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FORTY-THIRD PARLIAMENT
FIRST SESSION—THIRD PERIOD

Governor-General
Her Excellency Ms Quentin Bryce, Companion of the Order of Australia

House of Representatives Officeholders
Speaker—Mr Harry Alfred Jenkins MP
Deputy Speaker—Hon. Peter Neil Slipper MP
Second Deputy Speaker—Hon. Bruce Craig Scott MP
Members of the Speaker's Panel—Ms Anna Elizabeth Burke MP, Hon. Dick Godfrey Harry Adams MP, Ms Sharon Leah Bird MP, Mrs Yvette Maree D'Ath MP, Mr Steven Georganas MP, Ms Kirsten Fiona Livermore MP, Mr John Paul Murphy MP, Mr Peter Sid Sidebottom MP, Mr Kelvin John Thomson MP, Ms Maria Vamvakou MP

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

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

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

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

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<td>Washer, Malcom James</td>
<td>Moore, WA</td>
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<td>Wilkie, Andrew Damien</td>
<td>Denison, TAS</td>
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<td>Windsor, Anthony Harold Curties</td>
<td>New England, NSW</td>
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<td>Wyatt, Kenneth George</td>
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<td>Zappia, Tony</td>
<td>Makin, SA</td>
<td>ALP</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—A Thompson
**GILLARD MINISTRY**

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<td>Hon. Julia Gillard MP</td>
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<tr>
<td>Deputy Prime Minister, Treasurer</td>
<td>Hon. Wayne Swan MP</td>
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<tr>
<td>Minister for Regional Australia, Regional Development and Local Government</td>
<td>Hon. Simon Crean MP</td>
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<tr>
<td>Minister for Tertiary Education, Skills, Jobs and Workplace Relations and Leader of the Government in the Senate</td>
<td>Senator Hon. Chris Evans</td>
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<td>Minister for School Education, Early Childhood and Youth</td>
<td>Hon. Peter Garrett AM, MP</td>
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<tr>
<td>Minister for Broadband, Communications and the Digital Economy and Deputy Leader of the Government in the Senate</td>
<td>Senator Hon. Stephen Conroy</td>
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<tr>
<td>Minister for Foreign Affairs</td>
<td>Hon. Kevin Rudd MP</td>
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<tr>
<td>Minister for Trade</td>
<td>Hon. Dr Craig Emerson MP</td>
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<td>Minister for Defence and Deputy Leader of the House</td>
<td>Hon. Stephen Smith MP</td>
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<td>Minister for Immigration and Citizenship</td>
<td>Hon. Chris Bowen MP</td>
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<td>Minister for Infrastructure and Transport and Leader of the House</td>
<td>Hon. Anthony Albanese MP</td>
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<td>Minister for Health and Ageing</td>
<td>Hon. Nicola Roxon MP</td>
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<td>Hon. Jenny Macklin MP</td>
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<td>Minister for Sustainability, Environment, Water, Population and Communities</td>
<td>Hon. Tony Burke MP</td>
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<td>Minister for Finance and Deregulation</td>
<td>Senator Hon. Penny Wong</td>
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<td>Minister for Innovation, Industry, Science and Research</td>
<td>Senator Hon. Kim Carr</td>
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<tr>
<td>Attorney-General and Vice President of the Executive Council</td>
<td>Hon. Robert McClelland MP</td>
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<tr>
<td>Minister for Agriculture, Fisheries and Forestry and Manager of Government Business in the Senate</td>
<td>Senator Hon. Joe Ludwig</td>
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<tr>
<td>Minister for Resources and Energy and Minister for Tourism</td>
<td>Hon. Martin Ferguson AM, MP</td>
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<tr>
<td>Minister for Climate Change and Energy Efficiency</td>
<td>Hon. Greg Combet AM, MP</td>
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GILLARD MINISTRY—continued

Minister for the Arts
Hon. Simon Crean MP

Minister for Social Inclusion
Hon. Tanya Plibersek MP

Minister for Privacy and Freedom of Information
Hon. Brendan O'Connor MP

Minister for Sport
Senator Hon. Mark Arbib

Special Minister of State for the Public Service and Integrity
Hon. Gary Gray AO, MP

Assistant Treasurer and Minister for Financial Services and Superannuation
Hon. Bill Shorten MP

Minister for Employment Participation and Childcare
Hon. Kate Ellis MP

Minister for Indigenous Employment and Economic Development
Senator Hon. Mark Arbib

Minister for Veterans’ Affairs and Minister for Defence Science and Personnel
Hon. Warren Snowdon MP

Minister for Defence Materiel
Hon. Jason Clare MP

Minister for Indigenous Health
Hon. Warren Snowdon MP

Minister for Mental Health and Ageing
Hon. Mark Butler MP

Minister for the Status of Women
Hon. Kate Ellis MP

Minister for Social Housing and Homelessness
Senator Hon. Mark Arbib

Special Minister of State
Hon. Gary Gray AO, MP

Minister for Small Business
Senator Hon. Nick Sherry

Minister for Home Affairs and Minister for Justice
Hon. Tanya Plibersek MP

Minister for Human Services
Hon. Mark Dreyfus QC, MP

Cabinet Secretary
Senator Hon. Kate Lundy

Parliamentary Secretary to the Prime Minister
Hon. David Bradbury MP

Parliamentary Secretary to the Treasurer
Senator Hon. Jacinta Collins

Parliamentary Secretary for School Education and Workplace Relations

Minister Assisting the Prime Minister on Digital Productivity
Senator Hon. Stephen Conroy

Parliamentary Secretary for Trade
Hon. Justine Elliot MP

Parliamentary Secretary for Pacific Island Affairs
Hon. Richard Marles MP

Parliamentary Secretary for Defence
Senator Hon. David Feeney

Parliamentary Secretary for Immigration and Multicultural Affairs
Senator Hon. Kate Lundy

Parliamentary Secretary for Infrastructure and Transport and Parliamentary Secretary for Health and Ageing
Hon. Catherine King MP

Parliamentary Secretary for Disabilities and Carers
Senator Hon. Jan McLucas

Parliamentary Secretary for Community Services
Hon. Julie Collins MP

Parliamentary Secretary for Sustainability and Urban Water
Senator Hon. Don Farrell

Minister Assisting on Deregulation and Public Sector Superannuation
Senator Hon. Nick Sherry

Minister Assisting the Attorney-General on Queensland Floods Recovery
Senator Hon. Joe Ludwig

Parliamentary Secretary for Agriculture, Fisheries and Forestry
Hon. Dr Mike Kelly AM, MP

Minister Assisting the Minister for Tourism
Senator Hon. Nick Sherry

Parliamentary Secretary for Climate Change and Energy Efficiency
Hon. Mark Dreyfus QC, MP
SHADOW MINISTRY

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

Hon. Tony Abbott MP
Hon. Julie Bishop MP
Hon. Warren Truss MP
Senator Hon. Eric Abetz
Senator Hon. George Brandis SC
Hon. Joe Hockey MP
Hon. Christopher Pyne MP
Senator Hon. Nigel Scullion
Senator Barnaby Joyce
Hon. Andrew Robb AO, MP
Hon. Ian Macfarlane MP
Senator Hon. David Johnston
Hon. Malcolm Turnbull MP
Hon. Peter Dutton MP
Hon. Kevin Andrews MP
Hon. Greg Hunt MP
Mr Scott Morrison MP
Mrs Sophie Mirabella MP
Hon. John Cobb MP
Hon. Bruce Billson MP

[The above constitute the shadow cabinet]
SHADOW MINISTRY—continued

Shadow Minister for Employment Participation
Shadow Minister for Justice, Customs and Border Protection
Shadow Assistant Treasurer and Shadow Minister for Financial Services and Superannuation
Shadow Minister for Childcare and Early Childhood Learning
Shadow Minister for Universities and Research
Shadow Minister for Youth and Sport and Deputy Manager of Opposition Business in the House
Shadow Minister for Indigenous Development and Employment
Shadow Minister for Regional Development
Shadow Special Minister of State
Shadow Minister for COAG
Shadow Minister for Tourism
Shadow Minister for Defence Science, Technology and Personnel
Shadow Minister for Veterans’ Affairs and Shadow Minister Assisting the Leader of the Opposition on the Centenary of ANZAC
Shadow Minister for Regional Communications
Shadow Minister for Ageing and Shadow Minister for Mental Health
Shadow Minister for Seniors
Shadow Minister for Disabilities, Carers and the Voluntary Sector and Manager of Opposition Business in the Senate
Shadow Minister for Housing
Chairman, Scrutiny of Government Waste Committee
Shadow Cabinet Secretary
Shadow Parliamentary Secretary Assisting the Leader of the Opposition
Shadow Parliamentary Secretary for International Development Assistance
Shadow Parliamentary Secretary for Roads and Regional Transport
Shadow Parliamentary Secretary to the Shadow Attorney-General
Shadow Parliamentary Secretary for Tax Reform and Deputy Chairman, Coalition Policy Development Committee
Shadow Parliamentary Secretary for Regional Education
Shadow Parliamentary Secretary for Northern and Remote Australia
Shadow Parliamentary Secretary for Local Government
Shadow Parliamentary Secretary for the Murray-Darling Basin
Shadow Parliamentary Secretary for Defence Materiel
Shadow Parliamentary Secretary for the Defence Force and Defence Support

Hon. Sussan Ley MP
Mr Michael Keenan MP
Senator Mathias Cormann
Hon. Sussan Ley MP
Senator Hon. Brett Mason
Mr Luke Hartsuyker MP
Senator Marise Payne
Hon. Bob Baldwin MP
Hon. Bronwyn Bishop MP
Senator Marise Payne
Hon. Bob Baldwin MP
Mr Stuart Robert MP
Senator Hon. Michael Ronaldson
Mr Luke Hartsuyker MP
Senator Concetta Fierravanti-Wells
Hon. Bronwyn Bishop MP
Senator Mitch Fifield
Senator Marise Payne
Mr Jamie Briggs MP
Hon. Philip Ruddock MP
Senator Cory Bernardi
Hon. Teresa Gambaro MP
Mr Darren Chester MP
Senator Gary Humphries
Hon. Tony Smith MP
Senator Fiona Nash
Senator Hon. Ian Macdonald
Mr Don Randall MP
Senator Simon Birmingham
Senator Gary Humphries
Senator Hon. Ian Macdonald
## SHADOW MINISTRY—continued

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<td>Mr Andrew Laming MP</td>
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<td>Senator Cory Bernardi</td>
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<td>Shadow Parliamentary Secretary for the Status of Women</td>
<td>Senator Michaelia Cash</td>
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<td>Shadow Parliamentary Secretary for Environment</td>
<td>Senator Simon Birmingham</td>
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<td>Shadow Parliamentary Secretary for Citizenship and Settlement</td>
<td>Hon. Teresa Gambaro MP</td>
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<td>Shadow Parliamentary Secretary for Immigration</td>
<td>Senator Michaelia Cash</td>
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<td>Shadow Parliamentary Secretary for Innovation, Industry, and Science</td>
<td>Senator Hon. Richard Colbeck</td>
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<td>Shadow Parliamentary Secretary for Fisheries and Forestry</td>
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Tuesday, 5 July 2011

The SPEAKER (Mr Harry Jenkins) took the chair at 14:00, made an acknowledgement of country and read prayers.

CONDOLENCES

Langley, Sergeant Todd

Ms GILLARD (Lalor—Prime Minister) (14:01): I move:

That the House record its deep regret at the death overnight of Sergeant Todd Langley, while serving with the Special Operations Task Group in Afghanistan, and place on record its appreciation of his service to the country and tender its profound sympathy to his family in their bereavement.

A brave Australian died yesterday. He died on the battlefield from his wounds. His family was informed by members of his unit last night. While the parliament pauses to remember him this afternoon, the partnered Afghan National Police and Special Operations Task Group operation in which he was killed is still ongoing. That work goes on.

Sergeant Todd Langley was an Australian soldier, a highly experienced commando. He deployed to Afghanistan five times in the last six years and had previously deployed to East Timor twice. Sergeant Langley spent his youth risking himself for us. His sacrifices and those of his family have been great, even before his death. Now he literally has given everything he had to give.

Todd was born in Margaret River in our west. He was 35 years old when he died. Sergeant Langley's family has asked us to respect their privacy and we will. Even as we want to offer them a hand of comfort and words of respect, we cannot claim to share or understand their true feelings of loss and desolation. I know that our moments of sadness cannot be compared to the grief that they are feeling today.

Sergeant Langley's unit, the 2nd Commando Regiment, is a young regiment in our Army. The 4th Battalion, RAR was renamed 2nd Commando Regiment in 2009, not that long ago. Whilst this is a very young regiment, it is now very old in sacrifice. Todd is the eighth member of this unit to be killed in Afghanistan. Members of this regiment are in the thick of the fight as part of the Special Operations Task Group even now. I want them to know that we are proud of them. We are all proud of them.

Our thoughts are not only with the Langley family today but with the family of another Australian commando wounded in the same operation. He was moved to the medical facility at Tarin Kowt and received emergency treatment to stabilise his wounds before being moved to Kandahar for specialist medical treatment. He has been in touch with his family. He is in a serious but stable condition and of course we are all now waiting for news of his recovery.

As we pause to reflect today on the loss of the 28th Australian life in Afghanistan, I want to speak not only to the family of Todd Langley but to the families of everyone in the Australian Defence Force. To every Australian defence family, on behalf of every Australian family, we support you; we are grateful to you; we never forget. When I have visited our defence communities around the nation, whether it has been in Perth or Sydney, whether it has been in Townsville or Darwin, and when I have met with defence families and attended funerals, from Kangaroo Island to Kingscliff, I have seen very special Australians.

I am firmly convinced that our mission in Afghanistan is in our national interest, but I know it is the families who carry the weight of that mission, not just the men and women
in uniform but also all of those who wait at home: the spouses, the partners and most particularly the children. As we stop to remember Sergeant Todd Langley today, I want every Defence Force family to know we are thinking of them too.

Mr ABBOTT (Warringah—Leader of the Opposition) (14:06): I rise to support the words of the Prime Minister. Yes, Australia has lost another fine soldier, Sergeant Todd Langley of the 2nd Commando Regiment, killed during a gun battle yesterday in southern Afghanistan. It was, as the Prime Minister pointed out, his fifth tour of duty in Afghanistan and he also served two tours of duty in East Timor. Our thoughts and prayers are with his family. Our thoughts and prayers are with the families of all of the 28 Australians who have been killed in Afghanistan. Our thoughts and prayers are with the comrade who was seriously wounded in the same incident. Our thoughts and prayers are with all Sergeant Langley's comrades at this difficult time for them. The new Chief of the Defence Force, General Hurley, said that, despite their grief, they would continue to draw inspiration from this fine soldier. This is a sad day but we should never allow sorrow to eclipse the pride that we feel in our armed forces and the work they are doing. We best honour the fallen by remaining true to the cause they served.

Mr STEPHEN SMITH (Perth—Minister for Defence and Deputy Leader of the House) (14:07): I associate myself with the remarks of the Prime Minister and the Leader of the Opposition in expressing condolence to the family of Sergeant Todd Langley. Sergeant Langley was a devoted family man. He was an exceptionally experienced and decorated soldier. He was 35 years of age and a member of the Sydney based 2nd Commando Regiment. He was on his fifth tour of Afghanistan, following two deployments to East Timor. He had been awarded two commendations for distinguished service and a Unit Citation for Gallantry. He was an exemplary soldier and is described by his mates as 'a true and inspirational leader'.

In a separate incident during the same operation, a second member of the Special Operations Task Group sustained a serious gunshot wound. He is in a serious but stable condition now in a medical facility in Kandahar.

This has been a tough period for the 2nd Commando Regiment, a tough period for our Army, a tough period for the Australian Defence Force and a tough period for our nation. For the Commando Regiment, of course, it comes very soon after the tragic death of Sergeant Brett Wood. As the Leader of the Opposition has referred to, we must be clear-sighted about our objective in Afghanistan. Our objective is to prevent Afghanistan, in particular the Afghanistan-Pakistan border area, from again becoming a safe haven for terrorists. We will not be in Afghanistan forever, and we are on track to transition to Afghan-led responsibility by the end of 2014. We are making progress, and that progress has been reflected by the very early movement towards political discussions as recently made public by the then US Secretary of Defense, Bob Gates.

A day like today is a tragic and terrible blow for the Langley family. It is a tragic and terrible blow for our nation. Our condolences are with Sergeant Langley's family, his friends and his mates. His contribution and his sacrifice will always be remembered with our age old phrase: lest we forget.

Mr ROBERT (Fadden) (14:09): I join the Prime Minister, the Leader of the Opposition and the Defence Minister in honouring the fallen Sergeant Todd Langley, tragically killed in action in Afghanistan on
Monday. I also extend my best wishes to the Australian commando who was wounded in action.

Sergeant Langley was 35 years old, a family man and a decorated and professional soldier on his seventh operational tour—his fifth in Afghanistan. Proven in battle numerous times, he had sacrificed much for our nation during his military service. He has now paid the ultimate price. Sergeant Langley wore the coveted green beret, with its famed dagger and the commando motto 'without warning' proudly displayed. His life in Afghanistan was lived daily in the rugged desert and the populated green zones. His job was to strike swiftly and without warning, many times grossly outnumbered on ground not of his choosing, trusting implicitly the man fighting beside him. His gear was always heavy; his rest was always short. Man of his ilk are rare—men who every day and night go out on patrol to disrupt, dismantle and destroy the insurgency. This was what Sergeant Langley did, and this is how he died—in combat, fighting beside his mates. It can be only a very small comfort that Sergeant Langley died a soldier's death.

Whilst we sleep, men like Sergeant Langley will continue to watch, engage and fight those who would do us harm. They know the great dangers, yet believe in the rightness of this cause. Tonight more men will go out to fight and more tomorrow night. That is what our special forces do.

To Sergeant Langley's family, I offer my heartfelt sympathy. Not a day went by when Todd did not think of you and love you. Like so many soldiers, he would have shown your pictures to his mates. He would have talked incessantly of how proud he was of you, and he would have bragged about your achievements. Todd laid down his life fighting for something larger than himself—to deliver a world free from the horror of extremism. He would have agonised over every time he left you to fight, but that was who he was. He was a commando and he would not let his nation down, and I know our nation will not let his family down. As our troops continue to fight, we must all hold our nerve. For those who have fought their last fight, we honour you.

The SPEAKER: As a mark of respect, I ask all members and all present to signify their approval by rising in their places.

Honourable members and all present having stood in their places—

The SPEAKER: I thank the House and all present.

Reference to Main Committee

Mr ALBANESE: I move:

That the resumption of debate on the Prime Minister's motion of condolence in connection with the death of Sergeant Todd Langley be referred to the Main Committee.

Question agreed to.

DISTINGUISHED VISITORS

The SPEAKER: We have in the gallery this afternoon a connection between this House and the Australian defence forces, with Graham Edwards, former member for Cowan and former member of the Western Australian state legislature, in attendance. On behalf of members, I give to you, Graham, a very warm welcome.

Honourable members: Hear, Hear!

QUESTIONS WITHOUT NOTICE

Carbon Pricing

Mr ABBOTT (Warringah—Leader of the Opposition) (14:15): My question is to the Prime Minister. I refer the Prime Minister to her statement yesterday:

… when I'm in a position to give people details—about the carbon tax—then of course I will.
Given that the details of the carbon tax have been decided, will she bring forward her carbon tax announcement to today so that this parliament can fully scrutinise the biggest structural change in our economic history?

Honourable members interjecting—

The SPEAKER: Order! The Prime Minister has the call. She will be heard in silence.

Ms GILLARD (Lalor—Prime Minister) (14:15): Thank you very much, Mr Speaker. In answer to the question by the Leader of the Opposition I can confirm that the carbon price package will be announced on Sunday. On the question of parliamentary scrutiny, I say to the Leader of the Opposition: the problem for him with this question is that he does not use question time or parliament for parliamentary scrutiny; he uses it for hurling slogans and abuse.

Honourable members interjecting—

The SPEAKER: Order! The House will come to order!

Ms GILLARD: The evidence of that, of course, is that 50 question times have been interrupted by the Leader of the Opposition pulling his stunt of the day. This means that he has lost the benefit of 136 questions as a result of pulling his stunts—his suspensions and interruptions—each and every day.

Honourable members interjecting—

The SPEAKER: Order! The House will come to order! The Prime Minister has the call.

Ms GILLARD: The last thing the Leader of the Opposition ever uses this parliament for is proper scrutiny.

Mr Pyne interjecting—

The SPEAKER: The member for Sturt will remove himself from the chamber for one hour under standing order 94(a).

Mrs Mirabella: Parliament doesn't matter anymore, does it?

The SPEAKER: The member for Indi then left the chamber.

The SPEAKER: The Prime Minister has the call. She will directly relate her remarks to the question.

Ms GILLARD: I can certainly say to the parliament and to the Australian people that there will be no lack of scrutiny of this package. I will be out day after day, following Sunday, taking every question from every Australian family who wants to ask me one. I will be travelling to all parts of the country, prepared to take questions from Australian families about how we are pricing carbon, what we are doing to assist families and what we are doing to protect jobs. I will be wearing out my shoe leather literally around the country, making sure that Australian families who want answers about the carbon-pricing package get those answers.

Mr ABBOTT (Warringah—Leader of the Opposition) (14:18): Mr Speaker, I have a supplementary question to the Prime Minister. Rather than seek free airtime next Sunday, will the Prime Minister recall the parliament next week so that she and her ministers can give the answers that the forgotten families of Australia are demanding right now?

Ms GILLARD (Lalor—Prime Minister) (14:19): I will be out next week talking to Australian families directly.

Carbon Pricing

Ms O’NEILL (Robertson) (14:19): My question is to the Prime Minister. How is
taking action to cut carbon pollution through pricing carbon the fairest and most efficient way to reduce emissions? How will the government tax polluters and assist households as part of this change?

Ms GILLARD (Lalor—Prime Minister) (14:20): I thank the member for her question and I thank her too for her advocacy on behalf of the Central Coast community that she represents in this parliament. She does a great job raising their needs and concerns. Living in that very beautiful part of the world, she also understands that we as a nation need to tackle climate change and to cut carbon pollution, that the most efficient way to do that is to price carbon, that pricing carbon is the right thing to do by our environment and that it is the right thing to do by our economy so that we have the clean energy jobs of the future.

By world standards, we have a very carbon pollution intensive economy. Per head of population we generate more carbon pollution than even the people of the United States. That means that, in transforming our economy to a clean energy future, we have a big journey to go, and that is why it makes sense to start that journey soon.

Of course, we have a strong economy. We have come out of the global financial crisis with an economy that is the envy of the world, and the right time to act on a big reform is when your economy is strong. I understand that many Australian families, even whilst the economy is strong, do not necessarily see the benefits of that strong economy in their own lives, which is why we will support Australian families as we make this transition to a clean energy future, with nine out of 10 households getting tax cuts and payment increases to assist them through.

And, because we want to work with Australian families as we transition to a clean energy future, we have determined that carbon pricing will not apply at the petrol bowser. We understand that many Australian families have very little choice but to jump in their car to get places and we will not have carbon pricing apply directly to petrol.

That does mean that I have made a different choice compared with former Prime Minister John Howard. Former Prime Minister John Howard, who advocated an emissions trading scheme, had determined that he would have that scheme apply to petrol. He also made the very perceptive points that you cannot reduce greenhouse gas emissions unless you have a price on carbon. He went on to say that if you wanted to be a serious participant in this debate then you needed to acknowledge that pricing carbon came with costs. I do acknowledge that, and the biggest losers in this country will be asked to pay the price. The difference between me and the Leader of the Opposition is that he will be asking Australian families to pay the price. I thank the Leader of the Opposition for his acknowledgement on the 7.30 program last night that his policies come with a price. When he was asked whether or not the money he would be using was taxpayers' money, he said, 'Look, I accept that.'

So we know that the difference between the two plans is putting a tax on pollution and asking polluters to pay it, as opposed to putting a tax of $720 per year on Australian families. As we explain our carbon pricing package we will be explaining the assistance to Australian households, the mechanism to protect jobs and the impact of the tax on big polluters. The Leader of the Opposition will need to explain his $720-a-year tax on Australian families.

Carbon Pricing

Mr ABBOTT (Warringah—Leader of the Opposition) (14:24): My question is to the
Prime Minister. I refer the Prime Minister to my visit to Iannelli’s fruit and vegetable distribution business this morning. I ask the Prime Minister: isn’t John Iannelli, the owner of the business, right when he says that a carbon tax on his trucks’ diesel fuel will push up the price of fruit and vegetables to all his customers?

Ms GILLARD (Lalor—Prime Minister) (14:24): What I have confirmed is that carbon pricing will not apply to petrol that is used by households and by light commercial vehicles, obviously the sort of vehicles that many tradespeople use. Further details about carbon pricing will be available in coming days and to the nation on Sunday. I will be very happy to take any question from Australian families and Australian businesses on the impact of carbon pricing. But in this debate, whilst the government necessarily can and should be supplying the details, and we will, I believe the Leader of the Opposition should be applying the same standard to himself. For example, he was asked today on radio about his plan to plant trees as the solution to climate change. He could not tell us how many trees. I can probably assist him with the number he would need to plant.

Mr Andrews: Mr Speaker—

Mr Hunt interjecting—

The SPEAKER: If it would suit the convenience of the member for Flinders, is it okay for me to give the call to the member for Menzies? I would think that people would show some respect to their own side.

Mr Andrews: Mr Speaker, I rise on a point of order on direct relevance. This question was clearly about the price of carbon tax on diesel fuel in trucks—nothing else. If the Prime Minister has said that she cannot answer it now then she should stop.

The SPEAKER: The standing order was changed at the start of this parliament so that responses should directly be relevant to the question. It does not mean necessarily that responses are direct responses and I have been tolerant of argument. But I have some great sympathy to the point put by the member for Menzies and I will listen carefully to the response of the Prime Minister.

Ms GILLARD: Thank you, Mr Speaker. As I said, the details will be available on Sunday and maybe on that day the Leader of the Opposition can explain where he is planting a forest five times the size of Tasmania.

Carbon Pricing

Mr SYMON (Deakin) (14:27): My question is to the Treasurer. Will the Treasurer outline for the House the importance to our economy of putting a price on carbon pollution and providing assistance to households through tax cuts? How has this approach been received and what is the government’s response?

Mr SWAN (Lilley—Deputy Prime Minister and Treasurer) (14:27): I thank the member for Deakin for his very important question. We on this side of the House understand the importance of tackling climate change. We understand the importance of doing that for our planet but also if we want a prosperous economy for our children and grandchildren. We also understand the importance of doing this in the most efficient way, and a price on carbon is absolutely critical to provide the incentive to drive the investment in more energy-efficient practices and most particularly in renewable energy. A price on carbon is the key to a clean energy future, and to be a first-rate economy in the 21st century you have to be able to invest in clean energy. That is the point of putting a price on carbon.

We understand that this will have a modest impact on prices, and that is why we
will provide assistance to households and also assistance to support jobs. That is why we will support nine in 10 households, who will receive a combination of tax cuts, increases in family payments and pension increases. For those on the lowest incomes we will provide a battlers' buffer to make sure that those people are looked after. This will come on top of the tax cuts that have already been provided: three rounds of tax cuts over the past few years, where a person on $50,000 now pays $1,750 less tax and a person on $80,000 now pays $1,400 less tax. We will build on that to provide further assistance to households. There is one very clear difference here: we will put a price on carbon for the up to 1,000 largest polluters and use that revenue to support households and businesses. What those opposite will do is tax households and hand the money to the largest polluters. That will cost the average household something like $720 per year. That will be like sending cheques for $720 from Australian households to all of the largest polluters in our country. So there is a very clear choice between both of these policies. But the Leader of the Opposition cannot account for any of this. As former Treasurer Peter Costello said, 'He was never one to be held back by the financial consequences of his decisions.'

Mr SWAN: These are very big reforms and they do deserve a serious and considered debate. In our nation 25 years ago there were those who were opposed to the floating of the dollar, to the tearing down of the tariff wall and to the introduction of superannuation. Now, 25 years on, there is no serious policy maker—

Mr Hartsuyker: Mr Speaker, I rise on a point of order. The Treasurer is quite clearly defying your ruling to be directly relevant to the question. He was actually asked how this was received, and the reality is that it has not been received very well.

The SPEAKER: Order! The member for Cowper will resume his place. He is now warned. We note that he has used his point of order to make a point, as well as the point of order. He is rewarded by only getting a warning. The Treasurer has the call and I am sure that, whilst he has 35 seconds, he will be bringing his answer to a conclusion well within those 35 seconds.

Mr SWAN: There can be no reform more important to our nation, to our economy and to our environment than reducing carbon pollution in our environment. No reform can be more important than that. So, this is a worthwhile reform. It is a reform that is worth fighting for and it does deserve the most serious consideration in this House. That is what we are doing. We are
putting forward our principles and we are comparing them with the lack of policy from those opposite.

**Carbon Pricing**

*Mrs MOYLAN (Pearce) (14:34):* My question is to the Treasurer. I refer the Treasurer to the work of the landscape gardener who drives to work in a diesel powered ute and uses a heavy backhoe for larger earthworks, a bobcat for small earthworks, a chainsaw for pruning trees and various other small petrol powered machines such as lawnmowers. Which parts of the landscaper's business will be subject to the carbon tax on fuel and which parts will be exempt?

**Mr SWAN (Lilley—Deputy Prime Minister and Treasurer) (14:35):** Mr Speaker—

*Opposition members interjecting—*

**The SPEAKER:** The Treasurer will resume his seat. Again, it is not for me to make a critique about the questions. But for those who claim that it was a good question I would have thought that they would sit there quietly to listen to the response. The Treasurer has the call.

**Mr Dutton:** Suck that water down, Swanny!

**The SPEAKER:** The member for Dickson! The Treasurer has the call.

**Mr Dutton:** He is very nervous.

**The SPEAKER:** The member for Dickson is warned. The Treasurer has the call.

**Mr SWAN:** The government made it very clear last night that on Sunday we will be announcing all of the details of our plans to reduce carbon pollution. We have already said that all fuel—including petrol, diesel and LPG—for passenger motor vehicles and light commercial vehicles will not be subject to a carbon price. We also said in this House yesterday that we will be providing further detail, and that further detail will be coming on Sunday. They can ask all of the questions they like, but the further detail will be there on Sunday.

We have always acknowledged that by putting a price on the carbon pollution of up to 1,000 of our largest polluters there will be a modest impact on prices. That is why we have said we are providing additional assistance to households and to industry, particularly industry that is energy intensive and trade exposed. All of the detail will be out there for people to see on Sunday. I have said before that this is a very big and very serious reform and it should be treated in the same way as other very big and serious reforms in the past.

**Mr ABBOTT (Warringah—Leader of the Opposition) (14:37):** Mr Speaker, a point of order on direct relevance: the question was not about the so-called thousand biggest polluters, it was about this landscape gardener and the fuel that this landscape gardener uses, and if the Treasurer cannot answer that question he should simply sit down.

**The SPEAKER:** The Treasurer will respond in a directly relevant manner to the question.

**Mr SWAN (Lilley—Deputy Prime Minister and Treasurer) (14:37):** I was making the point that in the past, when very big and serious reforms have been put forward in this country, they have been the subject of similar scare campaigns that are now being run by those opposite, and we will get a diet of them right through question time today and tomorrow. All of the detail will be out there on Sunday, and I have to say that very clearly to them. But nobody seriously questions those reforms today, and I would suggest that in 25 years time we will look back and question why anybody questioned
the science of climate change, let alone the wisdom of pricing carbon.

Superclinics

Mr OAKESHOTT (Lyne) (14:38): My question is to the Minister for Health and Ageing. For the interest of all members in the chamber, can the minister please report to the House any progress on the much anticipated $7 million GP superclinic for Port Macquarie?

Honourable members interjecting—

The SPEAKER: If those who are excited wish to jump and ask a question of the same ilk about their electorate, they can try to get the call. It is a proper question, it is in order and the Minister for Health and Ageing has the call.

Ms ROXON (Gellibrand—Minister for Health and Ageing) (14:38): Thank you, Mr Speaker. As it happens, I do have an update that I can provide for the member for Lyne. As it also happens, if I had a question from the member for Gilmore or the member for Cowper, I would also have an update for them. However, they have not asked a question about GP superclinics, probably because they have committed to cut the funding for them. Nevertheless, I think the people of Port Macquarie will be delighted to know that just on Thursday last week the government completed negotiations with a preferred tenderer and was able to sign, and I can announce in the House today that a funding agreement has been signed with the Rural and Metropolitan Health Pty Ltd business, Port Macquarie, to build and operate the $7 million Port Macquarie GP superclinic. This is a group that is well known to at least one member opposite, the member for Paterson, who has an operational superclinic in his electorate at Port Stephens which is run by the same successful applicant who will build and construct the superclinic at Port Macquarie. I can also inform the House that the member for Richmond has made an announcement in her electorate about a successful application process which has come to fruition.

The clinic in Port Macquarie is going to be an enormous investment for the local community. It is going to have integrated, multidisciplinary, team based care. It is going to have GPs, practice nurses, nurse practitioners, visiting medical specialists and allied health professionals. It is going to provide dietetic and psychology services, paediatric care, antenatal care and women's and men's health checks. Of interest, given the age of the community, there is going to be a focus not just on those paediatric services for the young families but also on the needs of older people in the community, including a commitment to provide home and nursing home visits. The selection of the Rural and Metropolitan Health group follows a very rigorous assessment process which is used for each superclinic and, as I have mentioned, it is a group that has a proven track record as an operator and already as an operator of GP superclinics.

Of course, this follows hot on the heels of my having been in Gunnedah to turn a sod with the member for New England for the Gunnedah superclinic. I know this is a matter that the member for Parkes, Mr Coulton, was very active in promoting when it was in his electorate. It comes hot on the heels of the member for Franklin opening on the weekend the Clarence superclinic in her electorate. This is good news for communities across the country. There will be 64 superclinics that will be provided to communities across all electorates. Unfortunately, the Liberal Party still opposes these, although I do notice that members like the member for Gilmore and the member for Cowper are anxiously awaiting the announcements from their electorates, and we
will be certainly be making them very shortly.

**Carbon Pricing**

Ms BURKE (Chisholm) (14:42): My question is to the Minister for Climate Change and Energy Efficiency. Will the minister update the House on what a price on carbon pollution will mean for Australian households? How has this been received, and what is the government's response?

Mr COMBET (Charlton—Minister for Climate Change and Energy Efficiency) (14:43): I thank the member for Chisholm for her question. As the Prime Minister has announced, the government will be announcing on Sunday its carbon price arrangements, and these will cut pollution and drive investment in clean energy and at the same time they will provide strong support for households and jobs. The carbon price, of course, is not a tax directly on households, but it is a price that will be paid by less than 1,000 of the largest polluters in the country. Some of these companies, of course, will pass on costs to consumers, which means that there will be a modest price impact for households.

Mr Billson: Which ones won't pass them on? Name one that will not pass them on.

The SPEAKER: The member for Dunkley is warned.

Mr COMBET: That price impact will be much less than that which was experienced at the introduction of the GST. The government will provide fair and generous assistance for those who need it the most, including pensioners and low- and middle-income households. These will be the government's priority in delivering household assistance. The government has already committed, and we will deliver these commitments, that more than 50 per cent of the carbon price revenue will be used to assist households, that millions of households will be better off under the carbon price arrangements, that the assistance—contrary to the scare campaign being run by the Leader of the Opposition—will be permanent.

It will mean that, under the carbon price arrangements, nine out of 10 households will get a combination of tax cuts and increased payments. Pensioners will benefit from a rise in the pension and around 280,000 self-funded retirees will receive assistance equal to the extra payments that we will provide to cover pensioners, part-pensioners and carers. Three million Australians will also get a 20 per cent buffer over and above the full average cost of the carbon price to give them some extra room to move and families, tradespeople and small businesses with light commercial vehicles will not face a fuel price rise as a result of the introduction of a carbon price. All of these commitments completely contradict and condemn the scare campaign run by the Leader of the Opposition.

This is a package that will be good for the environment and good for the economy and, importantly for a Labor government, this will be a good package for Australian households and families. In contrast, the greatest threat to Australian households and families is from the Leader of the Opposition. He has been angry throughout this entire campaign period: does not like the scientists, does not like the economists and now he has got his sights set on households.

The SPEAKER: Order! The minister will bring his answer to a conclusion.

Mr COMBET: The Leader of the Opposition has made absolutely clear—

The SPEAKER: The minister will conclude.

Mr COMBET: that with all these improvements he will claw them back at the same time as he will impose a $720—
The SPEAKER: Order! The minister will resume his place. The minister has concluded.

Carbon Pricing

Mr EWEN JONES (Herbert) (14:46): My question is to the Prime Minister. I refer the Prime Minister to her promise that the government will exempt petrol from her carbon tax because 'I know what it's like for people to have no choice but to jump in their car and go places'. With electricity prices rising 44 per cent since June 2008, will the Prime Minister now exempt electricity prices from the carbon tax or has she forgotten what it is like for most Australians who turn on a heater,—

The SPEAKER: Order! The member for Herbert will be very careful.

Mr EWEN JONES: the lights or the air-conditioning.

The SPEAKER: The member for Herbert will be very careful. He should read Practice about certain matters.

Mr ALBANESE: Mr Speaker, on a point of order: one of the things that is in House of Reps Practice, is, of course, that you cannot ask the same question two days in a row. That has been fully answered.

Mr HARTSUYKER: Mr Speaker—

The SPEAKER: Order! The member for Cowper can resume his place. The question is in order. The Prime Minister has the call.

Ms GILLARD (Lalor—Prime Minister) (14:47): Thank you very much, Mr Speaker. I did answer a remarkably similar question yesterday, but let me direct my answer to the question that has been asked today in comparable form. To the member I would say, yes, I have taken a decision about petrol and I think it is the right decision for Australian families. On further right decisions for Australian families, I think it is the right decision for Australian families for this nation to tackle climate change. I think it is the right decision for Australian families to do that in the most efficient way possible. I do not believe it is in the interests of Australian families that we go around abusing Australian economists. I think we should listen to their views. I believe, having taken the best possible advice, that the best way of cutting carbon pollution is to put a price on carbon. As other members—the Deputy Prime Minister and the minister for climate change—have answered questions today, we have had the opposition front-bench yelling out: 'How will this cut carbon pollution? How does this work?' It seems to me these are all very odd questions from people who sat around the cabinet table of the Howard government and voted for an emissions trading scheme. Presumably, when they sat around that cabinet table they said to the Prime Minister—Prime Minister Howard—'How will this work?'

Mr HARTSUYKER: Mr Speaker, on a point of order: the Prime Minister is far from being relevant to the question and I would ask you to draw her back to the question.

The SPEAKER: The Prime Minister is responding to the question.

Ms GILLARD: The carbon pricing regime that I am committed to is largely like the carbon pricing regime that Prime Minister Howard was committed to—the carbon pricing regime that had the support of the Leader of the Opposition, the Deputy Leader of the Opposition, the shadow Treasurer, the shadow NBN minister, being the shadow minister for the National Broadband Network, the current leader of the National Party, and the list goes on—so exactly like the scheme that they supported when they sat around the cabinet table. The way in which this will work is it will put a price on carbon that polluters will pay. They understood that when they sat around the
Howard cabinet table. And because you put a price on carbon and polluters pay it, polluters innovate—they understood that when they sat around the Howard cabinet table; they also understood that price impacts would flow through—

Mr EWEN JONES: Mr Speaker, I rise on a point of order as to relevance.

The SPEAKER: Order! The point of order has already been raised. The Prime Minister has the call. She will be directly relevant in her response. I remind her again that the change in standing order narrowed the way in which responses can be framed.

Ms GILLARD: Thank you very much, Mr Speaker. I was asked about electricity price impacts and I was just explaining that, exactly in the same way that the whole scheme worked when the Howard cabinet sat around the cabinet table, prices do flow through. There are some price impacts for consumers, including users of electricity; that is right. It was true when the Leader of the Opposition sat around the Howard cabinet table and agreed with it; it is right now. In respect of those price impacts, of course we will provide assistance to nine out of 10 Australian households. The objective of the exercise is that it makes dirty energy more expensive and cleaner energy cheaper; that is, it helps our transition to a cleaner energy economy. They were the economics when John Howard was Prime Minister and the opposition frontbench agreed with emissions trading. They are the economics today.

