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SITTING DAYS—2012

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FORTY-THIRD PARLIAMENT  
FIRST SESSION—SEVENTH PERIOD  

Her Excellency Ms Quentin Bryce, Companion of the Order of Australia, Commander of the Royal Victorian Order

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

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

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

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

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

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

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

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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

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<td><strong>Cabinet Secretary</strong></td>
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<tr>
<td><strong>Treasurer</strong></td>
<td>The Hon Wayne Swan MP</td>
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<tr>
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<tr>
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<td><strong>Minister for Tertiary Education, Skills, Science and Research</strong></td>
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<td><strong>Minister for Small Business</strong></td>
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<tr>
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Wednesday, 10 October 2012

The SPEAKER (Ms AE Burke) took the chair at 9:00, made an acknowledgement of country and read prayers.

BILLS

Social Security Legislation Amendment (Fair Incentives to Work) Bill 2012

Returned from Senate

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

MOTIONS

Amendment to Standing Order 13

Mr ALBANESE (Grayndler—Leader of the House and Minister for Infrastructure and Transport) (09:01): I move:

That standing order 13 be amended by omitting paragraph (c).

The current standing order was drafted as a response to the landmark 1994 *About time* report by the Procedure Committee. That report recommended a package of reforms to increase opportunities for private members to participate in the proceedings of the parliament to create time for government and non-government members to engage in and reinvigorate the proceedings of the House. For example, that report led to the establishment of what is now known as the Federation Chamber and allowed House committees to undertake advisory inquiries into legislation. It was a bipartisan report, and part of the package was the understanding that the presiding officer position should be available to all members of the House.

So the intention behind the original standing order 13 was to allow people from opposing sides in the two roles of Deputy Speaker and Second Deputy Speaker. Before then, non-government members would not have been as able to preside over the House as they are now. We saw that last night with the election of the member for Maranoa as Deputy Speaker. The original standing order was about striking a balance while increasing participation. It follows now that the balance should be restruck to reflect the intention behind the original standing order. That is what the amendment I am moving here today does, and I commend it to the House for support.

After the last election—when the parliament was, for the first time since the Second World War, one in which one or other side of politics did not have an absolute majority in their own right—there was a series of discussions and meetings about parliamentary reform. I was a participant, as the Leader of the House, along with the Manager of Opposition Business and the crossbenchers, particularly the member for Lyne. Also participating, in terms of signing off on those reforms, were the current Prime Minister and the current Leader of the Opposition, who were at that stage indeterminate in terms of who would be in a position to form government.

One of the decisions that was made unanimously was that there would be a pairing in effect—as all pairing arrangements are informal arrangements—between the Speaker and the Deputy Speaker. That is, whichever side of politics the Speaker came from, the Deputy Speaker would come from the other side. They would in effect be paired, cancelling out their votes, thereby removing the partisanship behind who held the high office of Speaker of the House of Representatives. That was an agreement all sides of politics struck to ensure that people would not attempt to select someone as the Speaker of the House of Representatives in order to take away a vote from the floor of the House of Representatives. Given the
nature of the parliament, that was agreed by all sides.

The member for Lyne played a particularly important role in that parliamentary reform process. I have been reminded that it is almost two years to the day since the infamous group hug in the courtyard outside Aussies. At that time, some spoke about a kinder, gentler parliament. That was just before the Leader of the Opposition determined to try to wreck the parliament by cancelling question time day after day through moving suspensions of standing orders on what is approaching 70 separate occasions now—the sort of destructive negativity that we see in this parliament every day. But at the time the view was that this change would be a part of moving towards an improvement in the way the affairs of this House were conducted.

That agreement was reneged on immediately once the government determined that the Prime Minister would be in a position to form a government. Those people who had freely put their signatures to that reform document walked away from those reforms, including the pairing of the Speaker and the Deputy Speaker. Under those circumstances, the standing orders were not changed to allow for a proper balance to occur in the deputy speaker positions. There is a guarantee in the standing orders that the Second Deputy Speaker position will go to the opposition. The government of the day, because of its majority, has ordinarily in all of the other parliaments—the previous 42 parliaments—held the position of both Speaker and Deputy Speaker. The Second Deputy Speaker position was created so that there would be some representation from both sides of politics. Therefore, in the circumstances in which the Deputy Speaker is from one side of politics, it is appropriate that the Second Deputy Speaker be from the other side of politics.

Hence the changes that I am moving here, which are about getting the balance right and the spirit of the reforms that this government has maintained a commitment to. This government has attempted, despite the relentless negativity of those opposite, to continue to promote the reform of the parliament. I therefore commend the motion to the House.

Mr PYNE (Sturt—Manager of Opposition Business) (09:09): All the honeyed words of the Leader of the House do not abrogate the fact that this is an absolute setup to fix up the shambles of yesterday in the House of Representatives. This is the sort of thing that you expect at the ALP conference in Sussex Street, New South Wales; this is the kind of thing that you expected from the politburo of the former Soviet Union. The government is changing the rules halfway through the ballot. That is what the Labor Party is proposing to do today: change the rules halfway through the ballot. The parliament met last night and elected a Speaker. We then elected a Deputy Speaker. The member for Hindmarsh lost.

The government, to its horror, realised that the standing orders meant that the Second Deputy Speaker could not be the member for Hindmarsh. They have obviously done a factional deal to give the member for Hindmarsh a job to try and prop him up in his seat of Hindmarsh before the next election, to try and give him a bit of profile in his seat in South Australia. The government tried to do a deal with the member for Hindmarsh and they have realised that he cannot be the Second Deputy Speaker under 13(c) of the standing orders and that it has to be a member of the non-government side of the House, which means a member of the Liberal and National parties.
or the crossbenches. So they had to change the rules. In typical ALP style they adjourned the parliament last night—we did not finish the ballot last night, which of course we should have—and came into the House this morning when the Leader of the House proposed a fix. It is a fix so that the member for Hindmarsh can be the Second Deputy Speaker.

This is not the greatest issue of moment before the House today but it is an important principle of the chamber and an important principle of politics that you cannot change the rules half-way through the ballot just because you were not going to win. I know that the right wing in the New South Wales ALP have been doing this to the Leader of the House for his whole career. I know that Senator Faulkner, from the Left in New South Wales, would be smiling today, thinking to himself that Mr Albanese, Leader of the House, is getting a bit of his own back on the Liberal and National Party, and hopefully the crossbenchers, would regard it as utterly abnormal. When there are rules you cannot change the preselection half-way through the ballot. You cannot, just because you want to get the member for Hindmarsh up as the Second Deputy Speaker, realise you have made a shambles of it and come in and try to change the rules to get the fix you want.

