of the government because, the very day before, on Friday, 24 May, Aaron had taken his first step unaided, and he had been able to do that because of the physiotherapy he had received through the Better Start program. Lives are being changed already with Better Start; imagine the difference that DisabilityCare will make to Aaron's life in the future.

I have been contacted by many constituents. Cate from Redfern said:
I can't imagine the emotional, physical and financial stresses of more severe disability in a family, where there are no points of rest, and the impact of one member having to not work and be a full time carer with little support.

She supports DisabilityCare Australia. Julie from Balmain says:
I have a friend and a grandchild with a disability. Three year old Adi's parents are great, but I can see they are flagging. Adi's disability is profound... she may never speak; and has to be strapped into a standing chair. But she is a bright and beautiful, loving little girl and we are all frantic ... at the stress on her parents now, and the terrible fear there will be no-one to care for her when they die. This is not a club anyone chooses to join.

Their lives can also be changed by the National Disability Insurance Scheme or DisabilityCare Australia. Finally, I saw some correspondence from Neil, who talks about his daughter and having to ask friends and colleagues to help raise money to have their car converted so it can take her wheelchair. He says:

… the NDIS promises to be a Godsend for the many hundreds of thousands in similar situations to ourselves. The potential for funding to be provided for things like vehicle conversions … will mean that the wonderful and overwhelming generosity of friends, family, charities and others can go to others who are in desperate need of assistance.

The 'stigma' if I can use that word, of having to ask for help is a very heavy burden. To now know that help can be provided by the Government through an equitable levy paid by all Australians, is a positive and reassuring step forward for all carers.

(Time expired)

The DEPUTY SPEAKER (Mr S Georganas): Order! In accordance with standing order 193 the time for constituency statements has concluded.

BILLS

Appropriation Bill (No. 1) 2013-2014
Consideration in Detail

Debate resumed.

Defence Portfolio

Proposed expenditure, $25,163,839,000

Dr JENSEN (Tangney) (10:00): My question relates to the capability of the joint strike fighter. The American Director of Operational Test and Evaluation's report of December 2012 shows that the JSF is more vulnerable to damage than current fighters, thus not meeting its
operational requirements document; it shows that the aircraft has significant weight issues and is within 273 pounds of having reached a weight that will impact on performance; and it shows that the aircraft is unable to achieve its acceleration and turn performance thresholds, as predicted by critics but rejected previously by Defence and Lockheed Martin. Given these clear shortcomings of the aircraft, and the facts that the cost has blown out and that the aircraft will achieve its initial operational capability only in 2020 at the earliest and will be outmatched by stealth fighters coming out of Russia and China, why won't the government put the project on hold, put a request for proposal out to tender and hold a competition to find the best contender?

Mr SNOWDON (Lingiari—Minister for Veterans' Affairs, Minister for Defence Science and Personnel, Minister for Indigenous Health and Minister Assisting the Prime Minister on the Centenary of ANZAC) (10:01): I want to apologise for the Minister for Defence, who unfortunately cannot be here because he is hosting the Indian Defence Minister over the next couple of days. In response to your question, we are committed to the purchase of the JSF arriving in 2020 and that is what we are going to do.

Mr ROBERT (Fadden) (10:01): With respect to the ASPI's detail book and in terms of the Defence budget and the white paper: as you are aware, ASPI has concluded that the federal government has a $33 billion shortfall in its funding for the 2013 white paper. It says: … in absolute terms funding remains well below what was promised back in 2009. Yet plans for the ADF remain as ambitious as ever.

ASPI also reports that:

Consistent with this, the share of GDP will remain below 1.7% for the next decade. How exactly does your government expect to afford the equipment procurement set out in the white paper when the budget is continuing to be cut? Also, ASPI has belled the cat: will you now confirm that your goal of returning defence spending to two per cent of GDP is rhetorical, since it is clear from ASPI's analysis that, at best, you will only seek to reach 1.7 per cent of GDP over the next 10 years?

Mr SNOWDON (Lingiari—Minister for Veterans' Affairs, Minister for Defence Science and Personnel, Minister for Indigenous Health and Minister Assisting the Prime Minister on the Centenary of ANZAC) (10:02): I am aware of the ASPI report and, whilst I appreciate the diligence with which the ASPI team have gone about their work, I am afraid we do not agree with their outcomes—isn't that a surprise to you! I do want to make the observation that the opposition effectively shares the same policy towards Defence budgets—and for that I thank them. I know that we share a commitment to ensuring that we develop the defence capability, as we have decided to do.

Let me just make some observations about the calculation of the $33 billion shortfall, which assumes a three per cent growth in the Defence budget from 2008-09 to 2017-18 and a 2.2 per cent real growth beyond. Unfortunately this fails to take into account that, when the new funding model for Defence was announced in the 2009-10 white paper, there were deferrals and reprogramming of funding in the early years that were publicly announced in the 2009-10 budget. Additionally, the three per cent growth predicted was never three per cent constant annual growth, but rather an average growth rate over a longer period of time. In the 2010-11, 2011-12 and 2012-13 budgets, there were expenditure reductions applied to the
Defence budget totalling $8.9 billion over the period 2010-11 to 2020-21 as detailed in Defence's portfolio budget statements.

Could I also refer further to whether or not the Defence budget has been cut over the decade. The white paper announced that government had decided the Defence funding model would be based on the four-year forward estimates budget cycle, determined on an annual basis and taking into account contemporary strategic, economic and fiscal circumstances. That, I think, is surely understood by everyone. This aligns Defence funding with the Commonwealth's broader budget process. It provides certainty for planning in the short term but recognises the difficulty in forecasting fiscal circumstances in the longer term—which, as we know, is an art which is not perfect.

The Defence budget for 2013-14 is $25.3 billion. This, as we also know, is $1.1 billion higher than the 2012-13 budget of $24.2 billion. This will grow to $30.7 billion by 2016-17. The government will provide Defence with $113 billion across the budget and forward estimates. This compares to $103 billion in the 2012-13 budget and forward estimates, or a $10 billion increase over the four-year period. In dollar terms, this is more than has ever been spent before on defence, and that, I am sure, is well appreciated.

Mr Robert: But every budget spends more on everything.

Mr SNOWDON: No, it does not.

Mr Robert: It does so.

Mr SNOWDON: No.

The DEPUTY SPEAKER (Mr S Georganas): Order! There is a lot of discussion between the two benches opposite each other. Everything is through the chair.

Mr SNOWDON: We could just have a—I am sorry.

The DEPUTY SPEAKER: Well, you could, but I will not allow it, so you will direct all your questions and answers through the chair.

Mr SNOWDON: You're a hard bugger! But let me just say I appreciate the way in which the opposition shadow minister is carrying himself, and I do not particularly mind his interjections.

Mr Robert interjecting—

Mr SNOWDON: But through the chair—absolutely. The government, as we said, have spent more than ever before. The government also provide Defence with six years of general guidance beyond the forward estimates for planning purposes. This obviously concedes that attempting to provide tens of—I do not know what we are doing, but people are escaping—years of funding with precision is extremely difficult given the volatility in the world economy and government revenue forecasts. This budget, the government will provide Defence guidance of over $220 billion. Together, these amount to approximately $333 billion. So we are obviously committed, as you well know, to increasing the Defence budget funding towards a target of two per cent of GDP as and when fiscal circumstances allow, and I think that is broadly consistent with the view of the opposition. It is a long-term objective that will be implemented in an economically responsible way as and when fiscal circumstances allow.

Mr ROBERT (Fadden) (10:07): The minister has taken spinning to a twirling dervish level, can I just say. Minister, despite the eloquent words, there is no escaping $25 billion in
cumulative cuts to the Defence budget over the last five years, and there is no escaping cuts as a proportion of GDP, where defence expenditure is at the lowest level since 1938. No level of fiscal means and new budget process can escape that.

I draw your attention, sir, to the white paper and the resultant budget documents that look at the purchase of the 12 EA18G Growlers. The cost of acquiring the Growler, as per the white paper and the budget documents, is $2.974 billion, yet the budget paper makes it very clear that the only allocation of funds for that is $200 million in 2014-15. The budget also makes it expressly clear that the remainder—$2.774 billion—is to be met from within Defence's existing resources, with outlays out to 2012-22. It is page 288, for your staff rapidly searching their documents behind you. Existing resources—that is an absorption, Minister, of $2.774 billion. In your world, absorption is just one of those economic terms. Where I come from, absorption is a cut, because if you have to absorb $2.77 billion then you have to cut something else, because that is the way you absorb something. So, Minister, where will those cuts come from to allow the absorption of $2.774 billion for Growler?

Mr SNOWDON (Lingiari—Minister for Veterans' Affairs, Minister for Defence Science and Personnel, Minister for Indigenous Health and Minister Assisting the Prime Minister on the Centenary of ANZAC) (10:09): I am surprised at the cynicism and even the sarcasm at times—to think that we would not do the right thing! As announced as part of the 2013 white paper, the government, as you well know, has decided to acquire the 12 new-build EA18G Growler electronic attack aircraft instead of—and I think this is far preferable in any event—converting Australia's 12 existing FA18F Super Hornet aircraft into the Growler configuration. These 12 Growler aircraft will enhance significantly, as I am sure you will agree, the ADF's electronic warfare capability and, together with the JSF and the Super Hornet will form a formidable air combat force capable of controlling both air and electronic environments. I think it is really important that we appreciate what we are getting here in terms of capability.

These additional 12 aircraft will cost approximately $2.9 billion. Offsetting this cost is the $1.5 billion already committed in the Defence Capability Program to convert 12 of Australia's existing FA18F Super Hornet aircraft into the Growler configuration. That which will no longer go ahead, so there is a saving which will be redirected towards the acquisition of the Growler. The government will also provide Defence with an additional $200 million towards this purchase in 2014-15. The remaining funding will be found through adjustments to the priority activities across Defence, which you have alluded to, including proposed capability acquisitions.

You would appreciate the way we estimate the costs of these things and then ultimately fund them. The details will be provided in the next Defence Capability Plan, which will be published before the end of the 2012-13 financial year. I can assure the shadow minister that we really understand the financial costs of doing this business and managing the costs within the budgeted framework that we have set for Defence.

Mr ROBERT (Fadden) (10:13): For the sake of putting a senatorial hat on and seeking a supplementary in the same space: Minister, in answering the question 'Where well the extra $2.77 billion come from that has to be absorbed?' you indicated that $1.5 billion will be redirected to the DCP, which was going to be used for conversion, and for the rest will just have to wait and see and trust the government. Frankly, that is hilarious considering the $25
billion worth of cuts. But let us just park that to one side. The $1.5 billion in the DCP that was previously committed for the conversion, which you are now looking to redirect, was never actually committed in real terms but was always to be absorbed within the DCP. It was never actually committed. Minister, can you point to me exactly where that $1.5 billion was committed?

Mr SNOWDON (Lingiari—Minister for Veterans' Affairs, Minister for Defence Science and Personnel, Minister for Indigenous Health and Minister Assisting the Prime Minister on the Centenary of ANZAC) (10:14): With great respect to my friend in the opposition, the figures were provided for in the Defence budget. That is clear. I am not sure what the problem is. The money has been identified, it is there and it will be allocated for this purpose.

Mr ROBERT (Fadden) (10:14): Minister, the money is not allocated. The $1.5 billion that you are referring to from the previous announcement for the conversion of Super Hornets into Growlers was announced as an absorption. You have just said to the House that that $1.5 billion absorption will be redirected to meet the current absorption. Absorption plus absorption still equals absorption, unless you can find some other way to find $1.5 billion.

Ms BRODTMANN (Canberra) (10:14): Since I was elected in 2010 I have spent quite a bit of time on the Defence Subcommittee with my colleagues here. We have been researching and inquiring into the mental health of those in the ADF, particularly those soldiers who are returning from deployments overseas. We have had extensive consultations throughout the country, with agencies including the Defence Community Organisation, Defence Families of Australia, RSL and Soldier On—a range of organisations who have highlighted a number of gaps in the system, particularly between DVA and Defence in terms of those agencies talking to each other, in terms of getting a seamless approach to the management of mental health and of those who return injured from deployment overseas.

I have three questions for the minister. The first is, what does the latest research into mental health issues associated with military service show us? Secondly, what is the government doing for the mental health of our current and former service people? Finally, what is the government's estimates of the future numbers of service personnel who have been engaged in operational activities over an extended period who may have mental health problems arising from these activities?

Mr SNOWDON (Lingiari—Minister for Veterans' Affairs, Minister for Defence Science and Personnel, Minister for Indigenous Health and Minister Assisting the Prime Minister on the Centenary of ANZAC) (10:16): I thank my friend the member for Canberra for her questions. As she would know, and I am sure the opposition would agree, during my time as Minister for Defence Science and Personnel and Minister for Veterans' Affairs our absolute concern has been that in the past we have not really appreciated the extent of mental issues both in the defence community, current serving men and women, and also in the veteran community. That is why we had the Dunt review and all that flowed from it, why we have massive new expenditure into mental health in the Defence Force and why we did a suicide study in the veteran community. I think it is agreed across the board that there is no doubt that we are committed and Defence is committed to promoting good health but also, most particularly, good mental health.

Since 1999—these figures are quite illuminating—more than 65,000 ADF personnel have been deployed overseas and nearly 38,000 of those have deployed more than once. In the
Navy, 10 per cent have deployed four times or more, and marine technicians feature very prominently. In the Army, seven per cent have deployed four times or more, with the Special Air Services and commandos featuring prominently. Some of those have done a large number of rotations. In the Air Force, eight per cent have deployed four times or more, with airborne electronics analysts and air combat officers featuring prominently. I have met a lot of these characters—they are wonderful people who have committed themselves significantly to years overseas, once you combine their service.

Recent research undertaken by the Centre for Traumatic Stress Studies at the University of Adelaide indicates that we can expect to see a minimum rate of personnel with diagnosable mental disorder of 22 per cent in a 12-month period. That 22 per cent is comparable with the general Australian community. Estimates of the prevalence of mental disorder, including PTSD, anxiety and depression, as well as alcohol issues, does not equate to the number of personnel who will actually seek help. The research also shows that only half of those with a mental health disorder will seek treatment in the next two years. That is an issue for us. Although the rate of those seeking help may increase, it is likely that this will occur at a gradual pace. We believe that there will be a rising tide of people seeking assistance and requiring help rather than the tsunami that people have been referring to. This research is supported by Dr Graeme Killer, the DVA Principal Medical Adviser.

We are confident that our efforts to educate and encourage our people to seek help as early as possible may also have an effect in increasing the number of those seeking treatment who require it. The whole question of resilience, of people understanding that it is okay to actually report a mental health illness or issue, is something which we have had to really drive hard. I want to pay tribute to the former Chief of the Defence Force, the current leader of the Defence Force, the previous service chiefs and the current service chiefs for their leadership in this regard. They have made very clear their expectations and the obligations of those in command positions to ensure that those beneath them are fully appraised of what they should do and have an awareness of the issues involved.

We are interested in supporting all of our personnel, no matter the source or cause of their mental health problems. Defence has improved its resilience training, screening, post-deployment reintegration activities, and treatment and rehabilitation programs to ensure our servicing men and women are supported throughout their careers. I will sit down in a moment, but I do want to say some more about this because the elements of this year's budget which deal directly with our response to mental health are quite important. It goes not only to serving personnel but also their families.

Mr ROBERT (Fadden) (10:21): Minister, thank you for the update in terms of mental health and wellbeing of our service personnel for which you enjoy the coalition's strongest and widest bipartisan support. Can I just move back on to the rural budget since these are a form of budget estimates, albeit in the House? Minister, I think we have ascertained that the $2.77 billion is to be absorbed. I think we have ascertained that the government does not know where that is coming from and your comments as to the details will be advised. I think that says it all.

We will all just wait and see. Somehow, Minister, I think you and I could put $5 down that you would not advise prior to parliament being prorogued but we will wait and see. Apart from the $2.77 billion being absorbed, it is my melancholy duty to inform you—and indeed
the House—that you have also asked Defence to absorb another $150 million in other costs according to the PBS documents. These include the Defence abuse reparation payments, Operation Resolute costs—that is the cost of the Navy taxi service for asylum seekers—and security for the G20 leader summit. The list goes on.

Without making any comment on what the money is used for—and that is not my intent—I am simply putting out that $150 million worth of costs have to be absorbed again. Minister, can you please outline where these costs will be absorbed—that is, what part of Defence will have to be cut in terms of the budget? Are we talking about personnel travel? Are we mothballing equipment? Are we pushing some elements of the DCP out? What exactly is being moved, absorbed or cut to make way for this $150 million in a range of areas I have outlined?

Mr SNOWDON (Lingiari—Minister for Veterans' Affairs, Minister for Defence Science and Personnel, Minister for Indigenous Health and Minister Assisting the Prime Minister on the Centenary of ANZAC) (10:23): I thank the honourable member opposite. Of course, he would realise that we have the capability to get enhanced efficiencies out of this very large organisation and we intend to do so. As well as that, we know and he knows that the way this system works is that there is often quite a continuous reprioritisation of projects. We will do that on a continuing basis to meet our obligations and to ensure that we have the capability that is required for the Australian Defence Force and understand that that commitment goes not only to the capability in terms of equipment but also for investments through our personnel. I have no doubt at all that we will meet our obligations in both parts in terms of the capability development and deployment of our assets, as well as our investment into our Defence personnel.

Mr ROBERT (Fadden) (10:24): Minister, in answer to the last two questions in terms of where funding is coming from for absorbed measures, you have told us the details are to be advised. You have talked of enhanced efficiencies in the organisation and you have talked about reprioritisation of programs. The only thing you have not spoken about, of course, is detailed programmatic specificity, but I am sure that is coming. If we can move onto some other funding issues, in January this year the Prime Minister launched the national security policy. In her speech she said:

The Government has already committed substantial funding and additional effort to strengthen our cyber capabilities, including $1.46 billion out to 2020 to strengthen our most sensitive networks.

That is an enormous amount of money. You can imagine my interest in finding out where that money was coming from, so I asked the Prime Minister through a question on notice. It was revealed that the funding was in fact to last until 2030, not 2020—a slight error of 10 years. The Prime Minister's grievous error—apparently a staffing error; you have to watch those staff—amounts to $114 million a year. That is quite an error, really, when you think about it. Given that Defence is the lead agency and is responsible for amalgamating the Commonwealth's cybersecurity operations under the new Australian cybersecurity operations centre, how does the government intend to make up this shortfall in funding or are the details to be advised, are there enhanced efficiencies or is there reprioritisation of programs?

Mr SNOWDON (Lingiari—Minister for Veterans' Affairs, Minister for Defence Science and Personnel, Minister for Indigenous Health and Minister Assisting the Prime Minister on the Centenary of ANZAC) (10:26): I cannot believe the cynicism; I am just scandalised. As
you well know, the Prime Minister promptly corrected the record in relation to that
commitment over 2020 to 2030. I am sure you would appreciate that sometimes, very
occasionally, very rarely, almost never, but sometimes, these things happen. I would not be
condemning the Prime Minister or, indeed, the department. I think we need to appreciate that
sometimes these things do happen. We can accept the criticism but not the cynicism.

Since coming to government in 2007 this government has increased the budget for
intelligence and security in defence from $376 million in 2007-08 to $517 million in 2013-14.
That funding will increase to $637 million over the forward estimates—a further increase of
$120 million, or 23 per cent. The Defence Intelligence and Security Group has been excluded
from the efficiency dividend—I am not sure that you are aware of that. I am confident we will
meet our commitments in that regard.

Ms BRODTMANN (Canberra) (10:27): Minister, further to your answer on my mental
health question, I am particularly interested to find out what the government is doing for the
mental health of our former service personnel. We have heard, as I mentioned before, through
the inquiry that we are doing on injured and wounded service personnel from girlfriends and
wives that they are usually the first port of call in identifying mental health issues in those
soldiers who have returned from deployments overseas and who are suffering mental health
issues. So I am particularly interested to find out what the government is actually doing for
the mental health of former service personnel.

Mr SNOWDON (Lingiari—Minister for Veterans' Affairs, Minister for Defence Science
and Personnel, Minister for Indigenous Health and Minister Assisting the Prime Minister on
the Centenary of ANZAC) (10:28): I thank the member for her question. One of the
challenges that became obvious to me and to others is the fact that whilst we had very good
systems in place, and developed new systems to support them, to address the needs of current
serving men and women, we actually did not have in place what we should have had in place
for families. So we have been moving in that space to provide support for families of current
serving men and woman and also support for those people who may have separated from the
Defence Force. Significantly, you would be aware, there was a restriction on who got access
to some of these entitlements post service.

In the Defence white paper 2013 and in the budget, the government announced a $26.4
million package for enhanced mental health programs for serving and ex-serving personnel
and their families, to be administered by the Department of Veterans' Affairs. DVA has in
place a number of mental health initiatives. These include online mental health support
information, GP services, psychologists and social work services, specialist psychiatric
services, pharmaceutical support, post-traumatic stress disorder programs and hospital
services for those who need it.

What we have done here, though, is expand non-liability health cover. This initiative
expands the existing arrangements with support and immediate treatment for diagnosed post-
traumatic stress disorder, other anxiety disorders and depression without the need to lodge a
compensation claim. That is quite important, because it means that people get almost
immediate access to the treatment. These treatments will be expanded to include treatment for
alcohol and substance misuse disorders. These arrangements have already been available to
veterans with operational service, and this will be expanded to include veterans with eligible
peacetime service since 1994.
It is important to understand that what we are doing here is expanding the range of people who now get access to these services. For example, those people who have been on operational service on border protection, those people who have been involved in humanitarian assistance, such as at Aceh, and those people who have been involved in other peacetime operations are now eligible to get these services. That is quite important, because we know that, whether it is in border protection or humanitarian assistance, some of these personnel have been exposed to really traumatic and quite dreadful experiences which have required them to seek support.

Prior to the passage of this budget, these people have not been able to access the support that other people with active service have been able to access—and that, to me, is really quite important. We are also expanding the amount of support that we are giving to the Veterans and Veterans Families Counselling Service to include these people. That is important. The VVCS is a very good organisation. It is the organisation that we go to to provide support in the veteran community.

But we have still got more to do, and I do not shy away from this challenge. As I said, we have 65,000 personnel who have now served overseas since 1999. We had fewer than 60,000 people serve in Vietnam. So the number of people we have now who have experienced war is far larger than the number who served in Vietnam. Clearly, we do not want to repeat the mistakes of the past—and we will not—and we now have to make sure that both in the short term and the long term, the needs of these people are properly addressed.

The seamless transition between DVA and defence is really vital in that regard. We have worked towards a system where that is close to happening. In many places it is very good and in other places it is a bit ‘how’s your father?’ but it will be fixed. I am very, very pleased with the cooperation we now have as a result of an MOU between the Department of Defence and the Department of Veterans' Affairs in dealing with these sorts of issues.

Mr ROBERT (Fadden) (10:33): Minister, I would like to return—noting your statement; and thank you for it—to the issue of budget and funding. I note the comment that you made regarding cyber funding—that slight $1.46 billion rounding error over 10 years. I note that you have said that it is an isolated incident—a one-off—but I remember doing the coalition's response to the Prime Minister's national security statement where she spoke about Australia’s defence expenditure comparable to other nations in the world. After the speech, the transcript that followed, had a different series of wording and the transcript was changed. Once may be isolated, Minister, but twice, unfortunately, is a pattern. But let us not be churlish about these things. Let us move on to DSTO funding.

The 2013-14 defence portfolio budget statements say that in 2012-13 DSTO received $441 million in funding. Next year, 2013-14, DSTO will receive $427 million. That is a $14 million cut, Minister. Let us also not forget that, in 2010-11 to 2011-12, you cut $13 million, and for 2011-12 to 2012-13 you cut $22 million. Minister, that is a cumulative cut of at least $49 million out of DSTO. And they are undertaking a significant organisational reform program, which I think is wise—and can I say: I am impressed with the new Chief Defence Scientist, Dr Alex Zelinsky. What I am not impressed about, Minister, is how you can possibly justify cutting the DSTO budget by $14 million this year alone and cumulatively by $49 million. How do you justify that? And, more importantly, what have you cut—or,
Minister, are the details to be advised? Are we talking about enhanced efficiencies, or is there reprioritisation of programs?

Mr SNOWDON (Lingiari—Minister for Veterans' Affairs, Minister for Defence Science and Personnel, Minister for Indigenous Health and Minister Assisting the Prime Minister on the Centenary of ANZAC) (10:35): I thank the member for his question and really do thank him for his interest in DSTO, which I think is one of the most remarkable organisations in government. Unfortunately, it hides its light under a bushel. That is for obvious reasons, in some regards, but I think we can do a lot more to publicise the work that it does.

Let me make it very clear: nothing that we will do in the context of DSTO's budget will affect our support for operations, which is its primary function. In my experience of this organisation over five years, it occupies a unique position in the Defence community but also in the research community across this country. What it is doing now is building a capacity for collaboration which did not exist previously, in the sense that, while it did collaborate with universities and other places, it is now developing a capacity to leverage off research which is being done in outside organisations which it can then use, or leverage off internally, for work which is being directed as a part of the national security space, or in support for operations, or in its future work.

You know the scale of work which DSTO does. It is vital in our support for operations. And, in terms of our support for operations in Afghanistan in particular, it has played a very important role in providing quite timely responses to immediate threats. And these timely responses to immediate threats have been able to be put in place very quickly. Nothing we have done and nothing we would do in the context of the better efficiencies that we want to achieve over the organisation will have any impact on our support for operations, and that is our primary function.

In the context of forecasting what our scientific requirements will be: again, I have no doubt about the depth of the relationships we have through DSTO with our counterparts in other countries, particularly in the 'five eyes' community, and the work which they are doing to support us. And leveraging off research which is being done elsewhere and partnering in research which is being done elsewhere has led to better outcomes. You would know that we now share facilities and research with these. So we are not doing repeat research; we are working collaboratively. These are giving us efficiencies, as they are giving other nations efficiencies—and here I am principally talking about the United States and Great Britain.

It is important that we appreciate the changing scientific environment: the greater collaboration between nations and the greater collaboration locally—not only between universities but now working more broadly with the private sector to appreciate what research capacities are in the private sector and trying to spin off that research for our Defence purposes.

I think we are really very fortunate to have Dr Zelinsky, as you rightly pointed out. His predecessor was a wonderful human being and a very, very good leader. They are different personalities, but they both have done significant work and done this nation a great service.

I have no doubt—because I meet with scientists in DSTO on a regular basis—about their capacity to continue to produce work of the finest quality for us and to guarantee not only support for our operations but also support for our national security, because they are now...
responsible for research in the national security space. I am in awe of this organisation. I am not a scientist; I do not have a scientific bone in my body. But I understand good research when I see it and I do appreciate the huge brains working on this stuff. I have no doubt that the efficiencies which we will gain through the decisions that have been taken will lead to a very positive outcome for all of us.

Mr PERRETT (Moreton—Government Whip) (10:40): Minister, I would like to take you back to some of the earlier comments you made. Obviously, as our engagement overseas changes in Afghanistan and as our role in the Pacific and in East Timor winds down, more and more Defence personnel are coming back. You mentioned this in your answer to the member for Canberra. I have a particular question—

Mr Robert: Well, get to it.

Mr Snowdon: Leave him alone!

Mr PERRETT: That's all right.

The DEPUTY SPEAKER (Ms Grierson): Order, members! That was not helpful. It is not helpful, member for Fadden.

Mr PERRETT: I might restart. With our overseas Defence personnel returning to Australia—you touched on it in your answer to the member for Canberra—what support will be provided? I have a cousin in the MEAO at the moment. In my small role as a legal officer in the RAAF I have dealt with a few matters where drugs and alcohol have been an issue; they can become a part of your lifestyle, especially when you are posted overseas, as anyone would know.

When people came back from World War II, we already had a very strong RSL support network. Sadly, our World War II veterans are passing away. Many of the office bearers are now Korean and Vietnam war veterans. But, as you said, there is a new wave of veterans coming back from overseas, and you mentioned the specific support given to wives and girlfriends, who might be the first sentinels, I guess—the first to know if something is going on. I am particularly interested in any support that is provided in terms of linking up for employment and support groups. Many of the people who come back from Afghanistan or other overseas areas of operations do not feel like turning to the RSL—with all deference to our wonderful RSL groups. Minister, I recently had you at the Sunnybank RSL, and that was the statement they made about trying to link up with former ADF personnel in our community. How do they make contact when there is often a generation gap? The RSLs provide excellent services. My Sunnybank RSL—and my other RSLs, but I focus on that one because you came along to the meeting there, Minister—have great support networks that they can link people to, but it is about finding those former ADF personnel. They could be living right alongside, but they do not put a flag out the front saying 'veteran'. The new lot of veterans might benefit from the support networks there and from groups like the RSL.