Carbon Pricing

Mr ADAMS (Lyons) (14:52): My question is to the Minister for Families, Housing, Community Services and Indigenous Affairs. How will the government help families and pensioners play their part in taking action on climate change, and how would other approaches impact on families and pensioners?

Ms MACKLIN (Jagajaga—Minister for Families, Housing, Community Services and Indigenous Affairs) (14:52): I thank the member for Lyons for his question because he knows that each and every one of us has a responsibility to act on climate change. He and everyone on this side of the House, and one or two over there as well, knows that it is in the interests of our country, in the interests of our economy but, of course most importantly, in the interests of our children. We believe, on this side of the House, that it is big polluters who should pay. Big polluters should pay for their pollution; not families and not pensioners.

Under our plan to price carbon every one of the 3.4 million Australian pensioners will receive assistance that will cover the average cost of a price on carbon. They will receive real and permanent increases to their pensions. The same will go for those self-funded retirees who are on a Commonwealth seniors health card. They, too, will receive the level of assistance that people on a pension will get. Those self-funded retirees who are on a Commonwealth seniors health card will get the same level of assistance as someone on a pension.

Because we believe that it is the big polluters who should pay for their pollution, we do not believe it should be Australian families and we will be providing assistance to those families. Nine out of 10 families will receive help through our household assistance arrangements and that will particularly mean that low- and middle-income families will get help to cover the cost of expected average price rises. Of course, as the Prime Minister has indicated, we will provide a 20 per cent buffer, so three million low-income families will get assistance over and above any expected
average increases in prices. One of the good things for pensioners and for families will, of course, be that they will get these payments directly into their bank accounts. They will not have to make complicated arrangements and there will be no queues to worry about. This assistance will go straight to them.

We know that we do need to take these serious actions to help families play the role that they want to play to tackle climate change. By contrast, of course, those opposite are not the faintest bit serious about dealing with climate change. What we see from this Leader of the Opposition is all stunts. Every single day another stunt; no substance whatsoever.

Mrs Bronwyn Bishop: Mr Speaker, on a point of order. I refer you to page 553 in the Practice and the statement that it is engaging in irrelevancies to contrast government and opposition policies. That is under the old paradigm. Under the new paradigm, it is clearly out of order and I would ask you to either return to the question or sit down.

The SPEAKER: As I indicated to the member for Mackellar when we were under the old paradigm, Practice goes on to say a few other things that go to being able to contrast and the like.

Mrs Bronwyn Bishop interjecting—

The SPEAKER: The member for Mackellar stretches people's ability and capacity to put up with the disrespect of a lot of things. But, if she wishes to publicly display her disrespect for the chair by interjecting at the time that I am making a response to her point of order, she has to understand that there are consequences. The consequence on this occasion is a warning, and I again stress that a warning is a precursor to a naming. I am indicating to her that in the previous parliament when she rose on similar points of order under the old paradigm, quoting Practice, there could be greater extracts from Practice that could dictate the conclusions that I could reach. I have indicated that I dislike the ability to have debate in either the question or the response. I have urged, over the last two parliaments now, the Procedures Committee to have a look at this and I hope at some stage they do, because then it will become question and answer. But in this case the minister is responding. She is now in conclusion.

Ms MACKLIN: It is quite clear that the Leader of the Opposition wants Australian families to actually pay $720 to polluters. That is what the Leader of the Opposition wants to do and, even worse, he wants to claw back—

The SPEAKER: Order! The minister will bring her answer to a conclusion.

Ms MACKLIN: the benefits that this government will provide to families and pensioners.

Carbon Pricing

Mr SIMPKINS (Cowan) (14:58): My question is to the Treasurer. Treasurer, will the carbon tax apply to the oil refineries that create the fuel that goes in vehicles and to the transport businesses that cart the fuel that goes in vehicles, meaning that inevitably the consumer will pay higher prices in spite of the government's latest carbon tax promise to exempt petrol?

Mr ALBANESE: Mr Speaker, I rise on a point of order. Standing order 98(d)(ii) is very clear. It is very clear that the government has said we will be announcing our policy on Sunday. I know it is frustrating for those opposite who do not have a policy.

Opposition members interjecting—
The SPEAKER: The Leader of the House has the call on a point of order.

Mr ALBANESE: The standing orders are very clear in this regard.

The SPEAKER: The member for Menzies will resume his place. The question is in order.

Mr SWAN (Lilley—Deputy Prime Minister and Treasurer) (15:00): As I have already said, I think, on two occasions, today and yesterday, we will be providing further detail and that further detail will be provided on Sunday. We have made that abundantly clear. We have seen this scare campaign running for months now, but on Sunday most of this scare campaign will go up in smoke because all of these wild exaggerations and all of the claims and counterclaims will be exposed for the falsehoods that they are. So further detail will be there on Sunday.

Carbon Pricing

Mr STEPHEN JONES (Throsby) (15:00): My question is to the Minister for Climate Change and Energy Efficiency. Will the minister update the House on the government's plan to introduce a price on carbon pollution as the cheapest and most effective way to cut pollution? What other options have been advanced, how has the government's plan been received and what is the government's response?

The SPEAKER: I will allow the question because I did not think the member for Throsby was seeking an announcement of policy.

Mr COMBET (Charlton—Minister for Climate Change and Energy Efficiency) (15:01): I thank the member for Throsby for his question. Of course it is very well recognised that putting a market price on carbon pollution is the cheapest and most effective way to reduce pollution. It is a view that is supported by many institutions—the IMF, the OECD, the Productivity Commission, the Treasury and economists all around the country. The government recognises that, which is why we are committed to the introduction of a carbon price, in the mechanism that we will announce on Sunday, as the cheapest, most efficient way of cutting pollution in our economy. This contrasts strikingly with the opposition leader's 'subsidies for polluters' scheme, where not only do businesses get paid from the taxpayers' purse but the Leader of the Opposition is the one who picks and chooses who gets a subsidy. In comparing the government's carbon price proposal with the Leader of the Opposition's 'subsidies for polluters' program, the Chief Executive Officer of the National Australia Bank, Mr Cameron Clyne, had this to say:

If you're asking for an economic assessment of the two (policies), the carbon price followed by an emissions trading scheme is economically superior to the direct action policy.

It will drive certainty; it will drive investment and so, in a straight comparison between the two, that's the choice.

That is, the CEO of the National Australia Bank is making it clear that the government's policy position is the only way to go. It is no wonder that the opposition cannot find a single economist to support their proposition and, as previously stated by the member for Wentworth, of course it is a policy proposal that is a fig leaf that can be easily scrapped. But that does not worry the Leader of the Opposition in his approach to this issue. When he was asked today on ABC radio in Adelaide about his 'subsidies for polluters' plan and, in particular, the plan to plant trees to prevent climate change, this was what the exchange involved. The host asked the following:

Where are you going to plant all these trees and how are you going to water them?

The Leader of the Opposition replied:
Well, I'm not saying that tree-planting is the whole answer but it is part of the answer ...

The host then said:
Well how many trees do you plan to plant?
The Leader of the Opposition said:
Well, that depends upon what proposals we get, and how cost-effective the proposals are, but there are all sorts of ways of doing this.

There is a great degree of specificity in this proposal, isn't there! The fact of the matter—

Mr COMBET: Not a bit sensitive, are you, mate?

The SPEAKER: Order! Those on my left will come to order. The minister will refer his remarks through the chair.

Mr COMBET: The fact of the matter is that the Leader of the Opposition does not have a clue about his own policy. Of course, when the department of climate change had a look at this tree planting proposition, as the Prime Minister was noting before, the 'subsidies for polluters' policy would require trees to be planted in an area five times the size of Tasmania, 23 times the size of the Sydney Basin and roughly the same area that is covered by Germany. That is what the 'subsidies for polluters' policy means. I wonder whether the National Party has worked out that this means planting trees all over prime agricultural land in this country.

The fact of the matter is that the opposition's policy is a joke. The only way to deal with this issue is by a market mechanism to do it at cheapest cost. (Time expired)

Government members interjecting—

The SPEAKER: Order! Those on my right will contain themselves. There is a certain inevitability about this, and the Leader of the Nationals has the call.

Carbon Pricing

Mr TRUSS (Wide Bay—Leader of The Nationals) (15:05): My question is directed to the minister for transport. Since he is so eager to get the question, let us hope he will be eager to answer it as well. I refer the minister to the statement by the Secretary of the Transport Workers Union, Tony Sheldon, that a carbon tax on diesel fuel will put more financial pressure on truckies and this will mean 'more fatalities, more injuries and ... greater hazard for every road user in this country'. Does the minister agree with Labor Senator Glenn Sterle's demand for truckies to be fully protected from the damage that will be wrought by the government's carbon tax?

Mr ALBANESE (Grayndler—Leader of the House and Minister for Infrastructure and Transport) (15:06): I thank the shadow minister very much, very sincerely, for this question. I have waited more than two years for a question from the shadow minister and I say to him he can wait five more sleeps for an answer.

Economy

Mr HAYES (Fowler—Government Whip) (15:07): My question is to the Assistant Treasurer and Minister for Financial Services and Superannuation. Will the Assistant Treasurer outline the economic forces at work in Australia's transitioning economy? What is the government's plan to tackle these challenges and are there any obstacles?

Mr SHORTEN (Maribyrnong—Assistant Treasurer and Minister for Financial Services and Superannuation) (15:08): I thank the member for Fowler for his question. He is right: Australia is an economy in transition. We are experiencing transformative forces which will happen regardless of who is in power. These forces are well known. We are living longer. Asia is re-emerging as the prime economic region of the world. We are
heading towards a lower pollution environment and a more sustainable world. We recognise that the role of digital information will continue and expand and, of course, we are growing our services economy.

What these forces mean is that we need to have good public policy, not just relentless negativity, if we are to be able to handle and manage an economy in transition. This means that Australia should not be afraid of the future. Led by our Prime Minister and our Treasurer, our plans have included enabling the creation of 258,000 new jobs in the last 12 months alone. We will price carbon to create a low pollution economy and a clean technology industry. We will share the prosperity of the mining boom by cutting company tax and lifting compulsory superannuation from nine to 12 per cent to ensure that millions of Australians have more adequate retirement income. We are managing an economy in transition for our expanded resourcing for skills and training. We are certainly intending to bring the budget to surplus by 2012-13. We have a massive pipeline of $430 billion of future investment in the mining industry and we certainly intend to further engage with the growing middle class in Asia.

But I was asked what the threats are to these plans, what the threats are to an economy in transition, and I believe that there is a very clear and present danger to the plans for a successful future for Australia. This is the threat of low expectations, the tyranny of low expectations, the fear of the future, the obsession by those opposite to freeze the Australian economy in the past. The threat is most clearly articulated by the relentless negativity of the Leader of the Opposition. On any question, he will always say no. He does not want to increase superannuation, he does not want to decrease company tax, he does not want to have a price on carbon, he does not want GP superclinics, he does not like the National Broadband Network and he does not want to improve schools and libraries. Indeed, he does not even want Malcolm Turnbull to talk.

The Leader of the Opposition is so negative that the member for Hume in the Liberal Party meeting this morning had to say, 'Why is it, Leader of the Opposition, that you have a staff member gagging us from being able to speak?' We know what happened. The member for Hume is a freedom fighter. He will stand up. Then the member for Hume was told in the Liberal Party room this morning, 'Mate, we are just making suggestions on being good team players.' Unfortunately, at the same time as the Liberal Party room was meeting in this relentless negativity—the truth hurts, doesn't it?

Mr Andrews: Mr Speaker, a point of order on relevance: how can this possibly be directly relevant to the question?

The SPEAKER: Order! The question talked about threats or obstacles—I cannot remember and cannot read my own writing so I cannot remember which it was. There has been an attempt made by the minister to directly relate his remarks to that comment, but it is overly laden with debate, which is again something that I am concerned with. I have indicated before that, if the debate is directly relevant, it is allowed, however regrettable I might think that is.

Mr SHORTEN: I was asked about threats to the future of an economy in transition. One of the threats to the future, as I said, is a relentless negativity and this relentless negativity extends to gagging Malcolm Turnbull all the time. As the member for Hume was asking his question, at the meeting of Liberal press secretaries—I know you are smiling, Joe—the Leader of the Opposition's press secretary says, 'Mate,
if the Sunday shows ask your boss to come on television, check with us and, if we don't want you to go on television, don't tell them that we said no.' The opposition is making such an art form of negativity. They have no policies. On Q&A Joe Hockey, the member for—

**The SPEAKER:** Order! The Assistant Treasurer will bring his remarks to a conclusion.

**Mr SHORTEN:** And we all know that, whilst they have almost no policies, they have got one. It is to bring back Work Choices industrial relations.

*Opposition members interjecting—*

**The SPEAKER:** Order! The House will come to order.

**Carbon Pricing**

**Mr RAMSEY** (Grey) (15:14): My question is to the Prime Minister. I refer the Prime Minister to the statement by Nyrstar, operators of the Port Pirie and Hobart lead and zinc smelters, which between them employ 1,340 workers, that:

If our competitors in Asia do not have to face a carbon price in the same way we do, it will be the cause of an exit for our Australian operations.

Will the Prime Minister guarantee that Nyrstar will not be driven from Australia by the government's carbon policy?

**Ms GILLARD** (Lalor—Prime Minister) (15:15): I thank the member for his question, now that the Liberal Party cheering for Work Choices has died down. On the question that the member has asked me, I understand that he would be concerned and community members would be concerned about the full details of carbon pricing.

Those full details will be available on Sunday. But what I can definitely say to the member is: we understand and every day that we have worked on carbon pricing we have understood that we need to take steps to protect Australian jobs. We have brought to that task our track record of valuing work, our track record of creating more than 700,000 jobs in this country since the government was first elected, and we are looking forward to the creation of half a million more, which is why in putting this package together we have at every stage had uppermost in our minds the need to work with Australian businesses and industries to protect Australian jobs. That is why the door has been open through the business roundtable and we have had consultation through that roundtable. Of course, all of the details will be available on Sunday and I anticipate at that point Australian businesses will publish their views and that is appropriate. The member can consider the full package then. I can say to the member: we value employment. Our track record as a government shows that we value employment and we have put this package together valuing employment and the protection of Australian jobs.

**Murray-Darling Basin**

**Mr GEORGANAS** (Hindmarsh) (15:16): My question is to the Minister for Sustainability, Environment, Water, Population and Communities. Will the minister update the House on the progress of reform in the Murray-Darling Basin and outline the importance of a consistent approach to water reform? Are there any challenges or other options to this approach?

**Mr BURKE** (Watson—Minister for Sustainability, Environment, Water, Population and Communities) (15:17): I want to thank the member for Hindmarsh who has—as all of the South Australian members do, certainly on this side of the House—a very keen interest in the outcomes of Murray-Darling Basin reform. The Windsor inquiry gave us an opportunity for consensus and an opportunity for people to
be very much working together on some of the ways that we can minimise the impact on communities. In particular, I quote from that inquiry:

… there is a general consensus that Menindee Lakes cannot be overlooked and require significant attention for the benefit of the Basin and its communities.

For those members not familiar with Menindee Lakes, this has been the greatest opportunity for environmental works to potentially provide anything up to 200 gigalitres through more efficient use of the environmental water there. Therefore, many members, myself included, were concerned when the New South Wales government last week announced that they were withdrawing from the memorandum of understanding on Menindee Lakes and that the project would not go ahead.

I had thought, following the Windsor inquiry, that there would be a joint approach across this House on being concerned about the New South Wales withdrawal from Menindee Lakes. For that reason I was pleased when Simon Birmingham, who some members will know is a senator, made the comment that this was a 'blow to the basin reform process and will make achieving the basin plan even harder'. No doubt it does put more pressure on issues like buyback when things like Menindee do not go ahead. We are waiting for New South Wales to come back with what they want to put in its place. But that did not put forward a universal position from the coalition. Indeed the coalition have continued to do post the Windsor inquiry what they were doing beforehand—that is, sending one message out to the South Australian media and the further up the basin you go, the messages, whether they come from Senator Joyce or from others, become quite different. The member for Farrer—I do not know what it is about Twitter, but that seven-second delay you get in radio does not happen between the brain and the thumb when they are dealing with Twitter—in complete violation of what Senator Birmingham was saying, said this: 'New South Wales pulls out the Menindee water deal … excellent news.' When you get a state government pulling out of a potential 200 gigalitre saving for Murray-Darling reform, you do not view that as excellent news. It is not good enough to be sending one message to irrigation communities and the opposite message in South Australia.

The Windsor inquiry was meant to provide an opportunity where we ended up with a unanimous report. We ended up with the Liberal members, the National members, the Labor members and the Independents having the same point of view. If only across the coalition we could get a consistent message on Murray-Darling reform. They can continue for the moment with different media units getting away with some local papers in irrigation communities running one line while downstream they are putting forward a different message. The Leader of the Opposition has some experience in providing opposite commitments on issues, but eventually you have to show your ballot paper. Eventually it will catch up with the Leader of the Opposition when the Murray-Darling Basin plan comes in front of this parliament. He will either have to vote yes to reform or back the positions that those upstream have been calling on him to take.

**Carbon Pricing**

Ms O'DWYER (Higgins) (15:21): My question is to the Prime Minister. I refer the Prime Minister to her statement on 15 November 2010 that, 'The use of cars is a very considerable contributor to greenhouse gases. We want to make a difference to that.' But now, when selling her carbon tax, the Prime Minister says she will not do anything to cut these emissions because she knows
that people 'have got no choice but to jump in their cars to get places'. Which of those statements is real and which is fake?

Ms GILLARD (Lalor—Prime Minister) (15:21): The government is taking action on the question of carbon pollution and motor vehicles. We are doing that in what we think is a most appropriate way. First and foremost, in the recent budget—and, presumably, the member who asked the question looked at the recent budget—we made a change to the fringe benefits tax arrangements. The arrangements we inherited had an artificial incentive for people to drive their cars further to get a tax advantage. All of us would have heard the stories from the community, and our friends and others would have heard the stories, of people who have spent every weekend in June driving their cars extraordinary distances for no purpose other than to trigger a move into a different fringe benefits tax arrangement. It was a dreadful scheme for the environment and something we addressed in the recent budget. During the election campaign we committed to mandatory fuel emission standards for 2015—

Mr Tony Smith interjecting—

The SPEAKER: The member for Canning can remove himself from the House under 94(a) for one hour.

The member for Canning then left the chamber.

Opposition members interjecting—

The SPEAKER: The member for Canning has been here long enough to know that there is no need for a warning to get one hour under 94(a). It would appear that he thinks this is a reward or something. The numbers leaving for an hour are extremely high. I would have hoped it would modify behaviour, but it does not appear to. The Prime Minister has the call.

Ms GILLARD: Thank you very much, Mr Speaker. I was asked about my statement about cutting emissions from cars, and I have been talking about the government's policies to do just that. I have just explained to the member for Higgins, who directed the question to me, that we have acted on fringe benefits tax anomalies that got people to drive their cars further, generating carbon pollution for no reason. We are acting in accordance with our election commitment on mandatory standards in 2015. We have acted by working with the Australian car industry so that we can support Australian jobs and so that people can have the choice of supporting the Australian industry whilst purchasing for themselves a greener vehicle. Many people faced a choice they did not want to make between buying Australian and supporting Australian jobs and—

Ms O'Dwyer: Mr Speaker, a point of order on relevance: the question went to which statement reveals the real Julia and which statement reveals the fake Julia.

The SPEAKER: Order! The member for Higgins should remember that there was much more in her question than she has raised in the point of order. The Prime Minister has been responding to the question. I do not think the House has been listening, because there seems to be a lot of chatter.

Mr Randall interjecting—

The SPEAKER: The member for Canning can remove himself from the House under 94(a) for one hour.

The member for Canning then left the chamber.

Opposition members interjecting—

The SPEAKER: The member for Canning has been here long enough to know that there is no need for a warning to get one hour under 94(a). It would appear that he thinks this is a reward or something. The numbers leaving for an hour are extremely high. I would have hoped it would modify behaviour, but it does not appear to. The Prime Minister has the call.

Ms GILLARD: Thank you very much, Mr Speaker. I was asked about my statement about cutting emissions from cars, and I have been talking about the government's policies to do just that. I have just explained to the member for Higgins, who directed the question to me, that we have acted on fringe benefits tax anomalies that got people to drive their cars further, generating carbon pollution for no reason. We are acting in accordance with our election commitment on mandatory standards in 2015. We have acted by working with the Australian car industry so that we can support Australian jobs and so that people can have the choice of supporting the Australian industry whilst purchasing for themselves a greener vehicle. Many people did not like the fact that the only way to access a greener vehicle was to buy something that was built overseas. They wanted to support the jobs of Australian car workers. We continue with that commitment to supporting Australian jobs through our
more than $5 billion investment in our new-car plan. It is that investment that the Leader of the Opposition wants to slash, slashing support for the Australian car industry.

To the member for Higgins I make the following suggestion. There are, of course, various ways of conducting an emissions trading scheme and various coverage arrangements. The member for Higgins worked for the former Treasurer, Peter Costello, who was very determined for the design of an emissions trading scheme to include petrol. Indeed, he said, 'If you want to encourage people to use less petrol in their cars, one of the consequences of that is that petrol will become less affordable. This is all part of responding to carbon emissions.' So who is the real member for Higgins—the economic rationalist who worked for Peter Costello or the member who follows the relentless negativity and economic vandalism of the Leader of the Opposition? I would be very interested in the answer.

**MOTIONS**

**Carbon Pricing**

Mr ABBOTT (Warringah—Leader of the Opposition) (15:27): I move:

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

That the Prime Minister immediately explain why she is so determined to deceive the Australian people about the details of her carbon tax by refusing to release the details for the full scrutiny of the Parliament this week. In particular:

1. why should anyone trust:
   a. the Prime Minister to tell them the truth now, when she said only yesterday that "when I'm in a position to give people the details about a carbon tax I will" yet is refusing to release the details to this Parliament and is hiding from scrutiny;
   b. the Prime Minister to tell them the truth now, when, one day before the election, she said "I rule out a carbon tax";
   c. the Prime Minister to tell them the truth now, when, she said only yesterday that "when I'm in a position to give people the details about a carbon tax I will" yet is refusing to release the details to this Parliament and is hiding from scrutiny;
   d. this Prime Minister when she is trying to sneak through a carbon tax without a mandate when the only real mandate of this Parliament is a mandate NOT to introduce a carbon tax; and
   e. this Prime Minister who rules out giving people a vote on the carbon tax by refusing to call an election and now refusing to allow a plebiscite; and
2. that the House calls on the Prime Minister to recall Parliament next week to debate her carbon tax and give the answers that the forgotten families of Australia are demanding today.

Mr Albanese: Mr Speaker, on a point of order: I do not wish to take up the time of the Leader of the Opposition, which is why the clock has been stopped, but I do raise the issue of whether that motion is in fact a motion and is in order. It seems to me to be a series of questions rather than a motion being put before this House. A number of the motions for suspension that have been moved by the Leader of the Opposition, when we have had time to scrutinise them after the event, have clearly not in fact been motions of this House.

The SPEAKER: Order! I am happy to accept the motion. I would say that I have had a growing concern about some of the matter that has been put into the motions for which the suspensions have been called. It is perhaps something that over the break I should reflect upon. Having not taken action on other motions, I will allow this motion to proceed. I would hope that at some future opportunity we would have less preamble and argument in the proposed motions. I will allow the motion to be debated. It is a motion for the suspension of standing orders. The Leader of the Opposition has the call.
Mr ABBOTT: Mr Speaker, I thank you for your ruling and I also thank the Leader of the House for the courtesy that has been extended. It is very important that standing orders be suspended, because this matter cannot wait. It is urgent that this Prime Minister stand up and explain herself before this House, because this is a Prime Minister who is constantly running away from scrutiny. This is a Prime Minister who wants to indulge in spin and hide from scrutiny. We saw in this parliament today, time after time, ministers who are on strike. That is what we have seen from this government today in question time. We have seen ministers who have been on strike. They have constantly demanded that questions be asked; they have constantly demanded that question time run its full tenure; and then, when questions are duly asked, they go on strike and refuse to answer them. This is a shameful and embarrassing performance from a government that just gets worse every single day.

The Prime Minister says that next week she will go around our country talking to families and workers. Fair enough, but what about explaining herself to this parliament? This is a Prime Minister who was not honest with the Australian people before the last election. Fifteen times, no less, I said during the election campaign: as sure as night follows day, if this government is re-elected there will be a carbon tax. We all know what the Prime Minister said. She said, six days before the election, 'There will be no carbon tax under the government I lead.' Then she said, the day before the election, 'I rule out a carbon tax.' That is why standing orders need to be suspended—so this Prime Minister can explain herself. She should explain why she is running away from the people at a plebiscite. She should explain why she is trying to have her carbon tax sneaked through this parliament, whose mandate, if this parliament has any mandate at all, is not to introduce this carbon tax. That is why standing orders should be suspended and that is why this Prime Minister should explain herself.

This is a Prime Minister who is afraid. She is very afraid. She is afraid of voters, she is afraid of workers, and now she is afraid of this parliament. She will not answer questions this week—we saw that in the parliament today. She will not answer questions next week, because she will not recall the parliament. She will not even face the parliament now. No recent previous Prime Minister would have shown such gutlessness in the face of the parliament. This is the fourth or fifth time that this Prime Minister, in a cowardly fashion, has scurried out of this parliament to have a Tim Tam in the whip's office instead of facing this parliament, as she should, to explain herself.

Standing orders must be suspended because the arguments that this government relies upon to justify its carbon tax are both lies. This Prime Minister says the thousand big polluters will pay. If it is just a thousand big polluters, why on earth is there a compensation package? Why on earth is there a battlers buffer if it is just the evil 1,000 who are going to have to pay this tax. It is complete nonsense. The voters are not mugs, and the Prime Minister should explain herself, which is why standing orders should be suspended.

The other lie that this Prime Minister and the government—

The DEPUTY SPEAKER (Hon. Peter Slipper): Order!

Mr ABBOTT: The other deception—I withdraw 'lie'—

The DEPUTY SPEAKER: The Leader of the Opposition must observe the standing orders which he is trying to suspend.
Mr ABBOTT: The other deception that this Prime Minister relies upon to justify a carbon tax is that the rest of the world is acting. I will tell you what the rest of the world is doing: it is massively increasing its carbon dioxide emissions—by 500 per cent in the case of China; by 350 per cent in the case of India—and it is laughing at us inflicting on ourselves an unnecessary new tax that will be nothing but an act of economic self-harm.

Standing orders must be suspended because this is the biggest structural change in our economic history and it should not be foisted upon our people, rushed through this parliament, without this Prime Minister giving a much better account of herself than has so far been managed.

She says it is very important that we have a price signal on so-called carbon pollution. The whole point of a price signal is that if the price is not high the signal does not work. That is what she has to explain: just how high this price signal is going to be. If you cannot trust this Prime Minister to tell the truth, you cannot trust this Prime Minister to get the details of the biggest tax change in our history right.

Look at what this government have done to the live cattle trade. Haven't they shown a great deal of competence! Haven't they shown a great deal of skill in execution! Haven't they shown the kind of attention to detail that you would like to require of a government that have now embarked upon the biggest and the most complex change in our history! That is why we need the Prime Minister in this parliament now, that is why we need the parliament recalled and that is why we need the parliament to scrutinise the carbon tax changes—because we cannot trust this government to get anything right, let alone the biggest and the most complex change in our history. This is the most incompetent government in our history. They cannot be trusted to get right the most complex change in our history.

Members opposite know that this Prime Minister and this government are going to get it wrong. Let's face it—this is the Prime Minister who talks to the Greens much more than she talks to her own backbench. This is the Prime Minister who talks to the Independents much more than she talks to the union officials who know what is going on with workers' jobs in our country. If she spent a bit more time talking to Paul Howes and Tony Sheldon about the carbon tax and a bit less time talking to Bob Brown, she would not be getting it so very, very wrong.

This coalition will be the voice of the voiceless—that is what we will be in this parliament. As former Prime Minister Paul Keating so memorably said: 'If you don't understand it, don't vote for it. If you do understand it, you will never vote for it.' We need to scrutinise this carbon tax. We need more democracy, less hypocrisy. We need more scrutiny, less spin. That is why this suspension should be supported. (Time expired)

The DEPUTY SPEAKER: Is the motion seconded?

Mr HOCKEY (North Sydney) (15:39): We knew something was happening yesterday when the Prime Minister said the announcement of the details—
The DEPUTY SPEAKER (Hon. Peter Slipper): Order! Is the honourable member going to second the motion?

Mr HOCKEY: I have seconded the motion.

The DEPUTY SPEAKER: You have not, but now you have.

Mr HOCKEY: I signed a piece of paper that seconded it. We knew something was happening yesterday when the Prime Minister said that the details of the carbon tax would be released in the fullness of time while, at the same time, Senator Christine Milne was on Sky News saying it would be released at the end of the week. The Prime Minister started question time today complaining that we had lost the opportunity to ask 136 questions by moving suspensions. I say to the Australian people: it is not the questions that are being asked; it is the answers that are not being given. That is accountability; that is what this parliament is for.

Now we have a general strike in the government. There are a whole lot of union officials on that side, but I never thought they would call the whole government out on strike. They have done it today. They have refused to answer questions about the details of something they have decided on and partially announced but which they want to announce outside of the parliamentary cycle. They are doing that to avoid the scrutiny of the Australian people in the parliament. They are running away from the scrutiny of parliament. I cannot recall any prime minister in living memory who has run away from the parliament and scurried out of the chamber rather than face scrutiny of their own policies. Would Keating have done it?

Opposition members: No!

Mr HOCKEY: Would Hawke have done it?

Opposition members: No!

Mr HOCKEY: Would Whitlam have done it?

Opposition members: No!

Mr HOCKEY: Would Chifley have done it?

Opposition members: No!

Mr HOCKEY: Would Curtin have done it?

Opposition members: No!

Mr HOCKEY: Would Menzies or Holt or Fraser have done it? No—because they were men of courage. They were people with principles. We have a weak, insipid Prime Minister who is scared of scrutiny. She is more interested in getting free airtime on commercial TV on Sunday night than she is in actually answering questions in this place.

But hang on! All is good—Wayne Swan is right behind her! We can all rest easy—Australia is in safe hands! If the Prime Minister drops the ball at first slip, we have a great second slipper, right up there with Allan Border—Wayne Swan, the Treasurer. We asked the Treasurer whether boats would have a fuel tax. He could not answer the question. We asked about trucks. He could not answer the question. We asked about oil refineries today. He could not answer the question. We even gave the Leader of the House a question and he could not answer it. He said, ‘Wait five days.’ What a wimp! You know what I bet? I bet he does not know. I reckon the member for New England can answer and I reckon the member for Lyne can answer, because they are the architects of the carbon tax, together with the Greens and the Prime Minister.

The fundamental point, the problem this Prime Minister has, is this: the questions we are asking in this place are the questions her own backbenchers are being asked by their
constituents. The Prime Minister knows that if she announced all the details of the carbon tax today and she could not answer the questions in this place over the next few days the knives would be out. All the backbench members—the member for Reid, the member for Greenway, the member for Banks over there—are being asked simple questions as to whether the carbon tax applies to trucks, whether it applies to landscaping and whether and how it applies to electricity. They are being asked by their constituents the same questions that we are being asked, and we are asking those questions in this place. The Prime Minister and, more alarmingly, the Treasurer and the Minister for Climate Change and Energy Efficiency cannot answer those basic questions. Instead, they go to rhetoric. Instead, they talk about the battlers buffer. Let me tell you—the battlers buffer is the battlers bluff. It is about the fact that the Labor Party wants to increase the cost of living for everyday Australians but it does not want to be accountable for its words and actions.

This parliament is the place where the questions must be asked; this is the place where the questions must be answered. If we are going to have to suffer an inglorious end to this prime ministership and this government, so be it. We will ask the questions for the Australian people and the Australian people demand some real answers.

The DEPUTY SPEAKER (Hon. Peter Slipper): I call the Leader of the House.

Opposition members interjecting—

The DEPUTY SPEAKER: Honourable members on my left will remain silent. I issue a general warning to honourable members on my left.

Mr ALBANESE (Grayndler—Leader of the House and Minister for Infrastructure and Transport) (15:44): I am pleased once again to have the opportunity to speak to this procedural motion. Suspensions of standing orders are moved with monotonous predictability by the Leader of the Opposition. We have heard a lot of rhetoric from the Leader of the Opposition about the importance of parliament, about the opportunity to ask questions and hear answers. But yet again question time has been cut short—another three questions have been missed out on as a result of this suspension motion. In total more than seven full question times have been lost this year as a result of suspension of standing orders motions by those opposite. They are the first opposition in Australia's history since Federation to have chosen to not even try to hold the government to account during question time.

The Leader of the Opposition exposed yet again his denial of the science of climate change when he referred in his speech today to 'so-called carbon pollution'. Yet again he could not help himself from questioning the science. We know he questions the science and has contempt for great Australian organisations such as the CSIRO. We know that he has contempt for Australia's economists, even though every respectable economist knows that we need to put a price on carbon. Indeed, the Leader of the Opposition was asked on 7.30 last night: Can you name a single credible economist who believes that your plan will work? He could not. He named ACCI, an organisation. And Lord Monckton does not count. He is a discredited peer, a loon from the House of Lords in the UK, who has no credibility back home and who has been dismissed by Margaret Thatcher—one of the first of the world's leaders to take action on climate change. The discredited Lord Monckton comes here and gets together with his namesake in heart across there. When the
Leader of the Opposition could not name an economist, Chris Uhlmann asked:
A single economist? A name?
He said:
And, look, I'm not gonna get in the business of "Our economist is better than your economists" ...
Just one will do—any one will do; a single economist who supports his position. We know that economists who support putting a price on carbon include Paul Brennan, head of economics from Citigroup Global Markets; Chris Caton, chief economist with the BT Financial Group—

Opposition members interjecting—

The DEPUTY SPEAKER: I remind honourable members on my left that they are under a general warning.

Mr ALBANESE: Besa Deda, chief economist at St George, Saul Eslake, Bill Evans, Joshua Gans, Richard Gibbs, Stephen Grenville, Stephen Halmarick, John Hewson, Raja Junankar, Geoff Weir, Glenn Withers—every respectable economist in this country knows that the way to get action is to put a price on carbon. It is one thing that those opposite are climate sceptics but it is another thing altogether that they are also market sceptics—they are also sceptical about the role of the market.

One would have thought that the Leader of the Opposition might have been a bit nervous about going on 7.30. Remember that during the election campaign he went on there and said to the whole world that they could not believe a thing he said unless it was in writing? Since then he has walked away even from that commitment. Last night he had another shocker. I predict this will be his annual appearance on 7.30—he has not been on there all year, up till now. He was asked:
But in the end, do you agree that the budget's funded by taxes, so there will be a carbon tax?
That is, under his scheme. Tony Abbott replied:
Look, I accept that everything has a cost …
He has acknowledged that the difference between the government's position and the opposition's is that we want to put a price on carbon for the top 1,000 polluters and give assistance with that money to ordinary Australian households, to families and to industries and support action on climate change while those opposite want to tax ordinary working families through the tax system in order to give subsidies to the big polluters. That is what this debate is about, pure and simple. But there is more. Their so-called direct action plan—the one that is going to have trees planted in an area greater than the size of Germany—does have in it a bit of detail. Under 'Operation of Fund', on page 14, it mentions something that we have not heard them talk about. They want to keep it a secret. Because I have an interest in this policy I am one of the few people to have read their document, if only for amusement. It says:
Businesses that undertake activity with an emissions level above their 'business as usual' levels will incur a financial penalty.
That sounds like a tax to me. It goes on:
The value of penalties will be on a sliding scale at levels commensurate with the size of the business and the extent to which they exceed their 'business as usual' levels.
That is there in their policy. We have not heard them talk about that up till now, have we? We have not heard them talk about that because this man opposite is the only living Liberal leader who is opposed to a price on carbon. We know that he is all opposition and no leader, all division and no vision. He is the stuntman of Australian politics who yesterday, two weeks after he said he would be in here to move his private member's bill that he would not be bound by, came in here
and had his five minutes. The bill will be deferred until sometime in August for a vote. He is so committed to this great plebiscite that he could not get through the first interview without saying that he would not even be bound by it.

This inconsistent rank opportunist of an opposition leader simply should be rejected for his failure to come up with substance. It is consistent—we have heard it all before. Does this sound familiar: 'People will go towards Christmas without having a job. Kids will not be enjoying the Christmas they have been used to. But all of this is irrelevant because we are on an ideological kick here'? Who said that? The member for Mackellar. When did she say it? In 1992. What was she talking about? Compulsory superannuation. It was going to wreck the economy. Opening up Australia to globalisation was going to wreck the economy. Every major reform put forward by Labor—because it is only Labor that has the courage to tackle the big issues—has been opposed by those opposite with rank, hysterical opportunism.

What we know is that the Leader of the Opposition—the walking vuvuzela of Australian politics—is committed to one thing because he only has one tune: no, no, no, no, no. He does it over and over again, no matter what the issue. There is no opportunity to put forward a serious alternative vision, and it is no wonder that so many of his own team are embarrassed by the position that they are now putting forward: rejecting the science of climate change and the need for action. (Time expired)

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

The House divided. [15:59]

(The Speaker—Hon. Harry Jenkins)

Ayes.......................72
Noes.......................75

Majority.................3

AYES
Abbott, AJ
Andrews, KJ
Baldwin, RC
Bishop, BK
Briggs, JE
Buchholz, S
Christensen, GR
Cobb, JK
Crook, AJ
Entsch, WG
Forrest, JA
Gamban, T
Griggs, NL
Hartley, L
Hockey, JB
Irons, SJ
Jones, ET
Kelly, C
Ley, SP
Marino, NB
Matheson, RG
Mirabella, S
Moylan, JE
O'Dowd, KD
Prentice, J
Ramsey, RE
Robert, SR
Ruddock, PM
Simkpin, LXL
Smith, ADH
Southcott, AJ
Tehan, DT
Tudge, AE
Van Manen, AJ
Wasser, MJ

NOES
Adams, DGH
Bandt, AP
Bowen, CE
Brodtman, G
Burke, AS
Byrne, AM
Cheeseeman, DL
Collins, JM
Crean, SF
D'Ath, YM
Elliot, MJ
Emerson, CA
Ferguson, MJ

Albanese, AN
Bird, SL
Bradbury, DJ
Burke, AE
Butler, MC
Champion, ND
Clare, JD
Combat, GI
Danby, M
Dreyfus, MA
Ellis, KM
Ferguson, LDT
Fitzgibbon, JA
Question negatived.

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

DOCUMENTS

Presentation

Mr ALBANESE: Documents are presented as listed in the schedule circulated to honourable members. Details of the documents will be recorded in the Votes and Proceedings and I move:

That the House take note of the following documents:


Debate adjourned.

MATTERS OF PUBLIC IMPORTANCE

Live Animal Exports

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

The urgent need for the Government to revoke the live cattle export ban.

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 JOHN COBB (Calare) (16:05): I rise today to speak on this incredibly important matter of public importance. The live export ban highlights the government's incompetence and the need for an early election. I believe this is without doubt the worst decision they have ever made—and that is a big statement given some of the decisions made by this government. This decision will have dire consequences for our nearest, biggest and most important neighbour, and the government did not discuss it with them let alone consider the effect it will have on this country. It is the worst decision I have ever seen by a government. The ineptitude of this government never ceases to amaze me, but when it comes to agriculture add an element of 'I could not care less' and you will begin to understand why the live export issue has escalated to such a crisis.

The Prime Minister said just yesterday that the government was torn between two competing extremes—vegetarians and those with little concern for animal cruelty—but would not resume the trade until cruelty problems were fixed. This is just the sort of ridiculous thing you come to expect from...
this Prime Minister. I have not heard anyone say it is okay to mistreat animals in the way it was portrayed on television. The competing interests here are those seeking to shut down live exports—in fact, shut down livestock production and have us all eating lentils—and those seeking a rational solution and a balanced policy response to ensure animal welfare is front and centre in livestock production and livestock trade. Of course this government could be depended upon to choose the irrational approach, an agenda driven by lefties who have never had to face life's realities. When the Prime Minister announced that this year was to be 'the year of delivery and decision', everyone thought she had just made a mistake and meant to say 'decision and delivery', but we now understand that she got it right. This Prime Minister tries to deliver before ever making a decision. She tried to deliver the mining tax before making a decision on how it might work. She tried to deliver the carbon tax before doing the same. On live exports she has tried to deliver an outcome without making any decisions on how to manage government diplomacy with Indonesia, without making any decision on how it would impact on the cattle industry in Northern Australia or any decisions about contingencies.