Are there any more examples that we need that this government is a shambles? We have had three Speakers—I am not reflecting on you, of course, Madam Speaker—in two years. The government lurches from one crisis to another—from one shambles to another. The Leader of the House made a complete hash, yesterday, of the election of a new Speaker. The government yesterday made the catastrophic decision to lead the Peter Slipper defence team in the parliament rather than do what the parliament knew it should have done. In fact, the former Speaker made the good judgement to resign last night—a judgement the Prime Minister did not have during question time.

So, we will be opposing this motion because you cannot change the rules half-way through. Bob Hawke got elected in 1984 on a slogan, 'You shouldn't change horses mid-stream.' It was a great slogan and he understood the principle that you cannot change the rules half-way through the process. This is the kind of thing you would have expected of the former Soviet Union.

**Mr Mitchell interjecting**—

**Mr PYNE:** You would be all across that, member for McEwen, because the former—

**Mr Mitchell interjecting**—

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**Mr PYNE:** Certain. The motion is to change the rules half-way through the ballot. And I am just referring to where this has come from: why the Labor Party would regard this as normal, where the Liberal and National parties, and hopefully the crossbenchers, would regard it as utterly abnormal. When there are rules you cannot change the preselection half-way through the ballot. You cannot, just because you want to get the member for Hindmarsh up as the Second Deputy Speaker, realise you have made a shambles of it and come in and try to change the rules to get the fix you want.

Ms Bird interjecting—

**Mr PYNE:** They would abolish the preselection and give the federal executive the vote so that they could get the right-wing candidate in—Sharon Bird, for example. Sharon Bird is being very noisy over there, Madam Speaker.

The **SPEAKER:** The Manager of Opposition Business will refer to people by their appropriate titles.

**Mr PYNE:** The member for Cunningham would have been—

The **SPEAKER:** And refer to the motion before the chair.
Mr PYNE: Were you Peking or Moscow? I imagine you were Moscow. This is the kind of thing you would have expected from the Moscow politburo, and they imported it into the Victorian ALP. Isn't that where the far Left came from? Bill Hartley in Victoria—was he Moscow aligned or Peking aligned? Or maybe he was aligned with Pyongyang; it would not surprise me at all. I will not delay the House much longer.

We will not be party to changing the rules for a political fix, to fix a caucus deal for the member for Hindmarsh. We will not be party to the shambles that this government has been for two years. We will not be party to fixing the Leader of the House's tactical and strategic errors yesterday. Therefore, the opposition will not be supporting this motion.

Mr OAKESHOTT (Lyne) (09:15): Thank you, Madam Speaker, for giving me the call—and, as it is the first opportunity to be on my feet, I congratulate you on your elevation. I wish you good luck in trying to lift the standards in this place and regaining the faith of the Australian community in the running of the people's chamber.

With regard to what is before the House at the moment, I think it is a fair change to be made to the standing orders. When you look at the list of who were previously the Speaker, Deputy Speaker and then Second Deputy Speaker, we are essentially seeing you move up the ladder one rung. We see the former Second Deputy Speaker move up the ladder one rung—and, therefore, in the interests of fairness, just as happened in the last ballot for the previous Speaker, the person who failed to get the Deputy Speaker's role should take the Second Deputy Speaker's role.

This is not a precedent. This is reflecting, as closely as possible, what was agreed to two years ago and reflects exactly what happened in the last ballot for Speaker, Deputy Speaker and Second Deputy Speaker. It is unfortunate that we are here again trying to resolve this issue. It would have been much better if agreements reached at the start of this parliament, put in writing, were actually stuck to by all members, who did agree to it in writing at the time. It is unfortunate that events have unfolded the way they have, but I sincerely hope that today's vote, on the back of yesterday's vote, is a circuit breaker for this parliament and that we do all, individually, work on regaining the faith of the Australian community; and we do all, collectively, work on lifting the standards in this chamber.

Mr JENKINS (Scullin) (09:17): Madam Speaker, I think that sometimes things are said in here that are just for party political advantage and that those who say them might, on reflection, regret having done so. I say to the Manager of Opposition Business, with the greatest amount of kindness I can muster: if he really has some great respect for the institution, he would understand that the standing order we are actually talking about this morning is a relic of 'fair play' by the then Labor government when the position of Second Deputy Speaker was first created. And, just to remind him—because he started to get into the internecine dealings of, especially, the New South Wales Labor Party—the main instigator of these proposals was one Leo McLeay. And Leo, in fairness to him, knew that there was a problem if there was a single vacancy for the Second Deputy Speaker was first created. And, just to remind him—because he started to get into the internecine dealings of, especially, the New South Wales Labor Party—the main instigator of these proposals was one Leo McLeay. And Leo, in fairness to him, knew that there was a problem if there was a single vacancy for the Second Deputy Speaker—because the intention, always, was that the Second Deputy Speaker would be an opposition member under a majority government. The difficulty we had was that, when that position was first elected, of course it was a single vacancy. So, elegantly, the standing order was put in place that, in a single vacancy, an opposition member should get elected. Now, I should
know this, because at the time I was the Deputy Speaker. What qualifications did I end up having to be elected Speaker? Well, Madam Speaker Burke, the greatest qualification I had was that I lost four ballots for Deputy Speaker! In a contested ballot, of course, the loser became the Second Deputy Speaker. Again, in majority government that is likely to be a non-government member. I have to say that I was a little worried in 1996 when we had only one-third of the votes because if the coalition had decided to play games then they could have got two candidates up and I would not have been—

Mr Pyne: We are too statesmanlike for that, Harry.

Mr JENKINS: I thank the member for Sturt for his intervention, because that is all I am asking him to consider: that on this motion he be statesmanlike.

Mr Pyne: You can't change the rules halfway through.

Mr JENKINS: He is a chatterbox, isn't he?

The SPEAKER: The Manager of Opposition Business will stop provoking people who are on their feet.

Mr JENKINS: I am not sure whether I have to put that in inverted commas, because we are a bit worried about calling people names. I remember, because I had an interest during this 17-day period, and when there was a lovely scene out in one of the courtyards—the great love-in of parliamentary procedure—one of the agreements was the pairing of the Speaker and the Deputy Speaker. I wonder what position I would have in this place if that had been carried through, but I digress a little and it is not about me.

There was the intention that we recognise in this minority period that again the two positions of Deputy Speaker be shared, and that is all that is happening here. Finally, now the member for Sturt is quiet, reluctant as I am to give tactical advice to those opposite, I simply say that if he had thought a bit about what was actually happening in the parliament last night and not been worried so much about the politics then he might have seen this happening; he might have seen this coming. If he did not see it, that is bad luck. If this motion moved by the Leader of the House gets up we will achieve the appropriate action that was decided not only in the way that the Second Deputy Speaker position was created but most importantly in this period of minority government in the way in which we could best have this parliament and this House operate.

Mr ANDREWS (Menzies) (09:22): Madam Speaker, firstly, I congratulate you on your elevation to the chair. We share an electoral boundary and I know you from not only here but also joint activities that occur between our electorates from time to time. I congratulate you.