Minister, could you detail the sort of support, the sorts of links and the sorts of personnel that are involved in providing support; and, on a more informal basis, what you have seen in terms of best practice around the nation in your job, because you do straddle those various portfolios? What are the learnings there that are not necessarily budget items, or have only been flagged as budget items that we might be able to roll out in the months or years ahead?
Obviously, our RSLs change. Sadly, the numbers in three RSLs in my patch are becoming smaller every year. One has had to amalgamate; another is looking particularly skinny. I have been able to provide it with new accommodation, which might sustain it. There are not long waiting lists to get into RSLs. In my electorate, clubs which have a services club attached to them have finances and they can have lots of resources, but the number of personnel lining up to become members is not great. In my area of Sunnybank, as you know, the demographics of the community have changed. I am wondering whether you could comment on that. *(Time expired)*

**Mr SNOWDON** (Lingiari—Minister for Veterans' Affairs, Minister for Defence Science and Personnel, Minister for Indigenous Health and Minister Assisting the Prime Minister on the Centenary of ANZAC) (10:45): I thank the member for his question. I know about his deep appreciation of the importance of dealing appropriately with serving veterans and with former serving veterans. I go back for a moment, if I may, to the health initiative announced through the white paper and in this budget. As well as expanding the mental health non-liability cover, there is a post discharge GP health assessment. This initiative will support a health assessment fitness check for all ADF members after discharge and the fitness check will be supported by a health screening tool with a mental health component which will be developed for use by GPs. The check will be supported through existing Medicare items. I will not go through the detail of that—I may do later—or through the changes to the Veterans and Veterans Families Counselling Service. One of the things we are doing, which will be of interest to you, is developing the Peer-to-Peer Support network. This initiative is a program to support the recovery of clients with a mental health condition by providing a non-clinical support network. Building on the experience of a successful men's health peer education program, the Peer-to-Peer Support network enables individuals to be assisted by their peers without judgment or stigma attached to the relationship as it is based on mutual understanding and experience.

One of the things we have learnt and we know the RSL accepts—and this goes to your question about how you provide access for people after they have served—is that it is true, unfortunately, that many serving men and women and former serving men and women in a younger age cohort do not see the direct relevance of the RSL. There is a capacity now for serving men and women who are overseas to become online members of the RSL and that is a positive thing, and we are providing, through the relationship between Defence and DVA, on-base support officers in all the major bases across the country. The on-base support officers are DVA employees who provide advice and assistance to current serving men and women. As a former serving man, the shadow minister would know that there are people of the highest rank in this country who are claimants in the DVA system because of injuries incurred while they were in service. It is part of the way we deal with current serving men and women. We have discovered that, as a result of having the on-base advisory services on base for 18 months or so, they provide a unique space for connecting Defence personnel with ex-service organisations. I must say that at Horslyward the Vietnam Veterans organisation has almost a full-time presence and the DVA on-base advisory person works closely with that organisation—so they pick them up.

But we do have a challenge, and it is an enormous challenge, about how we track people once they leave the service. This is an obligation which we have because we want to make
sure. Effectively, once you go through a recruitment centre and walk through the gates at Wagga for your initial training, you are potentially a client of the Commonwealth till you are dead. That is an important thing to understand. If you put the uniform on, you can expect to be looked after all your life if you have an accident, are injured, are wounded or whatever, and if you are killed your family will get support. For them, that is until the partners are no longer with us. So it is very, very important that we have a seamless transition and we try and track those people who are serving, beyond service, and provide them with the support they desire. I know that we will be doing the DVA bit shortly, and I will come to that in more detail. (Time expired)

Mr ROBERT (Fadden) (10:50): Minister, a fine answer. It bore absolutely no resemblance to the wandering, waffling question but was a fine answer nonetheless. You started that answer by talking about ADF health, so I think—

Mr Perrett: Madam Deputy Speaker—

Mr ROBERT: No, just sit down.

The DEPUTY SPEAKER (Ms Grierson): Please resume your seat, member for Fadden.

Mr Perrett: Madam Deputy Speaker, I raise a point of order. I would ask the member to withdraw that suggestion. I found it quite offensive.

The DEPUTY SPEAKER: Thank you. Would you please withdraw.

Mr ROBERT: I withdraw, Madam Deputy Speaker.

The DEPUTY SPEAKER: Thank you.

Mr ROBERT: You started the answer, Minister, talking about ADF health, so let us talk about ADF health—I think it is great—because the 2012-13 budget delayed the rollout of the ADF free family healthcare program by a further 12 months. That is the 2012-13 budget, the current budget, which delayed it by 12 months in order to save 50 million bucks. Taking into account this delay—which is not the first, I might add—what we currently have now bears no resemblance to what was promised by the Labor government in 2007. The program was due to begin on 1 July this year. The 2012-13 budget papers even made special mention and called it a saving. The government is going to save $50 million by taking free family health care from ADF dependants.

This year's budget papers make absolutely no mention of the program at all—a signature program, Minister, from the election of the mighty Labor government in 2007, and there is no mention of it. But—surprise, surprise—a small note appeared a week or so ago on the Defence website which simply states that the program has been delayed once more, now beginning on 1 January 2014. Minister, I must have missed your press release, and I apologise that I did not receive that, or I must have missed it in the budget, but I picked it up on that small note on the website: another six-month delay after the election. The trial program has now been running for over four years. That simply has to be some sort of record in terms of a trial program for the ADF free family health care.

Minister, given the repeated failure of the government to implement the full program as your government promised to do—and there is a danger of creating two classes of ADF dependants, those with access and those without—can you guarantee that this program,
delayed many, many times, will actually start on 1 January 2014, and what is the cost of the program?

Mr SNOWDON (Lingiari—Minister for Veterans' Affairs, Minister for Defence Science and Personnel, Minister for Indigenous Health and Minister Assisting the Prime Minister on the Centenary of ANZAC) (10:53): Yes, I can, and I am happy to. You will be pleased to know that it has been out to tender. The tenders are in, and they are now being evaluated. So this program will commence on 1 January next year. If you looked at the white paper on page 106, you would have seen the reference to it under 'Support to Defence Families'. At 10.48 it says:

The 2009 Defence White Paper announced a three-year extension to the trial health care arrangements for the provision of basic medical and dental care to Defence families living in remote and regional locations. In the 2012-13 Budget, the Government decided to extend the trial until 30 June 2013.

You alluded to that. It continues:

The Government intends to continue the trial until 31 December 2013 and then cease the trial and make the program available to all dependants of permanent ADF members and dependants of Reserve members on Continuous Full-Time Service from 1 January 2014.

That will happen.

Mr ROBERT (Fadden) (10:54): Minister, as you know, the coalition have announced that, if the coalition are successful at the 14 September election, we will index DFRDB pensions the same as the age pension. Minister, why won't you?

Mr SNOWDON (Lingiari—Minister for Veterans' Affairs, Minister for Defence Science and Personnel, Minister for Indigenous Health and Minister Assisting the Prime Minister on the Centenary of ANZAC) (10:54): I am pleased you asked that, because it is now time to put to rest some of the furphies we have heard over an extensive period of time. Let us be clear in the first instance that superannuation retirement pay is not income support. Superannuation retirement pay cannot be seen as equivalent to a pension, an age pension or an invalidity pension. They are totally different things.

The opposition, through its spokesman on veterans' affairs, has conflated these two issues and led people to believe that somehow or another the superannuation entitlement they receive as payments as a result of their service is equivalent to the age pension. It is not a valid comparison. I know it. You know it. The shadow minister knows it. Minister Minchin, in a previous government, knew about it. He canned the whole idea. Even the Leader of the Opposition, Mr Abbott, has confused the issue. Earlier this year in Queanbeyan, New South Wales, he said, 'What is good for civilians is good for former Defence personnel.' Does he know what former Defence personnel get. Does he know the arrangements they have entered into when they join the Defence Force.

This fair indexation policy, which you are supposedly advocating, is anything but fair. Nobody who joined the Australian Defence Force after 1991 is covered by the opposition's proposal. The 150,000 members of the MSBS, those people who have served in Iraq, Timor-Leste, the Solomons and Afghanistan, who are not in the DFRDB scheme, are not covered. Indeed I was at an event recently where a former very senior and distinguished serviceman was talking with a currently serving man, who is very distinguished in his own right. The former serviceman said to me, 'What are you doing about our pensions?' I said, 'Nothing. We are not going to change it in the way the opposition has proposed.' He said, 'It is all about
helping our young blokes. It is all about these young blokes here.’ The young serving person said, ’No it's not. It has no impact on me at all.’

Yet we have this masquerade, this policy, as if somehow or another the whole of the veteran community is going to be impacted by it. Despite the opposition's posturing, the DFRDB scheme is a good one. Let me just explain what the benefits are. The payment benefits on retirement after 20 years of service are: 75 per cent, under 45 years of age; 75 per cent, retired after 20 years of service, before 45 years of age; and 40 per cent with 35 to 40. They have the ability to commute five times the annual retirement pay in exchange for a reduction in retirement pay. This option has been taken up by 99 per cent of members. There is a higher employer contribution than other schemes: 30 per cent, against the community average of nine per cent. Adopting the opposition's policy would increase the government's contribution to closer to 40 per cent and this is just not sustainable. The scheme has a higher percentage of final salary superannuation retirement pay compared to other Commonwealth schemes: the military is 51.25 per cent at 30 years; the civilian equivalent is less than 40 per cent.

So what is Mr Abbott wanting? Does he want us to bring back the entitlements under DFRDB to make them equivalent to public servants. If that is his intention he should say so.

Since 1988 a separate three per cent productivity benefit has been paid fortnightly, and that is available as a lump sum on retirement. Let us get to the nub of this. What does this mean for people currently leaving the service? A colonel equivalent who retired at the beginning of 2012 after 30 years service got a retirement pay of $68,000, converted to a lump sum of around $340,000 in exchange to reduced annual payment of $55,000. That is supposed to be equivalent to the age pension. (Time expired)

Mr PERRETT (Moreton—Government Whip) (10:59): Are we continuing with that, Deputy Speaker?

The DEPUTY SPEAKER: If you would like to continue with the issue, yes.

Mr PERRETT: It is a different portfolio, but my question would touch on both of those. It is further to that answer that you have provided, Minister.

Mr SNOWDON (Lingiari—Minister for Veterans' Affairs, Minister for Defence Science and Personnel, Minister for Indigenous Health and Minister Assisting the Prime Minister on the Centenary of ANZAC) (10:59): Let's get into it.

Mr McCormack: Are we going to veterans now?

Mr SNOWDON: This is part of the same question.

The DEPUTY SPEAKER: Minister, please continue.

Mr SNOWDON: A major equivalent who retired at the beginning of 2010 after 20 years service, with retirement pay of $30,000 per annum, converted it to a lump sum of around $150,000 in exchange for an annual payment of $26,000. That is equivalent to the age pension. They are seen as the same. How can that be? What is the difference between an income support payment, the age pension, and a retirement benefit as part of a superannuation scheme? They are not equivalent. They are different. Yet we have got the shadow minister going round to RSL conferences and trying to give people the view that somehow or other these things are the same. That is misleading, it is wrong, it is confusing and it is designed to
confuse. I can accept that people may think that they want a different indexation scheme. I can accept that. I am happy to have that discussion. But people think that somehow or other we are going to sit back here and accept the proposition that a retirement benefit scheme, a superannuation scheme, is to be seen as the same as an income support scheme. I think it is downright wrong.

An honourable member: Dishonest.

**Mr SNOWDON:** It is certainly dishonest. Let me just go to how these schemes currently operate. Let us put it in a proper context. Again, this is a superannuation scheme. It is superannuation, not income support. Understand this: over the period November 2007 to 1 January 2013, the salary for privates through to colonels in the ADF increased in excess of 19 per cent. From 1 January 2008 to 1 January 2013, a one-year shorter period, the comparable CPI increases for people on DFRB and DFRDB was 17 per cent. Are you guys trying to tell us that somehow or other these guys are not being treated fairly? I have already told you that your leader, from his own statements, has no idea what you are talking about. He says what is good for civilians is good for former Defence personnel. Well, these former Defence personnel are doing a damn sight better than their civilian counterparts—as they should.

Let us not be confused here. Trying to describe this superannuation scheme as an income support scheme, which is what the opposition is deliberately doing by confusing the two, is palpably dishonest, and I am sick to death of it. They have been out there in the veteran community, putting out misleading documents—documents which have emanated from the shadow minister's office and been sent to local members for distribution. We get them, so we know precisely what you are up to. You go out there deliberately misleading, effectively telling people lies, and you expect us not to respond. I have not responded until this day, but by God I am angry, because you have deliberately misled the veteran community. You have deliberately been dishonest to the veteran community. You do not think it is reasonable or fair for a person who wants to be the Minister for Veterans' Affairs to adopt that sort of behaviour. He should front up to the veteran community and explain to them the difference between a superannuation scheme and an income support scheme such as an age pension. But you will not, because I know what you are like. In any event, though, I know the truth, and people who are reasonable and who are prepared to assess this matter properly also know the truth. *(Time expired)*

**The DEPUTY SPEAKER:** There has obviously been overlap, but the Federation Chamber will now consider the veterans affairs segment of the Defence portfolio, in accordance with the agreed order of consideration. I call the member for Riverina.

**Mr McCormack** (Riverina) (11:04): This crosses both defence and veterans' affairs, but I will ask it in a veterans affairs way. When Bruce Scott, the member for Maranoa, was the veterans' affairs minister, he came to Wagga Wagga to open the refurbishment of the Wagga Wagga war cemetery. I will start, in the spirit of bipartisanship, by commending the minister for the Anzac centenary grants; $100,000 is going to be well used in each and every electorate. Applications for my committee in the Riverina closed last Friday, and the minister will be pleased to know that we received 30 applications from interested people, many ex-service people, who are very keen to ensure that that $100,000 is well spent.

I would like to see a statue dedicated to John Ryan, the Victoria Cross winner from Tumut, who won his Victoria Cross on the Hindenburg Line in 1918. He enlisted on the Kangaroos.
march, which took off from Wagga Wagga in 1915. I know the minister would be well aware of the Kangaroo march and the work being done by Graham Brown and others from Exeter to re-enact that wonderful historical event in which so many people from the 55th Battalion and others marched out of Wagga Wagga, ended up in Sydney and went to the Great War. Many of them did not return. John Ryan was one who did return. Unfortunately, he did not have a happy life after he returned. It is sad to say that his latter years did not treat him well. He found it hard to get employment. I hope that now, thanks to the government’s initiative, we can remember him in death perhaps better than we looked after him in life. I commend the government for that initiative.

I would like to ask the minister whether there has been a creeping reduction in the number of regimental bands in the Army. Many veterans have contacted me about this matter. As the minister would be well aware, Kapooka is the Army Recruit Training Centre; all the Army recruits go through Kapooka. It is a wonderful Army base. My city of Wagga Wagga is a tri-service city, with the Navy, the Air Force and the Army Recruit Training Centre.

In 1972, in its first year, the Whitlam Labor government said that it was going to disband the Kapooka band. A spirited group, led by Bruce Pinney and the late alderman Helen Frisby, started a Save the Band campaign. I do hope that we do not have to do that again. The number of Kapooka band members has reduced from something like 28 to 20, and that is a great concern. Not only does the Army band play at all the march-outs; it also plays an integral role in many fundraising activities in the community. I know how focused the current commandant, Colonel David Hay, whose posting is due to conclude at the end of this year, is on community efforts. First and foremost, the priority of the band is to play at the army march-outs. They do a wonderful job. Many of the band members have been to Gallipoli and Villers-Bretonneux in recent years to play at various Anzac Day ceremonies. They are renowned bandspeople, great musicians.

There is a great fear that, because of the government’s cutbacks in defence and the government’s cutbacks—they are called savings—in veterans’ affairs, the band is being reduced, along with bands right throughout Australia. I would like the minister to answer that question. I know it is a Defence portfolio question, but many veterans have asked me about it. I know the minister is well aware of an ex-Kapooka service soldier, Bert Hoebee. Minister, Bert is dismayed by the tone you used in your 15 May discussion about the DFRDB and DFRB and would like an apology on behalf of the ex-service men who he thinks have been slighted by your attack on them over the superannuation and veterans’ affairs entitlement issue. Thank you, Minister.

Mr SNOWDON (Lingiari—Minister for Veterans’ Affairs, Minister for Defence Science and Personnel, Minister for Indigenous Health and Minister Assisting the Prime Minister on the Centenary of ANZAC) (11:09): I thank the member for his question and say to him that I am not aware of any plans to cut back further on regimental bands or their participation in ceremonial activities. I thank him for his participation in the Centenary Local Grants Program. I think it is a very important initiative and we want every local member in the country to be engaged with it. We know from the previous commemorative events we had in the nineties that this can be very successful. But it does rely on the local community taking ownership along with the local member and getting the right outcome for the community. I do
thank the member and I understand the importance to Wagga of Kapooka and the triservice arrangements which exist there.

There is now a general acceptance, I think, that we are entering a period of very important commemorative events which will last until Armistice Day 2018. That is important to us, but it is going to create a lot of demand for things like ceremonial bands—because there will be a lot of activity. One of the things that Defence is doing is planning how to use its personnel in an appropriate way. The Federation Guard, as you know, is a very important part of this and has been working consistently at a very high level at all the ceremonial events I have been present at, including smaller events we have taken veterans away to—for commemorative services in Crete, Singapore and elsewhere. The Federation Guard have been fundamental to that, as they were at Anzac Day at Gallipoli and Anzac Day at Villers-Bretonneux—and that will continue to be the case.

I can give you an assurance that, from my perspective, there are no plans to diminish or deny the opportunities for these bands to be participating. But they are operational issues. At the end of the day, these people are service personnel who are required to work at the direction of the chiefs of the various services, which is as it should be. We will not be interfering in that process.

I do want to come back to the last point you made—around DFRB and DFRDB. I am affronted by what you said. More importantly, I am affronted by the way the opposition has been peddling this. I am affronted by it because my door is always open for genuine discussion and dialogue. But I am sick and tired of the vitriol which is coming from some quarters of the ex-service community and which has been promulgated and stimulated in part by the shadow minister. Giving encouragement to people to vent their views in such an extreme way is, I think, an insult to me, particularly, as well as to the government and to all veterans.

When you sit down and discuss this thing reasonably with veterans, they understand that they are treated specially. They appreciate that the superannuation arrangements they entered into when the joined the Defence Force were as they were and that they have been substantial beneficiaries ever since. I think it is important that the opposition actually go and explain to people precisely what DFRDB recipients who are currently serving will get once they retire and then ask them, ‘Do you see that as being the same as a pension?’

I mentioned earlier what a colonel would get after 30 years. I mentioned what a major would get after 20 years of service. Let me just go to a non-commissioned officer, a warrant officer, who retired at the beginning of 2012 after 30 years of service with a final salary of $47,000 per annum. He would get a lump sum of around $240,000, exchangeable for an annual payment, indexed to CPI, of $38,000.

Those in the private superannuation market have, since the GFC, seen their returns plummet. The returns for those people whose superannuation is indexed to CPI have increased and those people were, for a period, well in front of the commercial market. The returns for those people on CPI have increased and for a period were well in front of the commercial market. Why is it that there was no explanation by the opposition that this is a superannuation scheme guaranteed by taxpayers? (Time expired)
Mr ROBERT (Fadden) (11:15): In keeping with comments on budgets, I bring the minister back to the Veterans' Affairs budget. Let me firstly say he certainly gets our strong support for the Anzac Centenary Local Grants Program. I think it is well received across the board. If you could take a quick note back to your department, Minister, eight weeks to get a logo out is probably a bit on the long side, but I am sure you will sort that out.

More importantly, the budget paper contains a $120,000-grant for the federal electorate of New England to support two commemorative projects. This grant is on top of the local grant program of $100,000 to every electorate. So this is a specific $120,000 grant over and above to New England. The first was $20,000 to the Gunnedah Shire band for the cost of their travel to France in April. The second is a $100,000-grant to the Inverell RSL for construction of a new museum. Whilst the projects seem worthwhile—and I lend no comment otherwise—Minister, can you explain why New England has received $120,000 over and above other electorates? For instance, was the $20,000 paid to the Gunnedah Shire band organised through a public tender? Could other bands in other electorates across the country have applied for the funding? Similarly, what will the Australian government's $100,000 commitment to the Inverell RSL project provide? Who else is funding the project? What is the total cost? When is it going to be completed?

Mr SNOWDON (Lingiari—Minister for Veterans' Affairs, Minister for Defence Science and Personnel, Minister for Indigenous Health and Minister Assisting the Prime Minister on the Centenary of ANZAC) (11:16): Firstly, you would be aware that the independents have a capacity to make a bid as part of the agreement initially made with them and this is something that happened here. The Inverell payment was an appropriate one and was in partnership with them.

I point out that we are going to do an avenue of honour in North Queensland, which will be opened in late June by the Prime Minister, which is another important commemorative event. I am very pleased we are doing it. I do not see any disconnect between what we do there and what we have done elsewhere. There are other places where we have provided grants over and above the Saluting Their Service grants or other grants that are available because there are processes to deal with them.

Mr ROBERT (Fadden) (11:17): Can I confirm that you said that as part of the government's agreement with the independents that they have special rules to make bids for grants under the commemorative project area that other electorates do not have access to. Is that correct?

Mr SNOWDON (Lingiari—Minister for Veterans' Affairs, Minister for Defence Science and Personnel, Minister for Indigenous Health and Minister Assisting the Prime Minister on the Centenary of ANZAC) (11:17): There is an arrangement in the context of the budget process in which they are considered. However, bids can be made and considered within the budget process.

Mr ROBERT (Fadden) (11:17): I draw your attention to another issue. Last night at Senate estimates the Department of Veterans' Affairs confirmed that the average claim processing time under the Military Rehabilitation and Compensation Act was 35 days above that reported in the budget papers and in the department's own annual report. The department confirmed last night that in March 2013 the average processing time was 155 days. But in the
budget paper the government says that the mean processing time was 120 days. Minister, were you aware of this misreporting?

The department confirmed that $1.7 million given to them in the budget to make improvements to the processing time for compensation claims will simply be used to bring processing times back to the reported mean time rather than seeking to reduce the reported average claims processing time. Whilst the new secretary noted that we are not meeting our targets, it is clearly the government which takes responsibility for all issues with the department and has to justify why they have allowed what would seem like inaccurate reporting of veteran compensation claim processing times.

Minister, I think you would agree that this may cast doubts made in other areas over claims made in other documents about other processing times. I can imagine this situation is somewhat embarrassing, especially since in your 2011 post-budget press release you announced the claims process was ‘complex, wieldy and slow’ and you announced $3.4 million to improve that process. I fail to see if anything meaningful has happened since that money was allocated.

The misreporting also comes at a time when the department claims under the MRC Act that claims will increase by eight per cent. Without proper training for advocates and pensioner welfare officers, the complexity of the system may lead to further delays. The department further confirmed last night that veteran advocates are not being given specific training about the changes to the Military Rehabilitation and Compensation Act currently before the parliament. Minister, surely without proper training the problems with the claim processing may only increase.

The increase in claim processing times comes on the back of that 2011 decision of the government to cut advocacy funding by $1 million a year over the forward estimates. I think we all agree this decision has placed enormous strain on volunteer veteran advocates and pensioner welfare officers, who are struggling to cope with the increased demand for their service from veterans and their families. These advocates provide an essential service to veterans and their families, helping them to negotiate their way through what is a complex rehab system. Taking the support out from under their feet is disappointing. Minister, can you explain how this misreporting of average claim processing times in the portfolio budget statements came about and what was its genesis? Can you explain that differentiation and, if indeed there are mistakes, Minister, will you take responsibility?

Mr Snowdon (Lingiari—Minister for Veterans' Affairs, Minister for Defence Science and Personnel, Minister for Indigenous Health and Minister Assisting the Prime Minister on the Centenary of ANZAC) (11:21): I am not sure if there is a misunderstanding by the opposition, but there has been no attempt to manipulate the figures nor to misreport. I am not sure why you would get to that position. The 120 days quoted in the 2014 portfolio budget statement is a benchmark KPI for processing claims under the Military Rehabilitation and Compensation Act. The portfolio budget statement lists key performance targets for programs. It was not a misreporting of statistics. It is appropriate that there should be KPIs and it is appropriate we should try to meet the KPIs. I can only think that the opposition are saying leave them out—if the average is 155 days or 158 days, or whatever it is, make the KPI that. That is not appropriate. It is really inappropriate to change a benchmark target that is not being met.
We fully acknowledge that the average processing time for MRCA initial liability claims for the 12 months ending March 2013 was 155 days. There has been no fudging of figures, none. I am not sure why you would think there has been. What is in it for us to fudge the figures? It is a transparent process. Why fudge it? The performance against the individual targets is reported each year in DVA’s annual report. There is no attempt to hide the figures; just read them and make comparisons. Of course we can do better and that is what we want to do.

The Joint Standing Committee on Foreign Affairs, Defence and Trade has been conducting an inquiry into the care of Australian Defence Force personnel wounded and injured in operations. The department recently reported to the committee that the times taken to process MRCA liability claims for 2011-12 was 158 days on average. MRCA claims received have increased by an average in excess of nine per cent per annum over the last five years. As you would expect from a prudent government, in response to this increase in claims the government have provided $1.7 million over four years to improve MRCA processing times. It is important that we do it. It is not in it for us to try to extend these times. We want to make sure that we meet these benchmarks where we possibly can. These KPIs are quite important to us. There should be targets which we try to achieve. That is why we are making this additional $1.7 million available.

DVA is further addressing the time taken to process claims under MRCA through a number of ways. Firstly, by applying streamlining processes, providing further training and guidance for staff, redistributing claims across locations, prioritising cases, redeveloping ICT tools and improving access to information from the Department of Defence.

There is absolutely nothing in it for us to try and obfuscate or disguise or otherwise hide what we are achieving in terms of these timelines. It would be incorrect to think that somehow or other we would deliberately go around a process to distort or misreport the figures when we are quite open to public scrutiny here—and we accept that scrutiny, and we accept the desire and need for us to do better. I want to thank the department for the diligent way they have gone about trying to achieve these targets. I know that they are applying their best endeavours to getting the best possible outcome for all of those people putting in claims. If we can improve the time to settle those claims, we will. It is our intention, and anyone who believes that we would do otherwise does not understand the way we do our work.

Mr ROBERT (Fadden) (11:26): Earlier this year the Australian National Audit Office released an audit of the Veterans’ Children Education Scheme, VCES, and the Military Rehabilitation and Compensation Act Education and Training Scheme, let us just call that MRCAETS. The audit was a sobering analysis of how the government has certainly failed to ensure policies affecting veterans’ children have kept pace with changes in the broader income support arrangements facing all Australians. In a repeat of their 2009 decision to exclude veteran disability pensions from the Harmer review of pensions, despite a hand-on-heart promise of the Treasurer on Brisbane radio on 12 September 2008 to do so, the government decided that payments to veterans’ kids under VCES or MRCAETS would not be similarly adjusted. Instead, the government advised veterans to ring Centrelink to find out whether they would be better off under the family tax benefit system rather than DVA’s own compensation-based education support system.
The audit found that, during the life of the scheme, changes in the wider social policy environment have at various times challenged DVA's policy and coordination capacity. Audit's analysis also indicates that, at least as far back as 2004, some students may have been financially better off by claiming benefits other than those offered by the VCES. However, DVA did not formally notify affected clients of this option until January 2012. According to the audit, the government rejected a DVA request to address the anomalous situation, saving $2 million by forcing veterans' families to Centrelink rather than DVA.

This situation would be bad enough on its own if the audit did not then find that the legislative provisions governing the VCES and MRCAETS were being flouted because of a lack of funding. The legislation requires VCES volunteer board members to travel and meet face-to-face with students, teachers and parents as part of the nation's obligations to assist these families. Funding for VCES board members to travel to see these students in rural and regional areas was slashed from a budget of $40,000 to just $10,000. This is particularly concerning, given that one of every two students under VCES and MRCAETS lives outside metropolitan areas, particularly in Queensland, New South Wales and Tasmania. Because of the lack of funding for outreach required by the legislation, volunteer board members were instead forced to rely on written reports sent to them by schools, rather than meeting face-to-face with the veteran, the student and the school to discuss the student's progress. The audit report highlighted the important role that these outreach arrangements have in assisting children of veterans to achieve better education outcomes.

Minister, this happened on your government's watch. Whilst we note that the department has accepted two recommendations from the ANAO, it may be cold comfort to veterans' families who have recently relied on a system that has been found to be broken. Minister, can you explain why the government rejected DVA's 2011 request to align VCES payments with the new FTB arrangement announced in the 2010 election? Will you also confirm that this rejection, to save just $2 million over four years, comes when advertising expenses for, for example, Gonski reforms are $21 million and, for NBN, $5 million?

Mr SNOWDON (Lingiari—Minister for Veterans' Affairs, Minister for Defence Science and Personnel, Minister for Indigenous Health and Minister Assisting the Prime Minister on the Centenary of ANZAC) (11:29): Let me firstly make the observation that DVA, as the member for Fadden should know, or at least the shadow minister for veterans' affairs should know, has arrangements in place to advise VCES students of their options where FTB exceeds VCES allowances. The background to this is important.

From 1 January 2012 the government increased the maximum rate of FTBA for 16- to 18-year-olds in full-time secondary study from $52.64 to $214.06. It is currently $220.64 per fortnight. That equated it to the 13- to 15-year-old rate, which was a 2010 election commitment recognising the cost of older teenagers. The increased rate is to be payable until the end of the calendar year in which the child either turns 18 or leaves full-time secondary study, whichever is earlier. The end of year FTBA supplement will also be payable to families with children aged 16 to 18 at $726.35 pro rata once a tax return is lodged.