There is a cartoon in the Australian today where somebody you could be mistaken for thinking is our Prime Minister is talking to somebody you could be mistaken for thinking is our foreign minister. That person says:

You're the one to fix the cattle trade because you know what it feels like to have your throat cut while fully conscious.

Northern Australia is getting its throat cut while fully conscious. This is an example of Gillard decision making. Northern Australia has so much to lose here. Northern Australia has only one serious industry outside the mining industry and it is the live export trade, a job they do very well. They grow very good cattle, which are in very high demand. The coalition supported Minister Ludwig's original decision to ban the trade from the abattoirs which were exposed for animal cruelty and to review abattoirs in Indonesia.

How badly this government has acted is underlined by the fact that a very short time after the Four Corners program the Indonesian President was reported as saying, 'This is a serious issue we have to deal with.' If I were the Minister for Agriculture, Fisheries and Forestry, I would have grabbed the Minister for Foreign Affairs and the Prime Minister, raced over to Indonesia and said: 'Thank you for that offer. We must sit down together and deal with this issue.' But what happened? Not that. No, a few days later, the Indonesians, along with the rest of us, read in the papers that they had been spurned, treated not like the most important neighbour Australia has but like someone who does not matter. While the member for Griffith understands this, the Prime Minister is too scared to ask the foreign minister for help. I think she is frightened that he will be successful in dealing with the Indonesians. In any case, I think she is just too frightened simply to talk to him.

The only sensible solution is to allow our cattle to go only to those abattoirs with acceptable standards. And let me tell you, having just been over there talking to both the Indonesian and the Australian operators, it is amazing to me how well they have got together to work out for themselves how to deal with this situation. We have a world recognised cattle tracking system which could easily be extended to manage traceability. Indonesian and Australian operators are aware of it and some of them are already using it. Some of them are already independently audited in total trace-
back systems, as well as humane cattle treatment. Every beast which goes on a boat can be tagged and scanned and then be tagged again at the destination to ensure traceability through the whole process. With the hand-held scanners, this can be done in locations which are not near major cities.

The best message, the only message, this government should or could send to processors in Indonesia is that we will only do business with those who meet our expectations on animal care and treatment and we will continue to send cattle exclusively to complying abattoirs. That would have been entirely justifiable and would have encouraged attitudinal and behavioural change—but no, not this government. Scared of the people on the left of their party, they reacted not on the basis of good policy but on the basis of keeping the people on the left of their party quiet.

If the Department of Agriculture, Fisheries and Forestry did not inform Minister Ludwig of the consequences to Australia of this ban, heads should roll. If Ludwig did not inform the Prime Minister of the consequences of a ban to Australia, he should be sacked. If Julia Gillard ignored that advice, she must go.

The DEPUTY SPEAKER (Hon. Peter Slipper): The Prime Minister.

Mr JOHN COBB: I apologise. This decision to ignore our biggest, most important and most populous neighbour and to totally ignore the normal diplomatic relations is the worst decision ever made by government. I am sure the member for Griffith, had he been asked, would have informed both the Prime Minister and the Minister for Agriculture, Fisheries and Forestry as to what should have been done, but they were not interested. I wonder did they even stop to think of the relationship with those who take our cattle. We are talking about 25 per cent of Indonesia’s beef intake. We are talking about 100 per cent of Northern Australia’s beef output. It is unfathomable that a government could act in this way without talking to our most important neighbour.

Why can the government not resume the live trade to the abattoirs which have been shown to be doing the right thing? Why did they ever stop the trade? The resumption of the live trade lies in the Prime Minister’s fumbling hands. This has gone on long enough. The Indonesian government, to its credit—I was amazed and surprised when I was in Indonesia with Senator Scullion—has lifted itself above the name-calling or the recriminations in which I believe it would be quite entitled to indulge. Why would Indonesia issue permits while we have a ban in place? The ball is firmly in the court of the Gillard government. It is in their hands as it stands now.

Why would Indonesia issue permits when there is a ban in place?

Every day that goes by there is an unfolding economic, environmental, social and animal welfare crisis in Northern Australia of monumental proportions. One station has a destocking order to reduce its number by 6,000 this year because in Northern Australia they do not hold stock beyond an age, they are used to knowing how many they are going to have, getting them on the boat and getting them off the land. It has 2,000 head which they have to remove because otherwise it would create much bigger animal welfare issues due to overgrazing. The cattleman believes that from tomorrow he will have to start destroying 200 head a day. These cattle are his livelihood and worth conservatively $120,000, which he has to destroy per day. I own cattle. I once had to shoot sheep because of drought and age and I do not think I could do it again, let alone
cattle in the prime of their life worth a lot of money. It is beyond believable. This is devastating for him and anyone who has ever had to raise cattle.

It is a disgrace that a government so inept, so uncaring and so cruel is causing cruelty to humans and cruelty to animals—because that is what is on the horizon. There are 82 Indigenous stations and a community of some 17,000, depending on the scale and it is an enormous scale. These are people who are proud of the fact that they are the best stockmen in Australia; they are proud of the fact that they look after Australia's pastoral regions. I implore the Prime Minister and this government to revoke the ban.

There is in front of us a very short window of time in which to get this trade up and running again. The government have committed that they want to see it get going again. Well, if they wait much longer it will not get going again before the wet season comes back to us. If that is what they want, then they are going the long way about it towards achieving it. The handling of this has been absolutely abominable. I cannot think of what could have possessed them to act without thinking. As I said, if no-one advised them as to what the repercussions were and are, then they should be totally sacked.

I want to talk about the cattle industry for a minute. Those of us who own cattle are very proud of our industry. We are proud of what we do and the way in which we do it and we are very proud of our cattle—no-one more so than the people who do it hardest in the north of this country, whether it is in WA, whether it is in the Territory or whether it is in Queensland. None of us who own cattle or work with cattle or have anything to do with cattle will stand for cruelty, but this continued ban promotes animal cruelty, promotes environmental devastation, promotes human devastation and promotes absolute economic madness. For how long must regional Australia be a plaything of Gillard and the Greens? What has happened to our country? Consider the ancestors of the people who created it and who set the mantra of the way in which Australia is perceived as a mob of pioneers. I ask because the people who raise these cattle are the closest to it. What has happened to the people who set Australia up to be what it is and simply want to get on with their living and want to help the Aboriginal and Indigenous communities do the same? What has happened that we cease to matter? I again stress that if the department of agriculture did not inform Minister Ludwig of the repercussions and of the disaster for Australia that is resulting and will result from this ban, heads should roll. If Ludwig failed to advise the Prime Minister, he should be sacked. If Julia Gillard ignored that advice—

The DEPUTY SPEAKER (Hon. Peter Slipper): Order! The minister and the Prime Minister must be referred to by their name.

Mr JOHN COBB: if the Prime Minister ignored that advice one assumes she was given—then she must go. Enough is enough. We cannot stand by in this country and see a government with no credibility, with no ability and with no compassion continue to simply ignore the people who need them to act. Lift the ban.

Mr GRAY (Brand—Special Minister of State for the Public Service and Integrity and Special Minister of State) (16:20): What a fraudulent representation of the issue. You fraud! Did you go to Jeddah in 2003? No, of course you did not. Fifty-seven thousand sheep at sea for three months! Did those opposite react then? No. And what did the opposition do at that time—behave responsibly, so did not create fear and did not create scaremongering, and did not create
a situation of businesses fearing that they would fail? No. Why? Because you put your desire for electoral success ahead of the interests of those farmers and those cattlemen you fraudulently claim to represent here. You disgrace! And you know you are a disgrace! You stand here with your confected indignation. You have been scuttling around the countryside, scuttling around the regions like a cockroach, arguing this case. You disgrace!

The DEPUTY SPEAKER: Order! The Special Minister of State ought to direct his remarks through the chair. When he refers to 'you' he is referring to the occupant of the chair.

Mr GRAY: Mr Speaker, I accept that. The red-meat export industry is a West Australian industry. Around 75 to 80 per cent of live sheep exported are from West Australian properties. Many pass through feedlots in my electorate. Forty-five per cent of exported live cattle are from Western Australia. It is a good industry. It is an industry that should not be played with by pathetic politicians. It is an important industry. The people who work in it are good people. This is an industry that can be made stronger. It can be made better and it can be made sustainable through the processes and measures that will be put in place by this government. I do not defend the events depicted in the images carried on the ABC Four Corners program a month ago. Nor do I take the view that all Australian cattle producers and exporters should be condemned for those images. We need to get accountability, quality verification and assurances into our supply chain. We need to act quickly and we need to ensure that we have the facilities, training and skills at the points of slaughter, in stock handling, in animal health and have quality systems to support the industry. All of this adds up to verification that the supply chain meets the standards that we set.

Recently I had cause to meet the Indonesian Ambassador. At that time I was told of the intemperate and unreasonable protest actions that some Australians have taken towards the Indonesian embassy and its staff. Mr Deputy Speaker, intemperate behaviour is not acceptable. The Indonesian Ambassador is an excellent representative for his country leading an excellent group of diplomats. Indeed, today, students from one of my local schools are visiting the Indonesian embassy to participate in their school education program. It is a program that enriches the cultural and Indonesian language programs in our schools; and so it strengthens our relationship with Indonesia.

In this parliament we need to be respectful of the Indonesian government's steps to support good policy. We know that they want this matter resolved quickly. Indonesia, like Australia, wants a humane, healthy and growing industry. We need to ensure the sustainability of this industry because there is still potential for growth in the live cattle production industry in Northern Australia. According to the Northern Australia Land and Water Taskforce significant opportunities exist to grow the Northern Australian beef industry through changing enterprise structures and increasing intensification. Leading producers in Northern Australia have a vision for this. I believe this parliament has a vision to increase the production of our beef herds in Northern Australia. We believe we can more than double production from Northern Australia's cattle herd and possibly lift output as much as fourfold in value in some areas. The Northern Australia Land and Water Taskforce also found that the northern beef industry produces potential for substantial wealth creation for Indigenous communities.
through direct employment and business ventures.

There is good cause for confidence. Australia is a major player in the global red meat sector. We are among the world's largest producers of red meat and the second largest exporter of beef and sheep. In 2007-08 the gross value of beef and veal produced in Australia was more than $7.4 billion and for sheep meat it was around $2.2 billion. Australia is the world's second largest exporter of beef and sheep meat. That is why, in fact, there is a common cause on both sides of this House to make sure that our industry is sustainable and to make sure that we can properly and appropriately track our cattle exports and ensure that sustainability is maintained through the maintenance of public support for this great industry.

In 2007-08 around 64 per cent of beef produced in Australia was exported. Forty-five per cent of lamb and 82 per cent of our mutton was exported. As I said earlier, most of that is from Western Australia. Indeed, my family are producers of lamb in the Western Australian wheat belt. The combined value of beef, lamb and mutton exports in 2007-08 was slightly more than $5.4 billion. Australia is also a major player in the global live export trade. The trade is worth around $1 billion to Australia's economy each year and it supports about 10,000 jobs, most of them in regional and remote Australia. Live exports are a key part of that red meat industry.

This sector provides a valuable alternative market for Australia's livestock producers and is particularly important to the economies of the sheep-producing areas of Western Australia and the cattle regions of Northern Australia. The beef cattle industry involves around 60 per cent of the land area of Northern Australia—around 90 per cent if Indigenous land is included—and it accounts for around five per cent of Northern Australia jobs. It also accounts for about 30 per cent of Australia's cattle and produces 80 per cent of Australia's live cattle exports, worth about $300 to $400 million a year.

Australia also leads the world in animal welfare practices. The Minister for Agriculture, Fisheries and Forestry, Senator Ludwig, acted appropriately to suspend the trade of live cattle to Indonesia following the unacceptable practices shown in images on the ABC's Four Corners program. Then, rightly, the suspension will remain in place until new safeguards are established for the trade, but not for one day longer than is necessary. We will not see cattle at sea for 90 days, without the minister visiting Jeddah, as happened in the early 2000s. The minister for agriculture has asked the former Australian Ambassador to Indonesia, Mr Bill Farmer, to examine the whole live animal export supply chain, from paddock to the point of slaughter, for all markets that receive Australian livestock.

As one would expect the opposition have been demanding that this trade be resumed immediately. That is not what they did in the case of the sheep bound for Jeddah. They were at sea for 90 days without a minister visiting Jeddah to argue the case. It is worth recalling the performance of the Howard government in managing the live export trade. The Howard government banned livestock exports for extraordinary periods of time. For example, all livestock was banned to Saudi Arabia for 19 months in 2005.

In particular, as I said, it is worth revisiting the management of the MV Cormo Express fiasco in 2003. As I say, I do not recall any Australian minister visiting Jeddah. A consignment of more than 57,000 sheep was purchased by a Saudi Arabian livestock importer, Hmood Alali Alkhalaf,
and his trading and transportation company left Fremantle on 6 August 2003. This consignment arrived in Jeddah on 21 August 2003, was inspected by Saudi ministry of agriculture officials and was rejected over alleged disease concerns. The Howard government was then caught with a ship full of Australian sheep that were owned by a citizen of another country on a foreign vessel thousands of kilometres outside of Australian waters, but no Australian minister went to Jeddah.

The Australian government opted in those days to buy the sheep from the Saudi owner for $4.5 million. It then tried to offload the sheep in southern Iraq as food aid, allegedly based on advice from the British field commanders in the region. However, the British then raised concerns about security and any diversion of resources from key security roles. Discussion on options to place the sheep were then conducted with parties in Iraq, Kuwait, the UAE, Afghanistan, Ethiopia, Jordan, Egypt, Pakistan, Libya, Cyprus, Tanzania, Eritrea, Qatar, Italy, Poland, Israel, Ukraine, Argentina, Mauritius, Indonesia, Malaysia and a number of other countries, but no minister went to Jeddah. Consideration was also given to slaughtering the animals at sea, and the government even talked about bringing them home and putting them in quarantine. Finally, the government of the day was able to reach an agreement with Eritrea to offload the sheep in that country and, after 80 days, they finally walked off the ship. It was a great deal for Eritrea. Australia provided the consignment of sheep to the Eritrean government as a gift. We also threw in 3,000 tonnes of pelleted feed, a special team to provide technical assistance and an additional $1 million to offset the cost of Eritrea handling the animals—and they got to keep the change, with the Howard government agreeing that any funds remaining could be used for any other project in Eritrea.

The coalition is interested only in the politics of the situation, feigning indignation as they seek a political taproot here—nothing to do with the support of a sustainable industry. Why? Because we can look at the practice MV Cormo Express demonstrates—their real view. When put under pressure, when those opposite had to make a call, we saw how they behaved. No minister went to Jeddah. They do not share our interest in establishing sustainable supply chains and long-term sustainable solutions for the industry. In a joint press release of 15 June, Warren Truss, John Cobb and Senator Colbeck stated:

Coalition MPs, like all Australians, were appalled by the mistreatment of animals in some Indonesian abattoirs featured on the ABC's 'Four Corners' program. This behaviour is unacceptable to all Australians, especially our farmers, who take great pride in breeding and raising healthy and well cared for animals.

Despite this feigned concern, Mr Abbott, Mr Truss and Mr Cobb, amongst others, continue to call for an immediate resumption of trade—that is, when they are not calling for an election. They do this regardless of whether or not animal welfare standards can be assured, which is the licence to operate, the support from our community for this industry. I support the industry; they are just looking for supporters. As stated by the minister, the government has two clear objectives.

Mr John Cobb interjecting—

Mr GRAY: I am not sure which minister went to Jeddah. It was not you. Firstly, we want to ensure a system that provides appropriate welfare outcomes for Australian livestock and, secondly, we wish to provide the basis for a sustainable livestock export industry over the long term. As you know, Mr Deputy Speaker, I support the live animal
export industry. I have made this clear over the years that I have served the people of Brand—not just over the past months, when I was looking for votes, not just when trying to win votes but when it is hard, when you actually have to talk to the protesters, which I have done. I support Indonesia as a key market for our live exports and I have made clear that the industry should be conducted humanely. I have inspected the ships, I have inspected the feedlots, I have talked to the workers and I have met with the protesters, and I still support the live trade.

The government is committed to recommencing live cattle exports to Indonesia as soon as is practicable. We are working closely with the Indonesian government to ensure this important trade has a strong and sustainable future. The government understands that this suspension is difficult for industry and it is fully aware of the impact on rural and regional Australia, especially in the north. That is why Prime Minister Gillard announced the $30 million assistance package for those communities. It is also why members opposite seek merely to obtain political advantage from the distress of cattle producers and farmers. It is simply disgraceful.

I know the industry understands and supports the government's actions to ensure animal health and herd management practices are in place before this trade resumes. The live export trade is a key part of our livestock industry and a key part of regional economies in Western and Northern Australia. The government are working with authorities and industry to put in place systems that will ensure animals are treated humanely so we can get the trade with Indonesia up and running again as soon as we can, and as soon as possible. We as a government are not prepared to abandon the potential growth in this industry. We recognise the mistakes the Howard government made during the Cormo Express fiasco and the long-term impact that this had on the sheep industry and on our country, and we will not repeat those mistakes. Eighty days at sea and not one minister went to Jeddah. Contemplate killing those sheep at sea, and not one minister went to Jeddah. The disgrace of those opposite is palpable for all to see. As part of her speech, the member for Farrer, Sussan Ley, said:

We urge the government to do everything in its power to restart the live cattle export trade to facilities that can demonstrate humane killing methods.

We in the government could not agree more. Once we have established supply chain assurance that cattle are processed in appropriate abattoirs with tracking and transparency and independent auditing, we will restart that trade. We will not have a situation where cattle are left as the sheep were left—at sea, drifting around from country to country while discussions were held with the Iraqis, the Kuwaitis, the UAE, Afghanistan, Ethiopia, Jordan, Egypt, Pakistan, Libya, Cyprus, Tanzania, Eritrea, Qatar, Italy, Poland, Israel, the Ukraine, Argentina, Mauritius, Indonesia and Malaysia. We take action. (Time expired)

The DEPUTY SPEAKER (Hon. Peter Slipper): I remind the minister that he also ought to observe the provisions of standing order 64.

Mr HAASE (Durack) (16:35): I find quite amazing the feigned angst that has been discussed by the previous speaker. I have never seen such a performance and I do sincerely trust that, being a union supporter, the member has paid his dues to Actors Equity, because he is nothing but a stalking horse on this issue. There is no doubt whatsoever that when the accusation is made across the chamber that we are simply looking for political mileage out of this issue nothing could be further from the truth. Our
speakers involved in this matter of public importance today are directly involved in the industry. We are not metropolitan dwellers. We are not simply trying to cover up for a minister who has failed so significantly that he ought to be sacked. And this side of the House would be calling for that sacking far more vocally if it were not for the knowledge we all share that this poor innocent individual, Senator Ludwig, is simply another victim of an ignorant action by a Prime Minister who is out of touch with the cattle industry here in Australia.

If it were truly the case that this Prime Minister was well and truly aware of the pain, the suffering, the lack of ability to attend to financial responsibilities, she would take it upon herself to be involved personally in the outcome that would be a solution. As it is, she is standing back not wanting to be sullied by the situation because she believes that the majority of city dwellers must have more knowledge about this subject than the people that actually work in the industry. How wrong could she be. If ever there was an example of mistakes being made because of the constant pursuit of populist politics, this banning of the live trade by this Prime Minister is the greatest example. It will go down in history that a Prime Minister dared to inflict so much pain on the Australian people that puts this whole industry, which last year was worth $1.012 billion, at risk for all time.

Those battler families that have carved out a niche and a difficult lifestyle in Northern Australia—where their only ability with the pastoral land at their disposal is to rear and export live Bos indicus cattle—are damned by this Prime Minister without any indication of conscience. She spoke in this House yesterday about her desire to see this problem solved as quickly as possible. She overlooks the fact that it was her action that caused the problem in the first place.

We can go back to the footage and look at the circumstances of, firstly, its collection and, secondly, its distribution to the Australian people as a matter of absolute urgency. It was collected months ago. It went to air five weeks ago as a matter of urgency. What a lot of nonsense! The commentator in that footage, having collected the information, every night knew that those cattle were being treated in a similar way in those 11 abattoirs out of 735 across Indonesia. Did the ABC run any counterargument? No, they did not.

Who is culpable in this? We were told that we ought to be conscience stricken and ashamed of ourselves for allowing this practice to proceed, yet the very person that wormed her way into 11 select abattoirs to find some evidence of misdemeanour sat on it for nearly seven months, apparently without any conscience whatsoever. What is the credibility of this practice as demonstrated, horrendous as it was, as unacceptable as it is to anyone? Any human being would not accept that practice, more so those who are concerned with the breeding and fattening of good high-quality beef from Australia. Those persons would be the last to engage in such cruel activity. But where is the evidence that this is general practice?

I charge that, if that photographer went into abattoirs across Australia—indeed, even Tasmania—and waited to get selected footage, they would have been able to put something together that would shock every city-dwelling Australian in this nation. People in cities today have no contact with the bush. They do not understand the breeding of stock for slaughter for food. They do not understand the significance of that shiny package that comes on a supermarket shelf, that it was actually a living breathing thing and that an agriculturalist, possibly a pastoralist, deliberately bred it knowing that it was going
to be slaughtered. That concept has been far removed from city dwellers today. To be confronted with evidence that was held for months and then promoted in the most dramatic way was, of course, going to have an impact. Of course, there were going to be innocent, impressionable MPs scurrying to the Prime Minister saying: 'The actions of our agriculture minister are not sufficient in declaring that the majority will be banned. We want the whole trade banned.' What thought for a moment did they have of the families across northern Australia, infiltrating into southern Australia, that would go broke as a result? It has nothing to do about conscience, about fearing and denying cruelty to animals. It has nothing to do with that. It has got to do with the coldly calculated process of shutting down an industry in Australia that the perpetrator of that footage declared publicly was her aspiration before she went and collected the evidence.

If I were a vegan, I might have some cockeyed idea that I should stop the world from eating meat also. But I do not think I would be morally justified in sneaking into the night to gain evidence to send to an innocent population of Australia to gain an outcome for my organisation to extract dues from hoodwinked Australians to keep me in the self-promotion that I was accustomed to. If we are looking for dastardly deeds here, if we are looking for perpetrators of horrendous action, we should look no further than the member of Animals Australia who went to Indonesia and collected that damning footage.

There is a huge question mark over the legitimacy of the collection of that footage. We are getting all manner of stories back from abattoirs concerned about the circumstances under which the footage was allowed to be taken. If you analyse the footage, you see rank amateurs inappropriately dressed, grinning like cheshire cats, posing almost as momentary movie stars. What were they promised? We do not know that. We have not been told that. We were not given a balanced view from the ABC; yet this government, without a second thought, without any communication or negotiation, insulted a nation. They insulted a lifestyle. They insulted a process to the world and declared that Indonesia and their culture was substandard and unacceptable; and then the Prime Minister has the gall to suggest that she was surprised by the reaction from Indonesia. Well, the egg is on her face right now. She needs to make the mea culpas. Until such time as she personally involves herself in this debacle and develops a solution that will see the reinstatement of this industry and the compensation of the members of this industry, she has no right to claim legitimacy as a good Prime Minister for this nation. The PGA has already called for the sacking of the minister. This side of politics has no
tas yet because we know where the real responsibility lies for this debacle. It lies with the Prime Minister fairly and squarely. Only she can make amends.

Mr ADAMS (Lyons) (16:45): Let me comment on the member for Durack’s contribution. It was all about shooting the messenger and not dealing with the issue of where the problem was. It was all about politics and not dealing with his own constituency. It was a really poor effort and did not represent the cattlemen and the cattle families of his own electorate or the cattle families of northern Australia at all. I reject his allegation that Tasmanian abattoirs would be found to be the same as the images that we saw on the Four Corners program. I believe that Tasmanian abattoirs work under Australian standards and meet all of their obligations very well.
To restart this trade before we have resolved the issues that brought about its interruption could bring about an end to the trade forever in my opinion. It is ridiculous to give simplistic answers. The interruption to this trade took place because the slaughtering of Australian cattle did not meet the community standard that we demand in this country. That is why it was suspended. Meat and Livestock Australia has the responsibility of looking after Australia's reputation and the standards of this nation. I believe the restraining boxes that were set up in Indonesia were more about show than reaching the standards that Australians believe should exist. Animal welfare requires a much higher standard and I believe that Meat and Livestock Australia would have known that it was not reaching the standards it should have been. The social licence for Australia requires a much higher standard than that. The public response to those images on televisions around Australia is what brought about the intervention.

There is a need to face up to the mistakes that have been made. There is a big need to face up to that reality and to accept that there were mistakes. I thought by now there might have been some resignations. When the other side of this House calls for resignations on the political level, they should be calling for some resignations from their own side, from some of the people that would be their supporters. Why there have not been any resignations I do not know. Nobody has accepted the responsibility. I believe that there needs to be an acceptance of responsibility for us to move forward.

I was looking through LiveCorp's documentation on their roles. It reads:

LiveCorp also implements industry policy as determined by the Australian Livestock Exporters' Council (ALEC), delivers timely industry communication and drives additional value adding programs.

I have never seen any of those and I have never seen any communications from them through my office. They also have as one of their 10 industry goals:

To maintain government support and increase general community support for the industry through transparent operation.

I do not think they have lived up to their own missions and industry goals. I am sure they have failed every time, but we still have not seen any resignations from people who have been found wanting and certainly have not shown any responsibility or any transparency.

Australia is a major global player in the red-meat sector and we are among the world's largest producers of red meat. We are the second largest exporter of beef and sheep. In 2007-08 the gross value of beef and veal production in Australia was more than $7.4 billion—a considerable amount. We were right to suspend the trade after what had occurred. The members of this House would have received many communications from their constituents. I know how many I received from farmers in Tasmania about their concerns. There was a constituent in my office last week, a rather large one, who told me that he believed people should go to jail. He believed that we should be doing everything we can to re-establish the trade and reorganise it, but he also believed the people who are responsible need to bear their responsibility. I am sure there are many others around the country who agree.

To improve the animal welfare level and to get back to an established supply chain we need a system that we can all have confidence in to ensure that Australian animals are treated in accordance with OIE guidelines. Stunning-preferred processing is one of the major issues we have got to make sure happens. On traceability, the National Livestock Identification Scheme in this country is a very good scheme—something
we should be very proud of, as I am sure you are, Acting Deputy Speaker Scott. It is something that gives us a lot of security. It certainly gives us biosecurity, meat safety, product integrity in our overseas markets and of course market access in many areas. We need to make sure that that system is working right through this livestock export trade into Indonesia and that as animals leave Australia on a boat we can identify them as they go into the feedlot and into the abattoirs. We need to know where Australian animals are being slaughtered and the outcome. That is the way for us to get this trade back in place.

This industry needs to have credibility and it needs to have the support of the Australian people. It needs to have the social licence to do what it wants to do, and it will not get that unless it has credibility. It will not get credibility just by saying it has been done; there will have to be process that proves it is achieving what it said it would.

Let me clearly state that there is no question about the value of the live animal export industry—to Indonesia and beyond—to the Australian economy. I think it is worth about a billion dollars a year. There are people who are certainly finding it hard going now that this trade has been suspended. We know that, and many of us feel for them. We know that this goes right across the industry, from the landowners and the pastoralists right through to all the others who are working in the industry. Personally, being a former meatworker, I would always prefer to have no live exports and concentrate on giving our meat producers the opportunity to work towards maximising their income through ensuring that animals can be traced right through to the supermarket or to the local shop. It always strikes me as a waste to ship beautiful, almost finished animals offshore to be marketed there just as meat, without us having a chance to brand it, to regionalise and identify it or to have some control over quality.

No-one in this government would want this suspension to last a day longer than it needs to, and I believe that we can work towards a proper and sustainable industry that can have the credibility of the Australian people. But if we fail that, this industry will be lost to Australia. Racing back in is not the answer.

Mrs GRIGGS (Solomon)  (16:55): I rise to speak on this matter of public importance: the urgent need for the government to revoke the live cattle export ban. As I stand before you today, not only are our farmers suffering but thousands of cattle are starving in stockyards across Northern Australia. I refer to an article dated 29 June in the *NT News*, titled 'Cattle "have to be shot"'. I would like to quote a few words from the article:

The live export ban means 8000 Brahmins will have to be shot before they die of thirst, a shellshocked Marlee Ranacher—daughter of NT cattle icon Sara Henderson—said last night. She said the water was drying up, and the Bullo River Station dynasty had run out of cash to buy diesel to run the bores. 'We can't pump water for them—we have to start shooting them. I can't watch them die of thirst. It's a disaster beyond comprehension.' …

'...I actually thought we lived in a democracy - not only have (the Government) not looked after the welfare of its people, they've not considered the welfare of millions of cattle. I don't know what we're going to do.'

That was a week ago, and the Gillard Labor government continues with what we can only describe as an economical, human and animal welfare disaster happening right before our eyes. These now starving and thirsty cattle were stopped from being exported because of a knee-jerk reaction by a panicked Gillard Labor government. The
result: an animal welfare issue in our own country.

I have been asked by the people of my electorate of Solomon and the greater Northern Territory to tell you today that this total ban on live exports is damaging. It is damaging to families, businesses, Indigenous and non-Indigenous jobs, the greater community and the welfare of our cattle. This total ban must be lifted as soon as possible.

I stand before you today as a concerned member of parliament and a lifetime Territorian through and through. No-one can deny that animal cruelty is wrong, but a blanket ban on live exports will be disastrous for Northern Australia and will not stop the cruelty inflicted on animals exported from other countries into these rogue abattoirs. Blanket banning of Australian animals from being exported to Indonesia will not stop the cruelty. Let me make this very clear. Australian cattle farmers are appalled by the treatment of their cattle. They are appalled by these rogue abattoirs. This Gillard Labor government should resume the livestock trade immediately and trade with the abattoirs that comply with best international standards. The rogue abattoirs will have two choices: either meet the international standards or lose the business.

If we turn our backs on this trade we lose our position to negotiate, to resolve the issue and to stop the cruelty. Cattle production is worth around $300 million a year to the Territory economy. The live trade to Indonesia represents a massive 47 per cent of our total live cattle trade. The total ban directly impacts cattle producers and businesses such as the transport or trucking industry, farming families and feed suppliers. The ban also indirectly affects accountants who do the books for the cattle producers, the fuel suppliers and so on.

I was recently on Pete Davies's radio show, 360. During the show we received so many outraged calls from Territorians who were not happy about the total ban. Most of them were not from farming families. They were people who know that they will be indirectly affected by this total ban. These people were not happy, because they know not only that the ban will impact farmers and the Northern Territory economy but also that it will not stop the cruelty. This total ban is going to hit all of the Territory, and it is going to hit it hard. About 10,000 Territorians, including 700 Indigenous Australians, are being directly and indirectly affected. There are an estimated 54 Indigenous cattle properties in the Territory. All of them are affected. They, like the other businesses in the Territory, face an uncertain future. The damage to the Australian industry will be vast and difficult to recover from. As one of my constituents said to me last week: 'The cruelty seen in Indonesia is now being dealt out to our farming families of Northern Australia.' How true that is. Their livelihood is about to die as cruelly as the cattle in Indonesia. The constituent who said this to me is not alone and he is not wrong.

My office has been inundated with calls, emails and letters from people all over Australia but mainly the Territory. Most of them are fearful and angry about this total ban, particularly the implications that it has for them and the Northern Territory economy. This issue needs to be resolved in a matter of days, not weeks, not months. This industry is at risk and so is the Northern Territory economy.

Another recent article in the Northern Territory News read: 'Cattle catastrophe coming: don't penalise us for rogue abattoirs'. The article focuses on the Muldoon family, who run 40,000 head of cattle in the territory. Mrs Muldoon said in the article:
The government has made a serious misjudgment here; they made a really bad call on this.

True. They, like many of the 300-plus cattle-farming families in the Territory, will lose their income and may have their mortgages foreclosed on them. This is simply unacceptable.

The Northern Territory Cattlemen's Association know full well the live export trade is not something you can just turn on and off when it suits you. They know the impact it has on the local and greater community. This is their industry, it is their livelihood, but unlike Labor they are looking at what is in the best interests of the farmers and the best interests of the cattle.

Luke Bowen from the Northern Territory Cattlemen's Association summed it up when he said:

Your government tried to turn the power off at the wall and do you now expect to just switch it back on at a time when it suits you. They know the impact it has on the local and greater community. This is their industry, it is their livelihood, but unlike Labor they are looking at what is in the best interests of the farmers and the best interests of the cattle.

I am not convinced that this government cares about Territorians, especially those Territorians who will be affected by this total ban, nor do I think it cares about the thousands of cattle starving and dying of thirst. Well, I care. I want my colleagues in this place to know that this Gillard Labor government, through its failure to competently administer Australia's live cattle export industry, has put serious pressure on Northern Australian families. Desperate to get the message to the government, a constituent of mine has started a Territory-wide petition urging the Gillard Labor government to stop the cruelty, not the trade. I will table that petition in the next sitting period.

The Northern Territory Legislative Assembly was specifically recalled early to discuss this total ban and the impact on Territory families. Unlike the Gillard Labor government, the federal and Territory Country Liberals have flown to Indonesia to try to find a way to resolve this issue. We the coalition believe that there are ways to ban the cruelty and not stop the trade. The point that seems to be missed in this debate is that there are internationally accredited abattoirs in Indonesia. Why are we not exporting to them? That is why the Gillard Labor government should lift the export ban.

Unlike the Gillard Labor government, the Territory Labor Party has used its common sense to realise the decision of the Gillard Labor government was wrong, rushed, not thought out, arrogant and ignorant. Like many Territorians I am sick and tired of this Gillard Labor government's knee-jerk reactions to issues as important as this. This total ban on live exports is another example of the government making decisions that affect our country without considering the short- and long-term implications across our nation.

As a federal representative from the Northern Territory I have some questions for those opposite on behalf of the people of the Northern Territory: why isn't the Labor member for Lingiari representing the people on this issue? Why hasn't Senator Trish Crossin voiced her people's concerns? Why are they silent on this issue when the people of the Northern Territory, who elected them, are calling on them to speak up? I call on the member for Lingiari and Senator Crossin to join me and Senator Scullion and represent the people of the Northern Territory by calling on the Gillard Labor government to revoke the ban on live cattle exports. My Liberal colleague Senator Scullion and I are certainly being vocal on this issue.
The issue here is obvious. Yes, animal cruelty is wrong, but the issue is not trading live cattle overseas. The implications of this ban stretch far beyond the property lines of Australian cattle stations. The Gillard Labor government needs to open its eyes, look at the bigger picture, admit it got it wrong, fix the cruelty and save the trade.

Mr MITCHELL (McEwen) (17:05): I have listened to all the babble from those opposite, particularly the member for Durack, who spent 10 minutes not facing up to any facts or realities but just coming up with more three-word slogans, more drivel, more rubbish. He wants to blame the messenger for this.

We should sit down and have a mature conversation—I know it is difficult for those opposite—and look at why this trade was suspended. It was suspended because of cruelty to animals. Everyone who has seen that footage knows that that cruelty was appalling. The question I would like to ask those opposite, as they sit there with their empty blank faces, is: how long did Senator Coonan have that video footage? She never came out and said that she had it. Has she been talking to you about it? Did she say to you that she was in possession of that video footage long before it came on the ABC? No. That is the hypocrisy of what goes on opposite. You sit there and want to blame the people who brought the footage to everyone’s attention.

When I was working at DPI in Victoria we went to markets and we saw cruelty here in Australian. The member for Dawson wants to blame religion; he says that is the problem. That is just the sort of absolutely appalling thing that you would expect from such a barbaric person as he is.

The DEPUTY SPEAKER (Hon. BC Scott): Order! The member for McEwen will withdraw that reflection on the member for Dawson.

Mr MITCHELL: I withdraw. They want to blame the religion and they want to blame the people that brought the video footage to people’s attention, but they do not want to stand up and face up to the fact that they are partly to blame for this. They were the ones that set up MLA, they were the ones that set up self-regulation and they were the ones that set this industry up for failure. During the whole 11 dark years of the Howard government, they did nothing—they closed their eyes and hoped that it would go away, but they did not do anything. What did you do when there was an issue with the live export of sheep to Saudi Arabia back in 2003? What did the government do? I know the member for Bennelong, who is in the chamber, would not have a clue, but what they did was impose a blanket ban, a straight two-year blanket ban. You put the live sheep industry at risk for two years with a blanket ban—not a temporary ban until the problem was sorted out.

We are trying to do the right thing by the industry by giving them the chance to go forward, giving them the chance to continue for the long term. Do you remember, when there was a problem with poor handling of cattle in our exports to Egypt in 2006, who was the minister at the time who imposed the blanket ban? I know the member for Bennelong would not have a clue, but it was Minister McGauran of the Nationals. He is the one who put the suspension in place in 2006, a suspension that was not lifted until 2008.

They sit there and make this feigned outcry: ‘Oh, the poor industry!’ But when you actually have a look at their history, when you look at what they have done over time, you see that they have actually put this industry more at risk than anyone else. So it
is up to us, the Gillard government, to sort it, to fix it and to get it back on track. That is what we are doing. The member for Bennelong laughs but that simply beggars belief. You have no idea what you are laughing about.

Mr Alexander: I have a very good idea.

Mr MITCHELL: You have no idea at all. You have yourselves imposed blanket bans which have lasted for two years at a time, yet you say how bad it is that we have suspended live exports.

The DEPUTY SPEAKER: Order! The honourable member for McEwen, by use of the word ‘you’, is referring to the occupant of the chair. I am sure that is not his intention and I would counsel him to observe the standing orders.

Mr MITCHELL: I was definitely not referring to you, Mr Deputy Speaker, and I apologise if that is the indication that I gave. There is no way I would do that.

Those opposite know that an independent reviewer has been appointed to undertake a complete supply chain review of the live export trade for all markets. The independent reviewer, Bill Farmer, will inform us on both the design and the application of the new safeguards. We need to put these safeguards in place.

I notice the member for Casey over there. I am sure that if he went back to his electorate and checked his local markets he would probably find that there were a couple of issues with DPI and animal cruelty in his area going back four or five years. But, as is typical, he has his back turned and is not interested. It is far easier to sit there and try and claim a political point than to sit down and say, ‘How do we get through this properly, quickly and effectively so that we sustain the industry in the long term?’ That is what Bill Farmer is doing. He is going to inform us on the design and application of these new safeguards.

We, the Gillard government, are working extremely closely with the Indonesian government and with industry to bring about improvements in practices in abattoirs to make this important trade sustainable for the long term. In the meantime, we have provided a package to assist the people out there who are hurting during this temporary suspension. This assistance package will make sure that employees and small business owners who earn the majority of their income from the live cattle trade to Indonesia receive support in the short term. That is important because we know that this is a painful issue. We know that when industries are facing hardship we have to try to help people along.

We can remember, during the Howard government, that the only time any industry that was going bad got any support was when it was run by a bloke named Stan Howard. They did not care when jobs were lost in many industries and many businesses. People turned up for work on a Monday morning and were told, ‘Sorry—no superannuation, no pay, no job.’ You could not have cared less about that. When it was Stan Howard, though, you were in there straightaway and sorting it out.

I also have to pick up on what the member for Durack said in his 10-minute rant. He tried to say, ‘We do not need to have this city-country divide,’ but then he said, ‘All the people in the city are stupid; they do not understand cattle and they do not understand what goes on on farms.’ That is an absolute joke—to sit there and say that all people in the city have no idea. You have to wonder about the credibility of someone when he comes out with such silly remarks and then tries to blame the people who brought the video footage out. It shows that they are out
of touch, that they are arrogant, that they have absolutely no idea and that anything more than a three-word slogan is beyond their intellectual capacity.