I simply want to make one point in rebuttal to the member for Scullin. I remind the parliament that at the start of this parliament the Speaker was a Labor member—namely, the member for Scullin—the Deputy Speaker was a Liberal member—namely, the member for Fisher, nominated by the government—and the Second Deputy Speaker was a National Party member—namely, the member for Maranoa. So that was good enough for the Labor Party two years ago at the start of this parliament. I simply make that point by way of rebuttal to the proposition being put here that this is about principle and there are no politics involved.

Mr BROADBENT (McMillan) (09:23): Firstly, Madam Speaker, I congratulate you on your appointment to such a high office
and I congratulate those who were appointed last night, including the member for Maranoa. You are both members of this House deserving of such important roles. Having said that, we are talking about the conventions of the House—the standing orders and the spirit. If I believe the member for Scullin, and in full knowledge that the opposition leader in the House has the ability to get into places of mischief and intentional mischief, I think with the spirit of this and the intention of the House we have come to a point now where we find that the standing orders are very important because they affect the day-to-day operations of the House and who holds what positions.

So it is a matter of having regard for the conventions of the House and the spirit of what we are doing—and any argy-bargy or rebuttal that may be put in place—making the point that when we are discussing standing orders and the changes to standing orders, and they are controlled by hug-ins and love-ins rather than consideration of the proper processes of the House, we are going to come to appointments like this that fail to deliver what the government of the day or even the opposition of the day may have intended.

I believe the government will have its way in a few moments, after we take this vote, because the vote will go that way. Whilst the mischief is there—and there is some smile in the mischief that we make today—as the Manager of Opposition Business said, this is not the most important issue of the day that this parliament should be discussing, and therefore it is time for me to sit down and get on with the vote.

Mr ALBANESE (Grayndler—Leader of the House and Minister for Infrastructure and Transport) (09:25): To conclude the debate—so that no-one else jumps on it!—I want to thank those members who have participated. I particularly thank the member for Scullin for giving us the historical facts. I certainly had the principles and knew how this standing order came about, but I was not aware of the role of one of my predecessors as the member for Grayndler, Leo McLeay. He is—and this was not always known within our relationship—one who understands fairness in terms of equity between proportions in political bodies. Leo is someone I have come to classify as a friend—something I would not have thought 20-odd years ago. He is someone who had a vision in terms of the way the parliament should operate—in a fair way. I found that out when I came here as a much younger member. In spite of our difficult past, he was prepared to play that mentoring role, which was very important, just as the member for Scullin has played for many members of this House—not just on this side of the chamber but I think across the parliament. I thank him particularly for his contribution.

The member for Lyne is quite right and has also outlined the particular circumstances of how it was envisaged that the positions of Speaker, Deputy Speaker and second Deputy Speaker would be carried under the agreement on parliamentary reform. This motion is consistent with that agreement on parliamentary reform. It is consistent with the good functioning of this parliament, and I commend it to the House.

The SPEAKER: The question is that the motion be agreed to.

The House divided. [09:32]

(The Speaker—Ms Anna Burke)

Ayes ..................... 74
Noes ..................... 69
Majority ............... 5

AYES

Albanoese, AN
Bandt, AP
Bird, SL
Bowen, CE
Bradbury, DJ

CHAMBER
Ms ROXON (Gellibrand—Attorney-General and Minister for Emergency Management) (09:37): Madam Speaker, I congratulate you on your elevation to high office. It gives me great pleasure to be presenting the first piece of legislation under your speakership.

I present the Crimes Legislation Amendment (Serious Drugs, Identity Crime and Other Measures) Bill 2012

FIRST READING

Ms ROXON (Gellibrand—Attorney-General and Minister for Emergency Management) (09:40): Madam Speaker, I congratulate you on your elevation to high office. It gives me great pleasure to be presenting the first piece of legislation under your speakership.

I present the Crimes Legislation Amendment (Serious Drugs, Identity Crime and Other Measures) Bill 2012 and an explanatory memorandum

Bill read a first time.
Ms ROXON (Gellibrand—Attorney-General and Minister for Emergency Management) (09:38): I move:

That this bill be now read a second time.

The Crimes Legislation Amendment (Serious Drugs, Identity Crime and Other Measures) Bill 2012 delivers on the government’s continuing commitment to combat serious and organised crime and corruption. The bill includes a range of measures which strengthen existing laws and ensure that the criminal law in this country is responsive to emerging threats.

The bill will improve and clarify aspects of Commonwealth criminal law including:

- amendments to the Commonwealth’s serious drug offences framework to allow it to be updated more quickly to list new substances,
- expand identity crime offences,
- create new offences and a police power relating to air travel and false identity,
- improve the operation of the Law Enforcement Integrity Commissioner Act 2006,
- clarify that superannuation orders can be made in relation to all periods of a person’s employment as a Commonwealth employee, and
- increase the value of the penalty unit for Commonwealth criminal offences and provide for its regular review moving forward.

I will address each of these amendments in turn.

Illicit drugs have a terrible impact on the Australian community and cause a wide range of social, economic and personal harms. This government is committed to minimising the use and availability of harmful drugs in Australia and ensuring that drug laws are as strong as possible.

This bill ensures Commonwealth laws are up to date and allow for flexible, quick responses to new and emerging drug threats.

Firstly, the bill will move the existing lists of illicit substances from the Criminal Code to regulations, and allow for the future listing of substances to be done by regulation. This will make it substantially quicker to update the lists in response to new threats and will make them more responsive to law enforcement needs. This will help prevent organised crime groups and individuals from seeking to exploit loopholes created when the lists of controlled drugs do not keep pace with the market for illicit substances.

Secondly, the bill will improve existing mechanisms for making emergency determinations in relation to particular substances.

Emergency determinations may currently be made for a period of 28 days. The bill will strengthen this framework by allowing determinations to operate for up to a maximum of 18 months.

This will provide a greater amount of time for experts to analyse substances and assess the harms they cause. This approach is consistent with that taken in the United States and New Zealand for the temporary listing of substances.

Law enforcement agencies have identified identity crime as a significant threat and one of the fastest growing crimes in Australia. The internet and other new technologies have provided ideal new instruments for organised criminals to harness and exploit the identity information of others.

The government has a comprehensive identity security strategy and has already taken steps to counter identity crime. It is an offence for a person to deal in identification
information for the purpose of committing a crime against Commonwealth law.

The bill will expand these offences to cover people who use a carriage service, such as the internet or a mobile phone, to obtain identification information with the intention of committing another offence. It will also criminalise the use of identity information with intent to commit a foreign offence.

The new offences will carry penalties of up to five years imprisonment.

In keeping with the government’s commitment to combating organised crime and providing strong management of our borders, the bill will create new offences relating to air travel and the use of false identities.