This change meant that new applicants for youth allowance could no longer be paid for a secondary student aged 16 and over and are asked to apply for FTB. However, Centrelink when wrote to existing youth allowance recipients very few applied for FTB—fewer than 10,000 from 85,000 letters sent out. DVA's VCES and MRCAETS rate of $223 per fortnight
for 16- and 17-year-olds living at home is set at the same rate as Centerlink's youth allowance. The rate of FTBA, including the annual FTBA supplement is now more than the annual amount of youth, VCES and MRCAETS allowances payable for a secondary student aged 16 to 17 except for those on living away from home and homeless rates. This means it is more beneficial for some families after means testing to receive FTB than education assistance under VCES or MRCAETS—that is, they will be better off receiving a comparable payment from Centrelink than from DVA.

Also available from Centrelink is family tax benefit part B, which is targeted at single income and low-second-income-earning families. This may be paid up to $100.66 per fortnight. The FTB part B supplement is up to $354.05 per family per year. Under the children's scheme, Abstudy postgraduate award scheme or the VCES there is a similar preclusion to that of FTB. This means that dependants over 16 who apply for FTBA will be able to retain their orphan pension if the criteria are met. Those who have lost their orphan pension owing to receiving another payment will likely seek to have it reinstated. There were approximately 200 recipients of orphan pension in 2012. It was expected that this number would increase by 72 with those applying for FTB. Statistics indicate that only nine orphans have switched to FTB.

There is currently no preclusion in the MRCA that presents a payment for education assistance being made at the same time as a payment for an eligible young person. The reasons VCES and MRCAETS cannot be aligned for FTB rates of education allowance under the VCES and MRCAETS are linked to rates of youth allowance. However, unlike youth allowance, education allowances under the VCES and MRCAETS are not means tested. Aligning FTB is a difficult and is a different program to redesign. We are talking about a very small number, relatively speaking, of people. As I said earlier, DVA has put in place arrangement to advise VCES students of their options where FTB exceeds VCES allowances. That is a simple fact and something that I know you would appreciate.

I will conclude by returning to an earlier contribution to make sure that there is no misunderstanding. I have no difficulty at all with people arguing that they want to change an indexation rate for their retirement benefit. I have a great deal of difficulty in equating it to an age pension. I will read what Nick Minchin said when he was the coalition minister for finance:

This claim (to change indexation) was properly rejected by the Howard Government, of which I was a member.

There is no inherent logic to the proposition that a public sector employment employment-related superannuation payment should be indexed in exactly the same fashion as a means-tested welfare benefit, in this case the age pension.

I rest my case. It is something so logical even those opposite should see it.

Proposed expenditure agreed to.

**Education, Employment and Workplace Relations Portfolio**

Proposed expenditure, $4,202,808,000

**The DEPUTY SPEAKER (Mr Lyons):** The Federation Chamber will now consider the employment and workplace relations segment of the Education, Employment and Workplace Relations portfolio, in accordance with the agreed order of consideration.
Mr Turnbull (Wentworth) (11:35): I refer the minister to some correspondence he produced earlier this week between himself and Telstra in 2009. He wrote to Telstra on 27 March 2009 raising a concern from a Mr Yossi Berger about asbestos-containing material in Telstra pits. Telstra wrote back on 28 April, in a letter the minister has distributed in the press gallery, in which Richard Coleman said:

Such pits are only removed and replaced in situations where they have suffered significant damage and therefore present a hazard. When serviceable pits remain in situ, they are not considered to present a risk to health and safety of any person.

The minister wrote again, in August 2009, pressing Mr Berger's argument that all the pits should be replaced. Then he received a reply on 13 August 2009 from Michael Rocca, then the head of network services, who wrote:

It is Telstra's opinion the proposals of Mr Berger do not achieve a satisfactory balance between commercial practicability and the actual health risk posed by in-ground pits that contain bonded asbestos cement. The potential higher risk for disturbance of in situ asbestos plant is recognised within the Code of Practice for the Safe Removal of Asbestos, 2nd edition 2005, which states:

The removal of asbestos-containing materials can potentially expose workers and others to higher levels of … fibres than leaving the materials in situ.

The minister wrote back again, to Mr Thodey this time, the chief executive, and made the point in his letter, dated 2 November, that, when such ACM materials are disturbed, organisations, employees and contractors can be exposed to fibres. And he suggested a formal program of total removal would be a great legacy. Mr Thodey wrote back and, in his letter of 14 December, said:

Given the low risk of in situ pits, the potential risks of removal and the prohibitive associated costs, we do not believe a proactive pit removal process is justified at the time.

What this demonstrates is that, in 2009, the minister was very aware—very aware indeed—that there was asbestos-containing material in Telstra's pits. He was aware that Telstra had a view, supported by the industry standards, that they are safe if they are intact and left in situ and undamaged, and that health risks arise when they are disturbed. Of course, at that time they were being disturbed rarely, only when maintenance was required or trucks ran into them and so forth. However, by 2011, the deal that was done between NBN Co. and Telstra, of course, involved the disturbance of almost all of these pits on a massive, nationwide scale. From 2011, there have been reports in the press of asbestos being found in the works being conducted either by NBN Co. or by Telstra as part of the NBN project. There was a 2011 report in the Age on page 6 of the 5 May edition; on 13 December last year there were reports about contamination found in Western Australia; and there have been a number of reports earlier this year as well.

I am hoping the minister will take the opportunity to enlighten us here, but, notwithstanding the fact that all of these pits were going to be disturbed so that the whole context changed dramatically with the NBN deal, and notwithstanding that there were reports of asbestos contamination, he does not appear to have raised concerns about them, having been put on notice in 2009, either with the communications minister or with NBN and Telstra prior to last week, when the matter became a very hot issue, as we all know, in the Sydney media. I could refer the minister, of course, to the questions that my colleague the member for
Bradfield and others have raised in the various committees and the Senate estimates, but I imagine he does not pay much attention to questions from the opposition.

Mr SHORTEN (Maribyrnong—Minister for Financial Services and Superannuation and Minister for Employment and Workplace Relations) (11:40): I think it is a little hash of the member opposite to say that I do not pay attention to his questions; I do. In terms of asbestos and the issues which he has raised, let me say again—and I will keep saying it, because it is an important opportunity to remind members of the opposition who have shown a new-found interest in asbestos, asbestosis and mesothelioma—that asbestos is a giant scourge. Last night on Lateline the member for Wentworth accused the government of trying to create a panic. I tell you what: when we know that nearly 700 people a year are dying from asbestos related diseases and that another 30,000 to 40,000 people will die of asbestosis, to not take the issue, not talk about it and not deal with the concerns raised by the residents of Penrith is not appropriate.

Let us look at the history of asbestos, because it goes to the wafer-thin propositions being advanced by the member for Wentworth, which are that somehow this government has not been doing enough about asbestosis and the dangers of asbestos. Let us have a little bit of history. First of all, the Telstra pipes and the Telstra ducts, which contain asbestos, have been rolled out over many, many years. Telstra and the Postmaster-General knew this. In fact, I must put on record a positive comment that the member for Wentworth's father-in-law, an eminent barrister, represented very ably victims of asbestos exposure on the waterfront. So these issues and the dangers of asbestos were well known.

We also know that certain corporate organisations such as James Hardie and, indeed, CSR chose to cover up and deny the risks of asbestos for many years. It was not so long ago that former opposition leader Mark Latham had to shame those opposite into handing back Hardie's donations. He had to shame them into doing it. The dangers of asbestos have been well known and for a very long time in Telstra. Indeed, it was well known to the opposition when they were in government. The late member for Calare, Peter Andren, raised with the then government and the then minister for communications on notice issues identical to the questions which I raised in 2009. At that stage, I think it was the then minister for agriculture in the House of Representatives, on behalf of the minister for communications, who said that Telstra had asbestos in its system, in some of its pits and in some of its ducts. So the sort of startling smoking-gun revelation that somehow it has only been of late that some of the dangers of asbestos have been revealed is not fair and not accurate.

Mr Turnbull interjecting—

Mr TURNBULL: You will get your chance, Mal. Sorry. I don't mean to upset that glass jaw of yours. We were aware in 2001 of the need for Telstra to create a separate fund, and indeed it was the Leader of the Opposition, then as a minister, who said, 'No, we won't.' Again, in 2007, it was the Leader of the Opposition, who was the minister for health at that stage, who would not support the PBS being varied to include drugs which would help alleviate the suffering of victims of asbestosis and mesothelioma. Indeed, when the late Bernie Banton, the great warrior on the issue of asbestos, came forward, he was personally vilified by the now Leader of the Opposition.

We dial forward to now. It is correct that, even as the parliamentary secretary for disabilities, I maintained a strong interest in health and safety—reflecting knowledge, though,
which both sides of the House already had. I certainly did contact Telstra a number of times, because people in Tasmania were saying to me that they were concerned about this process. Telstra came back not once, not twice but three times and said that they had it under control. This, I have to say, contrasts with the lack of interest of those opposite, who, despite knowing the issues, have not bothered to put them forward. I have not heard in this debate any reference to those—

A division having been called in the House of Representatives—

Sitting suspended from 11:44 to 11:58

Mr SHORTEN: As I was saying, asbestos is a deadly serious issue and requires a serious approach. Telstra had advised the government—and they had been in contact with Comcare—that they had procedures for the rollout in terms of their responsibilities on asbestos. The CEO confirmed this at the end of 2009.

What is also clear is that in the last few weeks there have been a number of incidents which show, in my opinion, a breach of the standards we would expect in terms of the remediation of asbestos lined pits, which have been involved in the roll-out of new telecommunications. It is clear to me, from speaking to residents and others, that Telstra needs to lift its standards. That is what we are doing with a new national register. That is what we are doing with a task force overseeing Telstra. And Telstra has given stronger commitments than ever before.

Ms SMYTH (La Trobe) (11:58): I am very pleased to be able to be here this morning to make some inquiries in relation, particularly, to the employment and workplace relations portfolio. There has obviously been a great deal of good work done throughout the course of this government’s life, particularly in relation to the creation of jobs—over 900,000 jobs created as a result of the fiscal settings and the endeavours of this government since it came to office. Obviously, there has been a significant emphasis on providing support for low-income workers and also providing support by means of taxation arrangements, changes to superannuation arrangements and changes in the way of household assistance measures which have provided, appropriately, support to some of those who are the most vulnerable in our society, including low-income workers. As someone with around 27,000 workers with a taxable income of less than $37,000 per annum in my electorate as at 2008-09, I am very conscious of the arrangements entered into by this government and the good work done by the minister in relation to low-income superannuation contribution. Regrettably, it is the case that those very same 27,000 workers will be those who are exposed to the proposals of the opposition on the low-income superannuation contribution. They have made it clear that they basically support an increase in taxation for that category of people—those 27,000 people in my electorate who are low-income workers. I know that this minister has certainly done a great deal of work both on that superannuation measure and on the progressive increase in the Superannuation Guarantee—another thing that is being resisted by those opposite. It is only ever a Labor government which focuses on superannuation, and, once again, all of these measures stand to the significant benefit of low-income workers in our community.

I know that there has also been a great deal of work done to support job seekers and more broadly across government to support those sorts of people who are in vulnerable circumstances. I know there have been more than 2,800 job seekers in La Trobe who have benefited through household assistance measures provided by the government to enable them to have a bit of extra income. There is a whole range of things to assist low-income workers
and I am conscious of the fact that so many of those workers are often women—women in part-time or casual employment. In fact, I think the figures reveal that around 70 per cent of those categorised as part-time or casual workers are women. All these measures appropriately, but disproportionately, assist women in those sorts of jobs.

There has been very good work done by the government and the minister in pulling back from the WorkChoices regime that was left to us by the Howard government, and that good work continues. I know that the minister is very conscious of things like ensuring the ongoing protection of penalty rates and ensuring that we have a fair system of workplace relations. All of these things go to supporting, as Labor traditionally does, the people who are most vulnerable in our society—people on low incomes or who may otherwise be exposed to undue pressure in the workplace. The minister will also be aware that I have certainly taken an interest in arrangements relating to payments for some of our most disadvantaged people, particularly Newstart payments. My question today refers to the Senate's inquiry into Newstart: could you update the chamber on recent budget measures which assist single parents and Newstart recipients?

Mr Shorten (Maribyrnong—Minister for Financial Services and Superannuation and Minister for Employment and Workplace Relations) (12:03): I thank the member for La Trobe for her question. She has a longstanding interest in reform and supporting people who are less well-off in our communities. It is correct to say that this Labor government has kept our economy strong during some of the most difficult financial circumstances seen in peace time since the Second World War. We have created 950,000 new jobs and, as much as the member for Bradfield shakes his head, these are facts which not even the coalition conservative propaganda writers can unwrite. Despite this, we know that some people are doing it tough. Labor knows fundamentally that the best way out of disadvantage for people is to have a job. The best way for families and kids to get the best start in life is to have employment in their households. It is important to go to the big picture first to set the scene for the specific points that the member for La Trobe is inquiring about. We have relatively low inflation in this country. The cash rate set by the Reserve Bank is as low as it has been in a very long time. We have unemployment which is still reasonably soft at 5.5 per cent. We have seen a 13 per cent increase in the size of our GDP since the global financial crisis, our ASX is coasting towards 5,000—a distinct increase in the last 12 months—and I am optimistic that superannuation returns will be double-digit. Business investment as a share of our GDP is 18½ per cent. So there are things going well in this country that we do not always hear about from the coalition.

Having said that, the member for La Trobe is correct—there are significant pockets of disadvantage in this country. That is why we unveiled a package in the budget to support people into work. I can report to the member for La Trobe that from 20 March 2014 this package will provide an increase in the income-free area beyond which people's allowances are affected. This is the first time that has been done in over a decade. It is a $258 million investment to increase the amount that people can earn before their income support payments are affected. We want to increase the income-free area from $62 to $100, which will increase take-home pay to $494 per week. Not only is it the first increase in more than a decade; it is the first time it has been indexed to CPI in Australia's history. That will take place from 1 July
2015. It is estimated that 150,000 Australians will benefit immediately. We will provide extra benefit for thousands to take up work.

It does not stop there. We have the pensioner education supplement. This is important because, just as a job is important to people's well-being, the best education, or re-education, and support for education is what helps Australian employees have the resilience to cope in a changing global economy. There will be nearly $40 million to increase education opportunities. This will benefit 25,000 additional single parents moving from the PPS to Newstart. It will benefit an additional 90,000 single parents already on Newstart. This pensioner education supplement of $62 a fortnight will ensure that people can train for a certificate II, III or IV in the TAFE system, or indeed for a bachelor degree.

We are also going to extend the concession card. This will see a $2.2 million increase to concession entitlements, and 2,000 people will benefit over the forward estimates. There will be a 12-week buffer when moving off income support payments because income is too high to attract some of the other allowances. This will allow people, as they make the transition, access to discounted GP costs, car registration and medicines.

All of this builds upon the $1.1 billion income support bonus for low-income earners, which this government has already passed. I am sure it disappoints the member for La Trobe, like it disappoints me and disappoints millions of Australians, but those opposite voted against giving $1.1 billion to the lowest paid Australians. When it comes to assisting multinational mining companies, the mob opposite know where to go—they do not need to be told; they just march like automatons to the beat of the multinational drum. But when it has come to supporting low-income people, those opposite have voted against it. What is worse is that they have also indicated they are going to knock off the schoolkids bonus—bang, $400-plus for children of primary school age, and bang, $800 for children at secondary school. Those opposite can always be relied upon to miss an opportunity to help the low-paid. When you look at the tax they are putting on the superannuation contributions of people earning under $37,000—a new 15 per cent great big tax—it is a shame.

Mr Turnbull (Wentworth) (12:08): When the minister was talking about the political party that could be relied upon to support multinational mining companies, I assumed he was about to refer to the Treasurer and the Prime Minister who, after all, when they were designing their new mining tax, sat down and allowed the three biggest mining companies to design it. That is one of the reasons it has not raised any money.

The minister chose not to answer the question that I asked in my first intervention, which was what did he say, what actions did he take, after 2009 with regard to asbestos-containing material in the Telstra infrastructure in light of his being aware of the problem, as indeed many people were—most people interested in telecommunications were; it was hardly a secret—through his own personal correspondence with Telstra? Then the context changed and the pits were going to be disturbed on a wholesale basis. I should just describe what this disturbance involves. The way the NBN Co.’s network is designed, their junction boxes—which they call multiports—are devices that are being lodged in pits, but the existing pits are too small, for the most part, and so they have to be replaced with a larger plastic pit. Obviously, where the pit is made of concrete or concrete thought to contain asbestos, there is plenty of potential for contamination because the pit basically has to be broken up and removed. So it goes from being an occasional pattern of disturbance to being a near-universal
pattern of disturbance. The minister has chosen not to answer the question as to what he did after 2009 in terms of raising his concerns with the minister for communications, let alone with NBN and Telstra. If the minister is not prepared to answer that, we cannot force him to answer it.

I turn now to another question, because it is very important that this issue be dealt with with clarity. The minister is quite right in saying that asbestos is a very dangerous substance. It is a very big issue and there is a complete unity ticket on that point. But we have to be very clear about what we are talking about. Now, the minister in 2009 was proposing to Telstra that there should be a proactive removal of all of their asbestos-containing infrastructure, whether it needed to be repaired, maintained, augmented or not—proactive removal. Telstra came back citing the national standards and saying, no, that would be unsafe.

The minister should tell us—and I think he owes the Australian people an explanation: does he believe that asbestos-containing material, whether it is in telecom networks or elsewhere in the built environment, should be removed proactively, regardless of whether it needs to be mended or altered or drilled into or repaired? In other words, is the minister still of the view—

An honourable member: It could be in my garage.

Mr TURNBULL: Yes, it could be the honourable member's garage—if the honourable member has a garage with asbestos-containing material in the walls or in the roof, and it is intact, it is not friable, it is not flaking or powdered. Is the minister saying that that type of asbestos-containing material should be proactively removed? It is important for him as the minister for workplace relations to let us know that. And, if he does take that view, what does he say to the point—and I am not expressing a personal opinion on this but I want him to address it—that was made in the Code of practice for the safe removal of asbestos, which is a publication by his own department, I believe, which states:
The removal of asbestos-containing materials can potentially expose workers and others to higher levels of airborne asbestos fibres than leaving the materials in situ. Is he arguing for a wholesale, proactive removal of all asbestos-containing material, even when it is stable, intact and not friable? That is a very important issue that he should address, because this issue is too serious for generalities and political grandstanding. We need precision.

Mr SHORTEN (Maribyrnong—Minister for Financial Services and Superannuation and Minister for Employment and Workplace Relations) (12:13): I appreciate the member for Wentworth's well-known irony when he says this issue should not be politicised, when in fact that is what the opposition has done. First of all, in terms of the question he alleges is not answered, outside of my ministerial responsibilities in 2009, because I have an interest in health and safety I did contact Telstra not once, not twice but three times. There is correspondence I have tabled where Telstra, in the very last line of the very last letter, say that they are preparing for the NBN rollout. So, despite this sort of sly inference that somehow what has changed is the NBN rollout, Telstra were fully alive to that in 2009, and they certainly indicated that they have solid policies on asbestos.

I am interested in the fact that the member opposite says that the risks of asbestos in Telstra infrastructure are well known. What did the opposition ever do?
We have the relentless NBN watchdog, the member for Wentworth, sitting opposite. What did he ever do to raise the issue of health and safety? He probably has raised it and he probably has raised asbestos issues with the company since 2009—I do not know.

I invite the member for Wentworth to work with the government on asbestos issues. It is fun to throw bricks, but on this particular issue it is not appropriate. I look forward with great interest to finding out how many speeches the member for Wentworth has given about the perils of asbestos. He may have better records than I do—I fully acknowledge that, so I make that caveat—but I have searched nine years of the member for Wentworth's contributions to see what he has said about asbestos. I searched high and searched low—actually, I got someone else to press a button and search Hansard—but not a word until last week. I do not mind the belated interest, because it still is an important issue.

Mr Turnbull interjecting—

Mr SHORTEN: I do not mean to puncture the member for glass jaw here, but we must look at what has actually happened. For the record, I again state that the opposition's interest in this matter of Telstra and asbestos is being fuelled by their desire to rubbish the NBN. I do not believe they come here with the bona fides they claim, although I will exempt a number of individual backbenchers and shadow ministers whom I have noticed, periodically over time, raising the issue of asbestos. So it is not a blanket condemnation. But I find it difficult to accept a lecture and some of the politicised rubbish I am hearing.

Going through what we have done: Comcare have audited Telstra in the past, they have reviewed pit safety—

Mr Turnbull interjecting—

Mr SHORTEN: As much as the member for Wentworth may find my answer discomfiting, I will give it in the manner I choose. He can ask the questions he wants to ask, but I will put the truth as it should be put.

In 2011, Comcare conducted a review of pit safety. They found a breach by Telstra, which Telstra then rectified. If you want to look at our record in tackling asbestos, it is worth noting that, since I became the minister 17 months ago, it is this side of the House which has finalised the Asbestos management review report, which looked at asbestos everywhere—not just the issues the Liberal Party want to conduct their political games over. It is this government which has acted on the recommendations. I have never had to stand behind a queue of coalition frontbenchers trying to talk about occupational health and safety. It is this government which has passed the legislation for the Office of Asbestos Safety. It is this government which, having heard the latest spate of reports in the last six or seven weeks, has acted to have a meeting with Telstra, NBN, the contractors, the stakeholders—we invited unions to the meeting, something which would never happen under those opposite because of their prejudice and bias against trade unions—and the victims groups.

When it comes to prioritised removal, we are not saying that all asbestos everywhere must be removed tomorrow. It is impossible. There are not enough licensed removalists and there are not enough places to take it. I get that, because I have been following this issue for a long period of time. The dangerous argument—not advanced by the member for Wentworth but by the man who beat him by one vote in the leadership ballot, the Leader of the Opposition—is to just leave it in the ground. 'The safest thing is to leave it in the ground,' the Leader of the
Opposition said yesterday. What dangerous words. He is not fit to hold the highest office in the nation if he does not understand that sooner or later we have to start removing this asbestos—otherwise more people will die and more people will get sick. It is not enough to say, 'Leave it in place; we can do no more.' We can and we should.

Mr TURNBULL (Wentworth) (12:19): I note what the minister has just said. I understand he did not raise the matter with the minister for communications, Telstra or NBN after 2009. That is now clear. I want to clear up, for the benefit of honourable members, the reference the minister made—which was very misleading, perhaps innocently misleading—to the letter of David Thodey dated 14 December. That letter ends, in the penultimate paragraph: ‘Given the low risk of in situ pits, the potential risks of removal and the prohibitive associated costs, we do not believe a proactive pit removal process is justified at this time. This is particularly so given the rollout of a new fibre network by the new National Broadband Network Company.’

What the minister may not be aware of is that at the end of 2009 there was no agreement by NBN Co. to use Telstra's pits and pipes. In fact, what NBN Co. was going to do was to overbuild the entire Telstra network. Mr Thodey, no doubt, was contemplating a situation where entirely new infrastructure which did not disturb his pits and pipes was going to be built by NBN Co. And that was the original plan of the government. All of that changed, however, when the agreement was reached, by June 2011 as I recall, between NBN Co. and Telstra which involved the wholesale disturbance of the Telstra infrastructure.

The second matter that I asked the minister about—and perhaps he could just put this to rest—

Mr Stephen Jones: Mr Deputy Speaker, the time allotted for this matter has expired. There are other ministers at the table who have important issues that I am sure the members of the coalition want to question them on. The member for Wentworth is two minutes in and has not yet asked a question. He ran an MPI on this matter yesterday. Can I respectfully suggest that if he has a question of the minister he might wish to put it on notice. I am sure the minister would be willing to answer on notice any question that he was going to put to him.

The DEPUTY SPEAKER (Mr Lyons): I was not aware of the recommendation on the speakers list that this debate should finish at 12.15. I ask the member for Wentworth to ask his question so that we can—

Mr TURNBULL: I will do so, Mr Deputy Speaker.

Mr Georganas: Mr Deputy Speaker, on a point of order: as a common courtesy I did not jump up at the end of the minister's answer because I saw that the finish time for this debate was 12.15. Had I known the debate was going to continue, I would have jumped up and had the call.

Mr TURNBULL: I have the call.

The DEPUTY SPEAKER: The member for Wentworth will ask his question immediately and then I will put the question.

Mr TURNBULL: I will ask the question. I asked the minister earlier whether he advocated the proactive removal of all asbestos. He responded by saying no, he did not advocate that. But then he went into an attack on the Leader of the Opposition, criticising him for saying that asbestos-containing material which—
The DEPUTY SPEAKER: Member for Wentworth, please ask the question. I intend to move on.

Mr Shorten interjecting—

Mr TURNBULL: I understand that this discomfits the minister.

Mr Shorten interjecting—

Mr TURNBULL: You just don't want to give a straight answer, do you? Your inactivity is something you are rightly ashamed of, and I am holding you to account for it.

Mr Shorten interjecting—

Mr TURNBULL: You have done nothing. Since 2009, you have done nothing.

Mr Shorten interjecting—

The DEPUTY SPEAKER: The member for Wentworth will resume his seat. Minister, do you have a point of order?

Mr Shorten: The member is carrying on. He has not got to the question. He has been out of time for a while. What is more, I have made the offer to meet with him. I am happy to meet with you, Malcolm. You might not have the cameras there and you might not have your backbench. Let us just talk about asbestos. You are better than this. Be the spy catcher, Malcolm Turnbull, not the goblin Greek. Let us meet. Let us talk. If you really care about asbestos, let us do it properly as the residents and victims deserve. You are better than this, Malcolm.

Mr TURNBULL: I do not think you are better than you are now!

The DEPUTY SPEAKER: The member's time has expired.

Proposed expenditure agreed to.

Agriculture, Fisheries and Forestry Portfolio

Proposed expenditure, $539,700,000

Mr BURKE (Watson—Minister for the Arts, Minister for Sustainability, Environment, Water, Population and Communities) (12:24): Whether this is as contested as what we just had, I do not know, but thank you for the opportunity to speak to Appropriation Bill (No. 1) 2013-2014 and to present the 2013-14 Agriculture, Fisheries and Forestry appropriation. This budget is the next instalment of the Gillard government's plan for Australia's primary industries. The allocation for the portfolio in 2013-14 is $1.92 billion, an increase of $300 million over 2012-13.

The $440 million Farm Finance package will help farmers struggling with debt, through targeted financial assistance. Up to $30 million per annum for two years to each state and the Northern Territory for concessional loans to eligible farmers is available in this budget. Farm Finance includes $6.3 million over two years for around 17 new rural financial counsellors across Australia. Farm Finance enhances eligibility for the Farm Management Deposits Scheme, increasing the non-primary-production income threshold for farm management deposits from $65,000 to $100,000.

On drought reform: we know that drought in this country is inevitable, just as we know that the old exceptional circumstances policy did not work. It was reactive and inequitable and did not prepare our farmers for the future. Minister Ludwig and his state and territory colleagues
recently signed an Intergovernmental Agreement on National Drought Program Reform. The centrepiece is the Commonwealth's $99.4 million investment in a new farm household allowance. Farmers can receive support when they need it. They will not have to hope that their property is on the right side of a line on a map. Case managers will provide the support farmers need to help them to better manage risk, improve their preparedness for hardship and make tough decisions about their long-term sustainability.

The National Food Plan is listed in the budget as 'decisions taken but not yet announced', but the government released Australia's first National Food Plan on 25 May, so, as we talk now, it has been announced. The plan includes $42 million worth of new initiatives, including $28.5 million for an Asian Food Markets Research Fund, $5.6 million to build Australia's food trade ties in key and emerging markets, $2.2 million to assess the long-term prospects for food supply and demand in Asian countries and $2 million to create a brand identity for Australian food. It provides a framework for Australia's food system based on the national objectives of the Australia in the Asian century white paper.

On natural resource management: the budget confirms a $200 million investment in the successful Reef Rescue program until 2018, including $70 million from the sustainable agriculture stream of Caring for our Country.

In forestry, delivering on our Tasmanian forestry agreement commitments, $500,000 is allocated to develop a national certification standard through a grant to the Forest Stewardship Council. This is an important part of the Gillard government's $330 million investment to support the historic agreement to provide certainty for industry, jobs and the environment.

Commitments made in previous budgets are confirmed in this budget. Those commitments include a continued commitment to the post-entry quarantine facility in Victoria, a continued investment in primary industries research and development and continued investment in Australia's farmers for a changing climate. I commend the portfolio appropriation to the chamber.

Mr MITCHELL (McEwen—Government Whip) (12:29): Minister, the 2013-14 budget strengthens the foundation of Australian agriculture. It prepares our farmers for future challenges and lays groundwork for opportunities for rural Australia, particularly now, in the Asian century. The budget, as you have outlined, will make farmers stronger and better prepared for the future and will enable them to access more opportunities, both here and overseas.

I note that the budget makes provision for the historic Farm Finance package, which will help alleviate pressures of debt and provide targeted financial assistance for farmers, particularly when they need it.

At the moment, when you look through my area, you see we have a pretty strong green drought. The grass is green but there is not much cover, which is making it difficult for farmers. Minister Ludwig was exactly right when he said that viable farmers cannot grow if they are held back by unmanageable debt. Farm finance responds to that. I hope that the Victorian government gets off its backside and works with the Gillard government to deliver this opportunity, which I note even the VFF—the training ground for national MPs, their apprenticeship factory—has urged them to do.