We know that we have a lot of work to do to get this trade back up and running and to do it quickly. We know that and we have been working closely with key stakeholders. I met with the Northern Territory Cattlemen's Association in the last sitting week and I spoke to them about the issues they are facing. They all agree that we have to sort this out—that we cannot have our animals sent over there when we cannot guarantee the supply chain and when we cannot guarantee that each animal that goes across there is going to be killed in a humane manner. Until we can do that, until we can be assured that we have those safeguards in place, we need to work through this to get things up and running.

You would think that a company such as MLA, who get many millions of dollars a year, would be out there, as the peak body to the industry, doing their best for that industry. It is clear that they have not done that. It is clear that they have failed the cattlemen; it is clear that they have failed the industry. They should be out there working hard to get the industry going again, but they are not. It gets left to the government to do the work because of their incompetence—and I say 'incompetence' because a peak body should be making sure that markets are safe. If that is their key objective and that is their key product, they should be out there making sure that their product is safe and there is a sustainable future for that market. But they have not done that. They have let the cattlemen down. As was suggested previously, maybe that is where heads need to roll. Maybe the people at MLA should be told: 'You have failed. You should take responsibility. You should make the ultimate sacrifice.' I think that is what needs to be done.

Paul Holmes a Court, a cattleman, said that there was no doubt that the suspension was going to be financially devastating for everyone in the medium term, but that it was necessary if we were to establish the systems required to secure the industry's long term future. He also said on 10 June:

Currently our industry can't guarantee that our standards will be met all the way down the line. The ban should only be lifted once we have an independent, auditable system which will allow that to happen.

The government is working with the industry and working with the Indonesian government, and we should be ignoring the hypocrisy from those opposite, which has become so predictable. They are saying one thing and doing another. This government is doing the right thing by the producers, by the cattle, by the trade and by the families that are involved. We will defend and support the long-term interests of the live cattle trade and we are committed to doing so in a sustainable way. (Time expired)

The DEPUTY SPEAKER (Hon. Peter Slipper): The discussion is concluded.

BILLS

Family Assistance and Other Legislation Amendment (Child Care and Other Measures) Bill 2011

National Consumer Credit Protection Amendment (Home Loans and Credit Cards) Bill 2011

Military Justice (Interim Measures) Amendment Bill 2011

Intelligence Services Legislation Amendment Bill 2011

Migration Amendment (Strengthening the Character Test and Other Provisions) Bill 2011
Mutual Assistance in Criminal Matters Amendment (Registration of Foreign Proceeds of Crime Orders) Bill 2011

Returned from Senate
Message received from the Senate returning the bills without amendment or request.

COMMITTEES Membership
The DEPUTY SPEAKER (Hon. Peter Slipper): Mr Speaker has received two messages from the Senate informing the House of the appointment of senators to certain joint committees. As the list of appointments is a lengthy one, I do not propose to read the list to the House. Details will be recorded in the Votes and Proceedings.

The messages read as follows—
In accordance with the Law Enforcement Integrity Commissioner Act 2006, Senator Wright has been appointed a member of the Parliamentary Joint Committee on the Australian Commission for Law Enforcement Integrity;
In accordance with the Australian Securities and Investments Commission Act 2001, Senator Milne has been appointed a member of the Parliamentary Joint Committee on Corporations and Financial Services;
In accordance with the Parliamentary Joint Committee on Law Enforcement Act 2010, Senator Wright has been appointed a member of the Parliamentary Joint Committee on Law Enforcement;
In accordance with the Public Accounts and Audit Committee Act 1951, Senator Milne has been appointed a member of the Joint Committee of Public Accounts and Audit; and
Senator Birmingham has been discharged from the Joint Standing Committee on Electoral Matters for the committee's inquiry into the funding of political parties and election campaigns.

BILLS
Telecommunications Legislation Amendment (Fibre Deployment) Bill 2011
Second Reading
Debate resumed on the motion:
That this bill be now read a second time.
Mr BRUCE SCOTT (Maranoa—Second Deputy Speaker) (17:15): Last night I was talking about the need for clarity and certainty for greenfield sites. In my electorate, with the Surat coal basin, many developers have had to look at housing and industrial site developments without any certainty about how this infrastructure is to be rolled out—pipes and pits; is it going to be Telstra or will it be NBN Co.? The Minister for Broadband, Communications and the Digital Economy said there would be consultation with the industry, but every time the industry—in this case developers—went to either Telstra or NBN Co. they were not willing to give an answer because they did not know; this government had not consulted. At last we have some legislation that will enable developers to proceed with some certainty. However, the lack of industry consultation in coming to this position is disappointing. The government have failed to talk with stakeholders, they have failed to consult with the communications industry, and in this whole project they have simply not done their homework.

In December last year Senator Conroy said in relation to government policy on these new developments:
It has been a consistent feature of the Government's policy in new developments that there should be room for competing providers. We would agree with that. Senator Conroy went on:
This continues to be the case … Providers can compete to provide infrastructure in new
developments, for example, by offering more
tailored solutions to developers or more expeditious delivery.

Notwithstanding what the minister said in
December last year, on 13 May this year
NBN Co. issued a press release referring to
an agreement signed with subcontractor
Fujitsu and its construction partner Service
Stream:

… Fujitsu will manage the design, construction
and associated works for the deployment of fibre
to new developments …

So much for consultation with the industry;
so much for looking at competing ideas. This
was just signed up—

Ms Marino: A done deal.

Mr BRUCE SCOTT: It was a done deal,
I imagine done behind closed doors.
Certainly there was no consultation with the
industry. Notwithstanding all of that, we and
the developers now know what is happening.
We have to play with the cards dealt us. In
my electorate of Maranoa developers in the
Surat coal basin have been desperately
ringing my office wondering what on earth
they can do—how can they go to their banks
and raise debt to roll out these new
infrastructure projects, including housing?
There is a desperate shortage of housing. In
the last six months rents in my home town of
Roma have gone from $250 per week for a
three- or four-bedroom home to $600 per
week, with three-monthly reviews—and
those rents are still going up. Of course part
of the problem with new housing
developments is the failure of the govern-
ment to give certainty when it comes to the
rollout of optic fibre cable and the pits and
pipes that are associated with rolling out
communications technology into new
developments. We have come to expect that
from this Labor government. They talk about
big projects, but just look at the project they
implemented in response to the GFC. Do you
remember the BER school halls project?

Here we are in 2011 and they are still
building school halls in my electorate. They
are winding back costs all the time because
they have blown the budget and, as well,
costs have increased over this time because
of the inflationary effect.

Where is the cost-benefit analysis of this
whole project? There needs to be rigour;
there needs to be a cost-benefit analysis done
on this $50 billion investment. After all, it is
ultimately going to be taxpayers' money—
my money, your money, the money of the
people in the departments here in Canberra,
the money of hardworking Australians—that
will be put at risk. They deserve to know
what a cost-benefit analysis of this project
would show. We should be developing the
nation's backhaul and replacing old
technology. That is a given; we agree on this
side that that is sensible. We should be
replacing it from the inside to the outside of
Australia. The member for Grey would well
know that there are microwave links in his
electorate, as there are in my electorate, and
that some communities today are still
serviced with single-channel radio systems
for basic clear voice signals. Yet we hear
from this government that maybe these
communities will get satellite technology
for clear voice signals for telephones. The
government say that this project will be
complete by 2020, but these people will still
be on single-channel radio systems and
microwave links for communications—and
for the internet, in some cases—with the
main backhaul network covering this nation.

We should be investing out there. Of
course, the coalition's policy would have
covered that. Had we been elected and had
the Independents who sit behind us here
supported Tony Abbott for Prime Minister,
we would be doing those sorts of things now
because we had money to invest in
partnerships in communities where the
market fails. That is where taxpayers' money
should be going. Where the market does not fail it is for businesses to compete against other businesses to roll out this infrastructure. But no, not with this government. They are getting rid of what was once a monopoly and are now creating a government owned monopoly.

Before it is too late, we should have this whole project referred to the Productivity Commission for a clear cost-benefit analysis. That is what the Australian taxpayers deserve. The very least that this government could do would be to refer it to the Productivity Commission. The Productivity Commission would be an honest broker and bring forward not the coalition's or the government's but its cost-benefit analysis of this $50 billion project.

As I said a moment ago, we can look at those areas where markets fail to build new infrastructure, such as in the outback of my electorate, in rural areas or even in outer metropolitan areas. I know that the outer areas of Melbourne—when you get up into some of the smaller communities in the hills—they are a long way from the main backhaul networks of Australia. We on this side of House agree that people do need access to affordable high-speed internet. It has loosely been called broadband, but I like to talk about high-speed internet. I am not a technical guru, but it is high-speed internet. Whether it is in those outer metropolitan areas, in the outback of my electorate, in the electorate of the member for Grey—

Ms Marino: Or the member for Forrest.

Mr Bruce Scott: or the electorate of the member for Forrest, in Western Australia, which is similar, there are areas where markets will fail, and under this government, should they be re-elected, the suggested date by which communities in the outback of my electorate might getting connected is 2020. I see the Parliamentary Secretary for Trade at the table and I am sure that in the seat of Richmond there would be places where the backhaul is deficient today.

Mrs Elliot: They are very excited about the NBN.

Mr Bruce Scott: I would be most interested to do a run through of the seat of Richmond because I am sure there will be people there who will be waiting until 2020. Yes, it is coming their way, but I am sure this is not the government that will be delivering it to people living in areas where markets fail. We know that markets fail and that is where there is a role for government.

I want to touch on a couple of other issues because they are important. We have recently seen executives of Regional Development Australia writing to our councils to ask them for between $5,000 and $10,000 to do a survey of the 3G deficiencies in those areas. For heaven's sake, does the government not know? It is going to spend $50 billion and now it is asking ratepayers to contribute up to $10,000, through their local government rates, to map the areas covered by 3G or wireless in those communities. It is very curious. I thought the government was talking about fibre to the premises, but what is this survey of wireless coverage in regional communities about? The government is asking the ratepayers to pay for something they do not yet have and may never get.

The other issue I will be watching very closely under this model that the government is putting together is the adequacy of the funding for the universal service obligation. I understand that Telstra is going to be required to continue to provide that universal service to ensure that all Australians have access to affordable telecommunications. Telstra has always done that. I am particularly concerned about whether the money that is coming either out of the
budget or out of NBN Co. will really be adequate. What happens if the money is not adequate and the budget gets tougher? The government is looking at this mythical surplus in 2012-13, but it might have to cut back somewhere. Who is going to miss out? It could well be the universal service obligation where $50 million has been allocated from NBN Co., which will then go up to $100 million.

I have great faith in Telstra Country Wide. They have been out there and they are the people who have always made sure that telephones are connected when the market fails to do so. When the floods swept through our areas they were the ones who went out to clean out the pits and get the communications going. It is hard enough in remote parts of my electorate to get an electrician or a plumber, but how on earth are you going to get a telephone technician when the funding for the USO may not be adequate? It just will not happen. That is a concerning issue that I will be watching very closely as this government continues to blunder along. I have real concerns about how the government is dealing with this. It should be referred to the Productivity Commission for report because the taxpayers deserve nothing less. (Time expired)

**Ms Marino** (Forrest—Opposition Whip) (17:29): I rise to speak on the Telecommunications Legislation Amendment (Fibre Deployment) Bill 2011 and support the amendments foreshadowed by the member for Wentworth. I note a number of similarities with my electorate in the comments made by the member for Maranoa about his electorate. As the member said, this bill is another part of the government's NBN monopoly plan—nothing more and nothing less. The dissenting report of the coalition members of the Joint Committee on the National Broadband Network supported the policy aim of greenfields developments being, wherever possible, rolled out with fibre to the home. However, this cost is not necessarily a major cost overall when you compare that to the massive costs of overbuilding and rolling out fibre to the home in brownfields areas. The dissenting report states that this bill should be amended and says, firstly:

The regime established by the Bill is unnecessarily slow and bureaucratic for property developers.

And that is a concern for those on the ground. Secondly:

The Bill as presently drafted represents a missed opportunity to take advantage of the existence of the CGOs—competitive greenfields operators—to impose effective competitive and cost discipline on NBN Co.

Thirdly:

The regime established by the Bill is damaging to competition in the market for the provision of new fibre infrastructure.

All of these issues to do with competition are reflected in this government's aim to create an absolute and utter monopoly. It is now four years since Labor was elected, promising superfast broadband for the princely sum of $4.7 billion, which clearly was not enough for them. It certainly has not been rolled out in underserviced areas in the past four years. No additional broadband access or capacity has been delivered at all by the government in my electorate in those four years. But the people in my electorate will all share in the $50 billion that the NBN will cost, whether they like it or not—if indeed that is actually the final cost when it is finally completed, sometime I suspect well beyond the 2020 proposed delivery date. People in my electorate will be looking at this very closely because they know that they will have to share in the cost.
Much of my electorate will not receive fibre to the premises or fibre to the node. Many people will have to have satellite and wireless at up to 12 megabits per second—the equivalent of what is currently available with ADSL2 and certainly a long way from the promised 100 megabits that city based residents will have access to; something the member for Grey would understand. This may also prove problematic for the government monopoly, because research shows that people are not always necessarily willing to pay a premium price for increased speed.

Another issue for my electorate is the potential use of overhead versus underground cable with the rollout of the NBN. A number of areas in my electorate of Forrest are prone to bushfires—and other members in this House are in similar situations in their electorates. The constituents in my electorate really want to know when the NBN will be rolled out in their part of the world and whether the NBN will be using overhead or underground cabling throughout the south-west.

As members on this side have previously said, the goal of a national broadband network should be to deliver affordable access to all Australians. We want fast broadband that is accessible to all Australians but we do know that the government's NBN is the most expensive way to achieve this goal. There is no guarantee that broadband access prices will actually be cheaper for consumers. They certainly will not be cheaper without genuine competition in the market. The ABS confirms that the biggest barrier to internet access in Australia is actually household income. Put simply, 34 per cent of households in Australia on $40,000 a year or less do not have access to the internet. If those on marginally higher incomes were able to afford to access the internet, they would simply approach an ISP and pay perhaps $40 per month for a subscription. Now, thanks to the Labor government's NBN, Australians will not only pay their monthly subscription but also pay their share of the $50 billion, and they will have to share the economic risk that goes with this whole NBN Co. plan.

We also know that the NBN will be the most anticompetitive government-owned telecommunications monopoly in the world. So we are setting a new benchmark, but it is one which I think most of us would be very concerned about. To exempt NBN Co. from the competition and consumer laws is proof that the government are very aware that the anticompetitive elements cannot be supported by public benefits, otherwise they would not be doing this. There is no precedent for this exemption. Accountability and transparency are really sacrificed in this whole NBN process. In fact, NBN Co. completely destroys the gains made by the telecommunications act 1981, the one that opened markets to competition, that reduced cross-subsidies and set clear parameters on political interference—it is reversing that.

As we have heard repeatedly, there has been no cost-benefit analysis and no Productivity Commission inquiry. It says a lot about the government's proposal that they would not subject it to a Productivity Commission inquiry. Telstra is going to be paid to shut down its copper network and for 20 years restrict the promotion of wireless as a competitive alternative to the NBN, and actually be paid bonuses to migrate customers to the NBN. That is a closed loop if ever I heard one, and I am sure the member for Grey and the member Tangney would agree with me. I saw in one newspaper:

Australian taxpayers' latest NBN horror show.
One thousand staff, 561 customers—remember this?—34 staff earning $300,000 to
$400,000, $132 million in staff costs and still $36 billion left to spend. That was in one newspaper. They called it 'Australian taxpayers' latest NBN horror show'. And once again, in developing this legislation, the government left industry in the dark—yet again failing to engage. As we know and we keep hearing, many in the industry object to details in the draft regulations. But of course it appears that that is irrelevant to the government. And as I said, the Labor government's handling of the whole NBN process has been one debacle after another, ever since the NBN policy was announced in April 2009.

I referred previously to the Productivity Commission. The Productivity Commission should be conducting a full examination of the NBN proposal, a project which is going to cost this nation in excess of $50 billion. We have seen in so many of the government's other programs—Building the Educating Revolution, home insulation, even delivering computers in schools—the enormous budget blow-outs. I share the concerns of so many others that this $50 billion project could well become far greater than that. If we see the same sorts of cost blow-outs as we saw in the BER, that will be a real issue for taxpayers in this nation.

I agree with the member for Maranoa—someone like me, who has a rural and regional constituency and is very concerned about the USO. This is the one thing that guarantees people in rural and regional areas continual access to services, and they rely on them. If you live in a regional area, you know that telecommunications are so important to you.

**Mr Ewen Jones:** Cyclone.

**Ms Marino:** Cyclone, any issue. Frequently it is a matter of life and death. That is what telecommunications mean in a rural and regional area. People need to have confidence that they will have access to their telephones and to all the services previously provided by Telstra. There were time frames around that, but as we are aware, there are $50 million allocated to the NBN. Whether this is sufficient to deliver over time remains to be seen. However, $50 million on a USO to service the majority, all of Australia in rural and regional areas, is a major issue for my constituents and for those right around Australia in rural and regional areas.

As I said earlier, this is a life and death issue for some people. I get phone calls in my office from people who may have gone two days without a telephone. If you have overhead cabling and you do not have access, you are completely isolated. Most of the information people receive now comes that way and that is what they rely on. Like so many people, I have great concerns about NBN being a government monopoly. I have concerns about the lack of transparency, the lack of accountability and the fact that there is going to be so much going on in NBN Co. that taxpayers and this parliament will never ever know about.

In conclusion, there is no doubt that all Australians should have access to fast, affordable broadband, but certainly not at the price it is going to cost them. Along with many members on this side, I am very concerned that the $50 billion may well be just a start. With a 2020 time frame for rollout or access, it is going to be those of us in rural and regional areas who will be waiting the longest and will be most in need. These are the underserviced areas the government has chosen not to take up as a priority. So I support the amendments moved by the member for Wentworth.

**Dr Jensen** (Tangney) (17:42): The National Broadband Network continues to be plagued by cost blow-outs, rollout disasters and questionable business practices, yet the
Gillard government are barrelling ahead, unfazed by the mess they are really in. We have long known that Telstra, under its deal with NBN Co., will be forced to rip out its copper network to make way for a fibre replacement, but we are neglecting the ultimate consequences this will have for the end consumer. Closing down the copper network will force customers who only use a phone line to switch to NBN Co. retail service providers. As you can understand, pensioners who have been with Telecom or Telstra all their lives will not be happy changing providers, but what really bites is that this change will mean higher service costs. Customers will potentially pay a higher retail internet rate for their phone service as opposed to the line rental and fixed price package they have always signed up for.

Minister Albanese, in the consideration in detail stage, could not guarantee that those people who do not wish to be hooked up to NBN Co. will still be able to access a telephone-only service for the $19.95 a month plan, including line rental, Telstra currently quotes for a home phone service. Simon Hackett, founder and managing director of retail service provider Internode, recently gave an interview with the Business Spectator, and his predictions on service costs do little to allay my fears:

The NBN Co.'s business model says they need to earn $33 to $34 per month, per customer, on average to pay the government back. The NBN Co's business model says they need to earn $33 to $34 per month per customer on average to pay the government back.

I repeat that this is $33 to $34 per month per customer—wholesale. He says:

Yes. I'm talking about wholesale price, but it will directly reflect into retail price.

Just the amount that NBN Co. need to charge each customer wholesale exceeds the current commercial rate that is charged for a retail 25 megabits per second service. Hackett continues:

... we and everyone else are just going to add a reasonable commercial margin to those costs and charges, so like the NBN we are just passing on government policy in terms of what that does to consumer prices.

Senator Conroy continues to tell the Australian parliament that one of the benefits of the NBN is to lower the price of services to consumers. But to maintain the fated seven per cent return on investment as outlined in their business case, NBN Co. must charge a premium price for its backhaul and thus the cost to the retail service providers will be in the order of $50 to $60 per month for a 25 megabits per second service. Senator Conroy continues to quote the rollout prices of the Tasmanian trial but, as we now understand, the retail providers are yet to be charged for access to this network. After all, this is just a trial and does not represent commercial reality. Senator Conroy clearly misunderstands basic economics. The $29.95 per month fee provided by one retail service provider could increase to $59.95 once the NBN backhaul charges are applied on the mainland.

How can the government justify this significant increase in cost for broadband services during a time when average Australians are struggling to meet their basic needs? The likes of Dodo and TPG currently offer a 24 megabits per second service for $29.95 per month. If the average Australian has to pay more for their internet access, would this not drive more people to cheaper and just as fast 4G networks? The NBN Co. business case assumes a cap of 17 per cent of the market accessing wireless services. But Telstra and Optus are building 4G networks Australia wide. Two profitable companies would rarely invest billions of dollars for a share of the market of only 17 per cent.
These telcos know they have the economic and technological edge. Telstra now have $11 billion to further develop this NBN competing technology, courtesy of government policy. Their wireless networks can provide internet access from as low as $20 a month and NBN Co. can only offer through its retailers a basic service at $50 to $55 per month. Telstra will be laughing all the way to its shareholders—a copper network that it no longer wanted and funding to develop a wireless network in direct competition with the NBN, courtesy of the government.

Not only is the 17 per cent wireless cap blown out of the window but the seven per cent return on investment will also never be reached. Further, according to the NBN Co. business case, the writers have assumed as part of their modelling that 100 per cent of greenfields sites within the fibre footprint will be serviced by NBN Co. It is my understanding that already there are other companies developing greenfields sites, so the 100 per cent is clearly shot. How does this affect NBN Co. modelling if it does not get all greenfields sites? Will this affect the seven per cent return on investment? The government is the guarantor of a huge equity injection into NBN Co. But the government expects this money back. It is not a subsidy; it is not a grant; it is a commercial investment needing a commercial return—so we are told. As we know, that means everyone in the city is going to have to pay more than they could have for the NBN in order for country consumers to pay the same price. So the cross-subsidy is actually coming out of consumers' pockets, rather than subsidies provided by the government.

There is a huge amount of pressure on that seven per cent figure that I have mentioned. Given the issues of take-up, wireless competition, greenfields developments, wage break-outs and infrastructure cost blow-outs, the government faces significant pressure to deliver on its NBN promises. But does the government have a contingency plan if the NBN cannot make a return on its capital? Removing the moral hazard inherent in bailing out a government backed enterprise, would the government allow the NBN to fail? If the government had to raise more money, would this come from consolidated Treasury revenue? If NBN Co. were to fail, would the government look at selling it back to Telstra? Do you think Telstra expects NBN Co. to fail?

The coalition is asking these pertinent questions but answers from Conroy and Gillard that refrain from focus grouped hyperbole—or, for the benefit of the Prime Minister, 'hyper bowl'—are few and far between. Private enterprise is always better than government at running a business. Even from afar we can see that Telstra is running a game plan whereby the final outcome of its $11 billion deal with the government will be to buy NBN Co. from the government. This will of course include the buyback of its infrastructure at a reduced cost to supplement its already thriving wireless services. Are the government and Senator Conroy happy to be bested by Telstra in the game of business? Is the senator a pawn in Telstra's endgame, a mere naive recalcitrant who is holding a losing hand and does not even realise the game has been won and lost, right now, under his management? The winner, as always, will be the more efficient private sector, the loser being the taxpayer and Senator Conroy. Nobody is suggesting the government does not have a role to play. Government can do a lot of good, but only if it settles for being the handmaiden of the market. There are serious issues, but the waters grow murkier.

I have received information that complaints have been made to Senator Conroy's department regarding breaches of
the commercial-in-confidence contracts signed by the companies who entered the NBN Co. greenfield tender process. The companies involved are complaining that NBN Co. had stolen intellectual property provided to the government through its tender process. Mr Deputy Speaker, I am sure that you can understand the seriousness of stealing another company's intellectual property. It would, of course, undermine the future business dealings of a state sponsored enterprise like NBN Co. and would reflect poorly on the minister who selected the management team at NBN Co.

Then we come to another costly spin campaign. An outfit is being paid $4,000 a day to develop and implement a communications strategy, which, I understand, is an $800,000 total package. Labor is quick to publish the headline, but we are kept guessing about the story long after the paper has been recycled. I maintain, if the NBN is a good idea, you do not need these types of marketing campaigns, and that is precisely the point. The NBN is a bad idea. We do not need to spend $50 billion plus on fibre to every home whether the occupants need it or not, want it or not, or are prepared to pay for it or not.

The NBN can be replaced by a comparable alternative with better functionality that utilises a mixture of technologies for less than a third of the cost currently put up for the NBN. There are a lot better things to spend this money on, but then this government does have a propensity for wasting money and for bad policy development.

Mr BALDWIN (Paterson) (17:54): I rise today to address the Telecommunications Legislation Amendment (Fibre Deployment) Bill 2011. The bill is designed to push ahead with the National Broadband Network by ensuring new developments include fibre to the premises. We all remember that originally the promise was fibre in the home.

I would like to start by saying that the coalition will be moving amendments to this bill. They are amendments that will increase competition because, as we know, competition is what brings about lower prices. Of course, Labor does not want and has never wanted competition. It wants to build the largest infrastructure project in Australia's history and make it a government monopoly. It is a monopoly that would decrease competition and make broadband unaffordable for the very same people whose taxpayers' dollars built it in the first place—but more about that later.

This bill will ensure that greenfield developments—that is, new housing estates—include fibre to the premises. This is good news for those moving into new developments in my region such as developments like Chisholm, which is the old Thornton North, which will have over the next few years a couple of thousand new households. In the future they will need to include infrastructure in those developments for broadband. According to the NBN there are 1.9 million homes that will need to be connected by 2020.

The coalition amendments ensure that the developers behind these new estates have real choice, rather than being dictated to by a government on who they must use. Our amendments will mean that developers can choose a cable operator, such as TransACT or Opticom to name but a few, to install the cable according to industry specifications, rather than having to wait for the NBN to show up and do the job. This not only will mean that cables will be installed quickly and efficiently, but it will keep our cable operators in business and provide jobs and competition. The one thing that this government has missed is that one of the
things that drives up housing costs in development projects are holding costs such as delays in getting approvals and delays in getting services. I can already see the delays that will be incurred by this government through singling out a monopolistic operation such as the NBN, which will increase the holding costs before a block of land can be sold and therefore will increase the costs to householders.

The second point I would like to make on behalf of thousands of my constituents and those in Hunter electorates, who have been completely ignored by their Labor members of parliament, is the plight of towns under 1,000 residences that will not be covered by Labor's NBN optical-fibre cable rollout. My electorate has many towns that are under 1,000 residences. I was absolutely disgusted sitting here yesterday listening to the member for Newcastle lie and lie about her party's uncosted broadband plan.

Ms Plibersek: Mr Deputy Speaker, I rise on a point of order. If the member is making an allegation that there has been a misleading of parliament, he has to do that using a substantive motion rather than include it in the debate as he has.

The DEPUTY SPEAKER: The member for Paterson.

Mr BALDWIN: Mr Deputy Speaker, the truth is always defensible, but untruths are not. The untruths are the uncosted broadband plan. Half a dozen times in her speech she used the phrases 'every household' and 'all Australians'. But, of course, it is not every household that will have access to this high-speed cable broadband internet under the NBN, but it is every household that will actually pay for it. The member for Newcastle stood here yesterday and said:

... the National Broadband Network is a major economic and social reform that will benefit the entire nation.

She then went on to say:

We want to overcome the historical disadvantage of the tyranny of distance, both between us and our major trading partners and between our urban and regional, remote and rural centres.

The National Broadband Network will deliver affordable high-speed access to all Australians, irrespective of where they work or where they live.

That is a complete and utter mistruth. Those people living in towns with fewer than 1,000 residents will not get the NBN cable. In my electorate of Paterson alone that includes over 20 towns and villages—towns like Boat Harbour, Brandy Hill, Clarence Town, Coomba Park, Green Point, Gresford, East Gresford, Hinton, Karuah, Nabiac, North Arm Cove, Pacific Palms, Vacy, Bluesys Beach, Paterson, Pindimar, Salt Ash, Seaham, Smiths Lake, Stroud and Wallalong, to name a few. If I went through all the towns in the electorate of the member for
Hunter or in the electorates of the member for Lyne and the member for New England, to the north of my electorate, I doubt whether I would have enough time to mention all the towns that would miss out. Yet, there was the Prime Minister at the big switch-on in the electorate of the member for New England. Sure, the major town will get the optic fibre cable, but what of those who live on rural properties and big acreages? The cable will not roll out to their homes. What of those who live in the small villages such as those that I have quoted in my electorate? They are not going to get the optic fibre cable. Guess what, though? They are going to be paying for it. They will pay for it and they will pay dearly.

The Labor Party obviously does not consider that residents in remote, rural and isolated small towns are important. But they are not nameless, faceless residents—at least not to the coalition. They are people like Mr Barton from Smiths Lake, who wrote to me saying that internet services are basically non-existent in his area. The NBN will do nothing for Mr Barton, who is among the seven percent of people who simply do not factor into Labor's plan. Yet the member for Newcastle stood in this House yesterday and proclaimed that the NBN cable would reach beyond regional, rural, remote and urban boundaries. I would have thought that Paterson fitted into that regional and rural category—after all, we are less than two hours drive from Sydney, but apparently not.

Labor's arrogance is to stand here and argue that everyone will benefit from its NBN, but that is just not true. Speaker after speaker has repeatedly said in this House, and would lead you to believe, that the coalition did nothing in 10 years to deliver high-speed broadband. When we were in government in 1997, there was no high-speed broadband; there was dial-up. In 1998, it was the same. It was only as we got closer to 2000 that ADSL first came on the scene, and it was only in later years that ADSL2 came on the scene. I remember the campaign in 2007 very well because the member for Newcastle, taking in Thornton, that new area of her electorate where pair gain is an issue, campaigned very highly and hard and said, 'I will deliver high-speed broadband.' It is now four years on and not a single sod has been turned and there has been no improvement for those people. All of those constituents are struggling to access quality broadband under this Labor plan and they always will, simply because Labor does not care about the seven per cent that the NBN ignores.

If the NBN does get delivered at all, that seven per cent will still miss out. We have already been told that the NBN will take eight years to roll out if it is managed properly. Four years plus eight years is 12 years, so it will be 12 years before the people of Thornton in the electorate of Newcastle—it used to be in my electorate—could possibly receive high-speed broadband. If we rely on those eight years, it is the same government that could not even manage to put insulation safely into people's homes or build school halls without massive rip-offs, and it cannot control our borders. So the faith I have in the government delivering a high-speed broadband network is truly under review.

We are supposed to trust this government to deliver the single largest infrastructure project in Australia's history. The coalition did have a plan to deliver quality broadband through the wireless internet service. The OPEL plan would have seen a Commonwealth investment of $958 million, not $55 billion, to deliver metropolitan-equivalent broadband services to more than half a million premises. Paterson residents and premises would have been amongst those who would have had a direct benefit through the coalition's plan to deliver 25 new
WiMAX base stations and eight telephone exchanges upgraded to ADSL2 broadband. So here we are, four years on, and if the government had not interfered in mid-2009 the OPEL plan would have been completed. Most people in Thornton, in the electorate of the member for Newcastle, who are still on basic dial-up would have had high-speed wireless internet. But, no, here we are, four years later with a $55 billion bill mounting and still nothing has been delivered to that area.

The coalition believes that a mix of cable and wireless is the best way to deliver quality affordable broadband to everyone. Had Labor adopted our plan, residents like Mr Barton of Smiths Lake would already be enjoying reliable internet. Instead, it is four years on and still nothing has been done. Worse still, Labor has taken absolutely no action to deliver alternative services to those seven per cent of people who will never be serviced by fibre to the premises under the Rudd-Gillard Labor government NBN plan.

There is nothing stopping Labor from taking action now, and I urge it to do so. There is nothing to stop the Labor government from immediately rolling out wireless to those areas which will not receive the cable network. There are no trenches to dig. In fact, as I understand it, the wireless network will be installed on existing towers and those people could have service relatively immediately, not in eight years time.

The third major problem with Labor's NBN plan is the cost. As my honourable colleague Mr Turnbull has already pointed out, the Australian Bureau of Statistics shows that those currently having the most difficulty accessing broadband are in households earning less than $40,000 a year. The biggest barrier is cost. So it is a ridiculous notion that Labor wants to build the largest infrastructure project in our nation's history, because it will be completely funded by the taxpayer and create a monopoly that will decrease to competition and make broadband even more unaffordable. Further, because Labor refuses to release a cost-benefit analysis of its $43 billion plan which is blowing out to $55 billion, we simply do not know whether enough people will take up the NBN to make it viable. This is despite Labor's promise pre-election that it would undertake such an analysis of all major infrastructure projects. Without one, this project is only risky—it is downright reckless actually. Of course, this is just another example of this Labor government being totally untrustworthy in managing our economy, our budgets and our projects.

The Prime Minister stood before the Australian public less than one week before the August 2010 election and said, 'There will be no carbon tax under the government I lead.' That fits into the same regime as the promises by the member for Newcastle prior to the 2007 election to give people in Thornton in particular high-speed broadband. One election has gone by. It is now four years on and those people are still on dial-up.

This amendment needs to be supported because competition will deliver lower prices. It needs to be supported because competition and the use of individual contractors will reduce the holding costs by developers in putting estates into market. They cannot afford the hold-up that will occur with a monopolistic structure in having services delivered to their sites. If this government were serious about affordable housing and delivering services, it would adopt our amendment and open up competition for the delivery of the cable installation program as part of this hideous NBN project.
Mr SLIPPER (Fisher—Deputy Speaker) (18:09): The new division in our society is actually between information rich and information poor. Historically, it has been between those who are more wealthy and those who are less wealthy, but in 2011 nobody argues the need for people right around the country, regardless of their socioeconomic position, to be able to communicate and to access the modern technologies which are now available. This is why I am very pleased to speak tonight on the Telecommunications Legislation Amendment (Fibre Deployment) Bill 2011. I refer to the report of the Joint Standing Committee on the National Broadband Network entitled An Advisory Report on the Telecommunications Legislation Amendment (Fibre Deployment) Bill 2011 and in particular to the dissenting report lodged by members of the opposition. I commend the contents of that report to all honourable members as being a very reasoned and sound response to a challenging problem confronting our community.

The rollout of the National Broadband Network should include the connection to the network of some 1.9 million greenfield sites by the year 2020. It is pretty clear that this is the obvious time to conduct installation works to sites as they are developed, as it is cost effective and the works are not restricted by pre-existing infrastructure. It is clearly the sensible thing to do and no reasonable person would oppose this approach.

The cost of installing fibre optic cabling during development provides the best opportunity to install the latest technology from the word go at a reasonable cost. Admittedly, it is technology that is a little more costly initially than the traditional copper based technology, but there is consensus that in the longer term it will deliver an improved service and so most people would agree that the initial outlay is worth it. The extra costs upfront are outweighed by the additional and improved capacities of fibre over its lifetime.

This reality, however, does not diminish the Liberal National Party's continued firm belief that the NBN is a shonky government policy and is an initiative that is overpriced, provides an unacceptable burden to the Australian taxpayer and will create a communications monopoly that disadvantages rival commercial internet operators. I think that in 2011 we have moved beyond the situation where we had a monopoly of telecommunications, originally in the hands of the Postmaster-General's Department, then Telecom Australia and then Telstra. Happily, in more recent times, competition has brought in a range of other providers and that has benefited the Australian taxpayer. I am sure that most members, regardless of their political allegiance, would agree that competition is a good thing and that no-one would want to go back to the bad old days.

In fact, I was talking to someone who mentioned to me that years ago when the PMG was going to install a telephone the linesman would not put the connection close to the floor because some outdated union regulation said that 30 years down the track the then 20-year-old linesman might develop a back problem. So they had these hideous connections highly visible. With improved commercialisation, initially of Telecom Australia and then Telstra and then competition, those bad situations no longer occur. But I do believe that what is proposed in this bill could well bring about a return to a communications monopoly or near monopoly that will disadvantage rival commercial internet operators. While that of itself is undesirable, what is even more undesirable is that a lack of competition will mean that in the long term the Australian taxpayer will pay more.
This bill will enforce developers to install fibre optic at new developments at greenfield sites and recognises the value and benefits of fibre optic technology. The provisions include that, in those developments where fixed lines are installed, the lines must be optical fibre lines. When fixed line facilities are installed in a development, those facilities must be fibre ready. To sell or lease land or buildings in new facilities unless fibre optic facilities have already been installed will be prohibited. Obviously, while civil penalties may apply to the corporation that sells the land or building without fibre optics, the sale would still stand. Carriers are able to access fixed line facilities that are owned by noncarriers to ensure that fibre can be rolled out using these existing facilities. This access would be at commercially negotiated rates.

The bill exempts businesses from these provisions in cases where contracts for land sales or leases have been signed before the bill comes into effect. That is a sensible provision because in 2011 no-one supports retrospectivity. I think it is vital to recognise that, when the law of Australia says a certain thing on a certain day and people act on the basis of that law as it then exists, it is inappropriate to change the law as at a certain date but backdate the operation of that law to make illegal an action which was within the law when it was taken. I think that makes a lot of common sense and most people in the country would agree.

Many of the provisions in the bill will in the long term result in a multitude of fibre-ready commercial facilities around Australia. That is good in principle for business. It is good to enable our businesses to compete and it is important to recognise that the world is a marketplace today, that we are not a closed society and that the proper ability to communicate on the part of businesses will assist them to compete in the world community. With those facilities—that is, the multitude of fibre-ready commercial facilities—will come the convenience of faster internet services that, quite naturally, will boost efficiencies and ultimately business success and profitability.

In case you think that I have unadulterated admiration for this particular bill, it is important to recognise that while it does have some positives it also has some negatives. The honourable member for Wentworth and other members of the Liberal-National Party opposition have made it very clear what those defects are. The provisions will mean additional initial cost for business and the entire NBN situation is messy and potentially damaging for some carriers involved in fibre-optic installation.

It is understood that the NBN will roll out its optical fibre at no charge to the end user, with costs to be recouped over time through service provision. While this is an ideal situation for the NBN, it places at great disadvantage those other commercial installers and operators who are not in the same position to forgo costs at the time of installation due to their understandable need for regular income to sustain their businesses. The financial position of the NBN, obviously backed by the government, to be able to install its hardware at no initial cost to the client is a condition that competitors, who must instead negotiate installation costs with the developers, would find impossible.

Currently, the greenfields fibre-optic market is very competitive, with some 400,000 of the 909,000 cable and fibre installations in Australia having been installed by smaller operators, yet the government argues that the NBN will help to end the dominance of Telstra, which has something like 82 per cent of the fixed phone line market in Australia and some 65 per
However, the ability of the NBN to provide installations at no upfront cost will not only have an impact on Telstra but will also impact upon those smaller operators, which have so far conducted some 44 per cent of installations. There is a very high likelihood that the NBN will become the dominant force with a solid monopoly in the fibre-optic sector, effectively replacing a commercially competitive market with one dominated by a government funded and government controlled operator—in other words, going back to the situation that existed before, where there was something approaching a monopoly in telecommunications. Ultimately, a monopoly will mean higher costs and lower services. This of course will be to the detriment of the Australian taxpayer.

To be fair to the government, it does claim that there will be room, or there should be room, for competing providers. These concerns are addressed in amendments being proposed by the Liberal-National Party opposition. These amendments propose that the NBN pay installation costs where a compliant fibre network is installed in a fibre-ready facility. In other cases, the amendments propose that the NBN purchase the completed infrastructure to ensure the installers get a return for their efforts and are not disadvantaged by their need for a prompt return for their efforts.

The bill also supports the rollout of the National Broadband Network and other superfast telecommunications networks in all new developments, broadacre estates, urban infill and urban renewal projects. In supporting the bill with the amendments moved by the opposition, I reiterate that it is really important that Australia should have a world-class ability to communicate. We should have fast internet and the opposition is not arguing with the government's proposal that there should be faster internet. However, I think this bill, while it does contain positives, also contains some defects and it would be enormously improved were the government to accept the proposals being put forward by the honourable member for Wentworth. I therefore indicate my general support for the bill and its aims but also my very strong support for the amendments being moved by the honourable member for Wentworth and supported so strongly by members of the Liberal-National Party opposition.