Travelling under a false identity is a tactic commonly used by organised criminals in Australia and overseas to evade law enforcement detection. The bill will make it a crime to use a false identity to book a flight over the internet or to take a commercial flight. It will also be a crime to use a false identity when identifying oneself for the purpose of travelling on such a flight.

The maximum penalty for the offences will be 12 months imprisonment. This penalty is consistent with the penalties for similar offences relating to providing false or misleading information in the Criminal Code.

The bill will also give police powers to request evidence of a person’s identity where a person is suspected of committing, or intending to commit, a serious offence. It is important that law enforcement agencies have the powers necessary to properly deal with these crimes, although of course safeguards will be put into place to ensure that these powers are used appropriately.

The bill will make amendments to the Commonwealth’s penalty unit scheme. This is part of the government’s commitment to cracking down on serious and organised crime. We want to make a strong statement about this type of crime and ensure that the courts have the ability to impose appropriate penalties to deal with these offenders.

The penalty unit was introduced in 1992 to enable financial penalties across all Commonwealth criminal legislation to be easily increased in line with inflation with a single amendment to the Crimes Act. The penalty unit was last increased in 1997.

The bill increases the value of a penalty unit to $170 to accommodate increases in the consumer price index. This increase will strengthen all Commonwealth financial penalties, including those related to white-collar crime and serious and organised crime. For example, the maximum financial penalty for the fraud offence of obtaining a financial advantage by deception will increase from $66,000 to $102,000 for an individual, and from $330,000 to $510,000 for a corporation.

This is a significant increase and should send a strong message that crime does not pay.

The bill also introduces a requirement for the penalty unit to be reviewed every three years to ensure its value continues to be regularly maintained in real terms in the future.

The bill also includes amendments to strengthen the Commonwealth public sector integrity system by clarifying the functions of the Law Enforcement Integrity Commissioner. This is consistent with recommendations of the Parliamentary Joint Committee on the Australian Commission for Law Enforcement Integrity.

Firstly, the bill will more clearly state the Law Enforcement Integrity Commissioner’s statutory functions in relation to detecting and preventing corruption. This will better
reflect the objects of the Law Enforcement Integrity Commissioner Act 2006 and enable the commission to take a proactive approach to dealing with corruption.

Secondly, the bill will provide the minister with the discretion to refer a corruption issue involving a staff member of the commission to the integrity commissioner, unless it involves the integrity commissioner or an assistant integrity commissioner, to improve the management of internal corruption issues.

Thirdly, the bill will provide the integrity commissioner with greater flexibility in relation to holding a public inquiry.

Finally, the bill will clarify the laws relating to superannuation orders and corruption offences.

The Crimes (Superannuation Benefits) Act allows for the forfeiture and recovery of employer funded superannuation benefits of Commonwealth employees who have been convicted of corruption offences.

The bill will clarify that a superannuation order made under this act relates to all employer funded contributions made or payable in relation to the person's total period or periods of Commonwealth employment, not just the particular period of employment in which a corruption offence was committed.

Although these laws have always been intended to operate in this way, it is desirable to more clearly express this intention in response to a judicial decision in the New South Wales Supreme Court.

In conclusion, the Crimes Legislation Amendment (Serious Drugs, Identity Crime and Other Measures) Bill 2012 contains important measures that will ensure that Commonwealth criminal law remains up to date and effective, particularly in combating serious and organised crime and white-collar crime. This government is committed to making sure that we have the right laws in place to create a hostile environment for organised crime, be that through increased monetary penalties or greater protection for identity information on the internet.

I commend the bill to the House.

Debate adjourned.

Freedom of Information Amendment (Parliamentary Budget Office) Bill 2012

First Reading

Bill and explanatory memorandum presented by Ms Roxon.

Bill read a first time.

Second Reading

Ms ROXON (Gellibrand—Attorney-General and Minister for Emergency Management) (09:46): I move:

That this bill be now read a second time.

This government has established the Parliamentary Budget Office—an independent and non-partisan institution which will strengthen Australia's fiscal and budget frameworks.

The Parliamentary Budget Office's functions include: preparing budget analysis and policy costings on requests by individual senators and members; preparing submissions to inquiries of parliamentary committees; and, at its own initiative, conducting and publishing research on the budget and fiscal policy settings.

With the creation of the Parliamentary Budget Office all senators and members, for the first time, have access to independent and non-partisan budget analysis and policy costings over the entire course of the three-year electoral cycle.

A key element of the new arrangements are that outside of the caretaker period for a general election a senator or member can

CHAMBER
request that the Parliamentary Budget Office's services be provided on a confidential basis for policy costings.

The Parliamentary Budget Office is already an exempt agency under the Freedom of Information Act 1982 (FOI Act). However, the Freedom of Information Act does not currently provide a specific exemption for documents relating to requests from the Parliamentary Budget Office that may be held by departments and other agencies.

As a result, requests for information made to agencies by the Parliamentary Budget Office, and information provided to the Parliamentary Budget Office by agencies, may not be as fully protected from release under the Freedom of Information Act as they ought to be to give effect to the Parliamentary Budget Office's special position.

In addition, freedom of information requests may be made to agencies for the sole purpose of finding out whether or not the Parliamentary Budget Office has received a confidential request in relation to a particular matter. A response from an agency that documents could not be released because a relevant exemption applied would in effect confirm the existence of the documents and the fact that a confidential request had been made to the Parliamentary Budget Office.

Procedures and protocols between the Parliamentary Budget Office and departments have been established but this bill takes a step further in clarifying the appropriate protections.

The bill amends the Freedom of Information Act to provide an exemption for information held by departments and agencies that relates to a confidential request to the Parliamentary Budget Office. This will ensure that the integrity of the Parliamentary Budget Office's processes in these matters which are critical to the successful operation of the Parliamentary Budget Office will not be undermined.

The bill also amends section 25 of the Freedom of Information Act to provide that an agency is not required to give information as to the existence or non-existence of a document where it is exempt under these new provisions.

The bill also contains a consequential amendment to section 34 of the Privacy Act 1988. Section 34 of that act provides that the commissioner in carrying out functions under the Privacy Act, for example investigating an act or practice of an agency that may be a breach of privacy, must not give a person any information as to the existence or non-existence of a document where it is exempt under the FOI Act.

It is proposed to amend section 34 to refer to the new Parliamentary Budget Office exemption, reflecting the amendment to section 25 of the Freedom of Information Act and ensuring that Parliamentary Budget Office documents are confidential.

Given the importance of this issue and the Parliamentary Budget Office's independence and integrity, it is proposed that the bill will operate retrospectively from the day after introduction.

The work of the Parliamentary Budget Office is undertaken for the benefit of the parliament. These reforms are critical to the success of the independent Parliamentary Budget Office. They will enhance the operation of the Parliamentary Budget Office for senators and members from all political parties.