Honourable member interjecting—
Mr MITCHELL: He will be the fourth president in a row who has gone into that and the VFF says they are not political. The budget also funds the next stage of the government's plan for Australian agriculture, preparing for the future. The Gillard government's National Drought Program Reform gives farmers the tools they need to prepare for drought. We know over the years just how bad drought has been across this country and the issues it has caused in rural Australia. I am pleased to see that the budget has made provision for the $99.4 million farm household assistance to support farmers through hardship. This is very important for our farmers. We look forward to the states finalising their contribution to the National Drought Program Reform, including the farm business training and the social support.

The budget also confirms $429 million for the Carbon Farming Futures Program. That is taking the best abatement and greenhouse gas reduction research and converting it to use on farms. The Gillard government has continued our commitment to research development and extension funding. The budget also includes $238.2 million for the Research and Development Corporation, Minister Ludwig has told us. Investing in RD&E and ensuring that an environment which encourages innovation is vital to Australian farmers. They can capitalise on the Asian century.

I note that the budget continues this government's commitment to biosecurity reform. We know that a modern, world-class biosecurity system is a gateway to global marketplaces. Because of our strong biosecurity system, our farmers get the opportunity to invest and trade in the world's best markets, while also managing the risks which come with increased passenger and cargo movements into the country. The 2013-14 budget demonstrates the Gillard government's plan for Australian agriculture so that our farmers can keep feeding Australians and the world.

The budget keeps our economy strong, makes the smart investments for our future and ensures that every Australian gets a fair go. We are investing for the future, putting jobs and economic growth first and protecting the important services that Australians rely on. My question to you, Minister, is: can you advise the chamber on the status and design and construction of the state-of-the-art, post-entry quarantine facility announced in last year's budget in the seat of McEwen?

Mr JOHN COBB (Calare) (12:33): I have a couple of questions relating to departmental issues, which I will put on the record now. Then I will speak to the next series of questions. As far as the departmental issues are concerned, question on notice No. 139 in October 2012 and No. 124 in February 2013, were the coalition asked what nil meant to the annual rental of leased properties. The response was that annual rent is nil as the Department of Agriculture, Fisheries and Forestry is charged a licence fee, not rent, for some properties. That is a ludicrous answer and very technically a semantic play on words because the real question is: what is it actually costing the department, whether it be rent, a licence fee, whatever it might be to site itself in properties around Australia? That is really the question I am asking of the minister or his representative. What is it actually costing and can you now provide details of rent payments, licence fees and any other moneys paid for the lease of properties by DAFF?

My other questions are: what role has DAFF had in investigating the level of animal welfare issues that are associated with the Queensland cattle crisis? And what contact has DAFF or the minister had with the Department of Sustainability, Environment, Water, Population and Communities to look at cattle being allowed into national parks?
The Minister for the Environment, Water, Population and Communities, representing Senator Ludwig, made mention of the fact that recently, at a meeting with his state counterparts, an MOU was discussed regarding drought issues. And, yes, quite rightly, as the minister said, the old program of drought relief was changed in the way that he described. But the only other hard fact in that whole MOU—there was a heap of ideas and touchy-feely stuff and various things but only one hard fact—was that the government would not be the lender of last resort. That is fine, except at the same meeting it was discussed how the states and the Commonwealth would combine to make a reality the loans that the Commonwealth wants to make to agriculture around Australia.

My questions regarding those loans—they are totally at odds with that MOU statement, however we will take that one on notice ourselves—are: what are the trigger events that will make those loans a reality in the six states and one territory involved? With $60 million, or $30 million a year for two years, why would the Northern Territory, with something under 500 farmers in the whole Territory, have available to it the same amount of loans as New South Wales, shall we say, with somewhere between 35,000 and 40,000 farmers? Why should Tasmania, which is quite obviously the smallest state in Australia, have the same amount available to it as WA, which is quite obviously the biggest state in Australia? That is one question I would like answered: what was the idea behind that particular part of the policy or the loan?

I believe the interest rate has been set but not agreed to yet, at 4½ per cent. Knowing that the Commonwealth will probably borrow, at three per cent or a little more, the money that is going to them on loan, is there a policy about the Commonwealth covering every single cost—in other words, charging 1½ per cent or thereabouts more than the money will cost it? Is there going to be a reckoning on how that will be accounted, and have we got an agreement with any of the states as yet?

Mr McCormack (Riverina) (12:38): From the outset, can I acknowledge to the minister, my electorate's appreciation of the announcement in the budget that there will be more rural financial counsellors. That is very important. I know that the member for Calare, the shadow minister, knows how important rural financial counsellors are in these difficult days. And I know you, too, Minister, would appreciate just what a valuable role they play in the bush to help not just farmers but other people who are struggling with rural debt. To help them get through that crisis in their lives is very important.

I would like to ask a couple of questions which might not be generally related to the appropriations, but will certainly affect the budget over the coming 12 months. Firstly, Minister, are you aware that skyrocketing electricity prices are forcing irrigators in the Riverina to turn back the clock and reinstall decades-old diesel pumps on their properties? On-farm power prices have jumped 17 per cent in the past year, in line with residential prices, and close to 80 per cent in the past five years. The Murrumbidgee High Security Irrigators Chief Executive Officer Brian Halse—I think you know him—was quoted in The Area News recently, saying:

Electricity is a huge issue for anyone pumping water and some locals are spending $60,000 or $80,000 a year just on power.
That really goes against the whole thought of carbon pricing that the minister's side of politics would certain push. It just does not make sense that they are using decades-old diesel pumps to get the water to where it is needed.

My other question, which, again, will have an impact on your budget bottom line, is your position on the foreign takeover of GrainCorp. There is, as you know, a significant bid by Archer Daniels Midland to take over the GrainCorp operations, which are so valuable to the wheat and grain growers in the eastern states. It is a significant issue. Certainly in my electorate I have many, many people who are desperately worried that we are going to lose port access and desperately worried that just the cost of getting grain to markets is going to be that much higher, especially with the running down over progressive years of railway lines by successive state governments of every persuasion, though certainly more Labor than coalition.

I would be very interested to know what your thoughts are as to whether the Treasurer should stop this takeover—whether he should say 'No'—because this is such a valuable asset, not just to the grain growers who are shareholders but, indeed, to Australians generally. We used to ride on the sheep's back, but at the same time we used to ride on our wheat and grain profits. But that is not the case any more. If ADM in fact takes over GrainCorp, that will have a significant deleterious effect on our valuable grain crops and on the profits of those annual harvests. I implore you, minister, to do whatever you can to stop this takeover. The Treasurer did nothing when the Spanish food giant Ebro threatened to take over SunRice. SunRice stayed in Australian hands after a very close vote. As you would be well aware, the profits from the rice harvests of the past two years have been such that the Coleambally mill has reopened, which meant many, many jobs to Riverina industry and that wonderful Riverina community.

I know that you are concerned about these issues. You have visited my electorate on a number of occasions and I appreciate that. I know you have spoken to locals in difficult times, but you have been prepared to be open. Whilst I certainly do not think the Murray-Darling Basin Plan has helped with many of my locals' certainty or lack thereof, I know they did appreciate the fact that you had the gumption to front them and explain your government's position. But I do ask you to respond to those two important issues: first of all, the use of diesel for irrigators to use their pumps and, secondly, ADM's potential takeover of GrainCorp.

Mr ADAMS (Lyons) (12:43): I also thank the minister and government for the new financial counsellors. We have several in Tasmania and they will be, and already are, very much appreciated. Also appreciated is the money for Rural Alive and Well, an organisation that is looking after forest contractors through some of the changes taking place throughout that industry. The farm household allowance will be provided, I understand, from 1 July 2014 to farmers in hardship to replace the exceptional circumstances relief payment and transitional farm family payment. Farmers in Tasmania are on the front line against climate volatility. The national drought reform package is focused on preparing farmers before drought with tools and skills that they need to emerge from it, sustain their enterprises through dry times and help them to survive.

You know, Minister, because you have been there and you have visited my electorate, about some of irrigation schemes that we are putting in place. That will build some drought-proofing for us as well, but we need to develop the new direction for farming in Australia to
look toward the dry times so that we can assist the enterprises that are there for the long haul to sustain themselves during those dry times.

We are investing in the future, putting jobs and economic growth first and protecting the important services that Australia relies on. Minister, could you advise if the states and territories have agreed to the drought policy? Why is this a fairer policy than the old one for the new direction in which we are going?

Mr BURKE (Watson—Minister for the Arts, Minister for Sustainability, Environment, Water, Population and Communities) (12:45): I will give advance notice that when my time runs out I will be seeking the call again. I have a few issues to go through. But I think it has been helpful to allow the run of questions because some people wanted to touch on the same areas, so it has allowed me to incorporate those into my answer.

I will flag in particular for the benefit of the member for Riverina the two issues he raised. One arguably goes to either the minister for energy or the minister for climate change and is difficult to deal with in the context of the appropriations here. The second one, which was a reference to the Foreign Investment Review Board, is managed exclusively by the Treasury. I do not begrudge at all the opportunity that he has taken to put his views on the record but there is little in the context of this particular debate other than to say that the government supports investment in agriculture.

First I will deal with the concessional loans for farm businesses in the farm finance package, which have come up a couple times. Concessional loans will give farmers breathing space to focus on growing and improving their farm business. The government is working with the state and Northern Territory governments to make products available across the country via appropriate delivery agencies. We want to take a flexible approach when working with the states and territories to ensure the loans are directed appropriately and are best suited to the farmers in their jurisdiction. As of 29 May this year, since farm finance was announced on 27 April, the department has chaired four teleconferences with senior officials from each jurisdiction. The first was convened on 30 April, at the Commonwealth's request, to discuss the government's announcement.

In addition to these teleconferences there have been many direct discussions with officials, jurisdiction by jurisdiction. However, at this stage we have not resolved signing on to these loans with any of the states. We encourage them to do so. It has been one of the issues that the Minister for Agriculture, Fisheries and Forestry has been raising in the context of challenges that Queensland graziers and pastoralists are facing at the moment.

Even if you were to accept, which the government does not, the arguments about national parks that are put forward by the Queensland government, opening up national parks deals with a small subset of stock levels in drought affected areas. There needs to be an approach which reaches to all of the people who have stock and who are in a situation of crisis. The loans are one of the tools to be able to do that.

On the issue of national parks, I am obviously aware—speaking on behalf of the minister for agriculture—that there have been calls for national parks in Queensland to be used for grazing for drought affected cattle. While the management of national parks in Queensland lies within their responsibility, many parks may have been established to protect matters of national environmental significance. Under Commonwealth environmental law, actions that
have or are likely to have a significant impact on a matter of national environmental significance require approval.

The words here from the minister say 'from my colleague, Minister Burke' but that was obviously not prepared for me. It will sound weird if I start talking about discussions with myself. The minister I am representing has been talking to me about the question of grazing in national parks. But the administration of environmental law is exclusively one for the environment minister and one where the decisions for the environment minister have to be made strictly according to law, not according to the policy of the government. With that in mind, as I made clear here yesterday, the legal powers that were available under national environmental law to prevent cattle grazing in the Alpine National Park were largely there because there was a heritage decision in place. There is no such heritage decision in the Queensland areas. So the government policy thinks that the approach taken by the Queensland government is ill-advised and also inadequate in terms of the genuine crisis that many farmers are facing, and this carries through to some of the criticisms of farmers who have managed their stock levels very carefully and feel they have now been placed at a disadvantage while neighbours get free adjustment. Others have said, 'Well, it is one thing there is feed, but if there is no water in these areas they are of limited utility.' We do not feel it is a comprehensive solution in a way, shape or form. It is not the way we approach national parks. Notwithstanding that, any actual intervention would depend on national environmental law, and the powers here are quite different to the powers as they stood in Victoria. (Extension of time granted)

A number of biosecurity issues were raised, in particular the issue of post-entry quarantine. In July 2012 the Commonwealth announced the site acquisition of a 144-hectare parcel of land in Mickleham, Victoria for the construction of a new post-entry quarantine facility. The new facility will consolidate existing animal and plant quarantine services in a single integrated site and will provide Australia with the newest and most advanced technology and operating practices available. The department continued to consult stakeholders during the development of concept designs for the new facility. The project was referred to the Parliamentary Standing Committee on Public Works in early 2013. The referral was a critical step in the delivery of the project. The Public Works Committee must approve the proposed works before construction of the facility can proceed. In terms of what progress has been made, in the budget the government announced funding of $379.9 million over seven years for construction and operation of the new facility for high-risk plant and animal inputs. This built on the government's announcement made in the 2011-12 budget when a commitment to fund further development of future post-entry arrangements was made which included detailed design work and procurement activities related to land acquisition along with funds for the maintenance and refurbishment of existing facilities.

Government operated facilities to manage high-risk imported animal and plant species are key component of our biosecurity system. A secure and efficient facility discourages smuggling and reduces biosecurity risk associated with the importation of new genetic material which is necessary for Australian agriculture to maintain competitiveness and productivity. I might add that the issue of whether or not our post-entry quarantine facilities are adequate and up to date has been a very pertinent one in Australia, particularly following the Callinan report into the outbreak of equine influenza. On that occasion where systems had
collapsed and the operation of a quarantine facility was not up to scratch we ended up consequently with a number of deeply serious challenges that carried a very high cost. So to be establishing a new post-entry quarantine facility and making sure that the operation of it has a high level of stakeholder engagement is not just a good thing to do, it is actually quite essential to make sure that we are properly able to manage the biosecurity challenges in a country where one of our key strategic advantages is that, compared to other countries, there are many weeds, pests and diseases that we do not have, and we want to keep it that way. When something comes in that has not previously been here, we saw with equine influenza just how bad it can be.

I have covered the national parks issue for the member for Calare. We also had the issue that was raised elsewhere of the national drought reform program itself and the agreement for the states and territories to drought reform. This is something which has been going since 2007 when, in addition to the ministerial council, we started the ministerial forum with state and territory ministers, originally chaired by myself and now chaired by Minister Ludwig. We work together to try to see how we could eliminate the challenges that occurred with waiting for exceptional circumstances declarations and the injustice of lines on maps where you have two farmers side by side facing identical climate circumstances and identical challenges—one received a high level of assistance, the other received nothing.

The Gillard government is delivering on its commitment to reform drought programs. We are moving to a pro-active rather than a reactive system. We want to ensure farmers are able to prepare for challenges and manage risks. No longer will we have to wait until farmers are in crisis before assistance can be offered. This is about helping Australian farmers get back on their feet and prosper and succeed in the future, ultimately delivering a more productive agricultural sector. On 3 May this year the minister signed an agreement with the states and the Northern Territory to formalise National Drought Program Reform. This package focusing on risk management and preparedness includes the Farm Household Allowance, which provides case managers to support farm families as they make decisions about their future. The Farm Management Deposit Scheme and taxation measures including the enhancements to the deposit scheme—announced as part of Farm Finance—a national approach to farm business training, a coordinated and collaborative approach to the provision of social support services, tools and technologies to inform farmer decision making. The agreement outlines the roles and responsibilities for each government in implementing the package from 1 July 2014. The agreement also includes a framework that will guide government decisions to increase or introduce support when conditions are declining while still meeting the reform objectives.

A number of members raised the Rural Financial Counselling Service and I thank them for doing so. The Rural Financial Counselling Service program continues to provide free and confidential financial counselling services to farmers, fishers and small businesses who are in financial difficulty and need support to manage the challenges of change and adjustment. Rural financial counsellors are well placed to refer clients to GPs and other government and non-government service providers. The Australian government has announced additional funding for the service for two financial years to 30 June 2015. An amount of $5.9 million will provide 17 additional full-time equivalent rural financial counsellors. Until implementation of the new Farm Household Allowance on 1 July 2014, the government is continuing to provide the Transitional Farm Family Payment. Farming families can apply for
up to 12 months’ household support paid at the same rate as Newstart and the Transitional Farm Family Payment is available to eligible farmers regardless of location or the reason they are experiencing financial hardship.

For those issues, we have the breakdown of most of what has been covered. I might sit down so that the shadow minister has an opportunity to put a couple of extra things on the record.

Mr JOHN COBB (Calare) (12:57): Am I to assume that the question about the departmental rental lease is being taken on notice? I assume that that is so. Should my question about the triggers for the underwriting of loans becoming available be taken on notice as well? I do have one other question about SPC Ardmona in the Murray-Goulburn area. What input has the department had on the value and importance of the stone fruit industry on the Murray and in the Goulburn Valley and the impact on the community of the loss of SPC Ardmona? Is the department supporting industry by providing information and support to other departments investigating the WTO anti-dumping and safeguard provisions? It is fine if you take those on notice, but I am particularly concerned to have responses to the earlier questions.

Mr BURKE (Watson—Minister for the Arts, Minister for Sustainability, Environment, Water, Population and Communities) (12:59): I will take those issues on in good faith. The shadow minister raised very serious issues relating to SPC. There is good reason the agriculture minister acted quickly in referring them to the trade minister and making him aware of those. The level of concern is there.

Some extra information has arrived. The company wrote to the Prime Minister on 29 April requesting that the government impose safeguard measures in the form of increased tariffs on retail sized canned tomato and multiserve fruit products. The department has reviewed the request to determine whether there is a possible case to impose provisional and/or full safeguard measures. It was on the basis of that review that the agricultural minister referred the issue to the minister for trade and to the Treasurer. I understand that the minister for trade and the Treasurer will consider the agriculture minister’s recommendation in consultation with the Prime Minister, the Treasurer and Minister for Climate Change, Industry and Innovation. The government will work to make its decision on this matter as quickly as possible. If it is determined that a possible case for safeguard measures exists the government would refer the request to a competent authority, currently the Productivity Commission, to conduct an investigation in accordance with WTO rules. The competent authority would recommend whether measures should be imposed.

I am mindful of the time. What I would like to do on the remaining issues is suggest that the minister's office will be in direct contact with the shadow minister's office to work out the appropriate form of providing answers to those questions, whether it be in writing, through me or through the Notice Paper. I will ask the minister's office to make contact with the shadow minister as soon as possible.

Proposed expenditure agreed to.

Debate adjourned.
Australian Citizenship Amendment (Special Residence Requirements) Bill 2013

Second Reading

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

Mr MORRISON (Cook) (13:01): The coalition is pleased to support the Australian Citizenship Amendment (Special Residence Requirements) Bill 2013. The bill proposes amendments to the Australian Citizenship Act 2007 to enable granting of citizenship within a shorter qualifying time period in exceptional cases where it is in the national interest to do so. Currently, there is a general residence requirement under the citizenship act that a person must reside in Australia for four years before they are eligible to apply for Australian citizenship. The act also provides for special residence requirements for persons engaged in activities that are of benefit to Australia or for persons in particular kinds of work requiring regular travel outside Australia. These special residence requirements allow the conferral of citizenship under the reduced residency requirements set out in sections 22A and 22B of the act.

The key effect of the bill is to increase the flexibility available in exceptional cases under these special residence requirements by providing the minister with the discretion to invite an application for citizenship where a person has been a permanent resident for at least the preceding 90 days and several other criteria are met. This power can be exercised only by the minister. The minister cannot be compelled to use the power; nor is it subject to appeal. It can only be applied in a case which demonstrates a clear national interest. The bill rightly ensures transparency in the use of this power by requiring the minister to table a statement in parliament within 15 sitting days from the date a person becomes an Australian citizen through the use of the power. The coalition recognises that a range of circumstances can emerge where the additional flexibility set out the bill clearly will be in the national interest. Individuals engaged in specialist work or sporting activities which involve extensive overseas travel and activity based outside Australia can find it difficult to meet citizenship requirements. Representation in Australian sporting teams can be limited if citizenship requirements are not met before selection processes occur.

Circumstances can also occur where very senior business executives, highly specialised scientists and medical specialists or those who have held a distinguished talent visa, for whom the granting of citizenship would clearly be in Australia’s interests, fall short of meeting existing residency requirements. These are exceptional cases, but are cases where Australia’s interests are clearly best served by the provision to the minister of a discretionary power whose use is clearly transparent to the parliament.

In supporting this bill we have had discussions with the government. We have sought to ensure that this is bill deals broadly with the potential uses of this new non-compellable power for the minister so that it is not limited just to areas of sporting endeavour but right throughout the cultural, scientific and business fields as well.

Our immigration and our citizenship system needs occasionally some flexibility, but where that flexibility is used it is important there are clear transparent processes where the minister using those powers must disclose to the parliament his or her decision and the reasons for doing so. That is what this act does.
The coalition, in supporting this bill, are not taking a particular position on any subsequent decisions a minister might make in relation to how he or she might use the powers under this new provision. That is a matter for the minister and that is a power the minister would have to exercise judiciously. In providing support for this bill those matters will certainly be left to the minister to make at a subsequent time, if they ever wish to use these powers. So we are pleased to support this bill. We are pleased to have been part of the process that has brought it to the parliament and we endorse this bill.

Mr GEORGANAS (Hindmarsh—Second Deputy Speaker) (13:05): I rise to support the Australian Citizenship Amendment (Special Residence Requirements) Bill 2013 currently before this chamber. These amendments to sections 22A and 22C of the current act will provide the Minister for Immigration and Citizenship with personal powers to apply alternative residence requirements for special cases.

The requirements would be applied in favour of an applicant for Australian citizenship who engages in an activity that is of benefit to our nation or is engaged in work of a special kind that requires them to regularly travel to and from Australia but who does not meet the residence requirements for citizenship in the current act.

These changes by the government will enable medical professionals, writers, people doing fellowships at universities, whose role requires much travel and is part of their profession, and those engaging in the performing or visual arts and business people, who are CEOs of companies et cetera, flexibility in the attainment of Australian citizenship. These include scientists, employed by Australian universities, who have attained a PhD in their field of specialty and are undertaking research and development that will benefit Australia in the long run, or are employed by CSIRO or a medical research institution that is a member of the Association of Australian Medical Research Institutes.

These are the types of people this particular bill has been developed to accommodate. We are talking about medical specialists, internationally renowned in their field, who are fellows of an organisation. Part 1 of the Health Insurance Regulations 1975 has a schedule that lists the organisations. If they are on that list they would qualify. There are writers and those engaged in the performing or visual arts who are the holder of or who have held a Distinguished Talent Visa and, as I said, chief executive officers and managers of the ASX, for example, and a whole range of other companies in Australia’s 200 listed companies.

I have had some involvement with a constituent of mine who is in exactly this situation. He falls between the gaps. He is an Italian gentleman, Mr Cesare Lastella, who came to Australia in the late seventies. Because of his employment, he has had to travel continuously from the late seventies, when he first became a permanent resident, and he has not been able to get citizenship because he has exited Australia sometimes up to three times a year. He is a CEO and at the high end of his profession. I hope that this will assist him. I have had many meetings with him and have made representations to the department on behalf of Mr Lastella. I think this bill will help many people who have been committed to Australia and who have been living here for many years—in Mr Lastella’s case, well over 35 years—but who cannot get citizenship because of the travel demands of their profession.

The government understands the significance, the privilege and the importance of Australian citizenship. In recognition of that, these amendments maintain many of the existing citizenship requirements and provide significant additional safeguards. But they also provide
that necessary flexibility to allow a pathway to citizenship for those people who can bring benefit to Australia but who have been unable to gain citizenship because of the to-and-fro travel requirements of their jobs.

The legislation also gives the minister the power to personally revoke their citizenship if they do not honour their commitments. The minister is also able to require that the person surrenders any certificate of Australian citizenship they have in their possession. The minister may also revoke the citizenship of a child under 18 if, for example, their parent has their citizenship revoked. However, this cannot be done if the child has another responsible parent who is an Australian citizen or if a responsible parent with Australian citizenship has died.

Currently, to become a citizen, an applicant has to be able, among other things, to establish their good character and their identity and to demonstrate their English language proficiency. In addition, applicants have to meet either general or special residence requirements. This bill allows the minister to determine that the following alternative requirements apply instead of the usual special residence requirements: that the applicant was present in Australia for at least 180 days during the two years prior to the application; that the applicant was a permanent resident throughout the 90 days immediately prior to the application; and that the applicant was not present in Australia as an unlawful citizen at any time during the 180 days immediately prior to the application.

The proposed amendments will give the Minister for Immigration and Citizenship a discretion to provide a pathway to citizenship to a small number of people in very exceptional circumstances—such as in the example of my constituent, Mr Lastella—but only where their becoming a citizen would be of benefit to Australia. I am very proud to welcome these new citizens to our great country. I commend the bill to the House.

Ms BIRD (Cunningham—Minister for Higher Education and Skills) (13:12): I thank members for their contributions—the member for Hindmarsh and other members who have participated in the second reading debate on this bill. I remind the House that the Australian Citizenship Amendment (Special Residence Requirements) Bill 2013 amends the Australian Citizenship Act 2007 to give the Minister for Immigration and Citizenship a discretion to provide a pathway to citizenship to a very small number of people in very exceptional circumstances where it would be of benefit to Australia for them to be Australian citizens and to represent Australia in their field of expertise, be that medicine, research, the performing arts or sport.

The bill builds upon the existing special residence requirements in sections 22A and 22B of the act. It allows the minister to substitute alternative residence requirements on a case by case basis for certain people who need to become an Australian citizen to engage in an activity of benefit to Australia, or for people whose work requires them to regularly travel outside of Australia. These categories of people are defined by a legislative instrument made under section 22C of the act. The bill maintains the integrity of the citizenship program by requiring the minister to be satisfied that the applicant meets all the other requirements for citizenship by conferral, including their age, their identity, that they are of good character and, where relevant, that they have passed the citizenship test.

Although applicants for whom the discretion is exercised will acquire citizenship after a reduced period of residence in Australia, the bill ensures that those applicants develop a good understanding of the Australian way of life and the commitment made through the citizenship
pledge by requiring them to commit to being present in Australia for a certain period of time after becoming a citizen. If they do not honour this undertaking, their citizenship can be revoked by the minister.

The bill ensures transparency by requiring the minister to table a statement in each house of the parliament if the discretion is exercised and a person becomes an Australian citizen as a result. The minister's discretion cannot be delegated nor can the minister be compelled to use this power whether or not a person or an organisation has requested it. The bill acknowledges the benefits that certain people bring to Australia and provides them with a way to become Australian citizens. I commend the bill to the House.

Question agreed to.

Bill read a second time.

Ordered that this bill be reported to the House without amendment.

International Interests in Mobile Equipment (Cape Town Convention) Bill 2013

International Interests in Mobile Equipment (Cape Town Convention) (Consequential Amendments) Bill 2013

Second Reading

Cognate debate.

Debate resumed on the motion:

That this bill be now read a second time.

Mr TRUSS (Wide Bay—Leader of The Nationals) (13:16): In essence, the International Interests in Mobile Equipment (Cape Town Convention) Bill 2013 and the associated consequential amendments bill allow for the ratification of the Convention on International Interests in Mobile Equipment and the Protocol to the Convention on International Interests in Mobile Equipment on Matters Specific to Aircraft, more commonly and collectively known as the Cape Town convention.

The Cape Town convention provides an international legal system designed to protect secured creditors of aircraft objects—planes, engines and the like. In doing so the convention reduces the risks and costs associated with financing these valuable pieces of equipment, which are by their nature rapidly mobile.

The Cape Town convention was established in November 2001 through the work of the International Institute for the Unification of Private Law and the International Civil Aviation Organisation. Australia was a participant in the development of both the convention and the protocol but did not sign the treaty at the time. The Cape Town convention came into force internationally on 1 March 2006 and has currently been ratified by 51 states, including the United States, New Zealand, China, Singapore and Canada. Ratifying the convention will provide access to a voluntary international register for creditors to register their security interest in an object and in doing so obtain a priority ranking in case of default or insolvency.

Unsurprisingly, the convention also establishes remedies in case of default or insolvency, such as the ability to take possession of the aircraft without needing the approval of the courts. The net effect of ratifying the convention will be to improve access to cheaper aircraft and asset financing for Australian airlines. It should also be noted that in addition to the decreased risk to financiers supported by access to the international register, the
implementation of the Cape Town convention will allow Australian airlines to be eligible for a discount of up to 10 per cent on their export finance arrangements for the purchase of aircraft or aircraft objects. This is a consequence of a 2007 OECD agreement which provides a unified structure for export credit agencies in the EU, the US, Japan, Brazil and Canada for the provision of export finance for aircraft and aviation objects. As part of this agreement countries that have ratified the Cape Town convention are given a fee discount, which at the moment is 10 per cent. To be eligible for this discount, it is an OECD requirement that the Cape Town convention must have precedence over other Australian laws where there is an inconsistency, and the bills before the House do this.

I must add that I have some discomfort with the concept that treaties might override Australian courts and cede authority to another land or an international organisation. I recognise, however, that to remain outside this convention will disadvantage Australian airlines and make aircraft purchase more expensive. As the minister noted in his second reading speech, depending on the credit rating of the borrower and the purchase price of the aircraft, airlines could save as much as $2½ million on the purchase of a new Airbus A380 and $330,000 on the purchase of a new ATR 72 or Dash 8 or the like, which are in common use in regional fleets.

Additionally, the Cape Town convention applies to aircraft carrying as few as eight passengers or as little as 2,750 kilograms of goods, so there are potential benefits to regional and general aviation operators as well. Many helicopters will also be able to be covered by these benefits.