Mr NEVILLE (Hinkler—The Nationals Deputy Whip) (18:20): Let's take a step back to 2007, when Labor promised it could deliver fibre to the node for $4.7 billion. That is a long way from its revised fibre-to-the-premises proposal of $43 billion—one of the most expensive solutions in the world, especially as the government has promised this solution will go to 93 per cent of the Australian population, notwithstanding the fact that South Korea, one of the most technologically advanced communications providers, sees fibre to the node followed by copper as an acceptable model for massive multi-unit accommodation high rises. It also uses a variety of other solutions to cover the country with high-speed broadband, including HFC, which we are going to sideline by the purchase of an $800 million payment to Optus. In other words, the old pay TV cabling will not be able to be part of the solution. We will effectively buy Optus's customers under this bill. We will give them to NBN Co., and it will then buy the services back from Telstra or Optus, presumably—a funny, roundabout way to do things, is it not?

Now we find that the NBN solution, on the government's own figures, will cost about $36 billion, not allowing for recent changes and the buyout of Telstra and Optus. Then we need to take into account that with the rollout in Tasmania—and we have been to
Tasmania to see this—costs have blown out to as much as $7,500 per connection. Worse still, 14 leading Australian based companies were accused by NBN Co. of gouging when their responses to tenders indicated that the mainland rollout was likely to be massively—note the word 'massively'—over budget. It is understood, though not admitted by NBN Co., that the project is already behind in time, so there is every possibility that the eight-year rollout target or the oft stated 2020 completion date will not be met.

That is the background against which we move to the next phase of the NBN saga: the deployment to greenfield sites. So we hardly start from a position of confidence, high performance or rigour on the part of the government when we consider this bill. Let me interpose by saying that there is a twofold crisis developing in the housing market: first, the burgeoning cost of the family home, and second, availability. Both these factors are impacted by the cost and efficiency of connecting services to greenfield estates. Later I will show how we might improve this situation in the field of communications.

The House will be aware that a comprehensive Joint Committee on the National Broadband Network has been formed. The committee has been asked to report on the bill before us. In fact, it tabled its report yesterday. Coalition members delivered a dissenting report. Central to this dissenting report are two suggested amendments focused on the efficient, timely and cost-effective rollout of fibre connections to greenfield sites. It is also planned that the abilities of small and proven greenfield operators will be utilised.

The first amendment allows for a developer, having provided the pits and pipes, to choose to have a private fibre installer connect his estate, provided that the installer meets the stipulated industry standards—not necessarily NBN standards but the industry standards. We make that proviso in line with earlier reforms whereby it was necessary not to have Telstra judging Telstra. It would then be required that the developer be reimbursed by NBN Co. This cost, in turn, would be set by the minister, based on a per-residence tariff set against market experience, special costs of construction and any special costs to NBN Co.

What will this do? For a start, it will not act against the objectives of the NBN. Best of all, it will ensure the expeditious connection of estates without developers having to wait for NBN Co. and its preferred contractor, Fujitsu. It will ensure that NBN Co, wittingly or unwittingly or through the pressure of backlog, will not hold up services to estates going on the market. That is very important. It is very important that a full range of services are provided. The whole thing falls down if the fibre is not connected at the time all the other services are in place.

The second amendment will allow private-sector greenfield cable operators to operate a network they have installed as a small boutique network. By exempting these operators from cherry-picking provisions, a range of options would be open to developers. It would work on the basis that the greenfield operator would build, own and operate the network until such time as it was sold to NBN Co. Given the huge eight- to 10-year task ahead of NBN Co., it is highly unlikely that the company would be tempted to overbuild such a small network.

Returning to the theme of housing and development costs and taking my own area as an example, developers in Bundaberg and Hervey Bay struggle with the imposts of state government and council costs. Council, I might add, has been put under extra
pressure by the withdrawal of local government subsidies and the interference of government departments with unrealistic expectations. An expression of this was the withdrawal of the 40 per cent subsidy for water and sewerage—a cost that is now reflected in increased rates and costs of developed land. In other states it is even worse. It is said that a $500,000 home in New South Wales has $150,000 of government charges of one sort or another embedded in it. With this as a backdrop, every effort should be made to ameliorate the costs that go to make up a fully serviced block of land—the share of head works, curbing, channelling, roadworks, water, sewerage, gas, electricity park charges and so on but, most importantly, communications.

Let me say at this juncture that the coalition shares the concern for a modern, timely, cost-reflective high-speed broadband service. We have never argued against that. In fact, the OPEL scheme proposed by us in 2007, had it been adopted, would have covered 93 per cent of Australia with ADSL 2+ and wireless broadband. It would have been rolled out by now, right across Australia. That means that now, not in eight to 10 years time, and at a fraction of the cost, Australians would have had up to 10 or 12 megabits of broadband coverage.

If a plan developed by Senator Nash, Senator Joyce, me and the Page institute had been adopted, a more elaborate scheme with a strong country and regional focus, costing around $6 billion, could have been considered. So even if you took the two of those together—Opel, which was $1 billion from the government and $1 billion from the company and, say, $6 or $7 billion from the National Party proposal—you would be looking at about $8 or $9 billion. That is a far cry from $36 billion, and we now predict the figure could blow out to as much as $50 billion.

Having said all this, we accept that if you are rolling out fibre to 93 per cent of the country it makes sense to commit to fibre to the premises on new estates where you might not otherwise do so—if, for example, you followed the South Korean option. Though it might be a little dearer than other options, the incremental cost of fibre to the premises is worth while, especially if it is efficiently installed at the same time that water, gas and electrical services are being connected. What bewilders me somewhat is why the government has stepped aside from its long-promulgated competition model, as outlined by Minister Conroy as late as 9 December last year:

It has been a consistent feature of the Government’s policy in new developments that there should be room for competing providers. This continues to be the case. … Providers can compete to provide infrastructure in new developments, for example, by offering more tailored solutions to developers or more expeditious delivery.

The government now say, however, that, yes, you can use any installer, but at the developer's cost. If the developer wants NBN Co. to do the work, and ultimately its downstream subcontractor Fujitsu, there will be no cost. So you can see what is going to happen. Obviously people will run to NBN Co. and this will create a monopoly, as most developers are not going to pay for a service that is available free of charge, albeit that they might have to wait some time to get it. In extreme cases this waiting time could jeopardise the ready availability of land for sale and development. In a worst-case scenario, with NBN Co. exercising a cost advantaged monopoly, one could envisage a huge bottleneck, with home sites being held up for months on end to the detriment of developers, builders and homeowners alike.
So we welcome the deployment of broadband fibre to new developments but we deplore the removal of effective competition from the scenario. It is somewhat akin to a return to the bureaucratic days of Telecom and the PMG, where you had to wait an eternity to have services connected. Hardly the hallmark of a progressive government!

The Joint Committee on the National Broadband Network heard evidence from Greenfield Fibre Operators of Australia. It has in its membership seven fibre installers: OPENetworks, Service Elements, TransACT, Converge, Broadcast Engineering and Pivit. GFOA companies have been in competition with each other as well as Telstra Velocity, OptiComm, VicUrban, Broadcom Multinet and still others for more than 10 years. They are not Johnny-come-latelys to the field. They are experts in high-speed internet, data, voice, free-to-air TV, pay TV, CCTV security, power, water, traffic and other utility management services. They connect or pass 400,000 homes and businesses and have another 350,000 premises to connect in greenfield estates already committed to their networks or under other deployment contracts. With a resource like that that could create competition and that has the runs on the board, why would you so alter the NBN modus operandi to exclude them from the scenario? What possible good sense does that make?

Having said that, the coalition have concerns about the cost of the scheme and about competition. We accept that we need high-speed broadband, but we call on the government, through these two amendments, to bring other operators into the field to create a spirit of competition and, without damaging the NBN scenario, to make the system much more efficient.

Mr ALBANESE (Grayndler—Leader of the House and Minister for Infrastructure and Transport) (18:35): I thank all members who have participated in this debate on the Telecommunications Legislation Amendment (Fibre Deployment) Bill. A great deal of the opposition's comments have focused on its opposition to the NBN as a matter of policy, not on the substance of the bill before us. In the interests of time I will focus on the bill before us.

The government does not agree that, in the absence of public sector investment, Australia will have the infrastructure that we need to compete in the 21st century. This is demonstrated by the private sector's failure to provide this infrastructure, even with the offer of government funding under the original NBN request for tender process. As other government speakers have detailed, many problems with broadband access relate to the copper network, which is inadequate and failing, wireless that is inadequate to the demands being placed on it and fibre provision that is extremely limited and patchy. The opposition have made much of the government's statement that it is committed to competition in the provision of new infrastructure. However, they fail to note that the government has also consistently said: 'If alternative providers want to compete with NBN Co., they are welcome to do so, but it is on the understanding that they have the resources and ability to do so.' Much has also been made of the existence of the competing fibre industry. There are a number of alternative providers, around 10 of them. They have some technical expertise and experience. But I think the word used repeatedly in the opposition's dissenting committee report on this issue is very telling. It is a 'nascent' sector—that is, it is in its earliest stages. They are very small-scale operations; they have typically serviced developments that have been the most commercially advantageous—they have been able to pick...
and choose which they service. By their admission in evidence to the Joint Committee on the NBN they are not well placed to service Australia as a whole. Around 200,000 new premises are constructed each year. These providers do not have the scale to deal with this; it needs a national operation. Even if they could, they would require extensive subsidies both for fibre and for backhaul. The reality is they want to cherry-pick the lucrative markets while leaving NBN Co. to do the hard ones and provide national coverage.

The government has established NBN Co. to provide improved broadband for all Australians, with uniform national wholesale pricing. This includes in new developments. NBN Co. can spread its costs nationally and recover them over time. If other providers wish to compete with it, they are free to do so, but it is up to them to do so on their own terms.

The bill before us provides a framework for the installation of fibre-ready telecommunications infrastructure in new developments. The purpose of the bill is to ensure that new developments are ready for fibre based technology. It is part of the government's strategy to build a superfast broadband network that will underpin our future productivity and competitiveness and meet the needs of our nation. If fibre-ready infrastructure is not installed in new developments it will have to be fitted later. This will cost more for every house and business than doing it upfront. Retrofitting would also be disruptive. It is simply more sensible to install the fibre-ready ducting in the trench that is already open. Fibre can then be installed when the house is occupied or pulled through later.

Having said that, this bill is a safety net. Most developers are already installing fibre-ready infrastructure and we expect that most will continue to do the sensible thing. This is sensible preparation for fibre and appears to be generally accepted. It is accepted by the Joint Committee on the NBN, which has recommended that the bill be passed. Many fallacies have been put forward as to what the bill covers. Let’s be clear: the bill will require developers that are constitutional corporations to install fibre-ready passive infrastructure like pit and pipe. It does this by imposing a penalty on corporations which sell or lease land or buildings in new developments without such infrastructure. This is not unique. Developers have long contributed to the cost of a range of infrastructure.

The bill also supports the rollout by creating an access regime covering non-carrier-owned pit and pipe and by making it easier for ACMA to make standards for customer premises equipment and in-house cabling. It allows the minister for communications to specify conditions for fibre-ready infrastructure, though it is the government's preference that industry make a code or standard. This power is in the bill as a safeguard in case there is delay in making such industry specifications.

Much of the debate has been about things that are not in the bill. The bill is intentionally narrow in its scope. It supports a rollout of fibre. Contrary to the assertions of those opposite, the bill is not about conferring special privileges on NBN Co. or preventing other providers from providing service. The bill is about ensuring necessary passive infrastructure used by all fibre providers is available. The bill does not impose NBN Co.'s standards on others. The government has stated consistently that it expects that the industry will make a code. The bill does include a fallback provision for the minister to specify features of fibre-ready infrastructure if necessary to be used if no industry code or standard is available. Any
such instrument would be subject to consultation and to disallowance by the parliament.

Some concerns have been raised about what will happen in smaller developments pending the rollout of fibre. Contrary to opposition assertions, it will not be a case of a developer putting in fibre-ready pit and pipe, and it being left empty pending NBN Co.’s arrival. Developers will be able to go to the fibre provider of their choice or Telstra will install copper pending NBN Co.’s arrival. NBN Co. will also be able to provide fibre in these developments if it is practicable for it to do so. This is a simple transitional reality. The default solution in Australia has been the provision of copper infrastructure in new developments. We are now moving to a world in which fibre will be the default solution. This is a major change. It cannot be done all at once, and a transitional approach is needed. The most cost-effective approach is to continue to provide copper in smaller developments pending the rollout of fibre. The approach proposed by the government ensures everyone has access to quality telecommunications, although some developments will necessarily receive fibre before others. The thresholds that have been put in for the provision of fibre reflect a reasonable breakpoint at this time but they do not preclude any developer having fibre installed anywhere.

The opposition has proposed a number of amendments to the bill which seem aimed at three objectives. First, the amendments would require NBN Co. to operate a scheme under which it would be forced to fund fibre infrastructure that developers choose to have installed, subject to it meeting industry standards and cost controls. Second, they would seek to narrow the minister’s ability to specify conditions for pit and pipe and other infrastructure. Third, the amendments would enable small carriers in new developments to operate a vertically integrated business model. It is far from clear that the amendments as circulated would achieve their stated purpose. More substantively, the amendments go well beyond the scope of the bill and seek to raise much wider, more fundamental issues. The opposition has again chosen to turn a non-controversial bill that simply seeks to ensure fibre-ready passive infrastructure is installed, a practical objective on which everyone who has spoken on the bill agrees, into an ideological debate over the NBN. This should not be the case. The government consider the amendments to be unnecessary and ill considered and therefore will be opposing these amendments.

In summary, this bill will support the rollout of the fibre based network by requiring that fibre-ready infrastructure be installed in new developments. This means that carriers, including NBN Co., and households will be spared the expense and the disruption of retrofitting. It means that households and businesses will be ready for the fibre based communications of the future, with all this means for higher productivity, more efficiently delivered government services and a better quality of life. This is the bill’s simple objective and one that everyone seems to agree is common sense. We know that the National Broadband Network during the past month, through its agreements achieved with Telstra and with Optus, has achieved significant advances. This bill should be supported on the basis that its objectives are clear and that everyone agrees that it is common sense. We should not confuse this issue with unproductive detours into much broader issues. I commend the bill to the House.

Question agreed to.

Bill read a second time.
Consideration in Detail

Bill—by leave—taken as a whole.

Mr TURNBULL (Wentworth) (18:46): by leave—I move amendments (1) to (11), as circulated in my name, together:

(1) Clause 1, page 2 (before line 1), insert after item 3 in the table:

4. Schedule 1, Part 3
   The later of:
   (a) the day after this Act receives the Royal Assent; and
   (b) immediately after the commencement of Part 3 of Schedule 1 to the
   Telecommunications Legislation Amendment (National Broadband

(2) Schedule 1, item 10, page 4 (after line 23), insert:

• If a compliant optical fibre network is
   installed in such a fibre-ready facility,
   NBN Co will pay the cost of installation.

(3) Schedule 1, item 10, page 6 (line 18), omit
   "the conditions (if any)", substitute "any
   technical standards and other conditions".

(4) Schedule 1, item 10, page 6 (line 25), after
   "specify" insert "technical standards and
   other".

(5) Schedule 1, item 10, page 6 (after line 26), insert:

   (4A) The Minister must consult the ACMA
   and relevant industry bodies before making
   an instrument under subsection (4).

(6) Schedule 1, item 10, page 6 (line 28), after
   "paragraph (1)(b)" insert "or subsection
   (4)"

(7) Schedule 1, item 10, page 8 (line 10), omit
   "the conditions (if any)", substitute "any
   technical standards and other conditions".

(8) Schedule 1, item 10, page 8 (line 17), after
   "specify" insert "technical standards and
   other".

(9) Schedule 1, item 10, page 8 (after line 18), insert:

   (4A) The Minister must consult the ACMA
   and relevant industry bodies before making
   an instrument under subsection (4).

(10) Schedule 1, item 10, page 8 (line 20), after
    "paragraph (1)(b)" insert "or subsection
    (4)"

(11) Schedule 1, item 10, page 9 (after line 4), insert:

372CA Payments by NBN Co of installation
costs for optical networks

Scope

(1) This section applies in relation to the
    project area, or any of the project areas,
    for a real estate development project:

   (a) that is compliant with Division 3;
   and

   (b) in which a compliant optical
    network is installed by a person other
    than NBN Co.

NBN Co to make installation payment

(2) The person or persons responsible for
    the real estate development project may
    apply to NBN for an amount of money
    representing the installation costs for
    such a network (an installation payment)
    in accordance with this section.

(3) Application for the installation payment
    for a network must be made within 3
    months after the completion of the
    network.

(4) The person or persons responsible for
    the real estate development project must
    provide NBN Co with such informa
    tion and access as NBN CO requires to
    satisfy itself that the network is a
    compliant optical network.

(5) NBN Co must make an installation
    payment for a network within 30 days
    after receiving the application for the
    payment.

Amount of payment

(6) The amount of the installation payment
    must be in accordance with a scale of
    payments determined by the Minister for
this subsection and published in the Gazette.

(7) The Minister must determine a scale of payments for the purposes of subsection (6) as soon as practicable.

(8) In determining a scale of payments, the Minister must take into account:

(a) the typical costs of installing such networks or elements of such networks (other than the cost of the optical fibre), including significant regional variations in costs; and

(b) the costs that NBN Co would have incurred (other than the cost of the optical fibre) had it undertaken such installations itself.

Interpretation

(9) For this section, a project area of a real estate development project is compliant with Division 3 if:

(a) section 372E or 372F applied to installation of a fixed-line facility in the project area; and

(b) any fixed-line facilities installed in the project area that were subject to subsections 372E(2) or 272F(2) complied with those subsections.

Note: These subsections require that the facilities be fibre-ready and that the installation comply with an instrument under 372E(4) or 372F(4), subject to exemptions under section 372K.

(10) For this section, a compliant optical network of a project area of a real estate development project is a collection of optical fibre lines in the project area, each of which:

(a) is wholly or primarily used, or wholly or primarily for use, to supply one or more carriage services to either or both of the following:

(i) one or more end-users (whether or not identifiable) in one or more building units; and

(ii) one or more prospective end-users (whether or not identifiable) in one or more building units; and

(b) is not on the customer side of the boundary of a telecommunications network; and

(c) is used, or for use, to supply a carriage service to the public; and

(d) for a line being deployed to a building lot—was installed in compliance with the conditions for such lines in an instrument under subsection 372B(4); and

(e) for a line being deployed to a building unit—was installed in compliance with the conditions for such lines in an instrument under subsection 372C(4).

These amendments essentially do two things. Firstly, they require the minister, in setting technical standards, to consult with ACMA and the relevant industry bodies. Most importantly, they require the NBN to purchase what are described as 'installed optical networks' in developments at a price which will be essentially in accordance with a schedule determined by the minister, which we would expect would be an amount of money per residence or, in the case of multidwelling home units, per home units connected. The rationale for this is set out in the dissenting report to the report of the Joint Committee on the National Broadband Network that the minister was just referring to.

It is fine for the minister to say that the opposition takes this view and that view. What we are seeking to address here is a problem that has been identified not by us but by the industry. The private sector fibre operators and fibre installation industry have come to us and to that committee and said that this bill—the way the NBN is going about this—will put them out of business. They have cited, as we have cited in the
dissenting report, numerous statements by the government and the Minister for Broadband, Communications and the Digital Economy, Senator Conroy, about their commitment to competition, and the minister has spoken about that. But the reality is simply this: because the NBN will install its cable at no cost to the developer there is simply no role for the private sector—unless, of course, they are a subcontractor to the NBN. The other reality is that the NBN is a massive government monopoly which has already demonstrated to the property development industry that it is far from timely in its responses to their requirements. There is a real concern among the development industry—and their evidence before the committee is all on the record—that the NBN will simply not respond in a timely way.

So we have sought to craft a solution to a problem that has been presented to us by the industry. This, after all, is the task of this parliament: to seek to address the problems that the people of Australia present to us. What we propose here, in amendments (1) to (11), is simply a scheme where a developer will have the option, after putting in the pits and pipes, of waiting for the NBN to show up or, alternatively, engaging a suitably qualified contractor to install the fibre in accordance with the technical standards laid down in the appropriate way—so that fibre will be compliant with the standards that the NBN can live with—and then be able to be reimbursed by the NBN by effectively requiring the NBN to purchase it.

This will provide a breath of life to the private sector fibre companies. It will also provide an ability for developers to be in control of their own destiny and to be in a position to have a contractor to put in the pits and pipes, put in the fibre and, as long as it is in compliance with the relevant standards, require the NBN to take it over. The next amendment deals with a different situation which I will speak on when we deal with that. This is important. It is important for the property sector. It is important for the private cable contracting sector. The minister referred to this sector as 'nascent'—they are 'just small businesses'. Frankly, I would say that a nascent industry is one that should be encouraged. On our side of the House, we believe in encouraging small businesses in the hope that they will become bigger ones, and I commend these amendments to the House.

Mr ALBANESE (Grayndler—Leader of the House and Minister for Infrastructure and Transport) (18:50): I will speak on the first group of amendments, numbered (1) to (11), moved by the shadow minister. On the funding proposal it is worth making a few points. The term 'nascent' referring to the industry was used by the opposition in the committee. We were aware, however, that the implications of that in terms of capacity also have to be considered. Pending NBN Co.'s rollout of fibre, Telstra will provide interim services in smaller new developments. This reflects the fact that it will simply not be viable to connect fibre in all new developments in the absence of a fibre network to connect to.

NBN Co. has been created to roll out a national network methodically and efficiently. Piecemeal provision in small, scattered developments will be more expensive. Under the scheme proposed by the opposition, there is a real risk that we will be left with a sea of costly networks that deliver variable, potentially substandard outcomes. In the long term this would be a significant cost to NBN Co. to integrate.

I also want to refer to these amendments and the issue of the minister's power to specify conditions, because the issue has been misrepresented in the debate. The
government has repeatedly said its preference is for industry to come up with appropriate codes and standards. The minister's powers are a fallback mechanism where these industry codes and standards do not yet exist. It is really not clear what the proposed amendments would add. The amendments say the minister can specify technical standards. That was already the case. The amendments also raise the question of what the opposition means by technical standards. Does it actually include an industry developed code made under part 6 of the Telecommunications Act, which is what industry wants? There is a risk that the reference may be interpreted as a reference to standards under part 21 of the Telecommunications Act. This would be an inappropriate reference given the scope of that part. Yet again the opposition fails to understand how the provisions in the bill work. Any instrument that the minister were to make would be interim, it would be subject to public consultation and, importantly, it would be subject to disallowance. There is an accountability mechanism to the parliament built into this legislation, which is why the government will not be supporting these amendments.

Mr Turnbull (Wentworth) (18:53): The relevant section concerning the minister setting standards is set out in item 9 of the amendment we are discussing, which inserts a new proposed subsection (4A) which simply states that the minister must consult ACMA and relevant industry bodies before making an instrument under proposed subsection (4). If the government took the concerns of industry seriously, they might in good faith be able to suggest some changes to that wording or suggest some other form of words. But the fact of the matter is that we face a real problem. It is the height of arrogance for the government to give such a response to this industry, all of whose members and representative bodies have come before the committee and said they have a problem, that they object to the bill and that they support an amendment of this kind.

The government is free to demonise and criticise the opposition as much as it likes and it does that every day. But the views or the concerns that we are speaking about here are not ones that have come out of some opposition tactics meeting, they have come from legitimate concerns from industry. The minister and his colleagues on the government benches should address those legitimate concerns. Why do they say that OptiComm, the greenfield operators, TransACT, HIA, UDIA and other organisations have all got it wrong? Are they suggesting that they do not know their own business? Are they suggesting—well, this probably is consistent with the Labor Party's philosophy—that government always knows best? Our view is that these people who come in good faith before this committee pointing out concerns with the legislation, seeking that the parliament respond in a constructive way, are entitled to be heard and their concerns addressed. If the government does not like our amendments, there is no pride of authorship from our point of view. This is not a work of poetry here. We are dealing with a genuine concern expressed by industry, and the government may not like our amendments but what is its solution to the concern that these people with their fibre contracting businesses and fibre installation businesses have in believing they will be driven out of business?

The government can talk about competition and it can talk about level playing fields. Is it seriously saying that these men and women who came and testified before our committee do not understand their own industry, do not understand their own businesses, and their
concerns are to be ignored? My question to the minister is, if he does not like this amendment, what is he going to do about the legitimate concerns of these Australian private sector businesses which have come before a committee of this parliament and said that this bill and this NBN are going to put them out of business and cost jobs, cost opportunities, lose profits for them, lose their capital and wipe private sector businesses out with all the strength and muscle of the Commonwealth taxpayers' purse? The question for the government is, if they do not like what we put on the table to resolve these problems, what is their solution? Or is it just the chilly indifference yet again of big government knows best?

Ms ROWLAND (Greenway) (18:58): I rise to oppose the amendments before us. This bill would not be improved by the amendments. The notion from those opposite is that if a compliant optical fibre network is installed in such a fibre ready facility NBN Co. will pay for the cost of installation. The intention, they say, is to enable developers whose development project has installed fibre network to have the option to require NBN Co. to purchase that network at a reasonable price and the minister will determine the costs. What this essentially means is that a third party, I suppose a developer, can apply to NBN Co. to be paid an amount of money representing the installation costs for such a network. Then it goes on. The way this is drafted, there are 30-day terms. There does not appear to be any right of NBN Co. refusal and so it becomes a mandatory purchase. Under subsection (5) of the proposed 372CA NBN Co. must make an installation payment for a network within 30 days after receiving the application for payment. There is no commerciality at all in this amendment. Since when has it been commercial to demand payment for what amounts to a compulsory acquisition, surely in the hundreds of thousands of dollars at least for a larger development, and require payment within a calendar month? It is simply absurd. Yesterday, the member for Wentworth described the department's response to his proposal as 'equivocal. It was not really a responsive answer at all.' Actually, I think he just described the moment when someone you are dealing with springs on you an absolutely absurd proposition. I can see right now the DBCDE folks trying to hold their tongues and not say what they really thought about it.

So many questions actually come up when you examine this proposal and how it would work in practice. There is the question of who owns the network, and I doubt it is going to be the developer who actually owns the network. It appears to me that the network operator will continue to own it. You cannot own and operate networks that provide carriage services to the public unless you actually have a carrier licence.

Those opposite have been scathing about the ministerial role in this. But I do point out that there is a residual power for the minister to make codes, as set out under part 6 of the Telecommunications Act, and a complementary rule already exists in the event that industry fails to devise one in the given subject area. Again, this potential role of the minister is not novel. It has always been the intention of the minister, and also the regulator, to enable the industry to devise its own standards. So it is quite strange that they are so scathing about the minister's potential role in this. But now they want the minister to determine the market price for a network installation and then publish a scale of rates in the gazette. Their position on this is totally inconsistent when it comes to the minister's role.
This amendment is ill conceived and it is unnecessary. It would deprive the sector, including consumers and developers, of the certainty that the bill in its current form will provide. The change to the fibre-in-greenfields regime under our proposal that we have before the House today is this: competitors will compete to provide fibre installation to NBN Co. rather than to developers. So they still compete, but this time they are competing to provide to NBN Co. rather than to the developers. Instead of developers extracting an economic rent, consumers will not pay for fibre connectivity in and of itself. They will just pay for what they use from a retail service provider providing services under the NBN. It is strange that you will notice in this debate that the member for Wentworth came out here wanting to defend big business. I have heard nothing about consumers in all this and not a great deal at all about consumer certainty. We on this side seek to put consumers first. When we talk about certainty, we talk about certainty for new home buyers so that when they move into their dwelling they know it will already be fibre-ready. It also provides certainty for developers, because they will know their obligations.

Not only is this amendment ill conceived but the dissenting report prepared by the member for Wentworth is fraught with inconsistencies. One of them I would like to point out is that we have just had a debate on whether or not a market is nascent. Well, on page 42 of his dissenting report he says:

…the evidence the inquiry received demonstrates that there is a vigorous private market for the construction of fibre infrastructure in new developments.

Yet on pages 44 and 47 he says it is a nascent market—so, a few pages later, it is a market just coming into existence. For amendments that are purported to have a competition basis, the member for Wentworth cannot even describe the state of competition.

Mr NEVILLE (Hinkler—The Nationals Deputy Whip) (19:03): I would like to support the opposition's case in this and echo what the shadow minister has said. We are not out here to destroy the government's bill. All we are asking to do is make it more efficient. What we are proposing is not inconsistent with what the minister himself proposed as recently as 9 December last year. This is not a century away; this is bit over six months ago. The minister said that these forms of competition would exist, but clearly they will not.

Let us look at a scenario. The last speaker said we are not talking about the consumer. I am talking very much about the consumer, the person who buys a block of a land and builds a house and wants the services connected. Some councils will not allow that process to take place until all the services are connected, and we now require them to have the communications component of that installed. So we come to a situation where we have the water, gas, sewerage and everything else connected and we could have the developer put in the pits and pipes, but if NBN Co. and its designated subcontractor have not at that stage installed the fibre where do we go from there? Yes, it might be free, but how long do we wait for it? In the circumstance that NBN Co. or its designated subcontractor, Fujitsu, got well behind with this, you would get a bottleneck effect where states all over Australia could be waiting for months on end trying to reach some form of conclusion.

In contrast to this, there are at least seven companies to consider, and these are not Johnny-come-latelys. These people have been in the communications market for the last 10 years or more providing identical
services with fibre and other forms of broadband. They have been involved in the installation of pay TV and CCTV. They have provided a whole range of connections to all sorts of businesses and private premises. On their own admission, they go past 400,000 premises and they have another 350,000 under contract. These are people with the capacity to do it. And far from doing anything to damage the government's bill, it would not only keep those people in employment but speed up the efficiency with which the high-speed fibre can be rolled out. I repeat: what do you do if you reach a situation where you have all the other services in and you have your pits and pipes in but the NBN Co. is so far behind that it cannot provide the fibre connection? The only thing the developer can do in that instance is go to one of these companies and pay full tote odds with no hope of any sort of refund.

In the amendment, we propose that a single market mechanism presided over by the minister would come into play whereby the connection of the fibre would be paid for by NBN Co. If that were going on all over Australia over a period of time, what you would find is that there would be a brake on NBN Co. and its subcontractors for any excesses. If, from time to time, it was demonstrated by these seven operators—and others no doubt who would come into the field—that they can do the job as effectively and more cheaply, there would be downward pressure on costs not only for the developer but for NBN Co. and ultimately for the government and, still further down the line, for the taxpayer. What could possibly be wrong with that? I really ask the government to have another look at this. As the shadow minister said, we are not trying to impose some sort of philosophical mantra on you; we are just saying to look at a practical solution that might have these states wired up earlier rather than later.

Mr HUSIC (Chifley) (19:08): I want to deal with two things stemming from these amendments. The first is in relation to the future of the market and some of the scenarios that have been put forward by the member for Wentworth and the other is in relation to standards. The member for Wentworth used the term 'chilling indifference'. I want to relay the experience that I have had of chilling indifference and that was in the late nineties representing Telstra workers as they saw the start of contracting out within that corporation. These were people working on pit and pipe who saw the jobs that they had being transferred to the private sector. By that I mean the individual workers were being told that that work would no longer be available for them because they would be made redundant, but that those people could go out and invest themselves in getting the boring equipment and the like and could go out and seek to perform work for Telstra on contract. That continued as well through the work that 'linies' or linesmen were doing on the individual connections in homes or even when working on the pillars in the streets. The chilling indifference was that Telstra did not really care about the fact that they had 40- and 50-year-old men at that stage in the late nineties being told that the work that they had been performing for the bulk of their working life would leave from underneath them and the conditions that they had enjoyed would go. I guess what happened over time is that the market developed the pit and pipe work—the work that was being done in the streets, on pillars and on connecting homes—which had been contracted out to a variety of companies, some large, and to individual contractors.

The market is out there, and the suggestion that it will disappear or collapse
overnight—and I take on board the point that there is a difference between copper and fibre—cannot be sustained by practical experience. The market is there. In getting ready for fibre, there is an army of registered training organisations that is now seeking to upskill those people moving from the limited copper future to a fibre future. That market exists. It will not disappear and it would be ludicrous to suggest that it would with the scale of the work that is being proposed as a result of the NBN rollout. If anything, the pressure is on to find enough skilled people to be able to deliver what is required for the project, bearing in mind—as has been identified—that this project will run past 6,000 homes a day when it hits full stride.

The next issue is the suggestion that—if I can characterise it—NBN Co. would want to hoard this work. I come back to the point that the cables, the lead-in work, will need to be run past 6,000 individual homes. NBN has got enough on its plate not to be chasing individual greenfield sites. It will prefer to have the private market step in to do that work, given the need to connect up brownfield sites to ensure that they are cable-ready and ready to meet demand as it grows.

In relation to the standards themselves, as has been highlighted by the member for Greenway, the fact of the matter is that the minister has a reserve power. The preference is for the industry to sort this out and to come up with a set of standards in relation to cabling and to the way that the work will be done. The preference is for the Communications Alliance, of which NBN is a member, to set this standard up, but in the absence of a standard, which the industry has not been able to agree to, the government is asking the opposition in good faith to remain confident that the industry will get these standards and the government will assume the risk if the industry does not get it right. If the performance of the network does not meet the expectations of the public, it is the government and not the industry that will wear the blame. The bill, it is important to note, does not set out technical specifications for the infrastructure, but it does give the minister reserve power to make instruments to do so in relation to passive infrastructure and the optical fibre lines if the industry cannot get its act together. For the fibre infrastructure to be able to serve its purpose and operate at an appropriate level across the new developments, some degree of standardisation is going to have to be required to ensure that, as I said, performance meets expectations. I do not accept some of the positions that have been put forward by the opposition, and I urge the House to reject the amendments.

The DEPUTY SPEAKER (Hon. DGH Adams): The question is that the amendments be agreed to. There being more than one voice calling for a division, in accordance with standing order 133(b) the division is deferred until after 8 pm. Debate adjourned.

Mr TURNBULL (Wentworth) (19:14): I move opposition amendment (12):
Schedule 1, after item 16, page 33 (after line 4), add:

Part 3—Amendments relating to Parts 7 and 8 of the Telecommunications Act 1997

Telecommunications Act 1997

17 After subsection 141(1)

Insert:

(1A) However, this section does not apply to a local access line that

(a) was installed in a project area of a real estate development project after the commencement of part 3 of schedule to the Telecommunications Legislation Amendment (National Broadband Network Measures—Access Arrangements) Act 2011; and
(b) was installed in compliance with any applicable provisions of part 20A; and
(c) was installed by a person that is not Telstra or NBN Co; and
(d) is owned by that person, or by a body corporate related to that person; and
(e) is operated by that person, or by a body corporate related to that person; and
(f) is used only to supply carriage services to end-users in the project area.

This amendment amends the provisions of the Telecommunications Act which can be succinctly described as the 'cherry picking' provisions. They are designed to ensure that anyone who builds any fibre infrastructure after the relevant date, which is defined as 1 January 2011, must make a layer 2 bit stream service available in the same way as the NBN. There is a provision in the act that we are seeking to amend—section 141A—to enable the minister to exempt a specified network from section 141.

We are seeking here to provide that networks installed in greenfields areas by cable providers, called greenfield operators, that are not Telstra or NBN Co. will be, by virtue of this amendment, exempted. The purpose of this is to enable that competitive independent broadband business to continue. If these amendments—the one we have just debated and this one—were both adopted it would give a developer these three very clear options: first, he or she would firstly install the pit and pipes—that is their obligation. Second, the developer could wait for the NBN to turn up and pull the fibre through those pits and pipes or, pursuant to our first amendment, engage an independent cable contractor to install technically compliant infrastructure which the NBN would then be, if the developer so chose, required to purchase at the rate determined by the minister. The third option for the developer is to enter into an agreement with an independent cable network operator—TransACT being probably the largest independent cable operator—to install the pits and pipes, pull the cable through and then provide an independent service along
the same lines as it does in many areas, including this fair city, the capital of our great nation.

This amendment will ensure that that competition will be able to continue. These are going to be relatively small networks, they do not pose any material risk or threat to the NBN, and this will enable that nascent—a word the minister liked, which I take as meaning 'young and promising and developing'—industry to continue to grow, as opposed to being utterly wiped out by the combination of the government's NBN policy and the provisions that we are seeking to amend—that is to say, parts 7 and 8 of the Telecommunications Act 1997.

This amendment, again, is not something that has emerged from a political discussion on our side. It is an attempt to provide a solution to serious problems raised by serious people from the industry who believe that without a change of this kind they, their businesses and their employees are going to be put out of work. I commend this amendment, in the interests of competition, in the interests of jobs, to the House.

Mr ALBANESE (Grayndler—Leader of the House and Minister for Infrastructure and Transport) (19:19): The government will be opposing this amendment. The level playing field arrangements were only passed by the parliament in late March. The coalition's proposed amendment fails to understand the origin, purpose and importance of these arrangements. Vertical integration and the lack of wholesale services in new developments have been a longstanding concern. Many competing operators have extolled the wholesale-only model.

The government's approach ensures end users will enjoy NBN-like outcomes regardless of the network provider. It also ensures that NBN Co. operates on a level playing field so it can provide faster broadband access across Australia, an open access platform for competition across Australia and uniform national wholesale pricing. These will benefit all Australians, especially in regional Australia. Where a competing provider has legitimate concerns about the arrangements, there is scope for exemptions.

In conclusion, the government considers that the opposition's proposed amendment is unnecessary and inappropriate and therefore we urge the House to oppose this amendment.

Mr TURNBULL (Wentworth) (19:20): The minister's response is what I anticipated it to be, which is essentially 'trust me, I'm a politician', saying that the industry should take comfort in the fact that under section 141A of the principal act the minister has the ability to exempt a specified network from section 141. One would hope that some of these small networks would, in fact, be exempted. But, who is to say? They certainly will make an argument that they should be. It is far better for parliament to deal with it and put the matter beyond doubt, creating greater certainty and greater security for the industry that we are seeking here to protect.

I should note—and this is made very clear in the dissenting report attached to the committee's report—that these competitive greenfield operators whose businesses we are seeking to preserve would continue to be subject to the other access requirements which apply under the telecommunications-specific provisions of the Competition and Consumer Act—that is to say, other retail service providers, as the dissenting report notes, wishing to serve residents of a development would have the legal right to obtain access over that network. So, seeking the statutory exemption under this amendment is not locking the door on these small independent networks to access from
other retail service providers. The minister and his two colleagues on the government benches who have spoken tonight have failed to address the concerns raised by industry. I would ask them, very sincerely, to set aside their natural animosity towards the opposition and their natural desire to get on the political soapbox and talk about the joys and wonders of the NBN and all the blessings that its construction will deliver to what they trust will be a grateful nation and, instead, to think about the men and women with real businesses—with real employees and with real customers who are paying real tax to support all of us here in Canberra—who came in good faith to this committee and said, ‘We have a problem with this bill; it is going to put us out of business.’ We in the coalition, again in good faith, put together some amendments which we believed were solutions to those problems. As the dissenting report notes, we ran them by the representatives of these companies and they were certainly supportive of them. If the government do not like these amendments—and they clearly do not—what we need to hear is the government’s solution. What we need to hear is not the honourable member who spoke earlier trying to pick holes in the drafting—perhaps going back to her old profession as a solicitor—but an answer that deals with the mischief, the problem, the issue that these people have brought to the committee. They came with a problem. We have sought to address it. What is the government’s position? Do they say that there is no problem and that those people are all suffering from some kind of collective delusion? Or do the government say they have another solution, another answer to their problem? If they have another answer, let us hear it. The people of Australia and this industry are sitting, with bated breath, waiting to hear what the government’s alternative solution is. Or are these people, all of the people who submitted to our committee, deluded? Do they not understand their own businesses? Do the government believe that it would be better if the bureaucrats from the Department of Broadband, Communications and the Digital Economy were running their businesses for them? Do the government seriously believe these private sector firms, many of whom have been in business for a very long time and serve thousands of Australians with substantial broadband networks—and let’s face it; they have much bigger fibre networks than NBN, which at this stage has more employees than it has customers—do not know their business? In short, if you do not like the amendment, what is your answer to the problems these people have raised?