The establishment of the Parliamentary Budget Office has strengthened Australia's fiscal and budget frameworks by providing non-partisan and independent information to
the parliament on the budget, fiscal policy and financial implications of proposals.

These reforms will protect the confidentiality of the Parliamentary Budget Office's work and ensure that it will operate as it was intended when the parliament expressly exempted the Parliamentary Budget Office from the Freedom of Information Act. I commend the bill to the House.

Debate adjourned.


First Reading

Bill and explanatory memorandum presented by Ms Roxon.

Bill read a first time.

Second Reading

Ms ROXON (Gellibrand—Attorney-General and Minister for Emergency Management) (09:51): I move:

That this bill be now read a second time.

The Regulatory Powers (Standard Provisions) Bill 2012 will cut legal 'red tape'. This bill will cut up to 80 pages from Commonwealth acts and regulations.

It is an important initiative. The bill is part of the government's Clearer Laws project. The Clearer Laws project is designed to increase access to justice and improve the accessibility, equity, efficiency and effectiveness of the federal justice system by simplifying and streamlining the statute book.

This bill is a bill of general application. Perhaps the most well known act of general application that is currently on the statute book is the Acts Interpretation Act 1901, which contains definitions and statutory interpretation rules that are referred to across the Commonwealth statute book. The Regulatory Powers (Standard Provisions) Bill, like the Acts Interpretation Act 1901, is an act of general application for the enforcement of regulatory regimes that other acts can refer to and trigger.

This bill has two main aims. Firstly, to reduce the length of the statute book, as provisions relating to the enforcement of a regulatory regime can easily add 30 pages to an act.

Secondly, the bill will provide greater clarity to those agencies that use regulatory powers. It will make the law easier to understand for Australians and Australian businesses that are the subject of a regulatory regime.

Currently agencies with a regulatory function may enforce a number of different regulatory regimes, each of which may have different governing legislation. Similarly, businesses may be subject to a number of different regulatory regimes, each of which has slightly different enforcement and investigatory powers.

It is important to note that the powers that the bill provides will only be available to a regulatory agency if their governing legislation triggers or engages the bill. The powers contained in the bill can be triggered in whole or in part by a regulatory agency's governing legislation. For example, a regulatory agency's governing legislation may be amended to trigger only the part of the bill that deals with enforceable undertakings.

The bill will be rolled out carefully in three stages. In stage 1, new bills or regulations that require investigation or enforcement powers of the kind available under the Regulatory Powers (Standard Provisions) Bill will be drafted to trigger the relevant provisions.

In stage 2, acts and regulations that have been drafted over the past 18 months using precedents based on the Regulatory Powers
Bill will be amended to remove those provisions and instead trigger the relevant provisions.

In stage 3, where substantial amendment is required to existing investigation and enforcement regimes in current acts and regulations, those regimes will be reviewed and, if appropriate, amended to instead trigger the relevant provisions in the Regulatory Powers Bill.

In some cases the powers contained in this bill will not be appropriate or sufficient for some regulatory agencies' requirements. For example, law enforcement agencies that deal with national security will continue to require their specialised powers. Similarly, some regulatory agencies may have specific requirements that are not met in this bill and consequently they may choose to not trigger the bill. Alternatively, they may choose to only trigger certain parts.

All three stages of the bill's application will still be required to undertake the scrutiny and approval processes of the parliament. For the regulatory provisions in the bill to be activated, new or existing legislation would need to be amended to remove its existing regulatory powers and incorporate the Regulatory Powers Bill's provisions. This also ensures that individual assessments of human rights engagement and compatibility will also be apparent in the drafting and scrutiny process.

The Regulatory Powers Bill provides a framework of standard regulatory functions carried out by agencies across the Commonwealth. The key features of the bill include monitoring and investigation powers as well as enforcement provisions through use of civil penalty, infringement notices, enforceable undertakings and injunctions.

The monitoring powers in the bill are based on the standard monitoring powers that can already be found across the statute book. The bill provides for monitoring whether legislation is being complied with, or that information given to the Commonwealth in compliance, or purported compliance, is correct.

Similarly, the investigation powers contained in the bill are also commonly found across the statute book. The powers allow investigation of suspected contraventions of offences and civil penalty provisions. The suite of investigation powers provided in the bill include the powers to search and seize evidential material as well as inspect, examine, measure and test anything on the premises.

The bill also provides for the use of civil penalties, infringement notices, enforceable understandings and injunctions to enforce provisions.

In conclusion, the Clearer Laws project will make Australian laws and legal system simpler. By improving the accessibility and consistency of the Commonwealth statute book, the law can be better understood, complied with and administered.

The Regulatory Powers Bill is integral to achieving this goal. By providing a consistent and central suite of regulatory powers provisions, this bill ensures that laws affecting agency oversight are both consistent, to ensure that the law is sufficiently certain and predictable, as well as flexible, to effectively take account of differences in agencies' functions.

This bill will cut legal 'red tape' and reduce the length of statutes by up to 80 pages in some cases. I commend the bill to the House.

Debate adjourned.
Social and Community Services Pay Equity Special Account Bill 2012

First Reading

Bill and explanatory memorandum presented by Ms Collins.

Bill read a first time.

Second Reading

Ms COLLINS (Franklin—Minister for Community Services, Minister for the Status of Women and Minister for Indigenous Employment and Economic Development) (09:57): I move:

That this bill be now read a second time.

This bill will establish a Special Account under the Financial Management and Accountability Act 1997, underpinning the Commonwealth’s contribution of around $3 billion to Australia’s social and community services sector workers following Fair Work Australia’s historic equal pay ruling earlier this year.

The Gillard government welcomes Fair Work Australia’s first ever equal remuneration order, handed down on 22 June 2012. The order follows Fair Work Australia’s landmark decision on 1 February 2012 to award equal pay to social and community services sector workers in recognition of their tireless work for our community, and details how those pay rises are to be delivered.

Under the order, around 150,000 of Australia’s lowest-paid workers will benefit from substantial pay rises of between 23 and 45 per cent, to be phased in from 1 December 2012.

Of around 150,000 workers in this sector, approximately 120,000—the vast majority—are women. Fair Work Australia found that their work has long been undervalued because of gender considerations.

And yet these workers make a real difference every day to the lives of many vulnerable members of the community, taking on some of the most challenging jobs including counselling families in crisis, running homeless shelters, and working with people with disability and victims of domestic violence or sexual assault.

This Fair Work Australia decision is an important step on the road to closing the long-standing gap between men and women and delivering fairness in the workplace. It is unacceptable that women earn on average one-fifth less than men full-time—the equivalent of working nearly seven weeks a year for free.