In considering the financial benefit of ratification, I should point out that the price of registration is modest, with a US$300 fee charged to register an interest in an item of aviation equipment on the international register.

The bill also gives the minister the opportunity to create rules through legislative instrument in the future to assist in the implementation of the Cape Town convention. I understand that this power will be used to give the Civil Aviation Safety Authority a new function, to record what will be known as an irrevocable deregistration and export request authorisation, or IDERA. Under this arrangement, a borrower may agree to lodge an IDERA with CASA in favour of a lender, and in the event of default the lender will be able to exercise the IDERA to secure deregistration and export of an aircraft.

The IDERA process recognises the fact that aircraft and aviation objects, by their innate purpose, are frequently on the move and acknowledges the legal complexities that currently exist for lenders in the case of default. An IDERA will ensure that an aircraft cannot be flown to another country to avoid recovery of the asset. I am told that the idea for this convention began following the Pan Am collapse, where it took years to identify and recover assets spread all over the world because of the nature of the way in which the industry operates, where parts are often transferred from one aircraft to another and therefore lose their identity and association with their original owner.

The associated International Interests in Mobile Equipment (Cape Town Convention) (Consequential Amendments) Bill 2013 makes minor changes to the Air Services Act 1995, the Civil Aviation Act 1988 and the Personal Property Securities Act 2009 that are necessary to support the implementation of the Cape Town convention.
I have spoken to a number of different stakeholders in the aviation industry, and all are supportive of the implementation of the Cape Town convention. They can appreciate the financial advantage to their businesses, particularly when many of their main overseas competitors are already taking advantage of the benefits of the convention. Airlines are capital intensive businesses that operate in a highly competitive environment, so any financial advantage that can be gained through the introduction of this convention should be welcomed. The Cape Town convention has also been supported by the parliament's Joint Standing Committee on Treaties and the state governments, which are given some legal jurisdiction under the bill.

For these reasons, the coalition will support the implementation of the Cape Town convention in Australia and will support the bill as it has been presented to the parliament.

Mr ALBANESE (Grayndler—Leader of the House, Minister for Infrastructure and Transport and Minister for Regional Development and Local Government) (13:24): I thank the shadow minister for his support for this important legislation, the International Interests in Mobile Equipment (Cape Town Convention) Bill 2013 and associated bill. I announced this legislation on the Sunshine Coast at the Regional Aviation Association of Australia Conference. This has the support overwhelmingly of the airline industry.

The airline industry is a very important industry—not just in terms of tourism but also in terms of manufacturing in Australia, and in terms of its contribution to the national economy. The bills are part of the government's national aviation policy white paper. It had a commitment to maintain a vibrant Australian based aviation industry.

The bills will facilitate Australia's accession to the Convention on International Interests in Mobile Equipment and the associated protocol on matters specific to aircraft equipment. The bills give the convention and protocol force of law in Australia, and ensure that the convention and protocol prevail over other Australian laws to the extent of any inconsistency.

The legislation means that Australia will join the international community in having an internationally recognised legal framework for aircraft assets, which mitigates risks inherent with international aircraft finance. Passage of the bills will ultimately enable Australian airlines and other aircraft operators to upgrade more quickly to safer, more fuel-efficient fleets. So this is a decision that is good for our economy, good for employment, good for the environment and good for reducing the impact of aircraft noise.

I thank all members who have participated in the debate, and I thank the House for the support of this important legislation, which I commend to the House.

Question agreed to.

Bill read a second time.

Ordered that this bill be reported to the House without amendment.

**International Interests in Mobile Equipment (Cape Town Convention) (Consequential Amendments) Bill 2013**

**Second Reading**

Debate resumed on the motion:

That this bill be now read a second time.

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FEDERATION CHAMBER
Mr ALBANESE (Grayndler—Leader of the House, Minister for Infrastructure and Transport and Minister for Regional Development and Local Government) (13:27): I briefly indicate that the International Interests in Mobile Equipment (Cape Town Convention) (Consequential Amendments) Bill 2013 also has the support of all sides of the House. This is a consequential bill as a result of the support for the accession of Australia to the Cape Town convention. It will be of great benefit to the Australian aviation industry.

Question agreed to.

Bill read a second time.

Ordered that this bill be reported to the House without amendment.

DisabilityCare Australia Fund (Consequential Amendments) Bill 2013

Second Reading

Debate resumed on the motion:

That this bill be now read a second time.

Mr ROBB (Goldstein) (13:28): I rise today so speak on the DisabilityCare Australia Fund (Consequential Amendments) Bill 2013. This bill is another step along the way of implementing a national disability insurance scheme. The core function of government is to provide support for the most disadvantaged in our community. A national disability insurance scheme is most definitely in this category. This bill contains a series of consequential amendments which will enable the effective operation and management of the DisabilityCare Australia Fund. The fund has already been established to hold revenue from the increase in the Medicare levy from 1.4 per cent to two per cent, which has been dedicated to the partial funding of the NDIS.

In particular, the bill, if enacted, would enable reimbursements to the states and territories for DisabilityCare activities through the COAG Reform Fund, and also extend the Future Fund's guardianship to the management of the DisabilityCare Australia Fund. The fund will hold an anticipated $11.4 billion over the forward estimates from the Medicare levy increase commencing in 2014-15 and an estimated $20.4 billion through to 2018-19.

Consequential amendments are required to other pieces of legislation, namely the COAG Reform Fund Act 2008, the Future Fund Act 2006 and the Nation-building Funds Act 2008, to support the efficient operation and management of the DisabilityCare Australia Fund. The provisions in the bill are consistent with other public funds that the Future Fund has guardianship over, including the Building Australia fund, the Health and Hospitals Fund and the Education Investment Fund. The bill itself has no financial impacts.

To put in place a proper and sustainable NDIS, we need to move forward in a very systematic, efficient, effective and compassionate way. This is not a reform that belongs to any party; it belongs to the entire community. The coalition maintains that the establishment of a joint parliamentary committee to oversee the implementation of the NDIS is not only appropriate but essential. The process requires proper and extensive consultation, and attention to detail. The parliamentary committee would provide a non-partisan environment where issues of design and eligibility could be worked through cooperatively. If we get the privilege of government on 14 September, the coalition will establish such a committee.
Notwithstanding that, the coalition supports the passage of this bill in extension of our support for a national disability insurance scheme.

**Mr LYONS** (Bass) (13:31): I rise to speak on the DisabilityCare Australia Fund (Consequential Amendments) Bill 2013. Depending on life's chances, any one of us can be born with or acquire a disability or permanent disability that significantly reduces our capacity to independently care for ourselves. On average, every 30 minutes someone in Australia is diagnosed with a significant disability. The services available to people should not be determined on the basis of how they acquired their disability; it should be determined on the basis of the services they need.

The fundamental principle behind DisabilityCare Australia is that the focus is placed on the person with the disability—what they can do. If a person has a permanent disability that reduces their capacity to function, it is likely that they will get support under the scheme. This support could include an individual plan, with access to education or community groups that meet their needs. There are numerous people in my own electorate who have lobbied me in this area, and now I say to them: I have heard you loud and clear, and I am really proud to represent the community and to represent a Labor government who has really spoken up on disability care. In my community, disability care means that 11,000 Tasmanians will receive the support they need and the support they deserve. Benefits will also flow to businesses serving the disability sector. It will provide valuable economic support on two fronts. Firstly, those with disabilities will be given the opportunity to realise their full potential in the workplace by increasing workforce participation. The scheme will add to the capacity of the Australian economy. Secondly, with increased funding available to help those with disabilities, industries that provide goods and services to the disability sector will have a greater opportunity to grow.

It is my opinion that DisabilityCare will become a normal part of everyday life, that it will become self-evident in the same way that Medicare has become to Australian society. I worked in a debts court in Tasmania when Medicare came in. Up until that time, people were being sued for medical related debts. I think it was Bushby Harold & Partners who used to send down a pile of summonses on a Friday, suing dead and half-dead people who had attended the local hospital. We used to send the bailiffs out to collect their TVs. It was a terrible time in Australia until Medicare came in, and then the Fraser government came in and tried to get rid of it. My fear is that those opposite might do a Fraser on DisabilityCare or that the state governments might try to claw back money which the federal government is putting in to support people with a disability. I hope that is not the case.

DisabilityCare is a Labor government reform. It is needed to ensure that Australia moves forward and no-one is left behind. Labor governments have a proud tradition of implementing policies with long-term vision—Medicare, Medibank, carbon pricing, compulsory superannuation, fibre to the home, the National Broadband Network and now DisabilityCare.

Those opposite do not have a great tradition. They do oppose, they do repeal and sometimes they do not think that far forward. It is a case of two steps forward, one step back when a coalition government is elected. The coalition largely gutted and privatised Medibank in October 1976 and managed to set Australia back over eight years, before the Hawke Labor government could reintroduce universal public health care in the form of Medicare in 1984.
On the same theme of sending Australia backwards, let us talk about superannuation. The member for Warringah stated in this place on 25 September 1995: Compulsory superannuation is one of the biggest con jobs ever foisted by government on the Australian people.

Not only did the Liberals oppose compulsory superannuation but they continue to oppose any increase. Last year, on 23 March, the member for Warringah confirmed:

We have always as a Coalition been against compulsory superannuation increases …

Those opposite have promised to repeal carbon pricing. According to the Climate Commission, Australia's emissions from power generation dropped 4.7 per cent in the second half of 2012, to their lowest levels in over a decade. Only the Liberals would want to increase carbon pollution and get rid of the pricing mechanism that is working.

The National Broadband Network is a critical piece of nation-building infrastructure, but those opposite are talking about setting back Australia in this regard too. They propose copper based 'fraud-band' to save a few dollars, because they see it as a cost, not an investment. If those opposite were not so serious about their cobbled-together 'fraud-band', you could legitimately mistake it for a joke.

Continuing on the Liberals, let us consider the Commonwealth contribution to disability services under the Howard government. Under the former coalition government, Commonwealth contributions to disability funding grew by a measly 1.8 per cent a year, less the rate of inflation. In other words, it went backwards.

I am proud to be speaking about DisabilityCare today. In doing so, I am speaking up for those in our community who are disadvantaged or made vulnerable by disability. I am proud to speak up for those who were neglected by the previous Liberal government and on behalf of Labor governments, which have shown throughout history that they get it right when it comes to the big decisions. Australia will not forsake the vulnerable. We support DisabilityCare Australia.

Mr RIPOLL (Oxley—Parliamentary Secretary to the Treasurer and Parliamentary Secretary for Small Business) (13:37): I am pleased to bring the second reading debate on the DisabilityCare Australia Fund (Consequential Amendments) Bill 2013 to a close. I thank those members who have made a contribution. I know how passionate they are about these issues and how much they care about the future of people with disabilities, and I thank all of them for their support. Support for this bill is necessary to bring effect to the parliament's decision to provide certainty to the disability sector in Australia by providing transparent and accountable funding of the NDIS. I commend the bill to the House.

Question agreed to.

Bill read a second time.

Message from the Administrator recommending appropriation announced.

Ordered that this bill be reported to the House without amendment.

Sitting suspended from 13:39 to 16:03
Debate resumed.

**Industry, Innovation, Climate Change, Science, Research and Tertiary Education Portfolio**

Proposed expenditure, $4,277,485,000

**Dr Emerson** (Rankin—Minister for Trade and Competitiveness, Minister for Tertiary Education, Skills, Science and Research and Minister Assisting the Prime Minister on Asian Century Policy) (16:03): Deputy Speaker, I am happy to field any questions on the portfolio that may be asked, subject to this session completing, as I understand it, at 4.15pm.

**Mrs Mirabella** (Indi) (16:03): My two questions to the minister are: what is the process by which the performance bonus for senior staff, including the CEO, are typically negotiated? What role does the minister play, if any, in approving those arrangements? The minister may know that the most recent annual report for CSIRO shows that the chief executive, Megan Clark, did receive a performance bonus. What were the criteria against which that bonus was paid?

**Dr Emerson** (Rankin—Minister for Trade and Competitiveness, Minister for Tertiary Education, Skills, Science and Research and Minister Assisting the Prime Minister on Asian Century Policy) (16:04): I will obtain any information that I can now in relation to Professor Megan Clark and performance bonuses. To the extent that I cannot obtain that information in a timely fashion, I will get back to the shadow minister. I would like to take this opportunity to express the government's gratitude to Professor Megan Clark, because she has been exemplary in the work that she has done for CSIRO—a great organisation in our country, which continues to work in the national interest for the people of Australia in leading-edge technology. We want that to continue, and I hope that we enjoy the support of the shadow minister in supporting the work of the CSIRO, including that of Professor Megan Clark.

**Mrs Mirabella** (Indi) (16:05): I have some further questions. Has the government sought to assure itself that there have been no instances where CSIRO has not acted as a model litigant and how has this been done? Is the government aware that there have been cases in which CSIRO has not acted as a model litigant? Is it correct that CSIRO employees are encouraged and even obliged under their terms of employment to report instances of suspected bullying and other forms of unsafe workplace conduct?

**Dr Emerson** (Rankin—Minister for Trade and Competitiveness, Minister for Tertiary Education, Skills, Science and Research and Minister Assisting the Prime Minister on Asian Century Policy) (16:06): I will speak in relation to Professor Megan Clark and then I will go back and seek to answer the question that was asked of me. Obviously Professor Clark has been reappointed. She will remain as the chief executive—

**Mrs Mirabella**: Madam Deputy Speaker, I rise on a point of order. My question was not about reappointment; it was about performance bonuses and how they were calculated.

**The Deputy Speaker (Ms Hall)**: The minister will answer the member for Indi's question or maybe send it to her in writing.
Dr EMERSON: If the shadow minister wants to take the opportunity to gobble up time by raising frivolous points of order, I am happy to accommodate that.

Mrs Mirabella: Just answer the question.

Dr EMERSON: I was seeking to answer the question. Yet again, the shadow minister is more interested in not gaining information about our great scientific organisation and to use the CSIRO as a political plaything.

Mrs Mirabella: No; just give me the answers. You do not know the answers, do you?

Dr EMERSON: I was giving you the answer—

Mrs Mirabella: No, you were not.

Dr EMERSON: before you sought to utilise more of the little remaining time—

Mrs Mirabella: Well, go on; go ahead.

Dr EMERSON: This is the sort of attitude that we get from the coalition. There is an opportunity here to ask questions and get answers to them. Instead of doing that, because she thinks that there is someone watching and there might be a political point to be gained, she has sought to use up the short time that has been available. Why is the time short? It is because of the manoeuvres that are going on the House of Representatives chamber right now and no doubt will continue to go on.

The process has been followed. It has been a correct and proper process to ensure the position is filled in a timely manner. There was a global search—

Mrs Mirabella: Deputy Speaker, with all due respect, the minister may not be acquainted with the material but he should say that. There was no question regarding the reappointment of the CEO; the question was with regard to performance based pay. Does he not understand the question? Does he want me to repeat it?

The DEPUTY SPEAKER: The member for Indi will please resume her seat. Minister, would you answer the question, please?

Dr EMERSON: I said to the shadow minister that I would obtain the information about the performance bonus processes. I would say in relation to performance bonus processes that they are clear, and I would hate to imagine that the shadow minister is seeking to impugn the reputation of Professor Megan Clark.

Mrs Mirabella: No, I am asking a question.

Dr EMERSON: So why the interest in the performance bonuses and about my involvement in performance bonuses? It can only be to malign the CEO of the CSIRO, and I think that is terrible.

Mrs Mirabella: I ask the minister to withdraw that. Merely asking questions to keep this government accountable is not maligning anyone; it is doing our job. Withdraw.

The DEPUTY SPEAKER: Member for Indi, please resume your seat. Minister, please continue.

Dr EMERSON: In relation to bullying and harassment at the CSIRO, I am advised that the CSIRO has in place a range of measures to address situations where concerns are expressed about the behaviour of staff. CSIRO has engaged Emeritus Professor Dennis Pearce, former Commonwealth Ombudsman, as an independent investigator, assisted by law
firm HWL Ebsworth, to review individual allegations and to identify opportunities for improvement in the organisation's processes for dealing with staff and welfare issues. Professor Pearce will provide his phase 1 reports to the CSIRO by 31 July.

It is, at least, ironic that the coalition are asking questions about harassment because we are implementing key recommendations from a report, through amendments to the Fair Work Act, to provide an individual right of recourse for victims of workplace bullying. The coalition said they would support the government's provisions. That has not happened. They have once again backflipped on a commitment that they gave, choosing to play politics rather than to protect vulnerable workers from bullying.

So, the coalition have demonstrated they cannot be trusted on workplace relations. They come here crying crocodile tears about workplace bullying or allegations thereof in the CSIRO, then actively vote down workplace bullying provisions. It just shows that the whole point of this exercise is trying to gain political points. I do not mind if they seek to do that against the government—that is fine—but to do it against the CSIRO and to attack the CSIRO CEO, Dr Megan Clark, is completely unconscionable.

Mrs MIRABELLA (Indi) (16:10): I have further questions and, perhaps if it assists the minister in his very new role—there has been a series of science ministers since the last election—I can give him a briefing of some of the issues. He does not seem to be fully appraised of the issues around bullying. There is an investigation instigated about bullying. I have a question—

Dr Emerson: Madam Deputy Speaker, I take a point of order. I resent that allegation. This government takes bullying very seriously, so seriously that we have moved amendments in the House of Representatives and the member for Indi and others have voted against them.

The DEPUTY SPEAKER (Ms Hall): There is no point of order. The member for Indi.

Mrs MIRABELLA: I am very pleased, with regard to bullying, that the government listened to the opposition and instigated an inquiry into CSIRO bullying, even if it is done in-house. The question is: can the minister outline the details of the consultation that the government had with the CSIRO in the lead-up to the announcement of the industry statement in February.

Dr EMERSON (Rankin—Minister for Trade and Competitiveness, Minister for Tertiary Education, Skills, Science and Research and Minister Assisting the Prime Minister on Asian Century Policy) (16:11): No, I cannot talk to the minister about that in terms of consultation with the CSIRO industry statement because the CSIRO would have been involved in work on industry policy, as they have done in the past and as they will be in the future. Given that the carriage, as the shadow minister knows very well, of the industry statement is actually by Minister Combet, perhaps it might have been sensible for the member for Indi to provide that question to Minister Combet. Maybe a question on notice would have been a more satisfactory approach to this issue.

Mrs MIRABELLA (Indi) (16:12): Do I take it from that answer that the government's own science minister has no idea what involvement CSIRO had with the lead-up to the industry announcement?

Dr EMERSON (Rankin—Minister for Trade and Competitiveness, Minister for Tertiary Education, Skills, Science and Research and Minister Assisting the Prime Minister on Asian Century Policy) (16:13): No, I cannot talk to the minister about that in terms of consultation with the CSIRO industry statement because the CSIRO would have been involved in work on industry policy, as they have done in the past and as they will be in the future. Given that the carriage, as the shadow minister knows very well, of the industry statement is actually by Minister Combet, perhaps it might have been sensible for the member for Indi to provide that question to Minister Combet. Maybe a question on notice would have been a more satisfactory approach to this issue.
Century Policy) (16:12): What you can take from me is that the minister—who has just arrived—oversaw the preparation of, I think, a landmark innovation-in-industry statement. It is a statement that has very widespread support. It also has support from the automotive industry, in which we have invested heavily and which the coalition would rip out half of its funding in 2015 alone—a fact that the shadow minister has acknowledged. Why? Because her shadow expenditure review committee rolled her. She has to go around the nation saying, 'We support auto workers' but in truth what they are doing is saying to the auto workers of Victorian and, more broadly, all the component manufacturers, 'Vote for us and we will cut your jobs; we will cut half your assistance by 2015 and that is coalition policy.'.

Mrs Mirabella: On a point of order, Madam Deputy Speaker, the question was not about the auto sector but specifically in regard to the involvement of CSIRO in the government's announcement. But he does not know the answer.

The DEPUTY SPEAKER: Member for Indi, please resume your seat.

Dr Emerson: On the point of order, the question was about the industry statement. The industry statement establishes innovation precincts. It supports a range of industries including the automotive industry. That is why I was answering the question. It was entirely relevant and, given that the shadow minister has no sensible questions to ask and that she has come here simply to try to score some points at the expense of the government, that is fine. But at the expense of Dr Megan Clark, that is not fine and at the expense of the CSIRO, that is not fine. I think you will find that time has expired.

The DEPUTY SPEAKER (Ms Hall): Yes, thank you, Minister, you are correct there. The time for the debate has expired.

The Federation Chamber will now consider the climate change, industry, innovation and small business segment of the Industry, Innovation, Climate Change, Science, Research and Tertiary Education portfolio, in accordance with the agreed order of consideration. Minister, do you want to make a statement?

Mr COMBET (Charlton—Minister for Climate Change, Industry and Innovation) (16:15): Thank you, Deputy Speaker. The government, of course, as has been well articulated, is committed to developing a clean energy future and at the same time ensuring a strong and prosperous economy with very strong policies and the support of industry and innovation. The evidence is clear that the carbon price is working: emissions are down and renewable energy is up, and the economy is remaining strong. It is worth putting on the record, I think,
that, since the carbon price started on 1 July last year, emissions in the National Electricity Market are down 7.4 per cent, renewable energy generation is up almost 30 per cent, the economy is growing, and today's national accounts figures show that real GDP has grown at an annualised rate of 2.5 per cent since the carbon price started. That means that our economy has expanded by 14 per cent since Labor was elected in 2007. More than 150,000 new jobs have been created since carbon pricing commenced. Inflation remains contained at 2.5 per cent, the midpoint of the RBA target range. Millions of households have been assisted with tax cuts, increases in family tax benefits and higher pensions and allowances, and the impact on the cost of living has been lower than expected. That means that the assistance has gone further in helping low- and middle-income earners to make ends meet.

The fact is that the clean energy policies we have implemented are environmentally effective; they are economically responsible; and they are socially fair. Reducing the emissions intensity of the economy, the amount of greenhouse gas emissions per unit of economic output, is in fact critical to Australia's future competitiveness and to the integrity of our trading relationships. Our trading partners want to see what Australia is doing while they are also taking action on climate change. We are the 12th largest economy in the world. We are the 15th largest emitter of greenhouse gases, and we are the largest emitter of greenhouse gases per person amongst all of the advanced economies. It is fantasy to believe that our trading partners, particularly in the Asia-Pacific region, have no interest in Australia tackling the issue of climate change in partnership with them. The policy of the alternative government, of course, is to do nothing, in essence—nothing.

The government also supports jobs and growth in the economy. We support manufacturing with a strong set of policies. We understand that you cannot have a strong economy without a strong and sustainable manufacturing sector that employs nearly one million Australians across the country in well-paid, high-skilled jobs. We are acutely aware that the sector is facing challenges from the high value of the Australian dollar and intense import competition. To deal with those pressures, the government is investing a billion dollars to support and grow jobs.

Our plan released in February, A Plan for Australian Jobs, has three core strategies: backing Australian firms to win more work at home; supporting Australian industry to innovate, increase exports and win business abroad; and helping Australian SMEs to grow and create new jobs. The whole package builds on the support we have delivered in many sectors already, including measures like the Steel Transformation Plan, with $300 million to support steelworkers' jobs; the $5.4 billion New Car Plan, supporting the auto-manufacturing sector; and $1.2 billion in clean technology investment programs helping to transform the energy efficiency and emissions intensity of the manufacturing sector. All of these policies are funded in the budget announced in May. All of them are very important for tackling both climate change and the economic challenges the country has.

Mr BILLSON (Dunkley) (16:33): My understanding is that Minister Combet is also handling small business this evening, so I hope that is a satisfying experience. That would make six ministers in 16 months handling small business. It is good; you are probably at no more disadvantage than the incumbent—but thank you. Minister, I will just draw your attention to some of the commentary on budget night. ACCI said:
The nation's economic engine room of two million small businesses employing seven million people are too big to ignore but the budget largely leaves them shortchanged …

It said the 'budget ignores small business and hard savings choices'. A further statement was:

There's not one small business initiative worth speaking about tonight …

The Food and Grocery Council said:

… there was little in the budget to stimulate growth and confidence, and nothing to relieve the ever increasing regulatory burden on business.

The New South Wales chamber of commerce commentary was: 'Small business has been ignored again'—et cetera et cetera.

My first question is to invite you to see if you can identify any single specific positive measure directly intended to support the small business community. We could find no such measure in any of the budget documentation that has been available. Some commentary since has sought to cobble together bits and pieces going on elsewhere that may happen to go past a window of a small business in terms of their support.

My second question relates to some of the measures that are included. I refer to the bringing forward of tax liabilities to a monthly payment arrangement for many Australian businesses, and an observation by some that that risks transferring the cash-flow burden to small business, where those caught up in that measure will need to rejig their own cash flow to respond to the tax office requirements—and that may be to the detriment of small business. I also invite you to advise whether any analysis has been done on the impact of that measure now, given that it was originally inspired by the prospect of a budget surplus that now is not on the horizon. The small businesses of Australia would have to see Labor elected four times before there is any prospect of a surplus.

In relation to business confidence, there is the really worrying sign that, since Labor was elected, nearly 243,000 jobs have been lost from small business. Yet the government and the budget seem completely unresponsive to those job losses from what should be the engine room of the economy but actually feels like one that has had some cylinders taken out. Minister, it is a fact that there are 3,000 fewer small businesses employing people in the latest figures, compared to when your government was elected. Again, if you could point me to any measure in the document that seeks to turn that around and look beyond the economy as it is now to one where small business and enterprise are valued and supported, that would be helpful.

There is also further money in the budget, on top of the $125 million, to fix the business names register—$7.8 million. I am looking for your assurance that that will fix the problems with the register, including the broken promise of this government not to breach the privacy of home based businesses—a promise that has not been kept that we sought to pursue with the government late last year, to no avail.

Finally, one of the things the government likes to point to in the budget is its establishment of a small business commissioner, an able person that does not actually have a commission. There is no clear purpose or legislative basis for that role. We learnt through the budget and in Senate estimates last night that it is not actually an ongoing program, so that token interest is actually disappearing, even though the government announced this position—a commissioner
with no commission—as being really significant to ensuring small business remains at the forefront of government policy-making.

Minister, essentially the thesis that the public is providing on the budget as it relates to small business is that it is not the kick-start they were looking for but just another kick; and it is making an already difficult situation worse, one compounded by the world's largest carbon tax, which you have spoken about—that small business is supposed to simply suck it up or pass on the costs of that tax, when anyone with any appreciation of the real economy would know that, in many cases, neither is possible.

Are we to expect some new declaration of interest in small business in the 101 days before the next election? There is no provision for that in the budget, and I am wondering whether we can expect some sort of PR campaign cobbling together remotely related things as a substitute for a policy. (Time expired)

Mr COMBET (Charlton—Minister for Climate Change, Industry and Innovation) (16:38): That is a pretty long list of questions that the member for Dunkley has advanced there, but I will do my best to work my way through them.

The starting point is that the most important thing for small businesses, medium-sized businesses and large businesses, and the workforce generally, is that the economic settings are right. As the national accounts evidenced today, our economy is growing; real GDP is growing at an annualised rate of 2½ per cent. Very, very few economies internationally, particularly advanced economies, can claim such a growth rate. We have had, I think, two decades of continuous growth. We avoided the global financial crisis, we made investments in jobs and growth, and that same approach is, of course, reflected in this budget. I do not know that the coalition's strategy on fiscal policy would be of assistance to small business if the strategy involves cutting deeply and imposing austerity measures in the circumstances we are in. That would have a contractionary effect and it would be felt very sharply by the small-business community in particular. So the government has taken the view in fiscal strategy as a general approach in the budget, as we have in recent years, of making the investments that are necessary to continue economic growth and continue a positive environment for investment.

What else is relevant to small business? Small businesses are benefitting not only from the annual economic growth we are experience but also from the significant fall in interest rates that we have seen in recent years. The official cash rate now stands at 2.75 per cent. We have got a stable inflationary environment, as I indicated earlier, with inflation at around 2.5 per cent—the mid-point of the RBA target range—and we have one of the lowest unemployment rates in the world. The member pointed to some employment numbers and issues. Again, the important thing at a macroeconomic level is that, since 2007, almost one million jobs have been created in our economy—and at a time during which the international circumstances have been extremely adverse—and growth has been experienced across the economy, not just in resources and resource related sectors.

On issues specifically to assist business, there are a range of measures in the budget that have been supported that I would draw the member's attention to. I referred earlier to the $1 billion investment plan, A Plan for Australian Jobs, which will assist small businesses grow and compete in global markets and create jobs. One of the features of that plan is to oblige the proponents of major projects worth more than $500 million, for example, to prepare Australian industry participation plans. These are plans that can and will benefit small and
medium size enterprises gain access to the work that is going to be contracted in goods and services not only through the construction phase of major projects but also in their operational phase subsequently.

As part of the plan, also relevant to small and medium size enterprises, the government is investing about $350 million in Venture Australia, a venture capital fund. It will be matched dollar for dollar in the private sector to stimulate Australia's venture capital market. The experience with SMEs, in particular those that are innovative and have ideas and technologies they want to commercialise, is that they often have trouble getting access to the venture capital that is necessary to help them commercialise their circumstances. That is a significant initiative that has had bipartisan support over the years, but the government has invested another $350 million in it, with a track record of success.