Ms ROWLAND (Greenway) (19:25): I do not have any animosity towards industry. I do not have any animosity towards any particular fibre providers. What I do have animosity towards is the delay that is being caused to my constituents getting the NBN. Riverstone, as the site of the first Sydney metro rollout, should be getting the NBN on time—and it would if we were to enable this legislation to go through. I understand that the member for Wentworth probably does not have a lot of greenfields developments in his area—I am sure he is the first to admit that—but I do. North-west Sydney, the fastest growing corridor in Sydney, needs to have certainty that, for all those blocks being opened up around Riverstone, Schofield and Marsden Park, every single new residential dwelling will be fibre-ready when residents move in. That is the certainty they have been waiting for; that is the certainty they need.

I take on board the member for Wentworth’s comment that I read his amendments. I apologise for reading his amendments closely. I thought he might actually take that as a compliment. He has asked what the government’s solution is to
these problems he says he has identified. I will tell you what the solution is. In early 2009, I was advising—and I am on the record—certain telcos on these provisions about mandating fibre in greenfields estates. I was doing that when those provisions were in their first form, when the discussion paper was first put out. At that time, many problems were identified—myriad problems that needed to be sorted out. If you have a local government background, as I do, you will know that that not only requires developers and the fibre providers to be on board but also requires local government to understand what is going on and what their obligations are in the consent process and in the planning and development approvals process.

Since 2009, we have come a very long way. Why is that? Why has there been continual updating of the government’s position on fibre in new estates? It is because this government has been consultative with the industry. The improvements that have been made have brought us to a point where we have a bill before us which is ready to proceed, ready to provide the certainty which the industry and consumers are looking for. I recall the member for Wentworth yesterday saying that this amendment would enable the private sector cable companies to be exempted from the cherry picking provisions of this act if the fibre network they sought to build met certain conditions—not owned or operated by NBN Co. or Telstra. He said yesterday that they should be exempt from these cherry picking provisions because of their scale.

We know that some of those opposite have very perverse views when it comes to cherry picking provisions elsewhere in NBN related legislation. When we dealt with the access arrangements measures, I noted at that time that the bill was designed to address certain cherry picking provisions. The anti-cherry-picking provisions meant that anyone building a fibre network had to provide wholesale access, which is again relevant to facilities based competition. There is a very sound reason for doing this and it is something that is relevant only to a ubiquitous fibre broadband network of the nature of the NBN—it is because it can ensure equal pricing. It ensures equal pricing regardless of where you live or work in Australia. I noted at that time that opposition to those provisions would be opposition to the national uniform pricing requirement imposed on NBN Co. The anti-cherry-picking provisions in the telco world are designed to counter inefficient investment.

The NBN creates a national network where all players are created equal, and that extends to equal treatment whether those players are in the city or in the bush. I particularly take on board the comments of my friend the member for Hinkler. I am sure he would want to ensure that his constituents had the most level playing field that could be offered in getting access to high-speed broadband services. There is an impediment to that, which has been proved time and time again—those investors who seek to cherry pick in low-cost areas do so for one reason and one reason only, and that is for profit, regardless of who they are. Under the arrangements in this bill, supported by the access arrangements, investment is only incentivised where it is efficient. This is in contrast to the cherry picker, the person who is not charged with a mandate to serve the national interest, as the NBN is, but is interested only in making a profit. The easiest cherries to pick are the low-cost areas—not the bush, not outer metropolitan Sydney, which I represent. This cannot come soon enough. The only thing I am opposed to is delay.

Mr TURNBULL (Wentworth) (19:30): I heard the member for Greenway refer in
positive terms to facilities based competition. I remind her that the government of which she is an enthusiastic supporter, particularly on this policy, has just paid billions of dollars of taxpayers' money to Telstra and Optus so that they will not use the HFC networks, their cable networks, to provide facilities based competition with the NBN. You have to ask: how good a business is the NBN if the government has to pay billions of dollars to cable companies—Telstra and Optus in this case—not to compete with it? How good a business is the NBN if it has to have legislation, such as the legislation we are seeking to amend, to effectively prevent private sector operators like TransACT and OptiComm from providing competitive services? The truth is that the government's mission here is to stamp out competition.

The member for Greenway was complaining about my remarks on the NBN, so let her put forward evidence to contradict this: no country in the world is setting out to eliminate facilities based competition in the way this government is here in Australia. In every other market where there is HFC cable available—it was invariably rolled out, as it was here, to provide pay television services—that HFC cable is providing competitive broadband and voice services. I mentioned in my remarks in the second reading debate yesterday that Korea and the United States are good examples. There are many others—the United Kingdom, most European countries; it is a very long list. Everywhere else in the world the benefits of facilities based competition are clear. That is what we are seeking to preserve, in a fairly narrow focus, in this amendment and of course generally in our critique of the NBN.

If the honourable member does not want to respond to that challenge, let her respond to this. She can talk about the concerns of her residents and make the spurious claim that somehow or other the coalition is delaying the rollout of broadband to the electorate—of course that is exactly what she will do when, come the next election, nothing has been done by NBN; she will no doubt say it is the fault of the Liberal Party—but the question that she must address if she is seriously engaged in this debate, and she has been a member of the NBN committee, is what she says to those companies and organisations that came before us and made these complaints, raised these issues, that we are seeking to address. The minister will not address that and the member for Greenway seeks to present herself as an expert in this area, so what is her answer? Are they wrong; do they not know their own business? Or, if they are right and they do have a problem, what is her alternative solution?

Ms ROWLAND (Greenway) (19:34): I am happy to answer the member for Wentworth any day of the week. The answer is that facilities based competition in Australia failed. That is why we are in the position we are in. For so many years we had the ACCC do its infrastructure reports on telco infrastructure and the level of competition. Every single year it would come out and look at the concentration and the vertically integrated state of our communications industry.

The member for Wentworth should also understand that there is another golden rule of telecommunications regulation, and that is to use existing facilities, physical infrastructure, wherever possible. That is why we have specific rules about things like telecommunications towers and a clear preference in the legislation for collocation before building new ones. That is why we have not only a declared services regime under the Telecommunications Act but also a regime for the sharing of physical infrastructure. By having this agreement in place with Telstra we are using the most efficient processes possible. I do not want
people like the member for Gilmore having to complain time and again that the NBN is coming in and digging up her nature strip.

The member for Wentworth talked about the infrastructure that all these other countries have and the infrastructure that already exists in Australia. If you take the HFC network, of course that is covering 30 per cent in Australia—but too bad if you miss out on that and you do not live on the east coast of Australia; too bad if you live in a rural area and do not have the benefit of that network. He talks about the US. The US is a classic example of a country that has a long history of cable investment. That is not the Australian model. One thing he misses in his remarks is that Australia has been recognised, even by the International Telecommunications Union, as being absolutely unique and as needing an absolutely unique response when it comes to fulfilling not only our social responsibilities but also our economic responsibilities to the rest of Australia and to the Australian economy.

The answer to the member for Wentworth is that, over the course of this fibre rollout conversation that has been going on between this government and industry, this government has listened to industry. That is why we have ended up with a bill that is ready to go through the parliament tonight and is able to provide certainty not only to the industry but also to consumers and to all those people in my electorate who are asking not why we are getting it but when. I know the member for Wentworth does not suffer from this problem because he has the privilege of representing an electorate that ranks very high in broadband accessibility by households. He is right up there with the best. But unfortunately the member for Hinkler's electorate is not and the member for Cowper's electorate is not. Greenway, which I represent, needs to do a lot better, and that is why this government has chosen Riverstone as the site of the first Sydney metro rollout. The member for Wentworth can try to make fun of my position all he likes, but he is merely leaving himself exposed as someone who is out of touch with reality and with the consumers of this country. We know he has one remit—to destroy the NBN—and that is exactly what he is seeking to do on this occasion.

The DEPUTY SPEAKER (Mr KJ Thomson): The question is that amendment (12), as circulated by the member for Wentworth, be agreed to. There being more than one voice calling for a division, in accordance with standing order 133(b) the division is deferred until after 8 pm.

Debate adjourned.

BUSINESS
Rearrangement

Mr ALBANESE (Grayndler—Leader of the House and Minister for Infrastructure and Transport) (19:38): by leave—I move:

That so much of the standing and sessional orders be suspended as would prevent the first item of business after 3 minute constituency statements in the Main Committee on Wednesday, 17 August 2011, being constituency statements of up to 5 minutes by Members to report on their consultations pursuant to the resolution passed by the House on 18 November 2010, which called on Members to gauge their constituents' views on ways to achieve equal treatment for same-sex couples including marriage, followed by government business and/or committee and delegation business.

I have consulted with the opposition on this motion. This arises from the motion moved by the member for Melbourne and carried by the House with regard to consultation with constituents regarding equal treatment for same-sex couples. This will allow a process whereby members, if they choose, will be able to report on their consultations to the Main Committee, which is appropriate given the resolution carried by the House of
Representatives. That is certainly my understanding from the respective whips. Crossbenchers may also choose to take the opportunity to present the views from their consultations, whatever they may be, to the Main Committee. It is appropriate that it be done in a consolidated fashion. This arises after correspondence which was sent to me by the member for Melbourne and after a discussion we had about the appropriate procedure. I commend the resolution to the House and I thank the opposition for their cooperation and support for this process.

Question agreed to.

BILLS

Offshore Petroleum and Greenhouse Gas Storage Amendment (National Regulator) Bill 2011

Second Reading

Debate resumed on the motion:

That this bill be now read a second time.

Mr IAN MACFARLANE (Groom) (19:40): It is with some regret that I rise to speak on the Offshore Petroleum and Greenhouse Gas Storage Amendment (National Regulator) Bill 2011 because I had hoped that the coalition would be able to support this legislation in the House. The Offshore Petroleum and Greenhouse Gas Storage Amendment (National Regulator) Bill 2011 and related bills—the Offshore Petroleum and Greenhouse Gas Storage (Registration Fees) Amendment Bill 2011, the Offshore Petroleum (Royalty) Amendment Bill 2011, the Offshore Resources Legislation Amendment (Personal Property Securities) Bill 2011 and the Offshore Petroleum and Greenhouse Gas Storage Regulatory Levies Legislation Amendment (2011 Measures No. 2) Bill 2011—all fit broadly within the coalition's policy position of ensuring that we are able to continue to explore and exploit the natural oil and gas resources in offshore Australia. These bills should have been largely procedural but, more significantly than that, they usher in important changes to the regulatory environment for offshore oil and gas.

By far the most significant aspect of this set of bills is the establishment of two new regulatory bodies to administer and regulate petroleum and greenhouse gas storage operations in Commonwealth waters in the Australian offshore area, which is an industry of ongoing significance for the Australian resource sector and the Australian economy. As I said, these bills do achieve what the coalition would like to see in regard to the long-term objectives of regulating those waters. These new bodies would replace the designated authorities, which are the ministers from the states and the Northern Territory who, through their departments, have performed that function and exercised powers conferred directly on them by the Offshore Petroleum and Greenhouse Gas Storage Act 2006 and its predecessor act, the Petroleum (Submerged Lands) Act 1967. The Commonwealth conferred these powers on the states and territories as part of the then decision to spread these regulatory bodies around the states. The government does not propose, under these bills, to change the joint authority arrangements for petroleum titles that have been in place since 1980.

These bills require the support of not only this House but also the state governments. I had hoped that by the time these bills had arrived to be voted on in this House we would have been able to resolve some of the outstanding issues, particularly between the Commonwealth and the Western Australian governments. I understand that the Western Australian minister, Norman Moore, has been engaged in discussions with Minister Ferguson. I have been involved in discussions with both those ministers as we
have tried to reach a point of agreement. I thought we had an understanding that these bills would not be debated until that understanding had been completed. I am disappointed that I cannot offer the coalition's support to these bills, on the basis that there are matters still to be resolved between the Western Australian minister in particular and the federal Minister for Resources and Energy. That is an unfortunate state of affairs because these matters of regulating the exploration and exploitation of resources and doing it in a humanly and environmentally safe way are of critical importance. It is without doubt that there have been deficiencies in the past in the way this regulation has taken place, and I will come to that a little later.

The two new regulatory bodies will be the National Offshore Petroleum Safety and Environmental Management Authority, to be known as NOPSEMA, and the National Offshore Petroleum Titles Administrator, to be known as the titles administrator. NOPSEMA will be an expanded version of the National Offshore Petroleum Safety Authority, which I set up when I was minister and is known as NOPSA. NOPSEMA's principal functions will be occupational health and safety; structural integrity of facilities, wells and well related equipment; environmental management; and the regulation of day-to-day petroleum operations. There is no doubt that the regulation of the offshore oil and gas industry is a very important issue to be brought before this parliament.

The size and significance of the oil and gas exploration and extraction industry mean we have a great deal at stake in getting this process right. Again, I note with some disappointment that this process is being rushed. I am not sure what happened, I am not sure whether it is related to 1 July and the 'Greening' of the Senate and the alliance between the Greens and the Labor Party, but something clicked over and we were advised late last night that these bills would be debated today. As I say, I would prefer that this issue were not concluded until we were able to ensure the important issue that is at stake—that is, that we give the public the confidence that exploration and exploitation of petroleum in Australian national waters will take place in an absolutely safe environment. From my experience as the responsible minister, I understand that regulation is an ongoing process which must be regularly reviewed to ensure the best possible system of regulation is in place. I am pleased—and I say this with all sincerity—that the current minister is endeavouring to uphold that principle.

Some of the vital considerations that have informed the establishment of a new operating system for the industry include the safety of workers, which I mentioned earlier, and, just as importantly, the integrity of the environment. As well as that, the number of jobs in the offshore oil and gas industry create an opportunity, indicating the economic significance of the industry to both the states and the Commonwealth. I can assure the House that the coalition fully understand the scale and importance of the Australian oil and gas industry and are fully appreciative of the fact that it must be able to continue to operate in a safe and sustainable way. Therefore, we have made ongoing and genuine efforts to work cooperatively with the government and the minister on this issue, and I appreciate the shared commitment of the government to ensure the coalition have been given access to a full range of relevant information during that process. This has not been an overnight process and it is a process which I am sure we would all agree has taken a little longer than we had wished.
The coalition have always been broadly supportive of the principle behind the government's proposal to strengthen the regulatory regime for the sector and the proposals to clarify the procedures and principles for responding to emergency situations. But it is essential that this process is completed properly and that the full range of issues are resolved before the legislation is passed. That may not be possible and that is why the coalition are not supporting this legislation at this point in time. But it is essential that the steps still to be taken are taken to ensure that the remaining issues are resolved and the best outcome is achieved for all stakeholders.

The fact remains that Australians are now more aware than ever before of the activities of the oil and gas industry. There have been a number of issues in relation to the oil and gas industry and some fall under the purview of this legislation. Most prominent of those, of course, is the oil leak that occurred off the coast of Western Australia, which is known as the Montara incident and, in fact, sparked the initiative for this change, as well as the disaster in the Gulf of Mexico, where the Deepwater Horizon rig exploded with the resultant loss of life in the incident known as Macondo. Those two incidents alone have changed the way in which Australians perceive the offshore oil and gas industry. When you add to that the explosion in the domestic gas plant on Varanus Island, which not only caused industrial disruption and a shortage of gas but endangered the lives of the people working on that plant, there is obviously a need for greater effectiveness of regulation.

These incidents have also resulted in a greater level of public scrutiny and more concern from the public than ever before. The public reaction in regard to these incidents is not irrational behaviour; it is a logical and appropriate response to the images Australians have seen as a result of two major oil leaks and the resultant fires, which we saw in graphic television reports. The real issues concern the environment where the oil, particularly in the Macondo incident in the Gulf of Mexico, found its way to shore. We were more fortunate with the Montara incident because the oil was a lighter type and evaporated and, to our knowledge, did not make landfall anywhere, thus minimising damage to the environment, but it is not something that this industry wants to see ever again.

Prior to the Montara incident, the offshore oil and gas industry had a faultless record for 25 years. Obviously we can learn from issues which came out of that incident. There has been an extensive investigation into it and reports from it and recommendations have been made. Part of those recommendations form the basis of this legislation. Just as the public are now demanding greater scrutiny and are more aware of it, the industry should not see that as in any way detrimental. It should not shy away from the challenge or consider this legislation a burden to the development of new projects. Instead, it is an opportunity to make sure that all oil and gas projects in Australian waters meet the highest of international standards and can be carried out safely and successfully. Thousands of jobs and billions of dollars of investment are at stake, which is why it is essential that we get this legislation right.

I share the view that the offshore oil and gas industry can operate in a manner which allows it to grow without exposing either the workers or the environment to unnecessary risk. There is the opportunity for the industry, if it continues to work together—and it has a displayed a great capacity for that, particularly since Montara—to find the solutions we need not only to make sure this does not happen again but also to ensure that the public will have the confidence to allow
the industry to continue. Some oil and gas wells are in the proximity of sensitive environmental areas, and some of them are near World Heritage listed reefs et cetera. We need to ensure that the public has confidence so that this exploration can continue without endangering the environment in any way.

One of the important functions of the new body, NOPSEMA, will be to streamline the environmental approval process with the rest of the regulatory conditions for offshore projects. One of the issues which the industry is keen to see addressed and which the coalition supports is a certainty of process in how this all works together. Studying the environmental issues in relation to an oil and gas project is an extraordinarily complex procedure which requires not only knowledge of the environment but very sound and deep knowledge of how the petroleum industry itself works and how an exploration and production rig works in that situation. So having NOPSEMA able to streamline the environmental approval process is a common-sense change.

I emphasise that that is not to suggest that all projects should get an automatic green light; quite the contrary. It is not in any way to suggest that the environmental concerns should be given any lesser priority. In fact, I would be confident that, under NOPSEMA, when we eventually resolve the issues with Western Australia, the model will be more robust in ensuring safe environmental outcomes. NOPSEMA will allow a comprehensive and complete consideration of all projects and eliminate, as much as is humanly possible, the risk of a piecemeal or fragmented process. By having the process conducted in a way where all the facts can be put on the table and discussed and the issues resolved, with the environmental risk minimised to the lowest possible denominator, we will be in a far better position going forward. That is important in ensuring both the preservation of the environment and the confidence of the general public. This resolution and streamlining the process is something I believe all affected groups in the oil and gas industry and the environmental stakeholders should welcome.

I note that stakeholders were given the opportunity to put forward submissions to the commission of inquiry as a result of the Montara incident, which led to this new legislation. That has helped to ensure that the new regulatory conditions are both workable and effective. Whatever we put in place has to work in the end. It has to be practical. It does not want to be bound up in fine print and red tape. It needs to be workable and effective. Certainly the principles contained in this legislation will achieve that.

It is now time to give the offshore oil and gas industry the certainty it needs and, at the same time, to give the public the confidence they require so that these projects can be completed without unnecessary risk to workers or to the environment. From my discussions with industry, I understand it is an issue that industry is very engaged in. These discussions have been going on for some time and I have also been involved in discussions direct with industry and with companies themselves. As those discussions were taking place, the Macondo incident occurred in the Gulf of Mexico and again the industry exchanged a great many ideas and much advice as to how we best move forward.

The industry shares the aspiration to ensure it can develop in a safe and sustainable manner. This has been evidenced in the open and transparent manner which industry representatives have demonstrated when participating in this process. I also applaud the commitment from industry, as outlined by the minister, by which the
Australian Petroleum Production and Exploration Association, known as APPEA, has worked to create. On the point about APPEA, if I may digress for a moment, I acknowledge the imminent retirement of their CEO, Belinda Robinson. Belinda has made an enormous contribution to this industry. She came to APPEA from the forest industry. She took up this position when I was the Minister for Industry, Tourism and Resources. Her stewardship of APPEA as that organisation has moved forward over the last six or eight years has been critical to ensuring that the industry itself has not only interfaced with government, which APPEA has done very effectively, but also understood the expectations of the general public and the industry's requirement to have that public licence, so to speak. APPEA have developed a draft mutual aid memorandum of understanding relating to incident response, a self-audit tool for the management of well operations and also an oil spill preparedness and response improvement plan.

Without the industry support and cooperation, the establishment of a new and comprehensive regulatory regime for the sector would have been needlessly confrontational and would have risked Australia's ability to reach the best possible outcome. When you consider all that is at stake and the quantum of the changes being proposed, it is to the credit of the industry and the various governments that there has not been a head-to-head confrontation on this. Just as importantly, there has not been a distasteful public row. Sure, there have been disagreements and issues which have had to be resolved—as I have said, those issues have not been swept under the carpet, but they have been resolved in a very transparent way—but at all times all players have understood the need to make sure that we resolve the issues and that we put in place something that will do the job better than what we have now. I do not think anyone would argue that there have been faults in our current system.

Many of those faults were exposed in the Montara inquiry and no-one is without blame, so no-one should cast the first stone. But we have a situation where those issues have been resolved. There have still been a number of significant sticking points in that process, particularly in regard to the practical implementation of the single regulator. I appreciate the fact that the Western Australian government has been concerned that one of its most important industries is properly regulated without being stifled, as is the right of any state when it is considering one of its most important economic drivers. I want to thank Norman Moore, the Western Australian minister for energy, for his attitude on this matter, given the fact that he has maintained the dialogue, he has maintained the attitude that he wants to resolve these issues. It is unfortunate that Minister Ferguson has chosen to proceed with this debate on this bill before all of those issues have been resolved. It is equally unfortunate that because of that the coalition will not be supporting the package of bills.

Nonetheless, in the face of these philosophical differences, I am confident that the matter can be resolved in time. I would like to acknowledge the role of the Western Australian department of energy in working in good faith to come up with the best outcome for the oversight and regulation of the oil and gas sector. This negotiation process is ongoing, but I trust progress is being made, given the shared objective of both sides of this House and of the Western Australian government to provide a workable and productive solution to the offshore oil and gas industry ably supported by the industry itself and, as I have mentioned, APPEA. I have confidence that these
differences can be bridged, but more work must be done.

The Montara oil leak was a very serious incident and an incident which was without precedent in Australia's oil and gas offshore industry. Nonetheless, there are lessons to be learnt from both this incident and the oil leak in the Gulf of Mexico, known as the Macondo incident. It is incumbent on the Commonwealth government to draw the appropriate lessons from the Montara incident and to ensure actions are taken to give the public, workers and the industry confidence that the best measures have been put in place to do all that is reasonable to prevent a similar incident. The coalition is confident that the Commonwealth response is a fair and meaningful attempt—although not yet completed I add—to create the best possible operating framework for the oil and gas industry. However, the response must not be just about prevention and response. It is also about ensuring that the public have confidence that the authorities responsible for the oil and gas sector—and the wider resources industry—are able to perform the tasks that are laid out in front of them. So not only do we need a structure that works but also we then need the bodies in that structure to work.

Offshore exploration and drilling is something that is essential to Australia's future, to our economic growth, and also to our energy supplies. Ours is a country that is in the fortunate position—in fact, we are one of the few OECD countries as to this—to be a net exporter of energy and part of that net export is in the area of gas. There is huge potential in that industry, and, of course, it would be wonderful if Australia could crack a bit of oil every now and again to try to lower the amount of crude oil that we are importing into Australia for refining and also the amount of refined motor spirit and distillate that we import into this country. We will need to see this industry play a fundamental role in our energy security in the future and that is why a solid and comprehensive national framework for regulation and response is essential.

I look forward to seeing the final, mutually agreed result that will ensure that the industry can operate and grow in confidence and that the public will have confidence that, as that industry operates and grows, the environment and the workers who work on these oil rigs will be safe. We all need to work together. As I have said repeatedly through this speech, it is a great regret to me that this bill has been proceeded with before negotiations with the Western Australian government have been able to be brought to fruition and it is with some disappointment that I state that the coalition will not be supporting the package of bills.

Debate adjourned.

Telecommunications Legislation Amendment (Fibre Deployment) Bill 2011

Consideration in Detail

Debate resumed.

The DEPUTY SPEAKER (Mr KJ Thomson): In accordance with standing order 133(b), I shall now proceed to put the question on the motion moved earlier today by the honourable member for Wentworth on which a division was called for and deferred in accordance with standing orders. No further debate is allowed.

Question put:
That amendments (1) to (11) be agreed to.

The House divided. [20:11]

(Amendments are recorded in Hansard.)

(The Speaker—Mr Harry Jenkins)

Ayes ..................... 72
Noes ..................... 74
Majority ............... 2

CHAMBER
The question is that amendment (12) moved by the member for Wentworth be agreed to.

The House divided. [20:20]

(Assistance of Mr Harry Jenkins)

Ayes ................. 72
Noes ................. 74
Majority ............... 2

AYES

Abbott, AJ  Alexander, JG  Gibbons, SW  Gillard, JE
Andrews, KJ  Andrews, KL  Gray, G  Grieson, SJ
Baldwin, RC  Billson, BF  Griffin, AP  Hall, JG (teller)
Bishop, BK  Bishop, JI  Hayes, CP  Husie, EN (teller)
Briggs, JE  Broadbent, RE  Jones, SP  Kelly, MJ
Buchholz, S  Chester, D  King, CF  Leigh, AK
Christensen, GR  Ciobo, SM  Livermore, KF  Lyons, GR
Cobb, JK  Coulton, M (teller)  Macklin, JL  Marles, RD
Crook, AJ  Dutton, PC  McClelland, RB  Melham, D
Entsch, WG  Fletcher, PW  O’Connor, BPJ  O’Neill, DM
Forrest, JA  Frydenberg, JA  Owens, J  Parke, M
Gambaro, T  Gash, J  Perrett, GD  Plibersek, TJ
Griggs, NL  Haase, BW  Ripoll, BF  Rishworth, AL
Hartseyker, L  Hawke, AG  Rowland, MA  Roxon, NL
Hockey, JB  Hunt, GA  Rudd, KM  Saffin, JA
Irons, SJ  Jensen, DG  Shorten, WR  Sidebottom, PS
Kelly, C  Keenan, M  Smith, SF  Smyth, L
Ley, SP  Laming, A  Swan, WM  Synon, MS
Marino, NB  Macfarlane, JE  Markus, LE  Zappia, A
Matheson, RG  McCormack, MF  McElveen, KD  Prentice, J
Mirabella, S  Morrison, SJ  Puget, CM  Ramsey, RE
Moylan, JE  Neville, PC  Pyne, CM  Robb, AJ
O'Dowd, KD  O'Dwyer, KM  Pyne, CM  Roy, WB
Prentice, J  Pyne, CM  Ramirez, RE  Schultz, AJ
Robb, AJ  Robert, SR  Secker, PD (teller)  Secker, PD (teller)
Roy, WB  Ruddock, PM  Simpkins, LXL  Snowdon, WE
Schultz, AJ  Scott, BC  Slipper, PN  Smith, ADH
Secker, PD (teller)  Simpkins, LXL  Southcott, AJ  Smith, ADH
Slipper, PN  Smith, ADH  Southcott, AJ  Smith, ADH
Southcott, AJ  Smith, ADH  Southcott, AJ  Smith, ADH
Tehan, DT  Truss, WE  Truss, WE  Truss, WE
Tudge, AE  Turnbull, MB  Turnbull, MB  Turnbull, MB
Van Manen, AJ  Vasta, RX  Van Manen, AJ  Vasta, RX
Washer, MJ  Wyatt, KG  Washer, MJ  Wyatt, KG

NOES

Adams, DGH  Albanese, AN  Abbott, AJ  Alexander, JG
Bandt, AP  Bird, SL  Andrews, KJ  Andrews, KL
Bowen, CE  Bradbury, DJ  Baldwin, RC  Billson, BF
Brodmann, G  Burke, AE  Bishop, BK  Bishop, JI
Burke, AS  Butler, MC  Briggs, JE  Broadbent, RE
Byrne, AM  Champion, ND  Bachholz, S  Chester, D
Cheeseman, DL  Clare, JD  Christensen, GR  Ciobo, SM
Collins, JM  Combet, GI  Cobb, JK  Coulton, M (teller)
Crean, SF  Danby, M  Crook, AJ  Dutton, PC
D’Ath, YM  Dreyfus, MA  Entsch, WR  Fletcher, PW
Elliot, MJ  Ellis, KM  Forrest, WA  Frydenberg, JA
Emerson, CA  Ferguson, LDT  Garrett, T  Gash, J
Ferguson, MJ  Fitzgibbon, JA  Gibson, T  Gregory, S
Garrett, PR  Georganas, S  Groom, K  Gregory, S

PAIRS

Somlyay, AM  Snowdon, WE

Question negatived.
AYES

Griggs, NL
Hartjes, L
Hockey, JB
Irwin, SJ
Jones, ET
Kelly, C
Ley, SP
Marino, NB
Matheson, RG
Mirabella, S
Moylan, JE
O’Dowd, KD
Prentice, J
Ramsey, RE
Robb, AJ
Roy, WB
Schultz, AJ
Secker, PD (teller)
Southcott, AJ
Tudge, AE
Van Manen, AJ
Washer, MJ

AHA,
AG
GA
JG
A
LE
MF
CM
LE
PC
MD
KM
CA
MJ
CM
SR
DJ
AJ
AJ

NOES

Haase, BW
Hawke, AG
Hunt, GA
Jensen, DG
Keenan, M
Laming, A
Macfarlane, IE
Markus, LE
McCormack, MF
Morrison, SJ
Neville, PC
O’Dwyer, KM
Pyne, CM
Randall, DJ
Robert, SR
Ruddock, PM
Scott, BC
Simkins, LXL
Smith, ADH
Stone, SN
Truss, WE
Turnbull, MB
Vasta, RX
Wyatt, KG

Owens, J
Perrett, GD
Ripoll, BF
Rowland, MA
Rudd, KM
Shorten, WR
Smith, SF
Swan, WM
Thomson, CR
Vamvakinou, M
Windsor, AHC

Parke, M
Pliberseck, TJ
Rishworth, AL
Safrin, IA
Sidebottom, PS
Smyth, L
Symon, MS
Thomson, KJ
Willie, AD
Zappia, A

Somlyay, AM
Snowdon, WE

Question negatived.

Bill agreed to.

Third Reading

Mr ALBANESE: by leave—I move:

That this bill be now read a third time.

Question agreed to.

Bill read a third time.

Offshore Petroleum and Greenhouse Gas Storage Amendment (National Regulator) Bill 2011

Second Reading

Debate resumed on the motion:

That this bill be now read a second time.

The SPEAKER: Before debate is resumed on the Offshore Petroleum and Greenhouse Gas Storage Amendment (National Regulator) Bill 2011, I remind the House that it has been agreed that a general debate be allowed covering this bill, the Offshore Petroleum and Greenhouse Gas Storage (Registration Fees) Amendment Bill 2011, the Offshore Petroleum (Royalty) Amendment Bill 2011, the Offshore Resources Legislation Amendment (personal Property Securities) Bill 2011 and the Offshore Petroleum and Greenhouse Gas Storage Regulatory Levies Legislation Amendment (2011 Measure No.2) Bill 2011.
Mr CRAIG THOMSON (Dobell) (20:23): I rise to support the Offshore Petroleum and Greenhouse Gas Storage Amendment (National Regulator) Bill 2011 and cognate bills. Firstly, the Offshore Petroleum and Greenhouse Gas Storage Amendment (National Regulator) Bill 2011 amends the Offshore Petroleum and Greenhouse Gas Storage Act 2006 to establish a national offshore regulator of safety, integrity and environmental management of petroleum and greenhouse gas storage activities in Commonwealth waters. A national offshore titles administrator will also be established through amendments to this bill to administer titles in Commonwealth waters.

This is the principal bill in a package of complementary amendment bills. This bill will largely implement the government response to the 2009 Productivity Commission Review of Regulatory Burden on the Upstream Petroleum (Oil and Gas) Sector. The principal recommendation of the Productivity Commission to reduce unnecessary burden on the industry was the establishment of a national offshore petroleum regulator.

The report of the Montara Commission of Inquiry of June 2010 recommended, amongst other things, that the proposal to establish a national offshore petroleum regulator should be pursued at a minimum. The Montara commission specifically recommended the establishment of a single, independent regulatory body looking after safety as a primary objective in addition to well-integrated and environmental management. The 2008 Varanus Island pipeline explosion and the 2009 Montara oil and gas blowout highlighted the need for improvement in the regulatory regime to be robust and seamless. The existing regulatory arrangements are complex and disjointed and involve inconsistent administration, including regulatory duplication across governments. These inadequacies largely stem from the risk of regulatory gaps arising from the regulation of safety and integrity being separate from the regulation of environment and the day-to-day operations. Maintaining the current arrangements is not a credible option in light of the Productivity Commission review and the report of the Montara Commission of Inquiry.

It is interesting that, while the shadow spokesman on this issue gave 20 minutes of praise for this legislation, the recalcitrant nature of the Western Australian government has committed the opposition to opposing this legislation. When you look at the merits of what the legislation is trying to do, it is a great shame that the opposition have taken this position. But it should not come as any surprise to anyone here that the opposition when in any doubt go for the negative, go for the no. It is in their DNA in this parliament that they are still going to oppose in the end even legislation that they spend 20 minutes praising. It is a real indictment of where the opposition is in this parliament at the moment.

In 2009, the Productivity Commission identified a significant unnecessary regulatory burden on the industry. The system is burdensome, slow and lacks consistency across jurisdictions. Currently, the Commonwealth government has responsibility for petroleum operations in offshore areas beyond three nautical miles; however, the day-to-day regulation is undertaken by the designated authority in each state and the Northern Territory. The system requires seven separate designated authority regulators for Commonwealth waters around Australia, resulting in inefficiency in regulation. With the reforms contained in this package of legislative amendments, the government is replacing the seven designated authorities with an integrated regulatory
system, promoting consistency and efficiency across Commonwealth waters.

The administration of titles will be centralised in the new National Offshore Petroleum Titles Administrator, which will replace the designated authority system currently in place for Commonwealth waters. However, the joint authority, which comprises the Commonwealth minister and the relevant state or Northern Territory minister, will be retained as the decision maker for key petroleum title decisions. Retaining the joint authorities for petroleum titles ensures that each state and the Northern Territory continue to have a role in decision making on key petroleum projects in Commonwealth waters that could impact the individual state or territory. NOPTA will make recommendations to the joint authorities on key title decisions as well as administer titles and collect data relating to petroleum and greenhouse gas storage activities in Commonwealth waters. As is currently the case, the view of the responsible Commonwealth minister will prevail in the event of a disagreement. The Commonwealth minister will also remain the decision maker for greenhouse gas storage titles. States and the Northern Territory will have an option to confer their administrative powers in their coastal waters on NOPTA.

The existing National Offshore Petroleum Safety Authority's functions are to be increased to complement their expanded responsibility for a well-integrated regulation which this parliament passed last year. A single national offshore petroleum regulator will ensure only one agency regulates the safety of Australia's offshore petroleum workers and the environment, from the exploration through to the decommissioning. Safety, environment protection and day-to-day operational consents are all concerned with integrity and it is essential that they be regulated in an integrated manner. The expanded authority will be known as the National Offshore Petroleum Safety and Environmental Management Authority. In developing these reforms the Australian government has undertaken significant stakeholder consultation over the last 15 months with the states and the Northern Territory as well as with NOPSA and the industry. As is currently the case with NOPSA, both NOPTA and NOPSEMA will be based in Perth, which is convenient for the oil and gas industry, and will operate on a full cost-recovery basis. This approach is consistent with the Australian government's policy on cost recovery and will help ensure minimal cost and regulatory burdens to the industry. These cost-recovery arrangements will be reviewed regularly in consultation with the industry. The establishment costs of NOPTA and NOPSEMA will also be cost recovered through the existing registration fees paid by the industry on transfers and dealings of offshore titles. Once the establishment costs of NOPSEMA and NOPTA are fully recovered—currently expected in 2013—these fees will be scrapped, representing a significant cost saving for the industry.

Additionally, these reforms also deliver on the government's commitment to the Council of Australian Governments reform priorities. COAG's National Partnership Agreement to Deliver a Seamless National Economy includes milestones to implement the agreed Productivity Commission recommendations and remove unnecessary burdens on industry.

The offshore oil and gas industry is vital to sustaining our country's economic prosperity and security. Passing this bill, together with the other complementary bills, will help deliver on the government's commitment to ensuring the Australian community's confidence in the regulation of the offshore petroleum industry by ensuring operating standards are the best and safest in
the world. The reforms put forward through these bills will help streamline Australia's regulatory system, ensuring Australia's continuing competitive advantage in securing the necessary investment in Australia's offshore oil and gas industry to develop our resources for all Australians.

Let me go through the main points of the Offshore Petroleum and Greenhouse Gas Storage Amendment (National Regulator) Bill 2011. This bill amends the Offshore Petroleum and Greenhouse Gas Storage Act 2006 to establish a single national regulator for offshore safety, well integrity and environmental approvals and a national titles administrator for offshore petroleum, mining and greenhouse gas storage activities. This model reflects the recommendations of the 2009 Productivity Commission review and the Montara Commission of Inquiry's recommendations, as well as 18 months of consultation with industry, states and the Northern Territory.

Safety, environmental protection and day-to-day operational consents are all concerned with integrity and it is essential that they be regulated in an integrated manner. The existing National Offshore Petroleum Safety Authority's functions are to be increased to complement its expanded responsibility for well integrity regulation, which this parliament passed last year. A single national offshore petroleum regulator will ensure only one agency regulates the safety of Australia's offshore petroleum workers and the environment, from exploration through to decommissioning. To this end the existing independent National Offshore Petroleum Safety Authority will be expanded to become the National Offshore Petroleum Safety and Environmental Management Authority.

The bill will also establish a single national body for the administration of title in Commonwealth waters to be known as the National Offshore Petroleum Titles Administrator. Under the new system the administration of titles will be centralised in the new National Offshore Petroleum Titles Administrator, replacing the designated authority system currently in place and promoting consistency and efficiency across Commonwealth waters. Retaining the joint authorities for petroleum titles ensures that the states and the Northern Territory continue to have a role in decision making. As is currently the case, the responsible Commonwealth minister's view would prevail in the event of a disagreement.

Additionally, these reforms also deliver on the government's commitment to the Council of Australian Governments reform priorities. COAG's National Partnership Agreement to Deliver a Seamless National Economy includes these milestones. The offshore oil and gas industry is vital and this legislation makes sure that we continue to provide support and improve the regulations that are there so that it can continue to be a powerhouse for the Australian economy.

These are very important pieces of legislation. It is a great shame that we have the opposition agreeing in principle to what is contained in the regulations and going to great lengths to point out their role in the consultation, but refusing to agree to the bill because of timing issues with regard to Western Australia. It is typical of those opposite that, wherever they can grasp a negative out of a positive, they will do so. It is very disappointing that, with what should have been a bipartisan position in relation to making sure this industry operates better, we again have the opposition going to their usual negative position. It is very disappointing in relation to this industry. I commend these bills to the House.

Mr IRONS (Swan) (20:34): I rise today to speak on the Offshore Petroleum and

At the outset, can I say that as a coalition we do support the effective regulation of the gas and oil industry, but as a Western Australian I oppose key elements of this bill. One of the main reasons is that there is no agreement with the Western Australian government. We have just heard the member for Dobell take the shadow minister, the member for Groom, and also the Western Australia government to task for not agreeing with this bill. If he had listened closely to the shadow minister, he would have understood that we do support the bill in principle but the fact is that it was not supposed to be brought forward until there was an agreement with all the state governments. That agreement has not been achieved. I see the member for Dobell has left the chamber and has not bothered to hear what the actual facts are. The fact is that the government has not reached an agreement with the state governments. He should understand that and not try to take the opposition to task for agreeing with the principle of the bill but not actually agreeing with it because there is no agreement with the state governments.

We need to make sure that incidents like the Varanus Island gas explosion and the recent oil leak off the coast of Western Australia do not happen again. Never again do we want to see our environment and our supply of energy compromised in Western Australia. We in the coalition do recognise the thousands of people, many in my own electorate of Swan, who are employed in this sector of the economy. As such, we understand the scale and importance of Australia’s oil and gas industry and are fully appreciative that it must be able to continue to operate in a safe and sustainable way. On reading the explanatory memorandum to these bills it seems that a major reason for the federal government’s introducing this legislation is to respond to the Varanus Island gas pipeline explosion in 2008 and the Montara wellhead platform incident in 2009. The government’s solution is a takeover of key regulatory institutions from the states. It is doing this by creating two new regulatory bodies. Currently, and consistent with the Offshore Constitutional Settlement, each of the states and the Northern Territory share the administration of the Commonwealth offshore petroleum legislation through two institutions.

The joint authorities comprise the relevant federal and state ministers and make decisions about granting, imposing conditions on and cancelling petroleum titles. In addition, they make decisions about resource management and resource security. The designated authorities are state and territory ministers who perform day-to-day regulatory and administrative duties. In addition, NOPSA regulates occupational health and safety.