This historic equal remuneration order was made possible only because this government removed the barriers to pay equity claims in the Commonwealth jurisdiction. Previously, the legal test to prove discrimination allowed consideration only of ‘equal work’, rather than the new, broader test of ‘equal or comparable’ work. As a result, it is only with this case that an equal remuneration claim has succeeded under Commonwealth workplace relations law. And around $3 billion in funding is being provided to meet the Commonwealth share of the costs of these pay rises for social and community sector workers in Commonwealth-funded programs, including programs funded under agreements with and payments to states and territories, such as National Partnership Payments and National Specific Purpose Payments.

This bill will establish a Special Account under section 21 of the Financial Management and Accountability Act 1997 to allow delivery of this funding.

The Commonwealth supplementation will be delivered through funding drawn from the Special Account by eight Commonwealth agencies and allocated to assist employers,
who are directly and indirectly funded by the Commonwealth for the purposes of a program prescribed under the new legislation, and who are required to make payments to their employees under the pay equity arrangements.

This includes Commonwealth-funded service providers who are subject to the transitional pay equity order made by the Queensland Industrial Relations Commission on 12 June 2009. These Queensland social and community sector services workers will be transitioned over time to the Fair Work Australia equal remuneration order. The pay increases are to be phased in over eight years, in nine equal instalments from 1 December 2012 to 1 December 2020.

The phased introduction recognises the complex funding arrangements in the sector, which involve local, state and territory governments, not-for-profit organisations, commercial providers, and the Commonwealth. This approach will allow community sector organisations delivering Commonwealth-funded programs to pay the new rates without reducing services to the community.

A significant amount of Commonwealth funding will be provided to the sector through state and territory governments for agreements with and payments to States and Territories, such as National Partnership Payments and National Specific Purpose Payments. This bill will enable funding to be paid to the COAG Reform Fund established under the COAG Reform Act 2008 for this purpose. The Gillard government expects state and territory governments to pass on the full amount of funding and to meet their obligations by also committing their share of funds.

Every day, the social and community services sector delivers vital services to hundreds of thousands of vulnerable Australians. We want to make sure the sector is strong and productive into the future.

In coming years, we will need to attract and retain more workers in this sector of the economy, and especially in ‘caring’ work, which has historically been performed mainly by women.

Not only are these workers deserving of a fair day's pay for a fair day's work, but properly valuing caring work and providing decent wages in industries dominated by women is an important part of keeping our economy strong and resilient.

Debate adjourned.

Social and Community Services Pay Equity Special Account (Consequential Amendments) Bill 2012

First Reading

Bill and explanatory memorandum presented by Ms Collins.

Bill read a first time.

Second Reading

Ms COLLINS (Franklin—Minister for Community Services, Minister for the Status of Women and Minister for Indigenous Employment and Economic Development) (10:03): I move:

That this bill be now read a second time.

This is a companion bill to the Social and Community Services Pay Equity Special Account Bill 2012. That bill will establish a Special Account under section 21 of the Financial Management and Accountability Act 1997 to fund the Commonwealth’s contribution to the historic pay rise awarded by Fair Work Australia earlier this year to our social and community services sector workers.

The Commonwealth supplementation will be delivered through funding drawn from the Special Account by eight Commonwealth
agencies and allocated to assist employers, who are directly or indirectly funded by the Commonwealth for the purposes of a program prescribed under the new legislation, and who are required to make payments to their employees under the pay equity arrangements.

This includes Commonwealth-funded service providers who are subject to the transitional pay equity order made by the Queensland Industrial Relations Commission on 12 June 2009. These Queensland social and community services workers will be transitioned over time to the Fair Work Australia equal remuneration order.

A significant amount of Commonwealth funding will also be provided to the sector through state and territory governments for agreements with and payments to states and territories, such as National Partnership Payments and National Specific Purpose Payments. The Social and Community Services Pay Equity Special Account Bill 2012 will enable funding to be paid to the COAG Reform Fund established under the COAG Reform Act 2008.

This consequential amendments bill makes one minor amendment to existing Commonwealth legislation to complete the new arrangements. This amendment will insert into the COAG Reform Act 2008 a note pointing out that an amount may be credited to the COAG Reform Fund under the new Social and Community Services Pay Equity Special Account Act 2012.

Debate adjourned.

Second Reading

Mr BRADBURY (Lindsay—Assistant Treasurer and Minister Assisting for Deregulation) (10:06): I move:

That this bill be now read a second time.

This bill amends the Income Tax (Managed Investment Trust Withholding Tax) Act 2008, the Income Tax Assessment Act 1997 and the Taxation Administration Act 1953 to provide a final withholding tax rate of 10 per cent on fund payments from eligible Clean Building Managed Investment Trusts (MITs) made to foreign residents in information exchange countries.

For these amendments to apply, the managed investment trust must only invest in new energy efficient office, hotel and retail buildings that commenced construction on or after 1 July 2012. These trusts may also hold limited assets incidental to these buildings such as car parking facilities, telecommunications infrastructure or advertising billboards.

To be treated as an energy efficient building, a building must obtain and maintain either a 5-star Green Star rating or a 5.5 star National Australian Built Environment Rating System rating.

This criteria will be reviewed after three years to ensure that the measure continues to apply to buildings that are above the average level of energy efficiency.

Full details of the measures in this bill are contained in the explanatory memorandum.

Debate adjourned.

Higher Education Support Amendment (Maximum Payment Amounts and Other Measures) Bill 2012

Report from Committee

Ms RISHWORTH (Kingston) (10:07): On behalf of the Standing Committee on
Education and Employment I present the committee's advisory report on the Higher Education Support Amendment (Maximum Payment Amounts and Other Measures) Bill 2012, together with the minutes of proceedings and evidence received by the committee, and I ask leave of the House to make a short statement in connection with the report.

Leave granted.

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

Ms RISHWORTH: The Higher Education Support Amendment (Maximum Payment Amounts and Other Measures) Bill 2012 was introduced into the House on 12 September. On 13 September the House Selection Committee referred the bill to the Education and Employment Committee for inquiry and report.

The bill consists of three schedules. Schedules 1 and 2 are just funding, and schedule 3 proposes amendments relating to the use and disclosure of data collected under the Higher Education Support Act 2003. The Selection Committee cited the principal matter for consideration was the measures under schedule 3, which were the issues around privacy.

The inquiry received six submissions. All bar one expressed strong support for the proposed measure on the grounds of the facilitation of the efficient and timely collection and sharing of data. The National Tertiary Education Union stated their reservations on aspects of this measure, and the committee was keen to follow up to see if these concerns were shared more widely. We approached the Privacy Commissioner, who had not put in a submission, and the National Union of Students to seek their comments as to whether they had any additional concerns that they may not have put in a submission. Both of these groups were satisfied with the safeguards accompanying the proposed measures. Both organisations confirmed their satisfaction, and, accordingly, the committee has recommended that the House pass the bill.