There is also in the budget a new $27.7 million Enterprise Solutions Program to assist small and medium size businesses gain access to public sector markets; the idea being that, when a government—and in this case, obviously the Commonwealth—intends tendering or contracting for a particular good or service, there will be a fund that will be accessible to SMEs to help them successfully develop the materials and do the work to be able to tender in a public sector procurement process. That is important. I can return to the issue again, but there is also very important funding of $500 million for up to 10 industry innovation precincts that, in particular, will be important for SMEs. I can return to that issue shortly, and there are other measures that I can also turn to in relation to small business.

Mr STEPHEN JONES (Throsby) (16:43): Minister, in your opening statement you talked about the challenging environment that manufacturing, in particular, is facing, with competition from emerging economies, the high Australian dollar, higher input costs—particularly in the steel sector with coal and iron ore over the past three years at times hitting record prices. I am interested in some of the measures—some of which you have identified—that are supporting manufacturing. It matters a lot in my electorate, the electorate of Throsby in New South Wales, which has traditionally had a big reliance on manufacturing and related industries for regional wealth creation and of course jobs.

I know it is outside of your portfolio specifically, but some of it falls within your portfolio. I count eight specific measures, one of them being the antidumping measures that have gone through a number of amendments over the last 12 months to bring them into line with international practice and the current circumstances. I would like to hear from you, Minister, why that and how that is important to Australian manufacturing businesses.

Minister, you also mentioned the innovation precincts in response to a question from the member for Dunkley. I am interested in how the innovation precincts would assist local manufacturers, not only now but into the future. The steel industry innovation plan is an important program for the steel makers in my electorate, particularly BlueScope. Why was that plan important, and how is it making a difference? Minister, could you advise us on how that is making a difference in securing the future of the steel industry in this country? I think you have already gone to the clean energy investment programs, so I will not question you further on that. The automotive industry innovation program is an important program. We know the industry is going through a lot of stress at the moment. Are there any threats to the ongoing future of that program?
Finally, there is the Australian jobs legislation, the Australian Jobs Bill, which passed through the House of Representatives last week. A crucial part of that program looks at Australian industry participation plans. Of course, these are not new. We have had Australian industry participation plans in place for quite some time. What is new about the arrangements in the Australian Jobs Bill? What other provisions included in the bill will make a difference?

When I talk to manufacturers in my electorate, one of their common retorts is: 'We can't win work in a lot of these large resources, government and other related projects. We get mickey mouse invitations to tender. Sometimes they come in on the Friday and close on the Monday. We want to know what the government is going to do. How is this bill going to make a difference for businesses such as this to win work in these large projects and how is it going to support local manufacturing?'

Mr COMBET (Charlton—Minister for Climate Change, Industry and Innovation) (16:46): I thank the member for Throsby for those important questions. As I indicated earlier, the government announced in February a $1 billion plan for Australian jobs, and included within that many of the measures which the member for Throsby is inquiring about. The first important part of the plan involves the establishment of Australian industry participation obligations on major project proponents—major projects being those worth more than $500 million—regardless of what part of the economy they may be in. Many people immediately think of the resources sector, which of course is a case, but it may in fact be a wind farm or a new power station. What is new in particular is that we formulated to implement that policy, the Australian Jobs Bill, and it is currently before the Senate, having passed the House. That will place for the first time a legal obligation on the proponents of these major projects to prepare Australian industry participation plans in consultation with a new statutory agency, the Australian Industry Participation Authority.

The project proponents must, under the legislation and under the eye of the authority, provide fair and reasonable opportunity to Australian businesses to successfully tender in for the goods and services during the construction phase and the early operational phases of these projects. That is new. An AIP plan previously only obtained in relation to certain government procurements worth more than $20 million and in relation to tariff concessions made under the Enhanced Project By-law Scheme. This will now apply to all projects worth more than $500 million.

In consultation with manufacturers, whom we expect to benefit significantly from this legislation and this policy approach, they have raised many issues concerning the specifications, the timing, the lack of information, the lack of transparency and the lack of accountability that many project proponents have taken in their approach to date. For example, it is argued by the manufacturing sector that, with some of the major projects in Australia, the large international corporations come along and bring their global supply chain with them, because they know that supply chain works to particular quality standards, they are familiar with their supply chain and they simply engage in the contract to do the work through their contractors. We have to create the transparency and the accountability to ensure that manufacturers and SMEs have the opportunity to successfully tender in. The detail in the Australian Jobs Bill will ensure that that is the case, and I have indicated to industry that if they see any concern for the way in which it is working they must raise it with the government and we will act upon it. Any fair and reasonable concern will be dealt with.
In relation to other measures that the government has put in place that the member inquired about, antidumping is also extremely important. Measures are before the House at the moment, a further tranche of reforms to the antidumping arrangements and the resourcing for Customs to properly pursue antidumping applications. These are important reforms which are critical to the viability of many areas of manufacturing in our country. We put those proposals together—myself and the Minister for Home Affairs—after quite extensive consultation with the business community, and especially the manufacturing sector and the Australian Industry Group, being the peak body. Those antidumping provisions will provide better access to remedies for dumped products. They will provide fast access and much more transparency and ability on the part of Customs to be able to deal with antidumping arrangements. Without any doubt, there has been in a number of markets a development of a glut of products on global markets, and many businesses have raised these issues with the government in the context of dumping. We want to deal with that issue and we want to get the legislation through as expeditiously as possible.

The member also asked me—and I can return to it in due course—about the steel plan, which is important for his region in the Illawarra in the south coast of New South Wales. The government has put $300 million into supporting the transformation of the steel sector, and it is to support steelworkers' jobs. Labor has done that. The coalition opposed to that particular piece of legislation. The government remains committed to it, and we will fight to ensure that we support steelworkers' jobs.

Mrs MIRABELLA (Indi) (16:51): I have three brief questions for the minister. The first is that on the department's industry website key automotive statistics are fairly old and out of date; they date back to 2011 or earlier in some cases. What are the most up-to-date figures for the following categories: vehicle production, exports, turnover, labour productivity and R&D? If the minister does not know, when will the opposition be able to have this information?

My second question is: who is attending the so-called crisis talks meetings on the car industry with the government on Friday, and is it true that at least one of the local car manufacturing companies is not even coming to the talks? If so, which one?

My third question is one that Senator Lundy could not answer in Senate estimates yesterday, so I will ask the minister. Will Ford's decision last month to shut down all of its car manufacturing in Australia change the total amount of money the government will make available through the ATS to 2020, and if so in what way?

Mr COMBET (Charlton—Minister for Climate Change, Industry and Innovation) (16:53): I thank the shadow minister for her question. I did not quite get all the figures that she is after, but I can undertake to refer to the Hansard and provide her an answer in relation to those issues. I do not have the production figures—

Mrs Mirabella: When?

Mr COMBET: I will do it as expeditiously as I can—there is no need to have any concern about that. In terms of the talks this coming Friday, I think the member asked me who is not coming. I am expecting all the principal representatives of the industry to be there. I have not been appraised of any apologies. However, what I can say is that it is an important discussion for representatives of the industry, including the unions and with the government, to consider all of the challenges that the industry is facing. Principal among those challenges
is the issue of the high value of the Australian dollar. It is important to contemplate for a moment that for each one-cent appreciation in the value of the Australian dollar vis-a-vis the US dollar the impact on competitiveness of an Australian manufactured car that, for example, retails for $25,000 is $250. We have seen significant appreciation in the exchange rate in recent years, and in the last two years in particular, that has impacted significantly on the competitiveness of the automanufacturing industry in Australia. On top of that, the industry is going through massive structural change, at a global level. All of the major motor-vehicle manufacturers are restructuring their operations internationally. As is well known, there were various bailout arrangements put in place in the United States for Ford and General Motors.

Mrs Mirabella: Deputy Speaker, on a point of order of relevance: with all due respect, I am apprised of those facts regarding the automotive sector. Specifically, I asked if he knew if any of the local car-manufacturing companies were not attending. He said he did not know, so I would appreciate it if he could move to my last question regarding the ATS.

Mr COMBET: It is important to ensure that there is proper understanding of the issues confronting the industry, and the restructuring of the industry globally is very important. A lot of investment is going into expanded production in China. Expected production runs in a motor-vehicle manufacturing facility in China might be 250,000 units per year or 300 units per year or more. The major motor-vehicle manufacturers are looking at their operations internationally, comparing them to that sort of benchmark and the economies of scale that can be achieved and also contemplating the development of vehicles that are essentially globally designed and that are uniformly marketed across a range of markets.

Mrs Mirabella: Answer the question.

The DEPUTY SPEAKER: Order! The minister will be heard in silence.

Mr COMBET: These are important matters for consideration, the way in which the relevant vehicle-manufacturing industry is working. Within the context of the Australian operations, Ford is looking at its Chinese operations, looking at the capital upgrade that might have been necessary for production of new models post 2016, looking at the production capacity of its plant at Broadmeadows and the engine facility at Geelong and it came to a view, communicated to the government a couple of weeks ago, that it would no longer continue production past 2016. That international context is extremely important.

Mrs Mirabella interjecting—

The DEPUTY SPEAKER: Order! The member for Indi will allow the minister to complete his answer.

Mr COMBET: The Automotive Transformation Scheme is a critical public policy component in the investment decisions that businesses, both the major motor-vehicle manufacturers and the suppliers, are taking. The government has committed money through to 2015 and beyond under the Automotive Transformation Scheme. The contrast here is that the coalition's policy is to remove $500 million—which I understand has been confirmed, again, since Ford's announcement—from the ATS up to 2015 and then they have put at risk and created uncertainty about $1½ billion committed to the ATS and other measures beyond 2015. If you are an investor in a motor-vehicle manufacturing plant—

Mrs Mirabella: You are a disgrace!

The DEPUTY SPEAKER: Order! The member for Indi will withdraw.
Mrs Mirabella: I withdraw, but the minister has been afraid to answer questions about his own policy. The minister has been gutless in refusing to answer questions.

The DEPUTY SPEAKER: The member for Indi will desist from defying the chair.

Mr Gibbons: Obviously, the shadow minister does not understand the answer and does not like the answer, but it is the answer. She should accept that and desist from interjecting.

The DEPUTY SPEAKER: Is the member for Bendigo seeking the call or a point of order? What was that? It was a point of order.

Mr HUNT (Flinders) (16:54): My question to the minister relates to the carbon tax on fuel for heavy trucks, which is due to take effect as of 1 July 2014. Can the minister confirm that it is the government's intention to proceed with a second phase of the carbon tax and that it is budgeted within the forward estimates to include a tax of approximately $510 million in 2014-15 alone, and does the minister dispute the evidence given to the Senate inquiry on the scrutiny of new taxes—in particular, the carbon tax pricing mechanism of Friday, 22 July 2011—by Mr Tony Sheldon the National Secretary of the Transport Workers' Union?

Mr Sheldon said that depending on the size of the vehicle and the industry sector, the carbon-tax impost 'would mean in some circumstances that people would have anything from a five per cent to a 15 per cent decrease, each year in their home, of their take-home earnings after all costs are taken out'. He was referring specifically in that context to the impact of the heavy vehicle carbon tax.

So, to summarise: would the minister confirm whether it is the government's intention to introduce a second round of carbon tax in the form of a tax on fuel for heavy trucks from 1 July 2014; that that constitutes approximately $510 million in the forward estimates for that year alone; and whether or not he agrees with the estimates by the national secretary of the TWU as to the impact on take-home pay?

Mr COMBET (Charlton—Minister for Climate Change, Industry and Innovation) (17:00): Firstly, I re-emphasise that the carbon price that the government announced in 2011 and implemented effective from 1 July last year is working. I will come to the specifics of the member for Flinders' question but it is important to emphasise that in the first 11 months of the operation of the carbon price mechanism emissions in the national electricity market are down by 7.4 per cent. It is an equivalent of a 12-million-tonne reduction of greenhouse gasses in the national electricity market. Renewable energy generation in the market is up almost 30 per cent, all at the same time as the economy is growing with the national accounts confirming today an annualised rate of growth in real GDP of 2.5 per cent.

Since carbon pricing started 150,000 jobs have been created, inflation is contained, the CPI impact has been less than the Treasury modelling suggested, millions of households have been assisted with tax cuts, along with increases in family tax benefits, higher pensions and allowances. The impact on the cost of living having been lower than anticipated, of course that household assistance goes further. So, all the nonsense that the coalition have gone on about is to be regarded with the greatest scepticism. There is not one thing that has been said in the terror campaign that the coalition has run about carbon pricing that has had the slightest bit of validity, integrity or legitimacy—all rubbish.

Part of what we announced in 2011, so it is not new at all, is that until 30 June 2014 there will be no effective equivalent carbon price imposed on heavy on-road vehicles. That remains
the case. The budget does reflect the policy provision that was announced in 2011, that the government is committed to and that is reflected in the budget papers, that there would be an equivalent carbon price on heavy on-road vehicles subject to the specific detail that would be brought forward from 1 July 2014.

This is important to contemplate from the standpoint that the coalition have gone running around for the last two years arguing that the carbon price is going to destroy the economy—it has not and we now have had 11 months of experience. They said it would be the end of the world—it has not been the end of the world—and that the price was going to go up and up and up. Now they are running around because of low market prices in the European market, arguing it is terrible because it is going to go down and down and down.

Contained in the budget are revised projections, independently formulated by the Treasury, for carbon pricing from the time that we move to an internationally linked emissions trading scheme on 1 July 2015. I am sure that the member is well familiar with them. That means from 1 July 2015, subject of course to the market conditions and there are two more budgets before that time when Treasury will of course be revising their projections and ultimately their estimates and forecasts as that time nears, the price may be lower than the coalition is endeavouring to try to terrify people, including those in the heavy on-road vehicle industry.

The carbon price is an important environmental reform. It has been implemented in an economically responsible manner. It has been implemented in a manner that is socially fair—

Mr Hunt: Madam Deputy Speaker, I have a point of order. Very briefly, on relevance, I did ask specifically about the actual quantum in the forward estimates for 2014-15.

The DEPUTY SPEAKER (Ms K Livermore): The minister has another minute to answer. I call the minister.

Mr COMBET: Of course we stand by the figures in the budget papers. Mr Sheldon is a person with whom I am very familiar, having been a colleague of his for many years. We do have a bit of a different view about the remarks that he made during 2011. I have had the opportunity to discuss things with him subsequently over the last couple of years. I am not too sure whether he would sustain the same comments but that is a matter for him to observe.

The fact of the matter is this is a perfectly economically efficient, responsible and manageable reform that has been made. It is reducing emissions and it is environmentally effective. We have done it in a way that is socially fair. In relation to concerns that the member for Flinders raised about its impact on the livelihoods of particular operators and their heavy on-road industry—(Time expired)

Mr GIBBONS (Bendigo) (17:05): Is the Parliamentary Secretary for Climate Change, Industry and Innovation able to inform the chamber about any initiatives of the carbon-pricing mechanism?

Mrs D'ATH (Petrie—Parliamentary Secretary for Climate Change, Industry and Innovation) (17:06): I thank the member for Bendigo for his question. I know there are many members on this side of the House that are very interested in the carbon price mechanism. I go specifically to the area that I have responsibility in, the Carbon Farming Initiative. I know there are many members who are interested in what opportunities the government has provided to the land sector as part of the Clean Energy Future plan.
As the member would be aware, the federal Labor government's Clean Energy Future plan has four key elements. One of those elements is the carbon price; secondly, the renewable energy; thirdly, the energy efficiency; and, importantly, action on the land. The Carbon Farming Initiative is a key element of that plan to take action for our agriculture, forestry and landfill sectors.

The CFI as it is known is a voluntary scheme. It is there to encourage the agricultural, forestry and landfill sectors to take action to reduce their greenhouse emissions or to increase their carbon storage through changing their agricultural, forestry and landfill practices. This is referred to as abatement. Those activities in those sectors, if they are achieving additional abatement, are able to create additional Australian carbon credits. These credits then can be sold in the market. There is a lot of good work and opportunity there for the land sector.

The CFI is this government's central policy for helping Australia's agricultural, forestry and landfill sectors to play a very important part in the emerging clean economy and it is yielding benefits. We are now approaching 12 months since the Clean Energy Future plan commenced. In that time we have bedded down the CFI and busied ourselves with refining its detailed rules and methodologies. We have established rigorous expert review and integrity provisions that are ensuring that every tonne of carbon pollution offset by the CFI is a real tonne of carbon pollution. We have worked with farmers, landholders, and agricultural and forestry industries to establish projects and to support them to engage with Australia's carbon market.

The CFI is a very good policy that is having real impacts for regional Australia. Farmers, landholders and regional communities are benefiting from new income that has flowed from the scheme and from the new jobs that are flowing to the regions. I know Deputy Speaker, Livermore, you are from a regional electorate and would appreciate the importance of the Carbon Farming Initiative.

As already stated, the CFI provides farmers with the ability to create carbon credits and sell those into the market. But those credits will only fetch a decent price in the market if it has confidence that they represent real abatement. The integrity of the CFI is critical to the success of the scheme. That is why this government has established the Domestic Offsets Integrity Committee, known as the DOIC, to oversee the consideration of activities and methodologies, and to make recommendations to the government.

The DOIC ensures that any carbon abatement is in addition to normal practice. The DOIC consists of a panel of eminent scientists and land sector specialists whose role is to assess and stress test every methodology before it is allowed in. All activities that can generate credits under the CFI can only do so because the committee has assessed them as being robust.

The importance of this committee cannot be overstated. I certainly wish to thank the committee for their efforts over the past year. The committee really is a gatekeeper for the CFI, and it bears the important responsibility for ensuring the scheme is credible. In undertaking that task, the committee is assisted through the establishment of many partnerships with Australia's leading universities and research institutions to unlock the next generation of abatement opportunities on the land.

It is important to note that there is a lot happening in this space. The DOIC has been working hard to assess proposals that have been put forward since its commencement. I am
pleased to report the CFI has grown in scope and coverage in the past year. The CFI relies on
the existence of methodologies for each covered activity, and we now have 15 methodologies
in place covering a range of abatement opportunities across the forestry sector, dairies,
piggeries, landfill and grassland. Farmers can now own carbon credits by revegetating
marginal lands on their properties; foresters can earn credits by reforesting cleared land;
dairies and piggeries are able to earn credits by capturing methane from their facilities and
burning those emissions before they escape into the atmosphere; and landfill operators can
earn carbon credits by diverting organic waste and treating it safely. The member will be
pleased to know that there is more on the way; in coming months, further methodologies will
be finalised and new projects established. (Time expired)

Mr HUNT (Flinders) (17:11): My question is to the minister, and I am following on from
his earlier answer. During the course of that answer the minister made reference to the fact
that the price paid after 2015-16 may in fact be lower than the revenue projections in the
budget. I would ask the minister whether he stands by the revenue projections in the budget,
or whether he is indicating that the actual expectation of the government is for a lower price—
consistent with the forward European market price—than has been projected in the budget. In
short, is there a black hole in the budget, or was the statement about lower prices merely
false? It is a binary question; only one answer can be true. I will just note this: the
government's price projection for 2015-16 in the budget is down from $29 in last year's
budget to $12.10 in this year's budget. That is approximately twice the current trading range
for European permits in the three-year forward market. It is, a year later, three times the
trading range for forward permits in the European market. So the question to the minister is,
which is correct—are the government's revenue projections correct, or is the European market
correct? Are we going to be paying over what the rest of the world is paying, or is there a
black hole in the government's budget?

Mr COMBET (Charlton—Minister for Climate Change, Industry and Innovation) (17:12):
Of course, there is no black hole. We stand behind all of the figures contained in the budget.
That is not what I was adverting to in my previous comment; I was making the point that the
coalition has gone around the community saying that prices are going to go up and up, in this
moronic manner of political opportunism—and yet they are now complaining that the price
is going to be lower. They are complaining about it! What is represented in the budget, of
course, are figures that are revised projections by the Treasury. There were extensive—

Mr Hunt interjecting—

The DEPUTY SPEAKER: The member for Flinders has asked his question. The member
has the call.

Mr COMBET: And time is tight. I would refer the member for Flinders to the
questioning of the Treasury officials today in the senate estimates about these issues. I
thought the questions were handled very well by the Treasury. I remind the member for
Flinders that all of those estimates and projections are done independently by the Treasury.
The government stands behind the budget and the figures contained in it for carbon price
revenue, and the carbon price figures.

Proposed expenditure agreed to.
BUSINESS

Rearrangement

Mr ALBANESE (Grayndler—Leader of the House, Minister for Infrastructure and Transport and Minister for Regional Development and Local Government) (17:14): I move:

That the order for consideration of the proposed expenditures agreed to on Monday, 3 June 2013 by the Federation Chamber be varied by next considering the proposed expenditure for the Broadband, Communications and the Digital Economy Portfolio and then the proposed expenditures for the Regional Australia, Local Government, Arts and Sport Portfolio, the Infrastructure and Transport Portfolio and the Prime Minister and Cabinet Portfolio.

Question agreed to.

BILLS

Appropriation Bill (No. 1) 2013-2014

Consideration in Detail

Debate resumed.

Broadband, Communications and the Digital Economy Portfolio

Proposed expenditure, $1,860,473,000

Mr ALBANESE (Grayndler—Leader of the House, Minister for Infrastructure and Transport and Minister for Regional Development and Local Government) (17:14): Through the 2013-14 appropriation bills the government will provide the portfolio with $7 billion to deliver its priorities. This includes $6.8 billion directly to the Department of Broadband, Communications and the Digital Economy, of which $5.1 billion is an equity injection into NBN Co. It also includes $1.1 billion through the department to the ABC; $273.8 million through the department to the SBS; $111.6 million to the Australian Communications and Media Authority; and $90.4 million to the Telecommunications Universal Service Management Agency.

The government is providing over $178 million in new funding to the portfolio for a range of measures. This includes $50 million to the department for a range of important programs, including $26.6 million over five years to assist free-to-air television broadcasters to relocate their digital television services to new television channels; $12.9 million for expanding the Digital Enterprise and Digital Local Government programs; $2.5 million to extend the Satellite Phone Subsidy Scheme for a further year; and $5.4 million over five years to assist the production and transmission of community radio.

The federal Labor government is very proud of our support of the public broadcasters, the ABC and the SBS. They provide a vital service to the nation. As the regional development minister can I say that the role that the ABC play in regional Australia cannot be underestimated in terms of providing a service to the community, particularly at times when information on natural disasters is important to be transmitted in real time. In addition to the continuing base funding of $2.5 billion over three years, $182 million will be provided to the ABC for new measures, including a loan to assist in the construction of a purpose-built facility at Southbank in Melbourne; funding to enable the expansion of ABC news and current affairs; funds to enable it to meet growing audience demand for its digital media services; and funding to produce documentaries commemorating the Anzac Centenary.
In addition to the continuation of its base funding of $569 million over three years for SBS, $20 million will be provided to the SBS to enable it to build on the success of its digital initiatives. I note that the SBS has recently expanded some of its language services to facilitate access to some of the newer communities that have arrived in Australia in recent times. I congratulate them and the leadership that they show in the community in promoting inclusiveness as an essential element of the success of multicultural Australia.

The 2013-14 budget also provides additional funding to the ACMA. This includes $10.5 million for the high-frequency direction finding upgrade to continue support the high-frequency bands used by the aviation, maritime, defence and emergency services communities, as well as $6 million to continue its revenue assurance project.

This budget also includes a $5.1 billion equity injection to NBN Co. The budget papers reconfirm the total equity contribution to NBN Co. will be $30.4 billion. The National Broadband Network is the largest infrastructure project in our nation's history. The NBN is about transforming telecommunications and the economy by investing in the infrastructure that we need now and that we will also need for the future. This is critical infrastructure that our country needs for the 21st century.

Only this Labor government will make the smart investments that Australia needs for our future. The National Broadband Network, along with the National Plan for School Improvement, DisabilityCare Australia and the Nation Building Program are all important parts of this. Our funding announced in the 2013-14 budget for the Broadband, Communications and the Digital Economy portfolio will encourage a vibrant, sustainable and internationally competitive digital economy in Australia. *(Time expired)*

Mr TURNBULL (Wentworth) (17:20): I have a number of matters to raise with the minister. I am going to deal first with the issue of asbestos, as that seems to be in the forefront of attention at the moment. In the spirit of seeking some enlightenment—light as opposed to heat—I invite the minister to respond substantively, if he can; if he cannot answer substantively, then he should say so, rather than giving a sort of ad hominem spray, which is what we had from his counterpart Mr Shorten. This is the issue I want to seek the minister's views on. We know that the received wisdom, official wisdom, on asbestos is—and I am quoting now from the code of practice How to Manage and Control Asbestos in the Workplace, at page 17. It says here:

If asbestos or ACM—

asbestos-containing material—
is in good condition and left undisturbed, it is unlikely that airborne asbestos will be released into the air and the risk to health is extremely low. It is usually safer to leave it and review its condition over time. However, if the asbestos or ACM has deteriorated, has been disturbed, or if asbestos-contaminated dust is present, the likelihood that airborne asbestos will be released into the air is increased.

This is consistent across all the official material on dealing with asbestos.

It was from a similar official publication, the Code of Practice for the Safe Removal of Asbestos, that Telstra quoted in writing to Mr Shorten as the MP for Maribyrnong in 2009, when they said that the removal of asbestos-containing materials can potentially expose workers and others to higher levels of fibre than leaving the material in situ. Telstra's approach has been not to seek to replace asbestos-containing material unless the pit is
disturbed for whatever reason. Of course, what we have seen with the advent of the NBN's deal with Telstra in 2011 is very widespread disturbance and hence a much bigger asbestos management problem than was the case back in 2009. The Minister for Employment and Workplace Relations has made it clear now that, despite the interest he evinced in 2009, he did not raise his concerns about this with either the communications minister or NBN and Telstra in 2011 or 2012.

I want to know from the minister whether it is the government's view—and this is simply to get some clarity on this—that the official standards should be changed or are mistaken and whether Telstra's practice is no longer valid in the sense of not seeking to replace intact undisturbed asbestos-containing material which is in situ—that is to say, buried under the ground—and only to replace it when it is being disturbed. Of course, as the minister knows, hundreds of thousands, if not millions, of the Telstra pits are being replaced because they are too small for the NBN's purposes.

This is an important point because there is a lot of undisturbed asbestos-containing material in the Telstra network that will not be disturbed even with the NBN, and of course there is an even vaster amount of asbestos-containing material in people's houses and garages and schools and hospitals that is intact and undisturbed. The question is: given the remarks that the workplace relations minister has made, is the government's view that there should be, as Mr Shorten recommended in 2009, proactive material of otherwise stable, undisturbed, intact asbestos-containing material?

If that were to be the government's approach, that is a very significant change of policy, and there is a lack of clarity at the moment as to whether there is now a change of policy on dealing with asbestos-containing material.

Ms SAFFIN (Page) (17:25): I have a question, Minister. It is to do with the record funding for the ABC and SBS, but I have a statement that I want to make about it first. The ABC and SBS are two of Australia's most important and trusted cultural institutions. The government is proud of its track record in supporting the national broadcasters, and it is a track record built upon the recent budget and the triennial funding announcement.

The government will provide the ABC with $89.4 million in additional funding over the next three years to expand news and current affairs services and for digital delivery of ABC programs. The government is also providing the ABC with a loan of $90 million over three years so it can consolidate the majority of its Melbourne based operations at its Southbank site. This will allow the ABC to achieve operational savings while continuing to deliver high-quality broadcast content. In addition to new funding announced in the budget, the ABC will receive $2.5 billion over three years in ongoing base funding from 2013-14. That base funding is important.

The SBS will receive $20 million in new funding over the next triennium to build on the success of its digital initiatives and to continue to develop its programming and services to reflect and promote multicultural and Indigenous Australia. The new funding is in addition to the $158.1 million over five years provided as part of the 2012-13 budget to ensure that SBS remains a vibrant and dynamic national broadcaster.

Both the ABC and SBS will continue to be exempt from the efficiency dividend, and I will say more about that.
In the last triennial funding round in 2009, the Labor government provided the ABC with the largest increase in its operational base funding since 1983. I remember the ABC out lobbying too at that time and walking around the halls of parliament, and I also remember that I wrote a letter about that to the minister, lobbying on it. I was at that stage the only MP who had written a letter on it. Then I led the charge to make sure that all the other MPs did that as well, and that was across the parliament.

The funding provided in 2012-13 represented the most significant funding boost SBS has ever had. This is in stark contrast to the previous government, whose first budget stripped $55 million per year from the ABC's base funding, crippling the national broadcaster's ability to keep pace with the changing media environment.

Can I say that I get a bit tired of the whole debate about the ABC: 'Is it biased or is it not?' I am sure every MP in here has an experience and a view. I do get a bit fed up with that, particularly from the coalition. The honourable member for Wentworth is fond of asserting that the public broadcasters have no greater friend than him.

Mr Turnbull: I don't think I've said that, but it's probably a fair comment.

Ms Saffin: The honourable member for Wentworth has said words to that effect. I was maybe putting it more eloquently than the honourable member might have. But it was only last week that the honourable member for Wentworth was refusing to rule out slashing the budgets of the national broadcasters under a coalition government. When it comes to the national broadcasters—

An honourable member interjecting—

Ms Saffin: yes, I tell you, yes—the coalition cannot be trusted. A friend would be saying: 'Funding won't be slashed. Funding is secure, and I agree to no efficiency dividend.'