Under the proposed changes in the legislation the new bodies replace the designated authorities, and the joint authorities are retained. These new bodies are the National Offshore Petroleum Safety and Environmental Management Authority and the National Offshore Petroleum Titles Administrator. These are designed to administer and regulate petroleum and greenhouse gas storage operations in
Commonwealth waters in the Australian offshore area.

The coalition certainly understands the need for oversight. As the member for Groom said earlier, the oil leak off the coast of Western Australia has forever changed the way the oil and gas industry is perceived. This is an opportunity to make sure that oil and gas projects in Australian waters meet the highest international standards and can be carried out safely and successfully. However, it does not necessarily follow that the Commonwealth will be better at doing this than the states. I note that a key WA government witness to the Senate Economics Legislation Committee inquiry into this legislation said that one of the major reasons for the Varanus Island gas explosion was the subcontracting of the supervisory role to the Commonwealth agency NOPSA. In fact, many reports around the world suggest that the more regional the supervision and regulation the better. So we need to carefully scrutinise this Commonwealth takeover, and that is what I intend to do in my speech this evening.

As I have touched on briefly already, this legislation does have significant ramifications for Western Australia. In making my response to this issue I want to raise some of the many concerns that have been raised by Western Australian senators and the Western Australian government. These concerns led to these bills being referred to a Senate inquiry. I know that the WA members of the Senate have been particularly vocal about these bills, and I intend to add my voice to their number today. In doing this I commend Senator Eggleston for his excellent work in his role on the Economics Legislation Committee. Like senators in the other place, I am of the opinion that the government needs to concentrate on finalising its negotiations with the WA government before passing this legislation. Many people cannot understand why the government has brought on this debate without finalising these negotiations. However, I am sure that the government speakers will enlighten us in their contributions.

Western Australia is, of course, the most active petroleum jurisdiction within Australia. Roughly 60 per cent of offshore activity is conducted off the coast of Western Australia in Commonwealth waters. Any legislation that deals with these matters is of significance to the state of WA. Concerns have been expressed by the WA government that on the subject of licences there will be no requirement for the Commonwealth to advise WA regarding the location of licences. It is important that the state continues to have a say in these matters, for all sorts of reasons, including making sure that adequate protection is given to the environment. The federal government does not have a good history of ensuring that adequate protection is given to the environment. The recent Senate inquiry into changes to the Perth flight paths highlighted this, with the former Minister for Environment Protection, Heritage and the Arts, the member for Kingsford Smith, failing to implement any EPA report, as was his responsibility. This was just another abject failure by Minister Garrett.

Also included in the Senate inquiry report are concerns from the WA government regarding the potential removal from its administration of royalty amendments for the North West Shelf project. Through the supplanting of the designated authority and the allocation of these powers to NOPTA or NOPSEMA, the WA government may not have any estimates of royalty revenues until payments are actually received from the Commonwealth. Without this, it will be difficult for the WA government to plan for the infrastructure required for our mining areas.
There has been widespread commentary about the WA government's recent decision to increase mining royalties, and I have spoken in this parliament about this matter previously. It is easy to see why Western Australia is so concerned about royalties when it is asked to comment on legislation that will move the following responsibilities from the Department of Mines and Petroleum to NOPTA: involvement in setting royalty rates, negotiations of wellhead royalty schedules, determination of the wellhead point and the value of petroleum at the wellhead, assessment or determination of the quantity of petroleum recovered, assessment and audit of the monthly royalties payable and exemption from royalties.

I also raise the potential constitutional issues referred to in the Senate inquiry. Coalition senators are particularly concerned that the 1979 offshore constitutional settlement, which was an agreement between the Commonwealth and the states on taking a cooperative approach to administering the offshore area, is being overridden by removing the role of the designated authority. These are all significant issues. Importantly, these are all issues that are subject to negotiation between the Commonwealth and the Western Australian government. It therefore seems strange that the government is today reintroducing this legislation into the House without these negotiations having been completed. This legislation is important to Western Australia. The west has 60 per cent of titles in Commonwealth waters. The royalty payments component applies solely to Western Australia. It is therefore incumbent on the government to get this legislation right.

In conclusion, the coalition supports, and has always supported, the effective regulation of offshore oil and gas. However, the government seems to be running away from negotiating with the WA government and running away from addressing these decisions. Thus the coalition looks forward to seeing the final, mutually-agreed-to result that will ensure that the industry can operate and grow with confidence. I look forward to the government members' contributions to ensure that there will be a mutually acceptable agreement between the federal government and the WA government.

Ms LIVERMORE (Capricornia) (20:44):
I rise to support the Offshore Petroleum and Greenhouse Gas Storage Amendment (National Regulator) Bill 2011 and cognate bills and their swift passage through this parliament. Essentially, these bills provide for the establishment of a national regulator for petroleum, gas and greenhouse gas storage activities in Commonwealth waters. This is a significant reform and one that implements recommendations made by both the Productivity Commission and the Commission of Inquiry into the Montara blowout in the Timor Sea in 2009.

The past few years have been a time of massive growth in offshore oil and gas investment and activity. We all know that what we have seen so far is just the start of a new era for the industry. Natural gas is set to take its place as one of Australia’s key export commodities, underpinning national growth and economic prosperity. It is also expected to play a much greater role in domestic energy supply as a less carbon intensive alternative to traditional coal-fired power generation.

The past few years have also been a time of review and reform of the regulatory framework that applies to the offshore gas and petroleum industries. That process of review and reform was initiated with the Australian Petroleum Production and Exploration Association’s strategic leaders report Platform for prosperity, which in 2007
called for a Productivity Commission review of the regulatory regime applying to the industry. The Productivity Commission carried out its review in 2008 and reported in 2009. The focus of that review was to investigate whether overlapping and inconsistent Commonwealth and state regulation was impeding economic activity within the sector and how the regulatory regime could be made more efficient and effective.

The commission's principal recommendation to reduce the regulatory burdens on the sector was the establishment of a national offshore regulator. Since the Productivity Commission began its work in 2008, Australia and the world have seen what can happen if this industry is not regulated with the highest standards of rigour and oversight. First, the Varanus Island explosion off Western Australia in 2008, then, a year later, the Montara blow-out and, most catastrophically, BP's Deepwater Horizon spill in the Gulf of Mexico all carried grave lessons for our Australian offshore oil and gas producers and regulators. Even though the Productivity Commission report was handed to the government back in 2009, it was clear that these events raised new questions and that implementation of the Productivity Commission's recommendations should be deferred until the Montara inquiry reported as well. Those lessons have informed the government's response to the recommendations coming out of both the Productivity Commission and the Montara inquiry. They are reflected in these bills, which go to the efficiency of the regulatory regime but also to its strength and effectiveness in the areas of safety and environmental protection.

At the heart of these bills is the creation of a national regulator of the offshore petroleum, gas and greenhouse gas activities in Commonwealth waters through the establishment of two new bodies, one with administrative responsibilities and one with administrative responsibilities. The first, the National Offshore Petroleum Safety and Environmental Management Authority, NOPSEMA, will be a single independent national regulator with responsibility for regulating safety, well integrity, environmental management and day-to-day operations. This will be done by expanding the functions currently performed by NOPSA, the National Offshore Petroleum Safety Authority.

In addition, it is proposed that the new National Offshore Petroleum Titles Administrator, NOPTA, will replace the current system of designated authorities—essentially the state and Northern Territory ministers and their respective departments—with a single national titles administrator. NOPTA will be part of the Department of Resources, Energy and Tourism at the Commonwealth level.

The arguments in favour of these changes could not be stronger. There is no doubt that the current system of regulation is complex and disjointed. While the Commonwealth government has legislative responsibility for petroleum operations in offshore areas beyond three nautical miles from the territorial sea baseline, the Commonwealth and the relevant state or territory jointly administer the activities in Commonwealth waters adjacent to that state or territory. Some of those functions, such as the administration of titles, are carried out by the joint authority, which is the responsible Commonwealth minister making decisions together with the relevant state or territory minister. In practice, however, the actual day-to-day and environmental regulation is undertaken by the designated authority, which is essentially the minister and the minister's department in each state and the Northern Territory. In effect, this means that there are seven separate designated authority regulators for the Commonwealth waters.
around Australia, all applying their own standards of scrutiny, their own different interpretations on the regulations, and their different levels of resources and expertise. As well, since 2005, the National Offshore Petroleum Safety Authority has had responsibility for safety and, more recently, well integrity.

Not surprisingly, the Productivity Commission review found evidence of duplication, overlap and inconsistent administration in the current regime that imposed significant unnecessary burdens on the oil and gas sector and threatened Australia’s competitiveness. The Montara Commission of Inquiry was a stark reminder that there is a lot more than just efficiency at stake if there are any weak links in the regulatory regime. That inquiry was instituted by the minister following the uncontrolled release of oil and gas from the Montara platform in the Timor Sea, for 10 weeks from 21 August 2009, and found major deficiencies on the part of both the operator, PTTEP Australasia, and the primary regulator, the Northern Territory Department of Resources.

The Montara experience highlighted the problems arising from the regulatory gaps between regulation of safety and regulation of integrity, environment and day-to-day operations. In that case NOPSA had responsibility for the safety of the Montara operation but no powers or responsibility for well integrity and day-to-day management, which logically have a crucial bearing on the overall safety of the operation.

The unacceptably lax way in which the Northern Territory Department of Resources carried out its role on behalf of the Commonwealth as the designated authority meant that the Commonwealth agency, NOPSA, could not properly discharge its obligations to do with safety. Consequently, the commission of inquiry recommended a single independent regulatory body be created to look after safety as a primary objective, well integrity and environmental approvals. The Minister for Resources and Energy summed it up in his second reading speech when he said that maintaining the current arrangements is not a credible option in light of these two reviews. The House of Representatives Standing Committee on Agriculture, Resources, Fisheries and Forestry, in its report on the bills, identified the objectives of the reforms they contain as being consistent with the findings of those reviews. The objectives are:

- to provide an integrated approach to the regulation of safety, structural integrity and environmental management;
- to ensure that this regulation is independent and appropriately skilled and resourced;
- separate the resource development function from regulation and retain resource development within government; and
- reduce the regulatory inconsistency and duplication that is inherent in the existing regulatory regime.

Those objectives will be met by the establishment of the two new bodies I referred to earlier. NOPSA will become NOPSEMA, the National Offshore Petroleum Safety and Environmental Management Authority, reflecting its expanded role. NOPSA had already been given expanded responsibilities for well integrity in amendments passed by parliament last year. These changes go even further to include responsibility for environmental management and day-to-day operational consents. This achieves the aim of fully integrating, within one agency, the safety of Australia’s offshore petroleum and gas workers and the environment from exploration to decommissioning. It recognises that occupational health and safety, structural integrity of facilities, day-to-day operational matters and environmental management are all related.
and require an integrated approach to minimise risk and maximise overall safety.

There is an overlap in the skills required by the regulator to properly supervise all these aspects of offshore activities, so it makes sense to have all functions located in the one agency and complementing each other so that a high standard of assessment and scrutiny can be assured. As is the case under the current system, NOPSEMA will only have authority over activities in Commonwealth waters. However, states and territories will have the option of conferring their equivalent regulatory powers and functions to NOPSEMA in respect of oil and gas operations in state and territory waters if they choose to do so.

The establishment of the national titles administrator, NOPTA, deals with the issues of efficiency and duplication identified by the Productivity Commission. As I outlined earlier, the current system relies on the designated authority, which is effectively the relevant state or territory department, to administer the petroleum titles within the Commonwealth waters off the shores of that state or territory. To replace the current system of seven designated authorities, the single administrator, NOPTA, will be situated within the Commonwealth Department of Resources, Energy and Tourism and will carry out the functions of data collection, analysis, titles approval and transfers, and the provision of information, advice and recommendations about all petroleum titles to members of the joint authorities and the responsible Commonwealth minister. This will centralise the administration of all titles and promote efficiency and consistency across operations in all Commonwealth waters.

The bills retain the joint authority as the decision maker on key title decisions. That means that the relevant state or territory minister, in concert with the federal minister, makes the major decisions on things like the granting of titles, the imposition of conditions and the cancelling of titles. This ensures that the states and the Northern Territory still have an important role in making decisions on gas and oil projects that will affect their state, although, as is currently the case under the offshore petroleum legislation, in the event that agreement cannot be reached the Commonwealth minister will prevail.

A representative from the Department of Resources, Energy and Tourism gave evidence to the House of Representatives Standing Committee on Agriculture, Resources, Fisheries and Forestry illustrating how the creation of NOPTA will be an improvement over the current situation. She said:

The titles administrator will be able to source that advice from wherever they wish to, and obviously all relevant and available sources of advice will be used, including any information and advice that can be provided by the state department. But the advice will go to the joint authority as a single set of advice from the titles administrator. That will increase efficiency over the current situation, where it tends to be the case that the state minister gets his technical advice from his department and the Commonwealth minister gets his technical advice from Geoscience Australia, and sometimes there is toing and froing between the two departments about the quality of each other's advice and that kind of thing. That will all now be dealt with in an efficient manner by the titles administrator and there will be one set of technical advice that goes up.

This is consistent with the Victorian government's submission to the Productivity Commission, which estimated that a single national offshore regulator could reduce the time taken for approving a production licence by about 50 per cent, from 12 months down to six months. When you are talking about projects on the scale of these projects
in the oil and gas industry, six months makes a big difference.

One other important element of these bills is the question of cost recovery for both the establishment of the new bodies and their ongoing operation. The government has approached this on the principle that it is the industry that benefits from the activities of NOPSEMA and NOPTA, so the costs of these bodies should fall to industry rather than to general taxpayers. To cover the set-up costs, these bills authorise the Commonwealth to retain registration fees from companies in the sector for a minimum of 24 months, or until the lesser amount of $30.6 million or the actual establishment costs have been collected. In addition, from 1 January 2012, NOPSEMA's and NOPTA's fees and charges will be reset to ensure they operate on a full cost recovery basis.

The government is committed to greater transparency for the industry when it comes to the fees they are required to pay and the expenditure of that money by the regulators. This has not always been the practice for the designated authorities, leading to the situation where revenue from fees often significantly exceeded the designated authority's administration costs. We want these reforms to lead to cost savings for the industry, and transparency in the fee structure will help to achieve that.

The offshore oil and gas industry is a valuable industry for Australia, employing thousands of people and contributing to our national wealth. But it is also a dangerous industry and one that operates in environmentally sensitive and unique areas off our coastline. Since the Montara blow-out, we cannot say that we were not warned. We know what can happen if offshore operators are not held to the very highest safety and environmental standards by regulators who have the expertise, the resources and the authority to supervise this industry on our behalf. These bills put the recommendations of the Montara Commission of Inquiry into place and, in doing so, make our regulatory framework more robust and in line with world's best practice for this industry. I commend the bills to the House.

Ms MARINO (Forrest—Opposition Whip) (20:58): I rise to speak on the Offshore Petroleum and Greenhouse Gas Storage Amendment (National Regulator) Bill 2011 and related bills. I am really disappointed that the minister has brought this bill into the House before he reached agreement with the Western Australian government, when Western Australia is clearly the state that will be most affected by changes to petroleum and gas legislation. As Mr Tinapple, the Executive Director, Petroleum, of the Western Australian Department of Mines and Petroleum, stated during the Senate Economics Legislation Committee's hearing:

Western Australia has about two-thirds to three-quarters of the offshore activity in Australia. The exploration amounts and the production of gas and liquid petroleum in Western Australia make the state the largest jurisdiction by far.

He went on to comment that the WA Department of Mines and Petroleum had been negotiating on how WA could work with the Commonwealth and was near to reaching an agreement on co-locating the regulators. But this has not happened yet. Mr Tinapple also expressed his disappointment that this legislation was introduced without any consultation with his department. This is unfortunately something that the Labor government seems to do on a regular basis. The coalition's dissenting report on this legislation also identified the significant impact this would have on WA. The report said:

Western Australia is the most active petroleum jurisdiction in Australia with an estimated 60 per
cent of offshore activity being conducted off its coast. There are currently five LNG developments with onshore LNG processing plants at various stages of development, emphasising the fact that WA stands to be the most affected by the proposed legislation …

Yet the legislation is before us well before an agreement with the Western Australian state government. The dissenting report also mentions the concerns of the Western Australian government that under this legislation there will be no requirement for the Commonwealth to advise the WA government about the location of licences over the WA coast. The federal government’s announcement of three new offshore exploration permits awarded in Commonwealth waters off Western Australia has further fuelled the state government’s opposition to the proposal to introduce a national offshore regulator.

Western Australian Minister for Mines and Petroleum Norman Moore said the growing interest in exploration and development of the petroleum industry off the coast of Western Australia highlighted the need for the administration and regulation of petroleum titles to remain with the state government. The WA state government has formally requested the federal Minister for Resources and Energy, Martin Ferguson, to reconsider his national offshore petroleum regulator model to reform offshore petroleum regulation in Australia. In January this year Mr Moore said:

WA’s proposal for the introduction of a National Compliance Auditor would achieve improved regulation and maintain all key parts of the current regulatory system.

Mr Moore went on:

This option would not only benefit WA, the largest jurisdiction for offshore petroleum activity, but strengthen the oversight role of the Federal Government.

Such a model would ensure that any delays, gaps or duplication in regulation processes were quickly identified and resolved with appropriate resources, while also maintaining the advantage of the current extensive local knowledge, workable and timely processes, and the existing skills base, without disruption.

This option recognises the need to boost safety standards in the offshore petroleum industry and the regulatory role of Government, and supports the significant reform of State and Commonwealth areas that is already taking place in Western Australia by the Department of Mines and Petroleum.

The minister criticised the recommendation by the Productivity Commission in its report on the regulation of upstream petroleum activities to create a national offshore regulator, saying it was flawed. He said:

The proposed national regulator is unlikely to provide any benefit to Australia, Western Australia or the offshore petroleum sector, even in the long term, as it will not solve the complex, cross jurisdictional boundary issues or the complexity relating to environmental and native title issues.

Mr Moore said the alternative model could be achieved without any disruption to or reduction of service level of regulation of offshore projects in WA. He said the current practice of mirroring Commonwealth and state petroleum legislation would continue to provide similar legislative frameworks across jurisdictions, and the current cooperative approach could continue to deliver more timely outcomes. The minister said:

The Western Australian Government does not support the introduction of a national offshore petroleum regulator, and maintains that the administration and regulation of petroleum titles should remain with the State.

Western Australia’s industry still has decades of lucrative years ahead of it, and we need to play a major role in realising these benefits for the people of this State.

This is a further example of the Federal Government grabbing WA’s decision making
powers and building costly, less efficient bureaucracies in Canberra.

We in this parliament should not underestimate the value of these industries. The resources sector is clearly a driving force in the Western Australian and Australian economies. The state accounts for 62 per cent of Australia's mineral production excluding coal, 73 per cent of our natural gas and 64 per cent of our crude oil and condensate. It has over 500 commercial mining and petroleum projects producing over 50 different products. The value of mining and petroleum production in Western Australia last year was more than $70 billion. For Australia as a whole, mining and energy exports make up nearly 70 per cent of all merchandise exports. There are around 30 international oil and gas companies and more than 40 oil and gas service companies with offices in Perth—companies such as Apache Corporation, BHP Petroleum, BP, Chevron, Conoco, Phillips, ExxonMobil, Hess Corporation, Inpex, Shell, Total and Woodside.

The Gorgon liquefied natural gas project, which has just gone into construction on Barrow Island off the Western Australian coast, is, at $43 billion, Australia's biggest project and the largest Chevron has ever undertaken either inside or outside America. This further translates into an investment surge in new mining and petroleum projects. While not every project will go ahead as its promoters may wish, there are around $170 billion worth of projects in the investment pipeline for Western Australia over the next five or so years.

I understand the intent of this legislation given that my electorate, because of its reliance on the gas that comes from the north-west, was one of those most affected by the Varanus gas explosion. Numerous businesses are no longer in existence as a result of the losses they sustained at that time. There were people out of work almost immediately, particularly in the forestry sector. It was an immediate effect and it was felt widely throughout my electorate. There is no doubt that the regulation of the offshore oil and gas industry is highly important to the country and that was demonstrated in this instance, particularly in Western Australia. The sheer scale and importance of Australia's oil and gas industry demonstrates the need to ensure that we get the legislation right. It is essential to not only Australia's future economic growth but also our energy supplies. We certainly need to have a very close relationship with the Western Australian government in developing the agreements and the legislation. The framework for legislation and response needs to be effective and comprehensive, but in my view it has to be agreed to by the most affected state, Western Australia.

Ms O'NEILL (Robertson) (21:07): I rise to speak in support of the government's reform in the area of offshore petroleum and greenhouse gas storage. I commend my colleague the member for Capricornia for her contribution to the debate. She gave a very lucid explanation of much of the detail of these bills. The reforms that are proposed here this evening are contained in five bills that previous speakers have alluded to. All of these bills make a significant reform to the manner in which our offshore petroleum industry is regulated.

The first bill I will speak to, and one of the most significant in my view, is the Offshore Petroleum and Greenhouse Gas Storage Amendment (National Regulator) Bill 2011. This bill reflects an initiative in cooperative federalism because it enables a national system for the registration of national offshore petroleum titles. This bill establishes a new agency, the National Offshore Petroleum Titles Administrator—NOPTA—which will administer national
titles in relation to offshore petroleum, mining and greenhouse gas storage activities.

It is an economic reality that, although there are national and international initiatives to move to an international clean energy economy, we do still currently rely on fossil fuels for our economic wellbeing and we will continue to for some time. Indeed, our demand for energy will increase. In that context, there is the need to enable responsible and careful exploration of offshore sites for drilling. Many of us have witnessed events around the world and we are naturally apprehensive about offshore drilling, but responsible management of the industry is the task with which this government is charged and it is up to the task.

It is appropriate that this offshore petroleum industry should be well regulated under a comprehensive national system. These bills establish just such a system. In addition to the establishment of a national administration for titles, this government has also reformed the manner of safety, integrity and environmental approvals to ensure that they are administered well in offshore petroleum, mining and greenhouse gas storage activities.

The existing independent National Offshore Petroleum Safety Authority will be expanded to become the National Offshore Petroleum Safety and Environmental Management Authority, which my colleagues earlier alluded to and which is likely to be known by the name of NOPSEMA. NOPSEMA as an authority will be there to ensure that there is a single agency that regulates the safety of Australia's offshore petroleum workers and the environment to ensure that both the environment and the workers are prevented from being exploited, including from when works are being decommissioned. A single accessible regulatory agency will ensure that there are consistent standards applied throughout the Commonwealth, and that only seems fair and sensible in the light of what we have seen around the world.

We witnessed last year in the Gulf of Mexico the tragic consequences of the mismanagement of offshore petroleum extraction. It is a tragic reality that hundreds of thousands of people's lives and livelihoods were affected at that time, and will continue to be affected for decades, by a failure to provide adequate and proper protection of the environment and the workers. Apart from the long-term environmental impacts that this oil rig explosion had, we need to think about the impacts on the human presence in that area, including the workers who were so terribly affected by the disaster. We need only to think back further to the terrible images that Australians saw of the Exxon Valdez disaster to understand that the long-term ramifications of petroleum spills in our ecosystems profoundly impact on communities at all levels.

As I have stated in previous speeches, this type of legislation before the House, about which the entire House is so incredibly animated, is the kind of legislation that often does not make the front pages or even maybe some of the middle pages of the newspaper. It is certainly not the stuff of the daily broadsheet and I doubt that we will see a headline about it tomorrow. But this is part of the core work of responsible government and governance. It plays a fundamental part in the operation of this parliament because it is our obligation to act. It is our responsibility to protect one of the most treasured resources of our nation—our oceans.

For generations, Australians have relied on coastal areas for their livelihoods; in fact, most of us live near the coast. We are deeply connected to it. Our coastline wraps around our island nation and the image of that blue
water meeting the landmass is imprinted on our national sense of identity. It is part of how we see ourselves and it is part of how the world sees us as well. That is another part of why this legislation is clearly so important. It will ensure that the operating standards of our offshore petroleum remain the best and safest in the world. It is also a key measure in ensuring that the seamless framework for a national economy is developed by this parliament to ensure that we benefit from our economic potential. This notion is also reflected in the Offshore Resources Legislation Amendment (Personal Property Securities) Bill.

This bill addresses the decisions by the state governments and the Northern Territory government to exclude operation of the Personal Property Securities Act 2009 from the operation of this legislation. One of the reasons why the PPS Act has been excluded is that retaining the register of dealings and interests can enable proposed dealings and interests to be rejected. This represents an important control mechanism in the management and security of our national resources. As stated, this is an area of policy where the regulation needs to be measured, appropriate, effective and consistent. In this regard, the existing system of having a register of dealings has been proven to be an effective means of regulating dealings and interests. Because of this exclusion from the PPS Act, it is important to ensure that there is consistency between onshore and offshore mining regimes.

It is also important to recognise that this bill reflects extensive consultation with the offshore petroleum industry and reflects the Montara Commission of Inquiry recommendations. Australians listening to this broadcast might recall the Montara oil spill, which happened in the Timor Sea just off Australia's coastline in 2009. The commission that followed was naturally called the Montara Commission of Inquiry. The commission of inquiry reflected a real and pressing need for appropriate regulation in this increasingly important component of our energy supply. This bill certainly addresses the advice from the commission of inquiry for the need for a comprehensive national system of regulation in response to the offshore oil extraction industry that is part of the economic fabric of our nation. This bill reflects the Gillard government's desire to secure and strengthen Australia's future. It is another step in achieving this goal. I commend the bills to the House.

Ms PARKE (Fremantle) (21:17): I rise in support of this legislation and the provisions it makes in dealing with recommendations from the Montara inquiry relating to environmental and safety standards. These bills also introduce measures that respond to recommendations in the 2009 Productivity Commission report into regulatory burdens on the oil and gas sector. The Montara incident was one of the worst environmental and ecological disasters in Australian history. It had a profoundly damaging impact on the delicate environmental and ecological balance in the Timor Sea. What is more, it put at risk the health and safety of the many Australian men and women working on the West Atlas oil rig.

Between August and November 2009, over eight million gallons of lightweight crude oil spewed into the Timor Sea, affecting an area of over 6,000 square kilometres. Additionally, some 10,000 litres of chemical dispersant was subsequently sprayed over the contaminated water as part of the disaster response effort. All of this occurred in an area the Wilderness Society has rightly described as a 'marine superhighway', an ecosystem that is home to over 19 species of marine life that do not appear elsewhere. It is a high priority of this government to ensure that this type of
incident is prevented from occurring in Australian waters. This legislation is part of the government's ongoing campaign to establish not only the highest level of compliance with environmental standards but also the highest level of compliance with safety standards to guarantee the safety of the men and women who work in the offshore oil and gas industry.

In 2009, the Productivity Commission's *Review of regulatory burden on the upstream petroleum (oil and gas) sector* stated that the current regulatory system was burdensome, slow and lacking in consistency across designated authorities, resulting in an inefficient approach to regulation. These bills take action to rectify these shortcomings by reducing the cost of compliance for the Australian oil and gas sector while streamlining and expanding the government's safety and environmental monitoring capabilities across the nation's maritime territories. It does this by introducing full cost-recovery funding models for the newly formed National Offshore Petroleum Titles Administrator, NOPTA, and for the expanded National Offshore Petroleum Safety and Environmental Management Authority, NOPSEMA.

The National Offshore Petroleum Titles Administrator, NOPTA, will handle petroleum titles and advise designated authorities on key title decisions. Currently, petroleum titles are administered by individual state and territory authorities, resulting in an ad hoc system of administration. The formation of NOPTA will streamline the administrative process and reduce the cost of compliance for the oil and gas sector. This is in line with the Productivity Commission's upstream petroleum review, particularly its recommendation that a national offshore petroleum regulatory body be established.

It is my understanding that the Western Australian government has raised concerns relating to the intergovernmental negotiation process for determining the NOPTA and NOPSEMA authorities over maritime jurisdictions. The detail of this legislation should allay any such concerns. NOPTA will advise and liaise with local designated authorities comprising Commonwealth, state and territory ministers, which will provide for appropriate state and territory government input to the system of administering petroleum titles. On this point, I would like to reiterate that this government is implementing an important recommendation of the Productivity Commission's upstream petroleum review and that this legislation will benefit the oil and gas sector, an important Western Australian industry.

This bill also provides for the expansion of the National Offshore Petroleum Safety Authority's jurisdiction to include environmental concerns, an important reform and a critical regulatory improvement if we are to guard against incidents such as the Montara oil spill occurring in the future. The new National Offshore Petroleum Safety and Environmental Management Authority will act as the federal regulator for safety and environmental matters on all offshore drilling activities in national maritime waters. This action by the government to form NOPSEMA and expand the purview of the regulator is a necessary and responsible measure.

Additionally, I congratulate the minister for forming NOPTA and NOPSEMA on a full cost recovery basis, which requires that the cost of regulation be shouldered by industry and not by the Australian taxpayer. However, I note that as of 2013, when the cost of forming NOPTA and NOPSEMA has been recovered, the existing registration fees paid to the government on transfers and trading of offshore titles and the fees that
would be used to recover the start-up costs will be scrapped, representing a significant saving to the oil and gas sector from that point onward.

The provisions in these bills are sensible and measured. They represent a significant step forward in the regulation and administration of the offshore petroleum industry. These bills have been formulated after consultation with industry and environmental groups, and represent a well-calibrated response that takes into account many and varied considerations.

In their submission to the Montara inquiry, the Cape Conservation Group called on the government to introduce five measures to help safeguard against possible future environmental catastrophes. These measures include the formation of a series of marine sanctuaries, the closer regulation of the oil and gas sector in state and federal maritime jurisdictions and a stronger emphasis on the use of renewable and carbon neutral technologies. Since the submission of the Cape Conservation Group report, this government has taken action to protect Australia's rich and diverse marine environment through the release of the marine bioregional plan for the south-west, currently out for public comment. This long-awaited national reform will, in due course, extend to cover Northern Australia and other parts of Australia. As I noted in my recent motion relating to marine parks, debated in this place on 30 May:

Thanks to international agreements, Australia now has responsibility for oceans double our 7.7 million square kilometres of land. Only the oceans of Canada and France are larger. Australia's oceans are big but their size is not all that matters. They are special for many other reasons. The area of our marine environment brings together three of the world's most important oceans—the Southern, the Indian and the Pacific.

Australia has the world's largest area of coral reefs, the largest single reef—the Great Barrier Reef—and the largest seagrass meadow, in Shark Bay. We also have the third-largest area of mangroves and more than half of the world's mangrove and seagrass species. Our oceans provide life support for six of the seven known species of marine turtles, 45 of the world's 78 whale and dolphin species, and 4,000 fish species, which is 20 per cent of the global total. … Here in Australia we have the lot—tropical, subtropical, temperate, subantarctic and antarctic.

We are really very blessed and we need to look after what we have. The government has also announced a $3 billion clean energy fund to encourage the private sector to invest more in renewable and carbon neutral technologies, and now of course the government is taking action to streamline offshore petroleum industry regulation and establish a higher level of regulatory compliance. The Wilderness Society, in their submission to the Montara inquiry, called for 'strong independent compliance enforcement'. These bills provide that.

The formation of the National Offshore Petroleum Titles Administrator, NOPTA, will streamline administration and reduce the cost of compliance for industry. It will also remove much of the burden from state and territory governments, whilst allowing them input into matters that may affect their state interests.

The expansion of the National Offshore Petroleum Safety Environmental Management Authority, NOPSEMA, will implement a single compliance standard to apply across Australia, thereby decreasing the cost of compliance for industry and establishing a higher standard of safety for Australian men and women who work in the offshore oil and gas industry. Additionally, by including environmental management into the purview of the organisation, the government will
provide a further safeguard for the ongoing protection of Australia's fragile environmental and ecological treasures. As I said on 30 May:

In the tropical north, coral reefs, extensive tidal flats, seagrass meadows and mangroves fill the seascape, shelter the shoreline and provide critical habitats for Australia's rich tropical ocean life. Moving south, the water temperatures gradually decline. Subtropical waters are wedged between the tropical and temperate zones, where they are shaken and stirred into a remarkable living cocktail.

The oceans are living poetry and must be protected. It is for all these reasons that I support these bills. I commend my colleague the Minister for Resources and Energy for bringing this legislative response forward in a comprehensive and timely manner.

Mr RIPOLL (Oxley) (21:27): The Offshore Petroleum and Greenhouse Gas Storage Amendment (National Regulator) Bill 2011, the Offshore Petroleum and Greenhouse Gas Storage Regulatory Levies Legislation Amendment (2011 Measures No. 2) Bill 2011, the Offshore Petroleum and Greenhouse Gas Storage (Registration Fees) Amendment Bill 2011, the Offshore Petroleum (Royalty) Amendment Bill 2011, and the Offshore Resources Legislation Amendment (Personal Property Securities) Bill 2011 do a number of things. They amend the Offshore Petroleum and Greenhouse Gas Storage Act 2006. They also establish a single national regulator for offshore safety, well integrity and environmental approvals and a national titles administrator for offshore petroleum mining and greenhouse gas storage activities—all important in maintaining environmental protection, the way we manage our natural resources, our oceans, our seabeds, our rare and unique corals and the fish in our oceans.

These models reflect the recommendations of the 2009 Productivity Commission review and also the Montara Commission of Inquiry's recommendations, as well as 18 months of consultation with industry, states and the Northern Territory. This comprehensive process has enabled the government to provide certainty in these areas and the necessary frameworks and legislative models for environmental protection in the day-to-day integrated operation of all concerned. The functions of the existing National Offshore Petroleum Safety Authority are to be increased to complement their expanded responsibility for oil integrity regulation, legislation for which this parliament passed last year. In all, it is a comprehensive set of bills and I commend them to the House.

ADJOURNMENT

The DEPUTY SPEAKER (Hon. Peter Slipper): Order! It being 9.30 pm, I propose the question:

That the House do now adjourn.

Petition: Competition and Pricing in Australian Dairy Industry

Sale Swing Bridge

Mr CHESTER (Gippsland) (21:30): I would like to table a petition which has been found to be in order by the House of Representatives Standing Committee on Petitions. This petition relates to the potential for negative impacts on the dairy industry, as a direct result of the decision by both Coles and Woolworths to push down the price of milk to unsustainably low levels. In addition to receiving the petition, which has more than 600 signatures, I had the opportunity to meet with concerned residents in Gippsland, representing Gippsland churches, who supported this call for a 'fair go' for local dairy farmers. This is, I acknowledge, primarily an economic and industrial issue—and some may argue it is a bit unusual for the churches to be directly intervening—but I believe it is also a classic case of a social
justice issue and fighting for a fair deal for smaller players in the marketplace. I can understand why the local churches were so keen to be involved, with their parishioners, who understand the impact that this type of a decision can have on the dairy farmers in my community. My constituents can see through the marketing spin put forward by the supermarket giants that this is about the cost of living and giving a better deal for customers. It is all about market share and I believe the decision to sell home brand milk at $1 per litre has the potential to harm farming families and branded milk producers in the future.

Mr Bruce Scott: It is outrageous.

Mr CHESTER: I take up the comment by the member for Maranoa, who said that it is outrageous. It is outrageous and I think the regional families recognise that and see through this marketing gimmick. In that same vein, I would like to congratulate the operator of a locally owned supermarket, Mr Jim Feltis from Foodworks in Sale, who has countered the corporate giants by putting forward his own position through his small supermarket of $2.50 for two litres of milk and donating 50c from the sale of each product to Australian Dairy Farmers Ltd. I think that is a good way to respond to that particular challenge. So I congratulate Jim for the work that he does in our community as a supporter of so many different community organisations and sporting groups and for working in the community's interest, which I fear the major supermarket giants are not doing.

The petition read as follows—

To the Honourable The Speaker and Members of the House of Representatives

The petition of certain citizens of Australia draws to the attention of the House:

In May 2010 the Senate Economics References Committee released the report from their inquiry into milk pricing entitled Milking it for all it's worth — competition and pricing in the Australian dairy industry.

The Senate Committee formed the view that the retail and processor levels are now dominated by two supermarket chains, Coles, and Woolworths, and a handful of (now mostly foreign owned) processors, placing the farmers at a competitive disadvantage. It took the view that the major supermarkets appear to be using their dominant market positions (having captured 80% of the grocery market) to drive down the farmgate price through the sale of generic products that puts pressure on processors who are forced to compete with their own products.

We note that at times this is leading to severe hardship amongst dairy farmers, accelerating the process of forcing some to have to leave their farms.

Your petitioners therefore ask the House to:

Act on the recommendations of the Senate Economics References Committee report Milking it for all it's worth — competition and pricing in the Australian dairy industry.

from 615 citizens

Petition received.

Mr CHESTER: I would also like to speak on a separate issue in support of efforts to have the Swing Bridge, near Sale, included on the National Heritage list. Peter Synan is a former history teacher of mine, at Sale High School, a local author, a former Mayor of the City of Sale and a person who is heavily involved in environmental campaigns to protect and enhance the environment of the Gippsland Lakes. In short, Peter has been a terrific member of the Sale and district community over many years and is one of nature's true gentlemen. As an historian, Peter has researched the Swing Bridge and made a submission to the Department of Environment and Resources, which I would like to refer to, in relation to National Heritage listing. He points out that the Swing Bridge, which is located between Sale and Longford, is the oldest operational
bridge of its kind in Australia and it has been likened to a giant Meccano set. He says it is the best Australian example of a rare and vanishing engineering structure which was pivotal to early transport and settlement in riverine Australia.

Heritage listing would add to the prestige of the bridge and would no doubt also benefit the local tourism industry. The Sale and district community is making great efforts to improve the Latrobe River environs and the canal which links the Latrobe River to the port of Sale. I think it is worth mentioning, in the context of my comments here tonight, a little bit about the designer of this bridge. The bridge is arguably the greatest engineering work of the renowned Australian architect and civil engineer, John Grainger. Grainger has probably not received what we would regard as proper recognition for his contributions to the Australian built environment. Recognition of the Sale Swing Bridge would go some way to redress that fact.

The bridge itself was built between 1880 and 1883 under Grainger's supervision. There were some considerable difficulties in that era in terms of managing the foundations of the actual structure and the original design had to be modified during construction. I think the fact that it has lasted so long and is still operational today is a credit to the original design and to the builder, Mr Peter Platt.

The bridge is no doubt a link to our more recent history in Gippsland when Sale was actually an inland port and the rivers were the highways, linking Sale to the sea via the Gippsland Lakes. The 61-metre-long bridge that I am referring to was opened several times a day when the river trade was at its peak and it is now opened, on a less frequent basis, to allow larger recreational vessels to access the port of Sale when travelling through the Gippsland Lakes. I certainly support Peter Synan in his efforts to have the Swing Bridge included on the National Heritage list. I believe it fulfils the criterion as being of outstanding heritage significance to Australia. I think it is deserving of the status that such a listing would bring in recognition of the engineer and also in recognition of an important stage in the settlement of one of the most productive regions in the nation. (Time expired)

Ipswich: Infrastructure

Mr NEUMANN (Blair) (21:35): The coalition has neglected Ipswich—always. Each time the coalition has occupied the Treasury benches, its attitude has been to ignore the needs of the city and frustrate the wishes of its people. From its appalling refusal for 11½ years to upgrade the most vital transport link for the city—the Ipswich Motorway, used by more than 80,000 vehicles daily—to its failure to fund the local schools and hospitals and its lack of commitment to important community infrastructure—the coalition has ignored Ipswich again and again. It took the election of a federal Labor government in 2007 for the Ipswich Motorway to be upgraded from Dinmore to Goodna after years of opposition, truculence and stubbornness from the previous Howard coalition government. For the nearly four years I have had the honour of being the federal member for Blair, the coalition has voted against funding for Ipswich repeatedly. Whether it was nation building projects such as the Ipswich Motorway and other local road projects, the Building the Education Revolution funding—which has delivered in Blair almost $109 million, in new libraries, multipurpose halls and school classroom upgrades in 65 local schools—to all our regional and community infrastructure projects, the coalition has opposed it all, again and again. Even during the last federal
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election, despite much talking about it, the coalition refused again to commit itself to funding for the most pressing, unfunded and needed road priority: the Blacksoil Interchange, which is located at the intersection of the Warrego and Brisbane Valley Highways in Ipswich and which serves as the gateway for the Somerset Region, the Lockyer Valley and the Darling Downs. Only Labor committed itself to upgrading the Blacksoil Interchange with a flyover. It was a $70 million project with $54 million from the federal Labor government budgeted in 2011-12 in partnership with the state Labor government which is committing $16 million. The Blacksoil Interchange was not done during the 11½ years of coalition neglect despite, like the Ipswich Motorway, having the support of all local councils regardless of their political complexion. It will be under construction in early 2012 and is another great partnership between the federal and state Labor governments.