In closing I would like to thank all my committee colleagues who supported the inquiry, and Glen Worthington, from the committee secretariat. I commend the report to the House.

Mr RAMSEY (Grey) (10:10): As deputy chair of the committee that reviewed this legislation, I thank the chair for her remarks. This was relatively uncontroversial. As the chair just outlined, there were three schedules. The first two are about funding. The third one was a little bit more controversial, in fact, because it involved the divulgement of private details of individuals to governments and departments within the education sector. This information is important to those bodies who make the decisions about the funding of the Australian education networks and to the way that we develop policy. On balance, the committee felt that it was right that they should have that information.

But concerns arose around an individual's right to privacy. I inquired of the department about what information at unit level actually entailed, because I was a bit confused by the term 'unit level'. Apparently, unit level is the level of the person: I am a unit, Mr Deputy Speaker Oakeshott is a unit and the member for Sturt is a unit. But when I made these inquiries and asked what level of information was then available about these particular units, I found that it included your age, your place of residence and your gender—all obvious things. But you can also find out whether the person is in receipt of a disability pension and what that disability might be. You can probably find out their ethnic origin. There is a depth of information
there that I do not necessarily feel particularly comfortable about being available to the wider sector.

Then the concern is who has the rights to this information. The Privacy Commissioner assured us that he is happy with the protocols that have been put in place to ensure that this information does not fall into the wrong hands. I am relying on that advice in endorsing this bill, so I hope that the Privacy Commissioner has it right and that we will not be drawn back to this place at a future time to try to patch up something because that information stream has got out of order. Those protocols are of paramount importance. I take it on good faith that the information that the committee has received is accurate and to the point. Thank you.

Second Reading

Debate resumed on the motion:

That this bill be now read a second time.

Mr PYNE (Sturt—Manager of Opposition Business) (10:13): I rise to speak on the Higher Education Support Amendment (Maximum Payment Amounts and Other Measures) Bill 2012. The bill updates indexed amounts for other grants and Commonwealth scholarships under the Higher Education Support Act 2003, HESA, and appropriations under the Australian Research Council Act 2001, the ARCA. The bill also authorises the disclosure of information about students and staff of higher and vocational education providers to government bodies and agencies as determined by the minister through legislative instrument.

The explanatory memorandum provided for the bill suggests that the purpose of schedule 1 is to amend the maximum payment amounts for other grants and Commonwealth scholarships to account for changes in indexation and to add the next funding year. Schedule 2 of the bill amends the Australian Research Council Act 2001 to update appropriation amounts to apply indexation and to insert a new funding cap for the last year of the forward estimates.

Schedule 3 of the bill permits a wider disclosure of information, including personal information, to the Tertiary Education Quality and Standards Agency, otherwise known as TEQSA; the national VET regulator; the staff of state and territory agencies; higher education providers; VET providers; and bodies or associations determined by the minister by legislative instrument. The explanatory memorandum provides some further background information in relation to schedule 3. It suggests that the government has received a higher volume of requests from higher education providers, higher education groups, the Tertiary Education Quality and Standards Agency and state and territory governments for student and staff data at the unit record level, a level at which an individual may be identified.

The government suggests that data at this level will allow more accurate assessment and monitoring of the impact of the Australian government's higher education demand driven funding reforms, for planning and quality assurance purposes. Currently, HESA, in division 180, provides that the only information that can be disclosed to TEQSA and the national VET regulator is personal information that is obtained in connection with an application by a registered higher education provider for approval as a higher education provider under HESA or non-personal information that is obtained by a Commonwealth officer for the purposes of chapter 2 and chapter 3 of HESA. The entities that can receive this information are limited to TEQSA and the national VET regulator.
The government's Advancing Quality in Higher Education Reference Group has recommended the centralisation of Australian government endorsed student surveys. The government suggests that it is envisaged that the Department of Innovation, Industry, Science, Research and Tertiary Education would give a third party access to the Commonwealth higher education student support numbers to construct accurate and robust survey sample frames to conduct the surveys. Currently, HESA does not allow the use of personal information or VET personal information in order to conduct a survey of students, former students or staff of higher education providers or VET providers for any purpose. Current division 179 and division 14 of schedule 1A do not have provisions explicitly allowing Commonwealth officers to use personal information in the course of the official employment of the officers.

The explanatory memorandum to this bill suggests that the types of bodies or associations that may be determined by the minister through a legislative instrument are peak bodies and other advocacy groups for the higher education sector. The groups listed in the memorandum include, for example, Universities Australia, the Council of Private Higher Education, the Australian Council for Private Education and Training and the Tertiary Admissions Centre. Furthermore, it is proposed that these bodies or associations will be determined through a legislative instrument in order to avoid unnecessary amendments to HESA in situations such as a body changing its name.

The government states that the proposed measures are reasonable, necessary and proportionate to achieve the legitimate objectives identified above. It has been suggested that all higher education and vocational education and training providers will need to ensure that their privacy agreements are up to date and meet legislative requirements and that privacy notices provided to students meet the requirements of the Privacy Act 1988. The government proposes that the privacy notices currently printed on student enrolment forms given to them by the higher education or vocational education and training providers will be amended to make them aware of potential use and disclosure of their personal information.

Issues of privacy arise in relation to schedule 3 of the bill that warrant further investigation and consideration. Are these various protections, as the government suggests, enough to protect against the misuse of information? The ability to better monitor and assess the effectiveness of higher and vocational education spending is desirable. However, care must be taken to ensure that the disclosure regime is not misused for purposes other than what it is designed to do. This bill was referred to the House Standing Committee on Education and Employment on 13 September 2012 for an inquiry. The committee's role was to take a closer look at the implications of the new information sharing regime for privacy as well as for potential red tape reduction. Accordingly, the coalition wanted to reserve our judgement on the bill until the committee reported with their recommendations.

Just prior to the bill being debated this morning, the member for Kingston and the member for Grey spoke on the recent report of the committee, which was handed down moments before I began to speak. Obviously, that did not give the coalition in general enough time to consider the report before the debate commenced today. We will now consider the implications of the report and it will inform our final decision on how we proceed with the bill.
The DEPUTY SPEAKER (Mr Oakeshott): The debate is now adjourned and resumption of the debate is an order of the day for a later hour.

Reference to Federation Chamber

Mr FITZGIBBON (Hunter—Chief Government Whip) (10:21): by leave—I move:

That the bill be referred to the Federation Chamber for further consideration.

Question agreed to.

MOTIONS

Health Insurance (Extended Medicare Safety Net) Amendment Determination 2012 (No. 1)

Ms PLIBERSEK (Sydney—Minister for Health) (10:21): I move:

That, in accordance with section 10B of the Health Insurance Act1973, the House approve the Health Insurance (Extended Medicare Safety Net) Amendment Determination 2012 (No. 1) made on 28 September 2012, and presented to the House on 9 October 2012.