But this new funding that I have talked about ensures that the ABC and SBS can continue to build on the extensive range of services they provide to their audiences, especially the growing demand for their innovative digital services. The national broadcasters provide a range of programs, news and information across television, radio and digital platforms accessed by millions of Australians every day. In a changing media environment they are more important than ever as a source of news and current affairs, local content and telling stories.

I have seen a quote from the honourable member for Wentworth, which reads as follows: But if there is a broader austerity of some kind across the board then all departments may have to bear some of the pain.

I repeat: there is no efficiency dividend. My question is, Minister: would you like to— (Time expired)

Mr Albanese (Grayndler—Leader of the House, Minister for Infrastructure and Transport and Minister for Regional Development and Local Government) (17:30): Firstly, I thank the member for Page for her contribution and for her ongoing support of ABC and SBS. I am not surprised that a regional member feels so strongly about the role that these fine national institutions play in our lives, making a huge difference whether it be through television, radio or new media opportunities that both of these institutions are engaged in.
With regard to the record funding for ABC and SBS, the government is proud of the support that we have given. It has also been given, might I say, from some other portfolios. My portfolio of infrastructure has, for example, assisted in building the new headquarters of the ABC in Brisbane. People would be aware of issues raised about the health of staff at the former ABC headquarters. The new structure stands on the banks of the Brisbane River.

I went to the opening of the Queensland Symphony Orchestra. The ABC does play that important cultural role in our cities and our regions. One thing that orchestra have been doing, as do other institutions associated with our public broadcasters, is bring cultural activities to regional communities. They certainly play a fine role there.

The government is absolutely committed to this funding. We are committed to the independence as well of the ABC and SBS, unlike the former government that stacked the boards with right-wing ideologues. We have ensured that there is a professionalism brought to the appointment of the boards and to those institutions.

In response to the shadow minister's questions that were raised, the issue of asbestos is indeed one that has haunted communities since the dangers of asbestos became clear. It must be said that the dangers were apparent to executives in companies such as James Hardie a long time before they were prepared to fess up to the consequences of this deadly product for which they were prepared to put profit before the lives of those people who worked with the product and those people who just lived in communities. Indeed, it is the case that where building work for infrastructure takes place in cities such as Sydney there needs to be absolute care to ensure that the workers are protected and also that communities are unaffected where this work is taking place.

I know that when a refurbishment of an oval in my electorate was taking place, they found a lot of asbestos had literally just been buried beneath the oval—covered over with dirt as if the problem would just go away. This is something that does need to be above politics. The member for Wentworth is clearly genuine in his concerns about these issues; these issues are serious but they are not new. We know that claims, for example, that legacy infrastructure with asbestos will not be disturbed under the coalition's plan is not true. That is why these claims are now being refuted by industry experts. We need to make sure that this work occurs in an appropriate way. There is no way to avoid interacting with asbestos when you are working on Australia's fixed telecommunications network. The member for Wentworth cannot avoid dealing with asbestos if he is ever in a position to build his fibre to the node system which would consist of some 70,000 nodes at least. As independent telecommunications consultant and safety expert Fernando Calero told the Financial Review:

… rolling out fibre-to-the-node technology still requires some modification of pits and pipes between Telstra exchanges and street corners, as well as those pipes connecting Telstra exchanges.

Mr Calero also said:

A lot of the inter-exchange stuff is asbestos. … Many of the main trunks are asbestos.

It is a fact that when this work takes place every care must be taken and Telstra has accepted responsibility for doing just that.

We know indeed that this is not a new issue. We know that in 2001 Telstra wanted to create an independent body to fast-track compensation payments to employees exposed to asbestos. They sought approval from the then Department of Workplace Relations, but they
got knocked back. The then Minister for Workplace Relations was the current Leader of the Opposition. So, the opposition leader knew about those issues as far back as 2001, when Telstra made a clear approach to the department. In 2005 it was raised again. In September 2005 a question on notice was asked of Minister McGauran representing the then communications minister Senator Coonan about Telstra's use of asbestos. The minister provided an answer in February 2006 that explained Telstra's use of asbestos in pits, ducts and exchanges and the possibility of exposure. This has been an issue that has been around for a long time. This is an issue that requires every care.

I had the great honour of being a patron of the Asbestos Diseases Foundation prior to being elected as a member of the House of Representatives and afterwards as a backbench member through my association with Barry Robson, a great Australian, and the great Bernie Banton—as heroic an Australian as anyone could meet. He was courageous until the end, fighting and campaigning not for himself but for justice for other Australians. I believe that we need to ensure that every respect is given to people such as Bernie Banton for the role he has played in fighting companies that did hid what they were doing—companies like James Hardie and CSR, which some prominent people on the opposite side see fit to defend in cases against victims of asbestos. I have found some of the politicking in the last week or so a bit galling, frankly, given the history of these issues. Of these issues, I would say that Telstra—just like any other company or organisation engaged in activity that is likely to disturb asbestos—needs to take every care possible.

Mr TURNBULL (Wentworth) (17:40): I am very disappointed that despite my generosity in encouraging the minister to speak for twice as long, he was unable to answer the question—nor would the minister for workplace relations answer it. The question was this: is the government saying that undisturbed, intact, non-friable asbestos-containing material should not be left in situ—as is the practice at Telstra; as indeed is contemplated in the national codes—but rather should be proactively removed, notwithstanding that this carries, as the national code I read from earlier, risks of contamination?

This is a very serious point. That is why I said at the outset that I do not want to have a slanging match with the minister opposite. I do not want to get into ancient history. I want to get some clarity on this very important point. I will leave that with the minister. I would just respond to the honourable member from the north coast.

Honourable members interjecting—

The DEPUTY SPEAKER: We are here to consider the expenditure of the relevant department.

Honourable members interjecting—

Mr TURNBULL: All right. I should have called a point of order. I have no right to reply there; fair enough. I now want to turn to the rollout of the NBN. I want to ask the minister whether he is concerned and what he is going to do about the failure of the NBN to meet its rollout targets. It was originally forecast, in late 2010, to pass 950,000 brownfield premises by 30 June this year. In August 2012 that was scaled back to 286,000 premises—a massive reduction. As of the end of March, that was scaled back again to somewhere between 155,000 and 175,000 premises to be passed. As of mid May, so we have been told, they have only passed just over 70,000 premises.
The big issue here is whether there is a flaw in the construction model and whether this project is genuinely scalable in the manner contemplated in the corporate plan. We are being told directly—through the media and elsewhere—that contractors are not making a living out of this work. I was talking to a contractor today who said to me that his rate to excavate, remove and dispose of a Telstra pit made of asbestos-containing material was $78. He said he cannot make a living out of that. He said his rate for putting in a new, large, plastic pit and setting it all up—buying the pit, labour, materials and everything else—was $295. This is a very relevant issue. Is the reason the project is running so slowly the fact that the contractors are not making a quid out of it?

The challenge is that at the moment the NBN Co. is passing 353 houses a working day, in this half year. That is the current rate. They should have been passing over a thousand. Their plan calls for them next year to be passing 10 times that number. Every time the NBN Co. has missed a target—and this is a fact, this is not conjecture—it asserts that the ramp-up is going to be even steeper. I ask the minister whether the government is satisfied with the rollout so far and what measures he believes the government and the NBN Co. should take to enable it to get closer to meeting the targets in its corporate plan?

Mr ALBANESE (Grayndler—Leader of the House, Minister for Infrastructure and Transport and Minister for Regional Development and Local Government) (17:45): Can I say that the most certain way of slowing the progress of the NBN would be to stop building it. That is what those opposite have in mind with their inferior, slower, alternative plan that is not of course the NBN. They have realised that the NBN is quite popular, so they are now pretending that they are going to keep it. It will cost just about as much, but for a far inferior product in which they have acknowledged would need to be upgraded before they have even started. I think it is right to actually get the infrastructure right first-up. If this mob were in charge of the Sydney Harbour Bridge it would have had one lane both ways. It is absurd.

From time to time the member for Wentworth says it is going too slow, but this week his Senate leader, the esteemed Senator Abetz, had this to say on 3 June:

… the reason that these talks need to be held is that there has been this indecent haste with the rollout of NBN.

It is going too slow, according to the member for Wentworth, but his Senate leader says it is going too fast. The fact is the rollout of the NBN is happening in every state and territory across the country. So far this year new areas switched on include Gungahlin, Toowoomba, Coffs Harbour, Bacchus Marsh, Hobart, Gosford, Blacktown and Townsville. There are well over 50,000 NBN services live across Australia, providing enhanced broadband to homes, businesses and schools, and NBN's take-up rates are world records. We also have fixed wireless NBN services being provided from 69 sites, including Ballarat, Darwin, Geraldton, Toowoomba, Tamworth and many other areas. Construction has commenced at over 115 additional sites and, overall, more than 770 sites have received planning approvals.

This is a project which common sense tells you, as it ramps-up, it is possible to do it faster and faster. It is logical that the initial stages of the rollout of the NBN would be slower than the middle stages and the middle stages would be slower than the final stages. That is the way that infrastructure happens. Whether it be the NBN or the building of a road or a new rail line. If you look at the regional rail network in Victoria, which is in my portfolio, you will see that we are now expending over $100 million every month on what is the largest infrastructure
commitment to public transport that any Australian government has given to any project. It ramps-up with huge benefits for Melbourne but also, importantly, for Bendigo, Ballarat and Geelong. We on this side of the House understand infrastructure and the way that it develops. We understand that you need to get it right the first time. We understand that you need to be committed to put that investment in and that you get a return on that investment. Indeed, the NBN will deliver a return, not just an economic return but a social return as well because of the benefits it will bring to the provision of education and health services, because of the opportunity that will be created, particularly in regional Australia, at overcoming the tyranny of distance that has been a disadvantage for people in regional Australia, compared with their counterparts in CBD electorates, or the distance of Australia from the rest of the world. This is a very important project. The rollout is proceeding. The only threat to the rollout is the failure to re-elect the Labor government in September.

Ms SMYTH (La Trobe) (17:50): I am very pleased to be able to make some inquiries this afternoon about the broadband, communications and digital economy portfolio. I certainly commend the very fine work that is being done by both the minister here today and his colleague in the other place in relation to the rollout and the governance of the NBN. I know that it is met with very sincere enthusiasm in the part of the world that I represent. Indeed, one of the universities that is in my electorate has already talked to me about ways in which they might be able to take the opportunity advanced by the NBN to develop some telehealth, some medical applications, for the NBN and to pursue opportunities there in conjunction with other organisations. It is very welcome in educational institutions. I know that it is certainly welcome by small businesses and large businesses alike and, indeed, by residents in my part of the world.

NBN Co. is set to roll out fairly soon in Boronia and in and around the basin, at the northern end of my electorate and, at the same time, in the greenfield sites in the southern end of my electorate—the growth corridor. It is being very well received and there is much anticipation of the rollout in those areas, as there is across the Dandenong Ranges. Residents regularly report to me about the unreliability of the copper network. They appreciate all too readily its flaws. I know that the member for Wentworth would be aware of this, because he has been in my part of the world with the former member for La Trobe in recent weeks, admittedly to a fairly select audience there, but he certainly did come along. So I am sure he is familiar with the interest in the NBN's roll out to homes and businesses—not to somewhere down the street but right to people's doors. This is so that they can use the NBN for the transformative purpose that it was intended to have, such as for social use by people who might be isolated in the more remote parts of my electorate. It will be very beneficial for not only a lot of elderly residents who have taken an interest in our Broadband for Seniors program but, needless to say, also business applications.

I was recently at a forum which the Emerald small business group held with the Assistant Treasurer. I can certainly say that there was much interest in the NBN's application for business, particularly in that part of my electorate which is effectively on the urban rural fringe of Melbourne. I guess you might call it a peri-urban area. For people who may have to travel quite long distances to transact business, when the NBN is rolled out to that area it will be extremely beneficial, and there was much interest in it. Likewise, I have mentioned medical use and, of course, educational use for the NBN. Clearly, a great deal of work has
been done right across government, not simply in this portfolio but in the health portfolio and the education portfolio to establish the NBN and to contemplate its applications immediately as it rolls out and into the future.

In light of this, I am particularly interested to ask about one transformative way in which the NBN might be best used by businesses, small and large, and that is in the context of cloud computing. Business operators are certainly acutely aware of the benefits that are presented to them by cloud computing, which enables them to have the potential to access quite powerful IT infrastructure without necessarily having to own it and operate it on site. It is a flexible means by which businesses and others can gain the benefits of the NBN network.

Today's internet, as all of us know, increasingly involves two-way communications through an interactive environment. Regrettably, those opposite routinely forget about the importance of upload speeds or upload capacity. Happily, we have not forgotten that. We are alive to it in the context of cloud computing. It is really unfortunate that those opposite have not seen the potential for cloud computing to advance business or the NBN as a means to advance business—those whom they purport so regularly to speak on behalf of.

My question today in light of all of this and in light of my evidently keen interest in the NBN is: are there particular ways through the budget and otherwise that the minister can advise about the application of cloud computing and how it can be advanced by the NBN?

Mr ALBANESE (Grayndler—Leader of the House, Minister for Infrastructure and Transport and Minister for Regional Development and Local Government) (17:54): I thank the member for La Trobe for her ongoing interest in the NBN and her conveying of the interest of her local business community. I of course have had the pleasure of visiting the fine electorate of La Trobe, including to a community cabinet meeting where we had discussions with local business leaders about the capacity for the NBN to allow an area which is on the urban fringes of the great city of Melbourne to engage and compete in real time and not have to be located in the CBD. That has other advantages as well in terms of transport and transforming the lifestyles of people who live in such a magnificent electorate, which has lots of open space and a lot of attractiveness to it. The areas on the outskirts of our cities have had the disadvantage of distance, and one of the things that the NBN does is make it very possible for businesses to locate and compete in a real sense, because the physical location is not as important and, of course, there are all the applications that the member speaks about, particularly in terms of medical technology.

It is indeed a tragedy that in some of the debate from those opposite they have comprehensively failed to understand the importance of upload speeds and the importance of transformative technologies like Cloud computing. The sorts of comments that you see from time to time about the NBN just being about downloading movies faster than is possible in other areas is an example of that. I genuinely felt a great deal of sympathy for the member for Wentworth when he was standing in Fox Studios and the Sonny Bill Williams image appeared and there was the Leader of the Opposition saying, 'That is computer generated, isn't it?' as if he had woken up to the fact that he had not just appeared in Fox Studios as an apparition as a result of some sort of Dr Who TARDIS type system. That says a lot about their failure to understand why this transformative policy is so important.

It will also revolutionise access to the Cloud. We are no longer living in a broadcast world. Today's internet is increasingly a two-way, thoroughly interactive environment. Cloud
computing facilitates this new world by enabling access to powerful IT infrastructure without the need to own and operate it on site. Unlike those opposite, we are getting on with the job of building broadcast infrastructure to support technologies like Cloud for all Australians and the potential of this technology into the future.

For someone with a 12-year-old who is much more technologically competent than his father—and that is a familiar experience—opening up the world to young people means that part of what the NBN debate is about is embracing the future and not being scared or intimidated by it. It is about embracing the opportunities that it will bring. It is a democratic mechanism, which is very important in terms of participation in that two-way interactive environment of the future. So I thank the member for La Trobe, and I certainly look forward to the opportunities of the future as facilitated by the rollout of the NBN.

Mr TURNBULL (Wentworth) (17:59): The minister in his day job, of course, is the Minister for Infrastructure and Transport and is responsible for Infrastructure Australia. I want to ask him whether he regrets the government breaking its election pledge in 2007 to refer any major infrastructure investment by the Commonwealth to Infrastructure Australia for a rigorous cost-benefit analysis. This, of course, was not the case with the NBN, the largest infrastructure project in our history, where no such analysis, no such homework, was done.

I draw the minister's attention to his attempt to compare the rollout of the NBN with a road. He gives the impression that he is more familiar with roads than he is with telecom networks. But the point is not that the rollout is slower at the beginning than it is at the middle and the end; the point is that the rollout is so far behind the NBN Co.'s own corporate plan. It is the NBN not failing anybody else's standards but failing its own standards. In that context, I want to draw his attention to a report today in *The Australian Financial Review* which sets out, as has been acknowledged by the NBN Co., that not only are they going to miss their rollout figures for the fixed line fibre-to-the-premise network in brownfield sites by a very large margin, as I mentioned earlier, but they are also going to miss by a very large margin, around 50 per cent, the target for fixed wireless, which is the technology to be used for four per cent of the overall footprint.

I want to see what the minister's view is on the NBN Co.'s explanation for this. The NBN Co.'s chief executive said to a Senate committee last week that the problem with the wireless rollout was due to large trees. I wonder if the minister could reflect on whether a cost-benefit analysis would have identified the fact that in regional Australia there are quite a lot of trees, large and small. It does seem curious that the presence of trees, large trees, would come as a shock to the NBN Co. and that it had not been anticipated. The other reason to which the chief executive of the NBN Co. attributed this huge failure to meet their target was inaccurate address information, which I gather means that they could not find their customers. This seems to be an extraordinary failure, and I wonder whether the minister's normal cheerful equanimity will be disturbed by the revelation that the NBN Co. failed to anticipate that there were large trees in Australia, some or all of them containing koalas, no doubt, and that the NBN Co., in addition to that, has failed to be able to find its customers.

*A government member interjecting—*

Mr TURNBULL: The honourable member says it is rubbish. I am just quoting what they have said.
The other matter that he might turn his mind to is this point. I seek to get his views on this question of asbestos and fibre to the node by just drawing to his attention the fact that the whole point of a fibre-to-the-node rollout, the justification for it, is that it involves much less civil works. The minister would know that 80 per cent of the cost of a telecom rollout, if not more, is in the civil works. The electronics and the cables are actually a relatively small part of it, even though they are the most obviously ingenious and brilliant. So, by definition, a fibre-to-the-node rollout, while it does not exclude exposure to asbestos-containing materials entirely—and no-one has suggested that it does, least of all me—does of necessity mean that the infrastructure between the street cabinet and the customer's premise is not being disturbed in the way it is with a fibre-to-the-premise rollout. That is why there is not the need to dig up and replace millions of Telstra pits and thousands of kilometres of Telstra ducts and pipes. I just want to draw that to the minister's attention and see if that would cause him to review his opinion.

Ms ROWLAND (Greenway) (18:04): I would also like to ask the minister about the National Broadband Network and how, under Labor's National Broadband Network every home and business will be able to connect to the NBN by 2021, and some areas sooner than others such as mine and the member for Chifley's. I understand that 11.8 million premises will be directly connected by fibre.

I also note that the coalition has a document which proposes to connect only 2.8 million premises directly to fibre, mostly premises in new developments, and that will mean that there will be nine million Australian households and businesses that would be disconnected from Labor's NBN unless they pay up to $5,000 for it, leading to some quite perverse results, including, as I know you are aware, minister, and reported in the Blacktown Advocate on 22 April that:

Blacktown will become a city of broadband haves and have nots under the coalition's watered-down version of the National Broadband Network.

I also note that National Party policy 2012-13 states as follows:

The Nationals' policy is to place a priority on rolling out fibre optic cable to the majority of consumers in regional Australia first.

The NBN, as I know you are aware, minister, will deliver fibre to the home to 70 per cent of regional premises, which I know the member for Page would be very interested in as well. I note that the Nationals' Senator Joyce said in 2009 that the National Broadband Network is 'truly the Nationals' broadband network' as it has been 'lifted', according to Senator Joyce, straight from the Page Research Centre's position paper in 2005 into telecommunications. The senator said, 'How could we disagree with something that is quite evidently our idea?'

As you may be aware, minister, the National Party appears to have rejected that now think that regional Australia can make do with a fibre-to-the-node model. I also draw attention to the coalition's document which states that nine million premises will be served what former senator Nick Minchin described in 2009 as 75,000 'large equipment cabinets' similar in size to large refrigerators connected to mains power, including fans or air conditioners. I did not say this, the then Senator Minchin said: 'I do not think anybody would really want one of these large cabinets outside their home'.

Minister, you may also have seen and been aware of what Senator Nash has said about the coalition's plan and what it would mean for regional Australia. In 2007 she said:
The people of rural and regional Australia know a furphy when they see one. It is widely understood in the telecommunications industry that FTTN will not deliver improved broadband speeds for rural and regional areas.

The senator also said about fibre to the node, 'It is a furphy. It is fraudulent.' Senator Nash said:

In spruiking their flawed fibre-to-the-node plan Labor are doing one of two things: they are either deluding themselves and at the same time the Australian public if they think FTTN will deliver high-speed broadband to rural and regional areas, or they are being deliberately deceitful and are trying to trick the public into supporting a plan they know is flawed.

I also note Senator Boswell said: 'Fibre to the node just will not work in rural and regional Australia'. And while on the subject of rural and regional Australia, as an aside, minister, you may also be aware of the principle in Labor's NBN of wholesale equivalent of pricing, whereas the alternative document proposes to get rid of this and exacerbate the digital divide not only on accessibility but also affordability as between regional and metropolitan areas. I also note former BT CTO Peter Cochrane said, 'fibre to the cabinet is one of the biggest mistakes humanity has made'.

As I said in parliament yesterday, statistics have shown that Labor's NBN, prior to the coalition releasing its alternative, had the support of 73 per cent of Australians. That figure actually went up afterwards to be 78 per cent support from people compared to the alternative. So my question, minister, is: what are the benefits of rolling out fibre to 11.8 million homes and businesses in Australia?

Mr ALBANESE (Grayndler—Leader of the House, Minister for Infrastructure and Transport and Minister for Regional Development and Local Government) (18:09): I thank the members for their contributions. Firstly, to the member for Wentworth who mentioned Infrastructure Australia. Infrastructure Australia was established very proudly by this government. When they produced their first report to COAG in May 2009, they identified progress moving forward of what would be required to truly develop economic productivity through nation-building infrastructure. Table 2 identifies infrastructure priorities under seven themes. Theme 1 is a National Broadband Network.

Opposition members interjecting—

Mr ALBANESE: they then went on to speak about developing a more extensive, accessible and globally competitive broadband system. 'Infrastructure Australia supports an investment from the Building Australia Fund to develop the National Broadband Network.' This mob opposite have gone around and promised funding for infrastructure projects on the back of an envelope before there is any analysis whatsoever—

Mr Turnbull: As opposed to the back of a beer coaster.

Mr ALBANESE: As opposed to the Infrastructure Australia system whereby 15 out of 15 projects have been funded, including four projects in the last budget that we are dealing with in these appropriations for additional projects—two of which, the Melbourne metro project and the cross river rail project, in spite of Infrastructure Australia's recommendations and support, and in spite of the fact that negotiations had concluded with both the respective state governments. Under pressure from the federal opposition, they have walked away from this. In Brisbane we know, as a result of the state government failing to support its own proposal for the cross river rail project, they are now proposing that they will rip out the seats from the
trains so people will have to stand up on the trains. That is the alternative infrastructure vision of those opposite.

I am asked by the member for Greenway about a range of issues with regard to the digital divide. The great advantage of the NBN is overcoming regional disadvantage and disadvantage between people who live in different parts of our capital cities. What the NBN has done in places like Blacktown, where it has been rolled out in the electorates of Greenway and Chifley, is provide economic opportunity. If those opposite have their way, as has been identified, some people in the community will have the NBN and some people will not. They will have a second-rate system. That is of enormous regret.

What is extraordinary is the National Party rolling over on the issue of wholesale pricing equivalent—a principle which says that whether you live in Burnie, Ballarat, Marrickville or Vaucluse, you pay the same amount which is something that is absolutely essential to equity in the system. Those opposite have not done that. I note that it was a National Party member who came up with 'fraudband'. I say very clearly that the shadow minister for 'fraudband' and the copper economy should be embarrassed by his party's position, because to have fibre to some and copper to others after it goes through what the member for Wentworth says is a bar fridge on the corner of particular streets is just extraordinary. He acknowledges it is essentially a fridge-like large structure which will appear all over the suburbs. Every single one of those fridges will be a symbol of the backward nature of those who want to keep us in the copper age rather than the fibre age.

Proposed expenditure agreed to.

Regional Australia, Local Government, Arts and Sport Portfolio

Proposed expenditure, $1,623,492,000

Ms KING (Ballarat—Minister for Road Safety, Minister for Regional Services and Local Communities and Territories) (18:15): The 2013-14 budget continues the government's strong investment in regional Australia and its commitment to working in partnership with regional economies in transition and to helping develop creative solutions to those regions—to support better economic, social and environmental outcomes across all of those regional communities. This budget invests record amounts in community-driven investment. In the budget we have built on our existing commitment to regional Australia, through the Regional Development Australia Fund, to finance very important infrastructure projects that address the specific economic and community needs of all of our regions.

From the first two rounds, we have invested some $350 million to leverage projects already worth $1.2 billion across the community. Already 75 projects are under way ensuring people living in rural and regional Australia are getting the services and support that they need, supporting the improvement and construction of regional infrastructure, community sporting and youth associations and cultural projects across regional Australian communities.

We have been strengthening governance, improving infrastructure and supporting economic development in Australia's Indian Ocean territories, committing to Norfolk Island reform, meeting the operating deficit of the Norfolk Island government but at the same time strengthening governance and improving services for the benefit of the island's economy and its residents, particularly in the area of apprenticeships and child protection. They are two very important areas of the island and are in desperate need. We have also been extending the
operation of the Reconstruction Inspectorate and the National Disaster Recovery Taskforce to ensure that every cent of our flood-rebuilding package goes where it is needed and helps flood-affected communities to rebuild their roads, bridges, rail lines and public facilities so that they can get their lives back on track.

In the budget we are also contributing to the future economic development of North Queensland and supporting activities that enhance Indigenous and community engagement to facilitate the opportunities that are available under the *Australia in the Asian century* white paper. It is important also as part of this budget that we recognise the important role that local government plays across this country. The budget includes funding, as we have been debating, to conduct a referendum on the financial recognition of local government in the Australian constitution. That referendum will be held on the same date as the 2013 election and $10 million has been funded for a national civics campaign and education campaign, which is to provide information to the general public about the referendum. It is some time since we have had a referendum. There are generations of kids who have not had exposure to what that means and they will be voting for the first time, so the civics education campaign is very important.

The 2013 budget also includes a $25 million package to create jobs and encourage a generation of arts and creative businesses. The minister here will talk a little more about that. There is also additional funding being provided in the sports portfolio. We want to continue the very successful, Active After-school Communities program. It is a terrific program that has been doing great work in small and large schools across the country. The program is extended for one calendar year until December 2014. The program also supports around 2,000 primary schools and 1,200 out-of-school care services to provide quality sport programs.

The budget also increases the intelligence, investigative and results-management capabilities of the Australian Sports Anti-Doping Authority and it enhances the National Integrity of Sport Unit's ability to assess and respond to information about drugs and corruption in sport. Our commitment in this budget to regional Australia and its long-term economic and social sustainability is strong. It is something that members on this side of the House have felt very passionately about for a long time and I am very pleased that in this budget we continue that commitment to regional Australia. The portfolio continues to look forward to strengthening those relationships across Australia, particularly through our involvement with regional development through our RDA network; local government, importantly, to get those linkages between the RDA network and local government right; services to the territories; and arts and sport—that is part of our portfolio—to drive even stronger regional growth and a more sustainable nation to capitalise in particular on the opportunities of the Asian century. I welcome questions.

Mr BALDWIN (Paterson) (18:20): It is a pity the Minister for Regional Development and Local Government is not with us; otherwise, I would be referring the minister to program 1.1 of his department's PBS and asking the minister to explain where this funding, which is supposed to be for regional Australia, is being spent. Does the minister agree with his predecessor that regional Australia is all of Australia? Is the minister aware of the definition of 'regional Australia' used by the Australian Bureau of Statistics? Does his department use this definition when meeting the objectives listed under program 1.1? How did the minister's department come to define 'regional Australia' as it does; was it a ministerial decision?
the minister confirm that the largest regional infrastructure project that Labor has funded is the $480 million investment in roads around Perth Airport? Last time I checked, Perth was a capital city. So does the minister consider Perth to be part of regional Australia?

I refer the minister to the Sydney Multicultural Arts and Sports Precinct that has just been funded under round 4 of the Regional Development Australia Fund. Does the minister consider Sydney to be part of regional Australia? I refer the minister to Melbourne's Western Indoor Sports Hub, the WISH project precinct, which has been funded under round 4 of the Regional Development Australia Fund. Does the minister consider Western Melbourne to be part of regional Australia?

I ask the minister to explain why the Gillard government has given preferential treatment to projects proposed in Western Sydney, allowing 20 projects to proceed to full application status in the RDA Fund, whereas every other region was only permitted to submit their top three projects. Will the minister justify for the benefit of the House why the Gillard government broke promises made to regional Australia when they formed government and why, in the last three years, they have reduced spending on regional Australia? How can the minister now defend Labor's Regional Development Australia Fund, which actually spends $90 million per year less than the regional fund it replaced, the Regional and Local Community Infrastructure Program?

I refer the minister to the objective of his department listed on page 36 of the portfolio budget statement:

... drives regional policy to improve social, economic and environmental outcomes for regional Australians.