Until the election of this federal Labor government the missing link in funding for the City of Ipswich was federal funding. This is a point made often by Ipswich Mayor Paul Pisasale and I agree. I have spoken in this House on numerous occasions on the benefits of the Ipswich Motorway upgrade to the lives and lifestyles of the people of Ipswich. The upgrade to six lanes, with service roads and bike and pedestrian paths, has had up to 10,000 people working on it. It has created apprenticeships for dozens of local Ipswich residents and has improved the connectivity for Ipswichians to the capital of Queensland, Brisbane, where so many people work and play.

With my couple of minutes left I want to talk about partnerships and how, by working with the local Ipswich City Council and the state Labor government, this federal Labor government is making a difference in the heart of Ipswich. In the 2007 campaign we made a commitment at my urging of $10 million to the revitalisation of the Ipswich CBD under our Better Regions Program, which has and will continue to make a difference in the redevelopment of the heart of Ipswich.

There has been $3.3 million for the performing arts. There has been a partnership for an upgrade to the Ipswich Civic Centre—an icon created by the Whitlam Labor government in the mid-seventies. There was an upgrade of $300,000 to the Terrace Sails Cafe at the Civic Centre. There has been a refurbishment of over $1 million to the Civic Centre. There will be a study for an Ipswich performing arts centre, known as IPAC, which is a $97 million project and will have my support. There will be 300 jobs directly and a further 500 jobs indirectly created. A 1,500 seat IPAC would connect a second chamber seating about 500. I can guarantee to the people of Ipswich that as the member for Blair I will argue, advocate and agitate for funding from the federal government for IPAC.

This is another component of the federal Labor government's commitment, not just $3.3 million for performing arts in Ipswich, but $3.3 million for the upgrade of the corporate centre and the Ipswich Rugby League Reserve at North Ipswich. This is together with funding, which we have provided for the aquatic recreational reserve, to extend the riverside parklands hundreds of metres to the Bob Gamble Park.

In the two previous coalition campaigns there was not one word about these matters. There was no money from the Better Regions Funding. There has been $3.4 million committed by the Labor government on the aquatic recreation reserve and not a word has been said by the coalition. They do not care about the heart of Ipswich. They do not care about the people of Ipswich and
it is only this federal Labor government that has invested in Ipswich. It is only Labor that cares about Ipswich, it is only Labor that cares about the people of Ipswich and it is only Labor that has put life back into the heart of Ipswich CBD. *(Time expired)*

**Live Animal Exports**

Mr BRUCE SCOTT (Maranoa—Second Deputy Speaker) (21:40): I rise this evening to discuss this Labor government's disastrous decision to suspend live cattle exports to Indonesia. The Labor government has spent far too long—and they are continuing to do it now—kowtowing to the interests of minority pressure groups. This is another classic example of listening to those minority pressure groups and making a disastrous decision that has ramifications right across the Top End and right across the beef industry of Australia. It has led to putting on hold our $320 million beef industry. It is an industry that employs some 13,000 Australians including many Aboriginal Australians who have the dignity of a job because of the beef industry in the Top End. This government just does not care.

Mr Sidebottom interjecting—

The DEPUTY SPEAKER (Hon. Peter Slipper): Order! The member for Braddon will have his opportunity if he gets the call.

Mr BRUCE SCOTT: This is reflected by the comments and the interjections by the member for Braddon on the other side.

Like all Australians, I was appalled by the footage that I saw on *Four Corners*. I want to know from *Four Corners* and the ABC: when did they take that footage? My understanding is that they had that footage, not a week or so before it went to air, but months before it went to air. The producers of that episode stand condemned if they sat on something as dreadful as that vision we saw without alerting the authorities and the minister. If the minister knew about it and did nothing he also stands condemned. We want to know from the ABC: when did they take that footage, because what we saw is not acceptable animal welfare practice. That is why we need to know from the ABC or from the minister: when was he advised?

To put that *Four Corners* program on and play it in the middle of the season when the Top End are mustering cattle in the cooler months, trucking them to export ports and shipping them off to Indonesia just reeks of wanting to bring the whole industry down. They put it to air right when the season of mustering and delivery of these cattle was in full swing. It is now in full halt. The truck operators and the Aboriginal workers on the stations had the dignity of a job. I would have thought those on the other side would have been sticking up for the rights of our Aboriginal people, the Indigenous people, who we know have been disadvantaged. What they need is the right to and dignity of a job, and that job now is on hold.

What have this government offered them? A Centrelink payment. They have offered $30 million for an industry that brings in $320 million a year. Furthermore, they have also insulted the Indonesian government. The Indonesian government is a very important trading partner for Australia. We export something like $10 billion worth of trade to the Indonesian people. By implication and by this very ban they are saying that Indonesian government owned abattoirs in Indonesia also do not comply, when we know they do. They meet world's best practice. By saying that we are banning the export of cattle to the government owned Indonesian abattoirs as well, of which one alone processes up to 25 per cent of the live cattle exported to Indonesia, they are by implication saying that Indonesian government owned abattoirs do not comply.
Indonesia is a very important trading partner. They are our nearest neighbour, yet this government without consultation banned this live export market that families and pastoralists across the Top End have taken 20 years to establish. They look after their cattle, they breed their cattle and they care for their cattle. They should be given an opportunity to continue that trade because, if it is stopped for much longer, without resumption it will be disastrous for the Top End and it will be disastrous for the beef industry of Australia. (Time expired)

La Trobe Electorate

Ms SMYTH (La Trobe) (21:45): This evening I would like to update the House on some of the things being done by children and young adults in my electorate and some of the things that this government is doing to help support children and young people in their education. I was very pleased to recently attend Upwey High School's 'Closing the Gap' presentation. I heard speeches from students, who presented me with a 'Closing the Gap' card from the school, reinforcing their message to me, and indeed to all of us here, that young Australians are very much dedicated to closing the gap between Indigenous and non-Indigenous Australians.

I was very pleased to have an opportunity to talk about the actions being taken by this government to close the gap in Indigenous health, education, housing and employment. I really commend the school's students on raising awareness of such an important issue at a national level in a very local way.

I also recently attended the junior school of Hillcrest Christian College in Clyde North, in my electorate. Students in grade 4 of the school had contacted me to voice their concerns about the protection of our natural environment, and I was very pleased to visit a week ago to answer their questions about the variety of things this government is doing to better protect our environment for future generations. Again I was struck by the thoughtfulness of the children and their concern about issues of such national significance.

This government very much values the opinions of young people and it very much values the opportunities that a good education and good educational facilities can provide to the next generation of thinkers, workers, inventors and educators. In speaking of new educational facilities, I was really very pleased to attend last month the celebration of the opening of new gym facilities at the Belgrave Heights Christian School. Belgrave Heights received just over $2 million under the government's BER program, which helped it to build the new facility. I know it will get tremendous use by both the school and the broader community. We all know that the government's program was determined to support local jobs, and that is exactly what it did at this school. In particular, it was very pleasing to know that the project supported the employment of over 40 workers. The architect and the builder were from the Belgrave community and one of the children's parents also worked on the project.

I was also extremely pleased to attend the opening of a new multipurpose hall and classrooms at the Selby Primary School earlier in June. This school also received just over $2 million under the BER program and I know that its principal, Mr Justin Butler, was very pleased with the new building, which will be used largely by junior classes. The project supported the employment of around 44 workers, and I also saw the very creative and excellent work of parents who had put a great deal of effort into the refurbishment and development of the surrounds of the new building.
The fifth local school that I would like to mention, which I also visited last month, is St Bernadette's Primary School in The Basin, which now has a fantastic new library which was built with funding under the BER program. I know that the school is absolutely delighted with the project results and that it will get great use by the school and the broader community.

With all of these things in mind, the opportunities in education that this government and local schools are trying to offer to children and young people, I have to say that it is regrettable and very disappointing that this week I heard from a constituent of my electorate about a child beauty pageant scheduled to be held in Melbourne at the end of the month. I know that various people have commented on this and I would like to add my voice. Pageants such as this have gained quite a lot of media attention in recent years, and particularly have focused appropriately on the potential for detrimental impacts of these events on childhood development.

I find it really very hard to fathom that, in Australia in 2011, there are people in our community who believe it desirable to encourage young girls to engage in competition based on their physical appearance. This emphasis on appearance, with the demand for things like cosmetics, spray tanning and other procedures to seemingly 'beautify' children, is terribly hard to understand. We know that negative body image and self-esteem can affect children’s confidence and wellbeing and that it can also contribute to the development of serious health concerns such as eating disorders, depression and anxiety. I consider that these kinds of events show a lack of respect for children and their dignity and I consider that, in particular, they show a lack of proper respect for girls and young women. I object to the commoditisation of children and I know that constituents of my electorate have voiced the same concerns.

As I said at the outset, there are a great many very good things being done by, and for, children and young people in my electorate and, I am confident, right around the country. So let us continue to aim high for Australian children. Let us value the abilities, the potential and, most importantly, the dignity of Australian children.

NAIDOC Week

Mrs MARKUS (Macquarie) (21:50): I rise to speak today about NAIDOC week and the message that it delivers not just for Indigenous Australians but for all Australians. NAIDOC, known as the National Aboriginal and Islanders Day Observance Committee, organises an annual celebration of the history, culture and achievements of Aboriginal and Torres Strait Islander people. The theme for this year is, 'Change: the next step is ours.'

The electorate of Macquarie has a significant Indigenous history. I would like to acknowledge particularly the Darug and the Gundungurra people, the first people to call both the Blue Mountains and the Hawkesbury home. It is almost impossible to take a bushwalk through the Blue Mountains without noticing Aboriginal art carved into rock faces along the way. For Aboriginal people, these carvings tell many stories. One that springs to mind is the ancient rock carving called the Flight of the Great Grey Kangaroo, which is located at the foot of the Hawkesbury lookout near Winnaloo. Both the Blue Mountains and the Hawkesbury are fortunate to have several different and important agencies offering services and support and an opportunity to achieve their greatest potential for Aboriginals and Torres Strait Islanders. Time today will not allow me to mention every single one. I mention the Blue Mountains Aboriginal Culture and
Resource Centre. They do a great job. I acknowledge all of the services for their passion and particularly for their commitment to the next generation.

In the Hawkesbury region, the river was known as the Deerubbin. It was a focal point as a source of food and transport. Yams, a staple food, grew along the banks of the river. On the sandstone platforms the Aboriginals engraved images of animals and mythological figures and in the rock shelters they displayed their ochre and charcoal art. The Hawkesbury is an area that prides itself on its heritage, both Western and Indigenous. This is celebrated by the fact that one of the central meeting places of the Hawkesbury, the precinct which includes the library and the regional gallery, is known as the Deerubbin Centre.

Last Friday I joined teachers and students from Maraylya Public school to celebrate NAIDOC week. I talked to the students about our three flags: the Australian, the Aboriginal and the Torres Strait Islander. I had the opportunity to talk to them about the Indigenous Australians who have served in this place and in the other chamber. The late Neville Bonner was a Liberal senator for Queensland through the years of 1971 and 1983. He was popularly elected on four occasions. Aden Ridgeway was elected as a senator from 1999 till 2005 and we all know that Ken Wyatt became the first Australian of Aboriginal descent to be elected to the House of Representatives. I would like to give special mention to Mrs Leonie Heinrich from Maraylya Public School, a teacher of Aboriginal descent, who along with Mrs Sadler played a major part in organising the school's celebrations.

Just as there are many local events in Macquarie, there are also many national ones of great significance. Previously having held the shadow portfolio of Veterans' Affairs, I think it is important today that I acknowledge the Indigenous veterans that served our nation. This week at the Australian War Memorial there have been many events recognising the valuable service that Aboriginal men and women have made to our armed forces. For example, today there was a 'Hands on History Trolley' featuring some stories of Indigenous Australian servicemen from the First World War. Around 500 Aboriginals joined that war and 5,000 joined the second. Aboriginal women also played an important role. Many enlisted in women's services or worked in war industries. Like all veterans we owe much to those Indigenous men and women who have served our nation. I know that many, when they joined and served, were treated as equals. In many instances when they returned home that was to be lost.

In Macquarie, lots of NAIDOC events are planned for this week: The NAIDOC concert on 10 July at Richmond and the Lower Mountains Aboriginal Family Fun Day on 13 July at the Faulconbridge Public School are just two of the many events planned. This week is an opportunity for all of us to focus on the significant contribution and the future of Indigenous people for this nation. (Time expired)

Centenary of the Royal Australian Navy

Mr SIDEBOTTOM (Braddon) (21:56): July celebrates the centenary of the Royal Australian Navy. The member for Bennelong, who is in the House, moved a member's motion last night which I was happy to support. The Defence Honours and Awards Tribunal is now looking to investigate the cases for a number of posthumous Victoria Cross applications. Since 2001 I have been advocating the cause of one Tasmanian in particular who is on that list, Teddy Sheean, and there is a second
Tasmanian, Richard Emms, who also has an extraordinary story to tell.

I will read a citation from an eyewitness of the events of 1 December 1942 given to the deceased Frank B Walker, who was a Lieutenant in the Royal Australian Navy from 1940 to 1945. In his book *The HMAS Armidale: the ship that had to die* he has made the case for Teddy Sheean to be awarded a posthumous VC.

I quote from that eyewitness statement to Frank Walker:

My name is Victor Raymond Leonard. I declare that on 1 December 1942 I was a member of the crew of HMAS Armidale when our ship was attacked by Japanese bombers and fighter planes. Struck by a torpedo, Armidale almost immediately developed a list to port and began to sink. The order to abandon ship was given by our Captain and as I made my way down from the bridge to the starboard deck where a group of us tried unsuccessfully to launch the whaler.

I abandoned ship by jumping off to starboard and quickly realised that I was in danger of being sucked under by the sinking ship or struck by Japanese machinegun fire. I immediately commence to swim away from the ship and as I did so I heard, in addition to the enemy's machinegun fire, a different sound which I recognized as coming from an Armidale Oerlikon gun. I swam some distance as fast as I could and when I stopped and looked back all I could see were the stern and propeller of our ship as it sank.

For the next ten minutes or so we were machine gunned by enemy fighters. When these planes departed I swam towards the focal point of our motor boat and there I met up with my shipmate Ordinary Seaman Russell Caro who told me, and others within hearing, that as Armidale was sinking he saw Ordinary Seaman Edward (Teddy) Sheean firing the after-deck Oerlikon at attacking planes, and saw Sheean, still at his gun, go down with the ship. Some other crew members said that they had witnessed these same events. Subsequently, during the days when we were adrift on the raft and in the whaler Caro expressed to me his admiration for Sheean's heroic behaviour. 'I, personally, did not see Sheean firing the Oerlikon as our ship sank, but I believe that my hearing of Oerlikon gunfire as I swam away from the ship is consistent with the description given by Caro of Sheean's actions.

I would like to put on record that during the six months that we were shipmates on *Armidale*, and during our friendship over the many post war years I regarded Russell Caro as a man of integrity. Accordingly, I do not doubt the truthfulness of his description of Ordinary Seaman Teddy Sheean's exploits as HMAS *Armidale* sank on 1 December 1942.

Victor Raymond Leonard PhD.

Onetime: Ordinary Seaman, HMAS *Armidale*

Sometime: Chief Psychologist, Dept. of Veterans' Affairs.

As I mentioned last night, in 100 years not one member of the Royal Australian Navy has ever been awarded the Victoria Cross, not one single member in a service that has a very rich record of heroism and valour. The AIF have indeed, the Royal Australian Air Force have indeed, but not the Royal Australian Navy. I hope that the Defence Honours and Awards Appeal Tribunal does the right thing at last and awards a VC to Teddy Sheean. He deserves it. *(Time expired)*

**Gillard Government**

**Mr ALEXANDER** (Bennelong) (22:01): We Australians take pride in our reputation as a loyal ally and trustworthy trading partner, a country that resonates with legendary tales of heroic acts by our soldiers when confronted with overwhelming odds. Reputations are earned and only endure when the actions that earned such reputations remain.

In 2007 Australia embraced the Obama-like charismatic young man Kevin Rudd. Kevin had all the answers to all of our problems, and what is more he would lead the world in saving it. Confronted with great
problems he produced immediate answers. His decisiveness, his confidence and his all-knowingness increased his popularity to unprecedented levels. The candy man was giving the kids every sweet they wanted and they loved it. Time is the greatest test of all, and it was not long before pink bats and $900 gifts were seen for what they were—policies on the run, headline grabbing but not standing the test of even a short time.

New leader, new hope, same policies, still a slave to the 24-hour media—the new government was on the same track; it had not found its way. Julia Gillard's first magnificent claim was that in six days she had fixed the mining tax by dealing with just three big miners. In a short time there appeared to be more problems created than solved. For the first time Australia had been tagged with the term 'a nation of sovereign risk'. Superannuation funds decimated, and promised tax cuts halved—a high price paid by the Australian people for Julia to retain her office for one more day. Education had become our second biggest foreign income earner. Then, unfortunately, international students were maliciously attacked, leading to headlines throughout India. Australia was again seen as a nation of sovereign risk. More headlines, this time in my electorate of Bennelong: Chinese students at Macquarie University forced to stay in illegal boarding houses; no duty of care; Australia viewed as a destination of sovereign risk.

Julia's form of promising one thing and then delivering another continued. 'There will be no carbon tax under the government I lead,' and now there is. The Gillard government then entered into a memorandum of understanding with Medicines Australia, who agreed to the forfeiture of certain income in exchange for an environment of certainty through the PBS approval process. However, at the first opportunity to honour the very essence of that agreement, drugs approved by the PBAC experts were deferred on spurious budgetary concerns. The countries where these multinational pharmaceutical giants are headquartered are now echoing that Australia is a country of sovereign risk.

They were a desperate government wanting to regain their charmed coexistence with the press and provide the candy when confronted with images of our cattle being slaughtered inhumanely in Indonesia, with emotional pleas to stop live animal exports—a quick shot of sweets does the trick. In a rush to grab the headline, there was no consideration for Indonesia, no consideration for our relationship with Indonesia, no consideration for our industry, which employs more Indigenous people than any other, and certainly no consideration for the welfare of the cattle being slaughtered in Indonesia and now being shot where they stand here in Australia. It is an international catastrophe with Australia again being branded a nation of sovereign risk.

It is only with the benefit of hindsight that we realise what we took for granted were in fact days of good government. Ours is a young country and in the process of building we should demand government that will consider deeply when confronted with a problem or an opportunity and thoroughly work through the consequences of any decision that is being contemplated. Haste and waste is not good enough. Headlines may not arrive during the time it takes to soberly consider, project, reject, refine, develop, coordinate, cost and determine the appropriate process of implementation. These considerations are essential to worthwhile, enduring and beneficial policy formation. These are the solid foundations that have built our nation's standing. We must restore our reputation as a reliable trading partner and good neighbour. The alternative is the increasing threat of our
great country being labelled a nation of sovereign risk.

AIDS, Tuberculosis and Malaria

Dr LEIGH (Fraser) (22:06): Last week I represented Australia at the 2011 Partnership Forum for The Global Fund to Fight AIDS, Tuberculosis and Malaria. This is a conference that takes place every two to three years and helps set the strategic direction of the Global Fund. The conference was held in Sao Paulo, Brazil, and included a group of around 25 parliamentarians. Established a decade ago, the global fund has spent US$22 billion and saved six million lives. In other words, for every $4,000 it spends, the global fund saves a life. Internationally, it accounts for two-thirds of spending on tuberculosis and malaria and a fifth of public spending on HIV. The Global Fund also works hard to bring down the price of drugs, with the prices of first-line antiretrovirals and malaria treatments for children falling by at least 50 percent over the past three years.

The Global Fund's country programs are developed locally and assessed by an independent panel of health experts. Last year the Global Fund treated eight million tuberculosis cases, distributed 160 million insecticide treated bed nets and 890 million condoms, and provided antiretroviral therapy to three million people. A majority of pregnant women now receive antiretrovirals to prevent the transmission of HIV to newborn babies.

These achievements would have been unthinkable a decade ago, when the main malaria treatment was chloroquine, when bed nets were rare and when hardly anyone in developing countries received antiretrovirals. Indeed, since 2007 the number of AIDS deaths worldwide has been falling, prompting The Economist magazine to run a cover story last month titled 'The end of AIDS?'

In an opening session to the conference, a young South American woman, Jacqueline Lima, told us her story. Jacqueline's father left when she was very young, and her mother was unable to take care of her, so she found herself living on the streets from the age of seven. At the age of nine she fell ill and found out that she had HIV, contracted from her mother when she was born. Jacqueline has been on antiretroviral drugs ever since. A few years ago she fell in love with a man who was willing to accept her as an HIV-positive woman. She has since given birth to a baby boy, Hector. Because Jacqueline was on the right drugs, the virus did not pass across to Hector. Her son is HIV free. Jacqueline broke down in tears as she told the conference that Hector finally made it all worthwhile.

Australia can be proud of the part we have played in the success of the Global Fund. Since its inception, we have given $182 million to the fund and pledged another $238 million. The fund's focus on results ensures that the Australian taxpayer gets good value for money. In its recent multilateral aid review, the UK Department for International Development rated the Global Fund as making a 'strong' contribution to that country's development objectives. With the fund's independent Office of the Inspector General, no international development agency in the world is more vigilant about corruption than the Global Fund. Rigorous fraud investigations, such as the one the Global Fund is presently undertaking in Papua New Guinea, reflect its high standards in ensuring money is well spent. We should root out corruption wherever we find it, but we also need to recognise that the countries with the worst disease burdens also tend to have the most problems with corruption.
Australia has played a leading role in the fight against AIDS. In New York last month Australia co-chaired the UN panel that produced a new political declaration on HIV, with specific references to at-risk groups. I acknowledge the important work done by the Minister for Foreign Affairs, Kevin Rudd; Senator Louise Pratt; Bill Whittaker; Andrew Cumpston; Murray Proctor and other officials. I thank Bill Bowtell, Svend Robinson, Karmen Bennett, the rest of the Global Fund organisational team and the many participants I engaged with for providing me with fresh insights into the work of the fund. It was a particular source of pride for me to see so many Australians at the meeting, working in international agencies, in non-government bodies and with the Global Fund itself. Our nation has a great tradition of altruistic engagement with the world, and I pay tribute to those Australians working overseas who continue that today. To them I say, on behalf of people like Jacqueline: you are making our world a better place for people endangered by AIDS, tuberculosis and malaria.

Loans to Small Businesses

Mr CRAIG KELLY (Hughes) (22:11): I rise tonight to raise an issue of great concern to the many small businesses not only in my electorate of Hughes but around the nation. It is an issue that threatens the very economic prosperity of our nation: the gouging of the small business sector by the big banks. Small businesses face three serious issues in connection with the banks today. The first is a reduction in funding available to small business, the second is the high rate of fees and charges the banks are levying on small business and the third is the excessive interest rates that small businesses are being slugged with.

Firstly, regarding the reduction in funding available to small businesses, since 2008 the major banks have reduced the amount of funds they loan to businesses by $56 billion. That is $56 billion worth of liquidity that is being sucked out of our economy, mainly for small and medium sized businesses. The removal of this liquidity is suppressing small business formation, it is suppressing innovation and it is killing off the expansion of existing businesses.

Secondly, on the issue of the fees and charges, the banks are milking from our small business sector, two weeks ago the RBA released data showing that between 2008 and 2010 the banks had increased fees they charge to businesses by a massive 25 per cent, an increase of over $1.3 billion. Does anyone know any other business that has been able to increase its charges by 25 per cent in the last two years? The Chief Executive of the Australian Chamber of Commerce and Industry, Peter Anderson, said of this increase:

This is proof the banks have been offsetting reductions in revenue from housing by slugging their business customers.

Thirdly, as for how the banks have been screwing small businesses on interest rate margins, the RBA published figures showing the interest rates the banks charge to both small businesses and large businesses. There should be very little difference in the rates the banks charge to a large businesses as compared to a small business when the loan is residentially secured. For the majority of the last 20 years there has been very little difference in these interest rates. But if you look at the RBA figures over the last several years, there has been a very disturbing blowout in the margin paid by small businesses. These RBA figures show that while large businesses are able to borrow from the banks at 1.95 per cent above the official cash rate—a margin that has remained steady for the last several years—in comparison, the margin paid by small
businesses has grown and grown and grown and is now out to a scandalous 5.1 per cent above the official cash rate. This is the highest margin above the official cash rate that has ever been recorded by the RBA. This is evidence that the banks are gouging our small businesses on interest rates by around 300 basis points more than they would be paying in a competitive market. Doing some ballpark sums, small business are now paying approximately $9 billion extra annually in the interest they pay to our banking sector and an additional $1 billion in fees. That is more than $10 billion that the small business sector is paying to fatten the banks' profits—and this is at the very same time that the banks are reducing the finance that they loan to small business.

This should be a national scandal but we have not heard a peep from the Treasurer. That is because the Treasurer naively and foolishly allowed our banking sector to become even more dangerously concentrated when he approved the St George merger with Westpac, which saw St George being eliminated as an independent competitor in the market. On that note, I acknowledge in the gallery tonight Professor Frank Zumbo. Professor Zumbo was one of the very few commentators who warned that this is exactly what would happen following this merger, which should have been stopped.

The danger of all parasites is that if they suck the blood from the host they will eventually die themselves. Already, we have seen 300,000 jobs ripped out of the small business sector since Labor took office and since the banks have started this gouging of the small business sector. There is a real danger that if the banks are allowed to continue sucking the blood of the small business sector at their current rate they risk the small business sector collapsing. Who will the banks seek to gouge from then?

Robson, Mr Steve

Ms O'NEILL (Robertson) (22:16): Tonight I acknowledge in the chamber two of my special guests, Professor Keith Crawford and his wife, Jenny Barker, who are joining us for this adjournment debate. I am sure that, as Central Coast residents, they will join me in the praise that I am about to heap on a great Central Coast resident.

I put on the record my warm congratulations to Australia's Special Olympics team, who have just completed their participation in the Special Olympics World Summer Games in Athens. The games came to an end last night with a spectacular closing ceremony attended by some 40,000 people. Over the preceding 10 days, 7½ thousand competitors from 180 different countries, including 130 participants from Australia, strived to achieve—and many of them achieved—personal best performances in their chosen sport. They were competing in 11 Special Olympics sports: aquatics, athletics, basketball, bocce, bowling, football, golf, gymnastics, sailing, softball and tennis.

Many constituents of mine on the Central Coast have been following the games very closely. Twenty-four-year-old Steve Robson of Niagara Park in my electorate was a member of the Australian golf team. The golf competition was held at Athens' Glyfada Golf Course last Thursday and Friday. Steve had a great support team with him, including his father, David, who is also his caddy. When he is not caddying for his son, David is a director of Robson Partners Accounting in Gosford. A number of other family members, including Steve's mum, Nicola, made up his own personal cheer squad.

Things did not start so well for Steve when he shot a round of 88, but I am pleased to report that in the final round Steve Robson of Niagara Park in the seat of Robertson shot
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a Special Olympics record of 75 to win gold for Australia. That is what I call heroic. Steve's great performance certainly caught on with his team mates. He was the first to tee off on the final day, and at the end of the day every member of our golf team had won a medal. In recognition of that, Steve was also awarded the most valuable player of the tournament.

Congratulations to Steve, the Robson family and the hardworking people of the Central Coast Special Olympics team, Marilyn Caruana and Phillipa Emerson. Steve's story is an inspiration to all of us. Here is a young man who has clearly found his talent through the Special Olympics movement. I look forward to congratulating him in person on his return.

Steve's gold medal was one of 46 gold medals won by the Australian team in a total of 121 medals. Of course, the Special Olympics is about so much more than medals. I am sure the House will join me in passing on our congratulations to the whole Australian team and to Special Olympics Australia for its coordination and support, in particular Anna-Louise Kassulke and Suzy Chainey, the Australian Head of Delegation and Assistant Head of Delegation.

In Athens last night the Special Olympics flag was officially handed over to Korea, which will host the Special Olympics World Winter Games in 2013. The United States hosts the next summer games in 2015. I can assure Special Olympians and their families that we will be cheering them on again in the future as they show all of us how to strive and to achieve our best.

Taxation

Mr HAWKE (Mitchell) (22:20): I rise tonight, during this week in which 4 July marks Independence Day of the United States of America, to reflect upon some of the great features of that free democratic nation the United States. I note we have the member for Bennelong here, whose birthday is 4 July, and I acknowledge that special event also.

It has been interesting in recent years to watch citizens across the United States gather in lots of numbers to dump tea into their local waterways. It is a symbolic thing in the American ritual culture where angry people gather to mark their protest against excessive government expenditure. It is a phenomenon around our world today that people are now understanding that big government is not necessarily better government, that more government does not mean better outcomes for people, and that government attempting to do everything for our lives does not make our world a better place.

Australians, of course, have nothing similar in our history to the tea movement in the United States of America, but there is a building concern about unjust, unfair and excessive taxation in our country today, particularly the like of the taxes being imposed by the Rudd and now Gillard governments. Perhaps the only comparable event in our history was the attempt to increase the excise on beer. That resulted in the largest petition ever received by the federal parliament in Commonwealth history. About one million people signed a petition against the beer excise. It motivated Australians more than any other issue. On the day I arrived here they told us, as a funny example of petitioning, it was the biggest petition ever received in Commonwealth history.

I raise that petition for a particular reason. It is the kind of thing that does bring a wry smile to most people's faces, but in our society today we are seeing a government here that is addicted to legislative responses to every single question that faces our
society. Whether it be a health challenge, something involving interaction between community groups or something between us as human beings, every problem needs a piece of legislation to solve it. We know of course that you cannot pass a law against stupidity, you cannot pass a law against bad choices and you cannot pass a law to protect people from the ordinary, everyday circumstances of life. So today I want to record my support for the campaign being run and being supported by thousands of Australians against the emergence of the nanny state under the Gillard government.

In the last parliament, I had to sit through the ridiculous contention, proposed by the Minister for Health and Ageing, that a substantial increase in the taxation of alcopops would reduce the consumption of alcohol. What we knew, and what we have seen since that time, was that that increase was purely a revenue grab—it was not a health measure. How much of that money has been spent on reducing the consumption of alcohol? I would like to see those figures now that we are a year down the track. What we do know is that the government produced an artificial spike in the sale of hipflasks. They returned people to other forms of alcohol consumption and simply distorted the market in a way which did not improve anybody's health.

I also rise tonight to put on record my opposition to proposals such as plain paper packaging legislation—ill-thought out proposals put forward by government committees and the bureaucracy which will not achieve their ends and which will artificially burden small businesses around our country. I was visited by the Alliance of Australian Retailers on behalf of those small businesses which will be most impacted by this bad legislation—an ill-considered idea put forward by a government addicted to legislative response. An independent report by Deloitte, funded by the Australian Alliance of Retailers, identifies key areas in which small businesses will suffer from such a piece of legislation. One area is stock management—the legislation could double the time spent managing cigarette stocks. Increases in sales transaction times could cost independent retailers up to $30,000 a year. Other problem areas identified were product selection errors and increases in shrinkage. The list goes on. We must remember that these are products which are already required by law to be behind a counter.

We now have a situation in our country where we pay a government bureaucracy to determine—by government decree—that the ugliest colour in this country is olive green. What if you happen to like olive green? What if you happen to be a government mandated freak? That is what the government has paid a bureaucratic committee to determine—that olive green is the ugliest colour in our country. That is what we are paying people in government to determine today. I want to record my sympathy for all of those small retailers and those people making a stand against this ridiculous form of nanny state legislative response to ordinary, everyday problems.

**Australian Youth Climate Coalition**

Ms HALL (Shortland—Government Whip) (22:25): Representatives from The Australian Youth Climate Coalition visited Parliament House today. The AYCC's Meet Your Member campaign facilitated over 500 young people from around Australia to meet with their local representatives to discuss climate change. Five representatives of the AYCC came to parliament to report on their campaign. These are five young people who are passionate, five young people who actually believe that, through their actions, they can make a difference. Today they had
morning tea with members of parliament to discuss the outcome of their campaign and to discuss the important issue of climate change. I think it is inspirational that young people can be so passionate about an issue that is of such great importance to our planet.

I am pleased to report to the House that, earlier this year, four young members of the Australian Youth Climate Coalition visited me in my electorate office. They made me aware of how passionate they were about the issue. They sought to find out what my position was on climate change and the introduction of a price on carbon. I told them that I fully accepted the science behind climate change, that I was very supportive of the government's plan to put a price on carbon and that I believed we needed a national climate change policy—all the types of issues that they were raising. They pointed out to me how important it was to provide an incentive for polluting companies to clean up their act and how there was an opportunity to use the revenue to invest in clean energy technologies.

In this parliament, we are lobbied on many occasions by many people. We are lobbied by cigarette companies—the previous speaker put forward his argument against plain packaging of cigarettes. We are lobbied by people who oppose many different changes and we are lobbied on issues based on self-interest. Today we were faced with passionate young people who are concerned only about the future of the planet and making sure that the world is a better place, young people who want to make a mark on our society, young people who can see that, unless we address climate change, unless we accept the science which is supported by over 90 per cent of scientists and unless we accept the views of economists throughout Australia and the world that we must act on climate change, we are going to have real problems not only in Australia but globally.

The young people who ran this campaign ran it in a very professional way. They organised meetings, they registered the details of their meetings online, they prepared the meetings using a very professional pack which they had put together and they worked with other youth representatives. They organised local media to cover the meetings and they confirmed the meeting times and places. They liaised, they briefed each other, they talked about the results of their campaign. They have a website—www.aycc.org. I encourage members to visit that website. In addition, they talked to politicians and to the community and attended community functions. They also circulated this petition which states:

I support making polluters responsible for pollution by putting a fair price on carbon pollution.

I seek leave to table this petition which has been signed by young people within my regional area.

Leave granted.

Debate interrupted.

House adjourned at 22:30

NOTICES

Ms Macklin: to present a Bill for an Act to amend the law relating to social security, veterans' entitlements and disability services, and for related purposes.

Mr Crean: to present a Bill for an Act relating to work health and safety, and for related purposes.

Mr Crean: to present a Bill for an Act to deal with transitional and consequential matters in connection with the Work Health and Safety Act 2011, and for related purposes.
Ms ROXON: to present a Bill for an Act to discourage the use of tobacco products, and for related purposes.

Ms ROXON: to present a Bill for an Act to amend the Trade Marks Act 1995, and for related purposes.

Ms ROXON: to present a Bill for an Act to amend the Legislative Instruments Act 2003, and for related purposes.

Mr BRENDAN O’CONNOR: to present a Bill for an Act to amend the Customs Act 1901, and for other purposes.

Mr BRENDAN O’CONNOR: to present a Bill for an Act to amend the law relating to extradition and mutual assistance in criminal matters, and for related purposes.

Dr MIKE KELLY: to present a Bill for an Act to provide for collection and other matters relating to horse disease response levy, and for related purposes.

Dr MIKE KELLY: to present a Bill for an Act to make amendments relating to the enactment of Acts for the imposition and collection of horse disease response levy, and for related purposes.

Ms KING: to present a Bill for an Act to amend the Industrial Chemicals (Notification and Assessment) Act 1989, and for related purposes.

Mr SHORTEN: to present a Bill for an Act to amend the law relating to superannuation, and for related purposes.

Mr MARTIN FERGUSON: to present a Bill for an Act to amend the Australian Energy Market Act 2004 to apply the National Energy Retail Law, and for other purposes.

Mr PYNE: to move:

That this House:

(1) notes that consumers currently have little information made available to them in choosing which fertiliser product for private and domestic use will suit their needs, and which fertiliser products may damage their plants;

(2) recognises:

(a) that existing voluntary standards produced by Standards Australia, such as AS 4454, do not always provide consumers with sufficient information to ensure their fertiliser product is fit for its purpose;

(b) that the industry has made calls to urgently address anomalies between all compost standards, particularly contaminant levels, to ensure a high quality product that will improve soil health and productivity; and

(c) the recommendation of the Senate Select Committee on Agricultural Related Industries in its Pricing and Supply Arrangements in the Australian and Global Fertiliser Market report, to implement, as a matter of priority, uniform description and labelling of fertiliser products to ensure consistency between jurisdictions; an

(3) calls on the Australian Government to work with the States and Territories to establish a national standard for fertiliser products for private and domestic use that are made available for sale in Australia:

(a) requiring uniform labelling; and

(b) prescribing the acceptable range of ingredient levels for fertiliser products such as nitrogen, phosphorus, potassium and pH.

Mr TUDGE: to move:

That this House:

(1) affirms its strong support for all forms of early childhood learning and recognises the importance of pre-school on the development of children and as a foundation for their future education;

(2) notes that the Gillard Government has mandated that 'four-year-old kindergartens' provide at least 15 hours per week of instruction by a university-trained teacher by 2013 under its 'Universal Access' policy;

(3) notes that the Gillard Government has not considered the consequences of its 'Universal Access' policy on Victorian kindergartens where 'three-year-old kindergarten' is more commonly offered than by other jurisdictions;
(4) notes that the consequence of 'Universal Access' on Victoria's kindergartens is that many will no longer be able to offer 'three-year-old kindergarten' programs because facilities are often shared between three and 'four-year-old kindergarten' programs;

(5) acknowledges that this policy will effectively remove the choice for many Victorian parents of sending their three-year-old children to kindergarten;

(6) notes that some rural kindergartens could face the risk of closure because there is a shortage of qualified teachers in rural areas, and due to the increase in mandated hours, many rural kindergartens will no longer be able to share teachers;

(7) notes that warnings of this imminent crisis for Victoria's kindergartens have been given directly to the Minister for School Education, Early Childhood and Youth by the Municipal Association of Victoria, parent groups, kindergarten operators and parliamentarians; and

(8) calls on the Government to:

(a) provide flexibility for kindergarten operators to deliver kindergarten services according to the needs of their own communities and in line with local infrastructure and staffing capacity; or

(b) at the very least, provide flexibility on the start date for the implementation of 'Universal Access'.

Mr JOHN COBB: to move:

That this House:

(1) requires the responsible Minister to:

(a) immediately commission an independent study on the legitimate costs to the Government of Australian Quarantine Inspection Service (AQIS) Export Service Inspection Fees and Charges for the six affected industries (Meat, Fish, Dairy, Horticulture, Grain, and Live Export) as evidenced at the AQIS – Australian Meat Industry Council joint ministerial taskforce meeting no. 15 on 7 May 2010;

(b) table in the House:

(i) a document that explains how the Government will provide a reduction in annual regulatory costs to the export industries in the order of $30 million per year from 1 July 2011; and

(ii) a document that outlines the completion of reforms that were to be delivered as part of the agreement to remove the AQIS Export Service rebate between the Government and the six affected industries;

(2) notes that the above commitments were part of a package agreed to by the former Minster for Agriculture, Fisheries and Forestry in return for the passage of the Government's legislation to remove the 40 per cent AQIS Export Service rebate; and

(3) calls on the Government to continue the AQIS Export Service rebate until the reforms are delivered, as agreed to by the Government.
QUESTIONS IN WRITING
Regional Cancer Trials
(Question No. 413)

Mr Oakeshott asked the Minister for Health and Ageing, in writing, on 2 June 2011:
Can she confirm that funding has been reduced or discontinued for regional cancer trials at 14 sites; if so, why, and where are the sites.

Ms Roxon: The answer to the honourable member's question is as follows:
Cancer Australia's Boost Cancer Research measure will terminate, as per the original three-year funding measure on 30 June 2011.

There are 10 regional sites which are participating in 14 clinical trials as part of the measure. The sites are: Port Macquarie, Coffs Harbour, Hobart, Albury/Wodonga, Bendigo, Ballarat, Tweed Heads, Cairns, Darwin and Launceston.