I ask the minister: how does the government's carbon tax improve the social, economic and environmental outcomes for regional Australians? Does the minister agree that the Gillard government's carbon tax will drive up the cost of living for regional Australians without saving the environment? Minister, given regional Australia will suffer the greatest impact because most of our power generation, mining and manufacturing sectors reside in regional Australia, will you advise the House what actions your department will take to drive regional policy? Given Australians in regional New South Wales spent 25 per cent more on electricity than those in Sydney, and Australians in regional Victoria spent 30 per cent more than those in Melbourne—

Mr BALDWIN: what steps will the minister take to drive social, economic and environmental regional policy?

Mr BALDWIN: Minister, your answer should be 'scrapping the carbon tax', because the carbon tax is bad for regional Australia. As I say—

Mr BALDWIN: Madam Deputy Speaker O'Neill, I cannot believe that you are allowing this level of interruption and—

The DEPUTY SPEAKER (Ms O'Neill): I sensed you were about to complete your questioning—
Mr BALDWIN: I ask you to take control of the House. It is obvious that these members opposite—

The DEPUTY SPEAKER: Order, member for Paterson!

Mr BALDWIN: have got an awful lot to hide.

The DEPUTY SPEAKER: The member for Paterson will return to his questions.

Mr BALDWIN: I am, Madam Deputy Speaker. The whole issue here is regional Australia. Why is all of Australia considered regional Australia? Why aren't regional Australia funds just for regional areas? Why are the capital cities included in regional Australia funding? Weren't you smart enough to develop an urban development fund and a regional fund? Because what you are doing is taking money out of the bush and putting it directly back into the city.

Ms KING (Ballarat—Minister for Road Safety, Minister for Regional Services and Local Communities and Territories) (18:24): I am very happy to respond to the questions. Many of the responsibilities that you just asked about—

Mr Baldwin: Where's the minister?

Mrs Elliot: She is the minister!

Mr Baldwin: I am talking about a cabinet minister.

The DEPUTY SPEAKER (Ms O'Neill): Member for Paterson, you are being responded to by the minister.

Ms KING: I am hoping that that is not sexism operating there in terms of my ministerial responsibilities! But that is okay.

Mr Baldwin: On a point of order, Madam Deputy Speaker: I ask the minister to withdraw that comment calling me sexist.

Ms KING: I am happy to facilitate the ongoing debate about this by withdrawing that comment. As the minister responsible for many of the issues you have raised, I am very happy to discuss them. I am really disappointed that the shadow minister for this area does not seem to understand what regional development is about. There are many people—like me, like the member opposite and like the many regional members who have come here today—who live in what are classified as regional or provincial cities. But that is not the sole definition of regional development. It never has been. It has not been the sole definition across the entire history of academic work in regional development. There are regions in capital cities, there are regions in outer metropolitan areas, there are regions in and around provincial cities and there are regions in and around rural towns. The RDA network we have developed was in fact based on the previous government's area consultative committee councils. Are you telling me that you had no area consultative committee councils in city areas?

The DEPUTY SPEAKER (Ms O'Neill): The minister will direct her remarks through the chair.

Ms KING: My apologies, Deputy Speaker. Is the shadow member saying that there were no area consultative committees in city areas? I have a recollection that there were five area consultative committees covering the area of Melbourne and that they put in applications under the Regional Partnerships programs—and, I think, were successful. I have a vague
recollection too of an inner Sydney area getting support under the Regional Partnerships program—for a project on a beach.

I cannot believe that the shadow minister, who is purporting to be the developer of regional development policy for the opposition, does not seem to understand regional development. Let me go to one particular project announced out of round 4 of the Regional Development Australia Fund which was raised by the shadow minister—the project in Werribee. I do not know whether you have ever visited Werribee, but let me suggest to you that you might want to do that. When I was in Werribee with the Prime Minister announcing that RDAF round 4 project, I was delighted to meet the lovely mayor, Heather, who is from there. She was originally born in my electorate in Trawalla, where Jim Scullin was born—I am very proud to have that association. She talked about how Werribee was a town of 8,000 people when she first moved there. It is, and was always viewed as, a country town. My sister moved there 20 years ago. It is a tiny country town. It has faced enormous population growth, which is terrific.

Opposition members interjecting—

Ms KING: I am glad that you have been there. So you know that Werribee is a country town which has faced enormous pressure from population growth exploding out of Melbourne. The community had a tiny basketball stadium which was servicing a huge population. The opportunity to make that a regional sporting facility, a centre for basketball for the west of Victoria, is a terrific opportunity.

Again I say to the shadow minister: you clearly do not understand regional development. It is not just about regional provincial cities; it is also about regions and regional areas that cover a whole raft of areas. I know, having been in this area for a while, that the shadow minister is committed to making sure that we have good policy across our regions. I remind the shadow minister that, under the Regional Partnerships program, you did fund a whole raft of projects—some of which were successful and some of which were questionable, to be quite honest, particularly those in the private sector—and perhaps you might want to reflect on that when you ask a question. (Time expired)

Mr BURKE (Watson—Minister for the Arts, Minister for Sustainability, Environment, Water, Population and Communities) (18:29): This budget includes a $235 million package to drive the implementation of Creative Australia—the National Cultural Policy. Creative Australia aims to ensure that the cultural sector, incorporating all aspects of the arts, heritage and the creative industries, has the skills, resources and resilience to play an active role in Australia's future. I want to pay tribute to my predecessor in the portfolio, the member for Hotham, for the work that he did in putting together Creative Australia.

Additional funding has been provided to the arts portfolio to ensure that the Australia Council can meet the challenges of a rapidly evolving artistic practice through provision of $75.3 million in new funding, including $15 per annum in additional funding for arts organisations to address unfunded excellence; $1.25 million per annum in funding to harness excellence in the major performing arts companies; $1 million per annum for training and development to build the professional capacity of the arts sector; $1 million per annum to develop and implement a detailed and systematic data collection program; establish a new funding program for the newly formed Creative Partnerships Australia at a cost of $8.6 million over two years; continuing training available to students through our elite arts training
organisations through a provision of $20.8 million over four years; establish the arts ready program to address skills through targeted on-the-job training at a cost of $3.4 million over four years; provide $9.3 million over four years to six major performing arts companies to ensure they can continue to tell innovative and uniquely Australian stories; extend the existing Indigenous Languages Support program and enable funding to language projects based in the Torres Strait by providing an additional $14 million over four years; provide $11.3 million over four years to continue the successful Indigenous Visual Arts Industry Support program; continue the ArtStart program to assist recent arts graduates to grow their professional practice into a sustainable business at a cost of $9.7 million over four years; establish a digital content fund supporting Australian digital production at a cost of $10 million over four years; and ensure a one-off $20 million location incentive to increase Australia's competitiveness as a world-class filming destination.

As part of the $235 million package, funding was also provided through other portfolios to ensure $40 million in funding for cultural infrastructure, as parts of rounds 3 and 4 of the Regional Australia Development Fund, to continue the Australian Music Radio Airplay Project and to assist community groups that operate self-help radio retransmission facilities in regional and remote areas at a cost of $5.1 million over four years; provide $8 million over two years to establish the Creative Young Stars program to encourage, support and celebrate creative, cultural, academic and community achievement.

We are very proud to release Creative Australia and believe it provides a strong strategic framework for government investment in the arts, cultural heritage and creative industries, establishing a solid base for future growth and improved sustainability in the sector. The portfolio looks forward to implementing Creative Australia over the next 10 years.

Mrs ELLIOT (Richmond) (18:32): As a regional member, I am very pleased to be participating tonight. I certainly have some questions for the minister for regional services later in relation to some of the government's massive investment right throughout regional Australia.

When I look at my electorate, I see more than $1.5 billion of major investment in community infrastructure in a regional area, in roads, in health facilities and in community facilities. It has made a really big difference to my area. This budget commits almost $1 billion through the Regional Development Australia Fund, to finance infrastructure projects throughout the nation. I am very proud that we have delivered so much.

I am really excited tonight to be talking about the $500,000 from the RDAF for the Knox Park youth precinct at Murwillumbah. This is funded by the Tweed Shire Council, which is matching the federal Labor government's commitment of $500,000. It is a fantastic investment and the project will deliver a range of recreational facilities for a whole range of age groups including an adventure playground and a plaza style skate park. This particular park has needed to be upgraded for a long period of time. We were very proud to make the announcement. It is going to make a very big difference to that area. This is what RDAF funding does; it really makes a huge investment in regional areas and delivers great results.

I was also really pleased only a couple of weeks ago on 21 May when the minister for regional development was in my area and we turned the sod at the Arkinstall Park Sports Centre at Tweed heads. That received $5 million from in the previous round of RDAF funding. It is a great investment in our area. That is to complete and do some major upgrades
on our netball and tennis courts. When it is completed we will have an international-style facility for tennis and netball which we can be really proud of.

It will also be a great training facility, with the Commonwealth Games just up the road at the Gold Coast in 2018. If they are looking for some training they can just come over the border to Tweed Heads and we will have that wonderful sporting facility there which will make a huge difference. Really importantly, it is going to make a very big difference to our region. Our kids will be able to use international-style sporting facilities, which is so important. Of course, the economic benefits from all these projects just go on and on. There are so many.

I do not have the time to talk about all the funding in my electorate when it comes to regional development but, previously, under the other programs, there was $9.5 million for the sport and recreation centre at Byron Bay; $2.7 million for the cultural and community centre at Lennox Head; and $2 million for the community centre at Murwillumbah. That all came out of the Regional and Local Community Infrastructure Program—our previous regional development program—and that has made a massive difference to the community as well.

I also want to touch on the incredible upgrades to the Pacific Highway that we have had in my area which have made a big difference to our region. There was $359 million for the upgrade of the Pacific Highway at Sexton Hill and more than $500 million for the Pacific Highway upgrade between Tintenbar and Ewingsdale. Of course, we have also had the BER—another great investment. There was $115 million worth of upgrades to 90 local schools. What a difference that has made to our kids and what they can access in terms of their educational opportunities?

Also, there was $7 million for our GP superclinic at Tweed Heads, which opened its doors last Friday—a great, great achievement—and $1.8 million for the Jack Evans Boat Harbour redevelopment. Finally—we have another very important one—$2 million from this government was delivered for Australia's first high-performance surfing centre at Casuarina. We actually have the world's only high-performance centre or surfing—a great institute at Casuarina, just near Kingscliff. We have a lot of surfing greats that will come there and provide a mentoring service for young people. We are very proud to have the world's first. It truly remarkable.

That all adds up to more than $1.5 billion—a remarkable investment my electorate of Richmond. What you see from this government is real investment in real projects right throughout regional Australia and right across the board, whether it is roads, health facilities or community infrastructure. I have seen firsthand the benefits of all these facilities and the difference that they make. I would certainly like to hear a bit more from the minister, and I would like the Minister for Regional Services and Local Communities and Territories to outline the importance of this government's support for regional Australia—particularly touching on our Regional Development Australia Fund and the difference that it makes local communities like mine.

Ms KING (Ballarat—Minister for Road Safety, Minister for Regional Services and Local Communities and Territories) (18:37): I thank the member for highlighting the project in her electorate recently funded under RDAF 3. Regional Development Australia Fund round 3 has been a very successful round. We took the opportunity after each round to review, to listen to
stakeholders and to go out and talk to the RDA network about what was happening with that round. One of the things that we were fed back was that often it was difficult for small communities and small towns to compete against larger councils. So that round was specifically designed for towns under 30,000. I was really delighted to see that round fund some 79 projects right the way across the country and in some communities that are very disadvantaged and which would not previously have had the opportunity to apply for that funding of up to $500,000—many applications were smaller than that—and make a substantial difference across each of those rounds.

The member has also highlighted that this government's commitment to regional Australia is not just about RDAF. I know people often want to focus on that particular program, but it has been across all areas of government. There has been significant investment through the Building the Education Revolution, primarily focused on schools. A large proportion of that money has gone to schools in regional, rural and remote Australia, providing opportunities for small communities that have never, for example, had access to libraries before—because those facilities are opened up to community members. The BER provided libraries, electronic whiteboards, meeting spaces and sporting infrastructure for small regional and small rural communities across the country.

Our investment in health included the Regional Cancer Centres. There has been significant investment by this government in improving the terrible divide that occurs in this country between city people who are diagnosed with cancer and people who live in regional and rural Australia who are diagnosed with cancer.

We know the health outcomes and survival rates of people diagnosed with cancer in regional and rural Australia are some five years behind their metropolitan counterparts. We know that is not good enough. When you look across health, whether it is through GP super clinics, hospitals and health funds, which have seen investments in major health projects across the country but particularly in regional areas, right the way through to the regional integrated, that is very important and this government is very proud of them.

I also want to touch on the government's education reforms which we saw pass the House recently. Again I reiterate how incredibly important those reforms are because of the loading on the basis of size and locational disadvantage and what that means for regional students. I cannot overemphasise how critical that investment is to regional Australia. I think that the New South Wales National Party minister absolutely gets it. It is not something we often admit to but I know many regional MPs on this side of the House are very fond of members of the National Party. We share a lot in common in terms of the seats we represent. We do not often say that. I know many National Party members are of good heart and understand that the education reforms are a significant advantage to regional Australians and to many regional and rural schools.

I hope sense prevails across the country and that National Party members are listened to. In New South Wales, the National Party education minister absolutely gets it. It is not something we often admit to but I know many regional MPs on this side of the House are very fond of members of the National Party. We share a lot in common in terms of the seats we represent. We do not often say that. I know many National Party members are of good heart and understand that the education reforms are a significant advantage to regional Australians and to many regional and rural schools.

I hope sense prevails across the country and that National Party members are listened to. In New South Wales, the National Party education minister absolutely gets it. This is critical. Our students in regional Australia are going to be left behind if we do not deal with this issue, if we do not put serious investment into our education system and increase funding on the basis of location and size. It is absolutely critical that we do so. The bills have now passed the House of Representatives. I certainly hope they pass the other place. What I absolutely hope is that the politics we have seen played out across the country is put aside—about not
wanting, in someone's political spin doctoring mind, to give the government an advantage if Gonski gets through, that we cannot possibly allow them a win. I hope that sort of commentary, which we are seeing from Liberal and National Party coalition governments in some states, is put aside and that we see increases in funding to regional students. There are some $6 billion that regional and rural schools will benefit from; under the opposition's policy $16 billion will be cut. I hope the Nationals see sense on this.

Mr McCORMACK (Riverina) (18:42): I would be prepared to give the minister an extension of time if she is going to continue to praise the National Party. I congratulate the member for Ballarat for her rise on 25 March to be Minister for Regional Services and Local Communities and Territories. I am sure she will do a good job. I also acknowledge the fact that the member for Eden Monaro on 4 February was appointed Minister for Defence Materiel. It is good that Labor is finally recognising that they should have ministers from the bush, from rural Australia. Correct me if I am wrong here; howl me down if you will.

Mr McCORMACK: No, I am right about that. The only other member of the Gillard-Rudd ministry who came from a country area was the member for Hunter who was Minister for Defence between December 2007 and June 2009—I think that is correct. I acknowledge the fact that Labor is recognising that good people from regional Australia are here to represent the portfolio areas. I also want to acknowledge the fact that in round 3 of the RDAF funding Tumbarumba in my electorate will receiving $340,000 for a sports stadium. I appreciate that. I am always very balanced on these things. I expressed concern last night in the parliament about the fact that the electorates of Watson and Lalor are receiving funding in the next round, round 4. I do hope that Tumut shire, which was one of the final applicants for funding for Gocup Road, receive that funding because that is a vital corridor for transport and industry in that region.

I have some questions here from the shadow minister for sport, who is unable to be here. Is the relevant minister here or should I put them on notice?

Mr Burke: Madam Acting Deputy Speaker O'Neill, a point of order: if the member asks them, the conversation might move on and someone will find out and get a note to us, and we will be able to answer them, if not immediately then before we wind up.

Mr McCORMACK: I will ask the ones that I can ask in the time I have left and I will put the others on notice. The member for Cowper asks: what is it the total value of all spending commitments by the Australian government in relation to the 2015 Asian Cup, including in-
kind support, debt forgiveness, the Major Events Taskforce and direct assistance? What does the Australian public receive in return for contributions such as the substantial amount of money provided for a regional soccer tournament? What was the one-off grant of $50,000 to Football Federation Australia for which was provided sometime between January and May? Who authorised the grant? Under what program was the grant given? What is the anticipated final cost to the taxpayer for the rectification works of the AIS European training centre, including the cost of the review by Copa International SRL? Was any damage and defects caused by athletes through either accident or poor behaviour? The budget allocated an additional $1.8 million to the Australian Sports Anti-Doping Authority over three years. Does this money increase represent a doubling of ASADA's investigatory resources, as promised by the minister for sport at the 7 February press conference? The budget allocated an additional $3 million for the Major Events Taskforce. What will this $3 million be used for? How will the Major Events Taskforce be different from previous arrangements in relation to major events such as the 2006 Commonwealth Games?

The member for Cowper is unable to be here, but they are the questions he would like answered by the relevant minister. I do thank the House and I thank Labor for recognising that there are many good people amongst its ranks from regional areas to represent rural and regional Australia—real Australia.

Ms KING (Ballarat—Minister for Road Safety, Minister for Regional Services and Local Communities and Territories) (18:47): I will briefly cover a couple of points. Firstly, I want to acknowledge that you have pointed to funding under Regional Development Australia round 3 that was in your electorate. I am happy that that project has been widely welcomed in your electorate, as it has been across the 79 project areas that were funded under that. I think that round has been a very good round and some good lessons were learned about the importance of supporting smaller rural communities as part of that. I know members here also had a number of projects in their own electorates that have been important as well.

The member for Maranoa, a good representative of regional Australia, got four projects under round 3 in his electorate—with three projects totalling $1.2 million. I was very disappointed that I did not get, 'Yes, that's fantastic; we got three projects' and all I got, 'Where's my fourth?' I have to say that was very disappointing. I heard him on ABC regional radio bemoaning the fact that the fourth project did not get up. He was saying, 'I don't just want the three projects; I want more and I'm disappointed.' He also said that it was a rort and everything had gone down the eastern seaboard. Frankly, I was disappointed that he called it a rort in the sense that he got three projects and not four.

In terms of the questions asked around RDAF 4, we have made decisions on that round. They will be announced over the course of the next month and I am looking forward to visiting many communities across the country to announce those projects. I was very pleased to announce the project in Werribee, which we discussed briefly before. Another project that we announced was in Sydney. Again, this is a very important arts and cultural precinct, which will be very important for that region. I know that it will make a substantial difference there. Also, a project that was announced in my own electorate, in Ballarat, was a regional soccer facility. Another very important project was announced in the member for Corangamite's electorate, not in my electorate, which I am sure he will have much to say about.
In reference to the sports questions, all of those issues were substantially covered in Senate estimates; they were discussed in quite a lot of detail. There were a number of hours of debate on them. So I say to the member for Cowper that the Senate estimates really did cover all of those questions.

Mr SIDEBOTTOM (Braddon—Parliamentary Secretary for Agriculture, Fisheries and Forestry) (18:50): I think it is really positive that we are able to talk about an outstanding program that is available to rural and regional Australia—no matter how you want to define it. Most people in this room have only something very positive to say about it.

Opposition member interjecting—

Mr SIDEBOTTOM: I suppose it is still lingering for some of them. My friend from the Riverina has also been a recipient. His community won that argument in a very competitive round and so they merited RDA funding. I congratulate them on that. Before I go on and discuss a couple of mine, if I may, I want to say that I have had the privilege of having both ministers, who are here at the moment, visit my electorate in terms of their portfolios. To our new minister, may I congratulate you on that.

There are two programs that I want to mention in passing. The Active After-schools Community program is a fantastic program, and it has been largely rolled out in my electorate. We have a fantastic number of schools involved in it, and I do want to commend the government and also the continuation of its funding, Minister. Then there is the Creative Young Stars Program, which was announced recently and the $27,000 for every electorate. I congratulate the minister on that. I suppose he can read about it in Hansard rather than hear me talk about it.

Another program that I would like to talk about is Happy feet at the Penguin Athletics centre. In round 1, the Central Coast Council—where I used to be a councillor; and I am very proud to have been a councillor—applied for funding and missed out. Like many councils, they were determined to learn from round 1, and they were successful in round 2. Effectively, they got $520,000 from us, along with their investment. What is so fantastic about these programs is that you get the co-investment of the communities, and so their contribution of $531,000 will be put towards revamping what we call the Dial Regional Sports Complex. This funding has allowed the community to completely redo the surface, which will make it an all-weather surface and, at the same time, fix up a lot of the seating, as well as revamp the administration building and associated other builds. The Central Coast Council is a council that does not ask for much, unless it is in there pitching itself as well. This is a genuine regional sports complex, carrying out really important work—and that is, first and foremost, the health and wellbeing of our region and communities. A lot of RDA funding is associated with community health programs, so it is great for infrastructure and also very, very important for the health and wellbeing of our communities.

The other great thing about many of these projects is that they involve employment. This is very important, particularly in rural and regional Australia as we are challenged economically in a number of areas for a whole variety of reasons—it is a fact. These projects are very important for stimulating and sustaining employment. One thing that I forgot to add about the regional sports complex project—and, hopefully, Minister, you will be able to open it when it is completed—is that it involves improved lighting so that we will be able to have night programs for the region. I do congratulate the Central Coast Council on gaining that funding.
More recently—let me tell you: if you have not visited this place, you must—there was King Island, the absolute jewel in the crown of Tasmania. Every cow has a name; it is just called in personally to be milked. King Island has the most extraordinary cheese and beef that you can imagine. Not only is it going to have two world-class golf courses—

An honourable member: Do cows play golf?

Mr SIDEBOTTOM: The cows play golf! You put your bag on the cow and you take it around the golf course with you!

However, very importantly, you have to get onto the island. What have we got? The minister came over just recently: $500,000 to a project of well over a million dollars to completely upgrade the terminal. It is going to not only provide better amenity on the island but bring in even more tourists. There are no cows in this terminal! It is a fantastic project, and congratulations to the council. Minister, I am sure you will be able to enlighten us on other similar rural and regional projects and the importance of them to local communities.

Mr PERRETT (Moreton—Government Whip) (18:55): Before putting a question to the minister, I would like to acknowledge the contribution of his predecessor, Minister Crean, as he did also. With the member for Parramatta, I convene the Labor Friends of the Arts, so I have worked with the previous minister, Minister Crean, and had a great function the other day with Minister Burke. Minister, my question is: in this modern world of social media and changing links around the world, how are we going to tell Australian stories and help define Australian culture—that vast, shifting Australian culture? What are the economic opportunities associated with that? Can you tell us about the new money contained in the budget for the reform of the Australia Council, which is the Australian government's principal arts funding body? Could you also touch on this exciting new program, the Creative Young Stars Program?

Mr DANBY (Melbourne Ports—Parliamentary Secretary for the Arts) (18:56): I thank the member for Moreton for that neat segue into the Creative Young Stars Program. I am not sure that I will be able to compete with the thespian parliamentary secretary who preceded me. The worth of this project came very sharply into focus for me after I met James Morrison at the Jazz Bell Awards and he told me that 3½ thousand young people were gathering in Mount Gambier, three or four weekends ago, to learn from Australia's international jazz musicians and the LA big band that had flown in specially from LA, which refused to do any commercial appearances. These people aged under 25 from all over Australia were coming to exhibit their creativity.

We know of these kinds of functions that take place all across Australia. We know of young people from all of our electorates who are desperate to get some way into a pathway into work in this area, to develop their creativity, and Creative Young Stars is just the program. It comes out of Creative Australia. This government has undertaken and designed it to help young people to achieve their full potential in the arts, creative industries, community service and the educational sector by developing their skills, abilities and professional connections and, as we said, opening up opportunities for work.

This is a similar program to the program we have developed in the area of sports. We do not want Australians just to be seen as brilliant sportsmen; we also want to see our National Cultural Policy develop in a creative Australia accessible to the young people of Australia.
Creative Young Stars will see young people up to 25 years of age with the ability to apply for $8 million allocated across Australia to every federal seat equally. Grants are in four categories, for performing arts, cultural activities, academic endeavour and school and community achievement. The grants will help gifted young people to participate in such events as eisteddfods, public-speaking tournaments and cultural, artistic and academic events—and, just like Mr Morrison recommended, in events like Generations in Jazz, which took place in Mount Gambier for the 25th year.

The first application will be through your federal MP, who can grant up to 12 awards and two group grants in the electorate. Individuals are able to access $500 and groups are able to get grants of $3,000 for groups of six or more members. The grants for Creative Young Stars open on 1 June and close on 21 June. You can visit the youth.gov.au website for information and application forms and I expect it will be of great use to all members of parliament, not just government members. We are expecting enthusiastic participation on behalf of the young people in your electorates in regional and rural Australia as well as right across all of the cities. I pay great tribute to the Office for the Arts which, if members of parliament are not energetic enough, is going to follow up through all the regional art networks, making sure that young people right across this country—not just where there are active members of parliament—can access this wonderful program.

A division having been called in the House of Representatives—

Sitting suspended from 19:00 to 19:24

The DEPUTY SPEAKER (Ms Owens): The question is that the proposed expenditure for the Regional Australia, Local Government, Arts and Sport portfolio be agreed to.

Proposed expenditure agreed to.

Debate adjourned.

Competition and Consumer Amendment Bill 2013

Second Reading

Debate resumed on the motion:

Mr BILLSON (Dunkley) (19:25): We are pleased to support this wise piece of legislation that the Assistant Treasurer has introduced. There are not many that we have thought of as being well crafted, but this is one. It is a good measure. It has not peaked early; it has been quite a long time coming, but that has much to do with some of the preparation that has gone into the measure and the careful weighing of consumer interest with costs of doing business and finding, essentially, a pathway that can see an option for component pricing restrictions on restaurant and catering enterprises to be set to one side subject to meeting some yet to be disclosed regulatory requirements that would see scope for surcharges, particularly on weekends and public holidays, which at the moment if not displayed in a particular way risk the business operator offending the law. That can create a demand for separate menus and some confusion where not all the prices are included, and this has been the subject of some examination dating back to, I think, 2008.

Where we have got to now does not necessarily go into the specifics of the requirements that the restaurant, cafe and catering industry will need to fulfil; that will come with
regulation. But we are encouraged by the fact that where separate surcharging is provided on restaurant and cafe menus it will be clear, it will be understood and it will come as no surprise to customers as they seek to get behind that important part of the economy.

The Competition and Consumer Amendment Bill 2013 amends the Competition and Consumer Act to insert regulation-making powers to enable those regulations that I just referred to that would exempt representations from the component pricing requirement in Australian consumer law. The amendment will allow a regulation to be made to place restaurant and cafe menu surcharges on specific days outside the component pricing requirement of the ACL.

You may recall, Madam Deputy Speaker, that in 2009 there was quite a furore when the government amended the Trade Practices Act to stipulate that restaurants and cafes were required to incorporate any additional surcharges into prices listed on menus. I recall and have researched what happened at the time. The commission, I think, had a campaign that said, 'No asterisk and no small print; you've got to have a separate menu with prices clearly spelled out.' This became the subject of quite a degree of debate. The Productivity Commission's annual review of regulatory burdens on business and consumer services in 2010 recommended that the government amend the Trade Practices Act—or, as it is known now, the Competition and Consumer Affairs Act—to have restaurant and cafe menu surcharges for specific days placed outside the scope of the component pricing provisions of that legislation.

The government responded favourably to that but, as the minister would know, had to go through quite a process to get multiple jurisdictions to sign up to a change. I think three states and the Commonwealth need to agree to that, and that level of agreement has been secured by the Assistant Treasurer. An exposure draft was released in December last year, consultation ensued and we are now here today to debate what is a sensible and well-calibrated measure which sees some more detail to emerge through the regulations. The way in which the Assistant Treasurer has introduced the bill to the House, we are confident and optimistic that this measure will be implemented competently.

It has been well received by all in the industry sector affected. It is something that I think consumers will probably see a net benefit in, in that many businesses forced to produce multiple menus might simply bulk up the non-surchargeable day prices and leave the surchargeable to the days where cost pressures are significant and have been added to by the government's carbon tax and other regulatory burdens. That might see a better response for consumers, where the non-surchargeable day pricing better reflects good value and then the particular cost imposts on those surchargeable days will be identified and communicated quite clearly.

It is a welcome red tape reduction measure. The government has not peaked early on that task, with 22,000 new or amended regulations and a small fraction repealed over its period in office—one of the reasons why doing business in our country is comparatively harder now than in most other advanced economies than it was prior to the election of Labor.

Industry groups such as the AHA, CCIQ, Clubs Australia, National Tourism Alliance, and restaurant and catering industry associations are all very supportive of this change.

I think my time is about to expire. I am happy to keep going. How long would you like me to keep going for?
Honourable members interjecting—

Mr BILLSON: I will keep going. I thought we were moving to adjournment.

The DEPUTY SPEAKER: Order! We are. If you are going to take a couple of minutes, that is fine.

Mr BILLSON: We think this is a good measure. We would urge the government to get a taste for deregulation inculcated into its thinking—because there are no early signs that has happened since the election of Labor—to recognise that what might seem a nice regulatory impost that is only just a little bit of extra work for the small business community represents another intrusion on very scarce time.

The coalition supports this amendment and we will watch with interest to see it implemented competently to reflect the pressures on business and also to ensure that consumers are clear on the prices being asked of them so that they can purchase wisely.

Debate adjourned.

Federation Chamber adjourned at 19:32