Question agreed to.

BILLS

Law Enforcement Integrity Legislation Amendment Bill 2012

Report from Committee

Mr PERRETT (Moreton) (10:22): On behalf of the Standing Committee on Social Policy and Legal Affairs, I seek leave to make a statement on the Law Enforcement Integrity Legislation Amendment Bill 2012, in discharge of the committee's requirement to provide an advisory report on the bill and to present a copy of my statement.

Leave granted.

Mr PERRETT: On 20 September the House of Representatives Selection Committee referred the Law Enforcement Integrity Legislation Amendment Bill 2012 to our committee for inquiry and report. The Senate Legal and Constitutional Affairs Committee was also referred this bill by the Senate for inquiry. Schedule 1 of the Law Enforcement Integrity Legislation Amendment Bill 2012 sets out the substance of the changes.

This schedule of the bill gives effect to recommendations made by the Parliamentary Joint Committee on the Australian Commission for Law Enforcement Integrity in its 2011 report on integrity testing. As such, the Social Policy and Legal Affairs Committee considers that it is more appropriate for the original committee to inquire into this bill to examine whether it effectively implements the recommendations. Should the House wish to seek committee scrutiny of this bill, it is suggested that this bill be referred to the Parliamentary Joint Committee on the Australian Commission for Law Enforcement Integrity for inquiry and report to both houses of parliament.

Social Security and Other Legislation Amendment (Further 2012 Budget and Other Measures) Bill 2012

Report from Committee

Mr PERRETT (Moreton) (10:24): I apologise. I think my deputy chair might have wished to make a comment on the previous report. She might be on the way to speak on this one.

On behalf of the Standing Committee on Social Policy and Legal Affairs I present the committee's advisory report on the Social Security and Other Legislation Amendment (Further 2012 Budget and Other Measures) Bill 2012, together with the minutes of proceedings, and I ask leave of the House to make a short statement in connection with the report.

Leave granted.
Mr PERRETT: I rise today to table the advisory report of the Standing Committee on Social Policy and Legal Affairs on the Social Security and Other Legislation Amendment (Further 2012 Budget and Other Measures) Bill 2012. The House Selection Committee, in their infinite wisdom, referred this bill to our committee for inquiry and advisory report on 13 September, with specific reference to examining the drafting changes relating to the Schoolkids Bonus, child support legislation and the Social Security Appeals Tribunal. These issues are dealt with in schedules 3 to 6 of the bill.

In line with the Selection Committee's referral the committee examined the drafting of the amendments in schedules 3 to 6 and their consistency with the objectives and the policy intent of the relevant legislation. The committee found that the amendments contained in schedules 3 to 6 do not represent a change in existing or introduced policies of the government. The amendments predominantly represent clarification of provisions and technical changes to give effect to payment assistance. Schedule 3 makes some operational changes to the social Security Appeals Tribunal, enhancing appeals provisions, strengthening privacy protection and introducing measures to protect life or welfare in cases of risk.

The committee—this is important—unanimously recommended that this House pass the Social Security and Other Legislation Amendment (Further 2012 Budget and Other Measures) Bill 2012. I repeat that the committee, made up of people from both sides of the House, unanimously recommended that this House pass the Social Security and Other Legislation Amendment (Further 2012 Budget and Other Measures) Bill 2012.

I commend this report to the House.

COMMITEES

Human Rights Committee

Report

Mr JENKINS (Scullin) (10:27): Thank you, Deputy Speaker Oakeshott. On behalf of the Parliamentary Joint Committee on Human Rights I present the committee's fifth report of 2012 entitled Examination of legislation in accordance with the Human Rights (Parliamentary Scrutiny) Act 2011—Bills and legislative instruments introduced 17-20 September 2012, and I ask leave of the House to make a short statement in connection with the report.

Leave granted.

Mr JENKINS: On behalf of the Parliamentary Joint Committee on Human Rights I draw the attention of the House to the committee's fifth report of 2012. This report reflects the committee's consideration of 22 bills and 34 instruments during the period 17 to 20 September 2012. In considering these bills and instruments the committee has relied significantly on the statement of compatibility that is required to accompany each bill and instrument. The committee has requested further clarification in relation to 15 bills and one instrument. In a number of cases this reflects the fact that the statement of compatibility has not provided sufficient information regarding the engagement of human rights to enable the committee to undertake its assessment of the compatibility of the legislation. On behalf of the committee I iterate the committee's expectation that statements of compatibility should provide sufficient detail to allow the committee to undertake its scrutiny tasks efficiently.

The committee expects statements of compatibility to be capable of being read as stand-alone documents. They should be able to be located easily, particularly if included
as part of the explanatory memorandum or statement. The committee expects statements to clearly specify the particular provisions of the bill or instrument that is being discussed and provide sufficient detail to enable the committee to understand the practical effect of the provisions. Where relevant, explanation is provided in the explanatory memorandum; clear and explicit references to the relevant paragraphs should be provided in the statement of compatibility. Where a bill or instrument limits human rights, the committee expects a clear justification to be provided in the statement of compatibility.

In particular, the committee would prefer for statements to provide information that addresses the following three criteria: (1) whether and how the limitation is aimed at achieving a legitimate objective; (2) whether and how there is rational connection between the limitation and the objective; and (3) whether and how the limitation is proportionate to that objective. Where no rights are engaged, the committee still expects that reasons should be given to support this conclusion where appropriate. Where the committee determines that the statement of compatibility does not provide sufficient information to enable the committee to undertake an assessment of the legislation's compatibility with human rights, it will write to the proponent of the legislation seeking further information. To date, the committee has not stipulated a date by which such responses should be provided, but has indicated that its preference is for responses to be provided to enable the committee to finalise its work prior to the conclusion of parliament's consideration of the bill or instrument.

I take this opportunity to thank those ministers, members and senators who have provided timely and appropriately comprehensive responses to the committee's requests for clarification and further information. The additional information provided in these responses has greatly assisted the committee in its work. To date, the committee has requested further clarification in relation to 16 bills and seven instruments considered in its first, second and third reports. The committee has received responses to six of these requests, and is therefore waiting for responses in relation to 12 bills and five instruments considered in its first, second and third reports. This falls well short of the committee's expectations, and I urge the ministers, members and senators concerned to take urgent action with respect to any outstanding responses. I emphasise the desirability of the committee considering such responses prior to the conclusion of the parliament's consideration of the legislation. It is a source of disappointment to the committee that two of the bills for which it has sought further information have now been passed by the parliament. Notwithstanding the passage of these bills, the committee still expects the relevant ministers to provide a response to the committee's requests and will be writing to them accordingly. I commend the report to the House.

Intelligence and Security Committee Report

Mr BYRNE (Holt) (10:32): On behalf of the Parliamentary Joint Committee on Intelligence and Security, I present the committee's report entitled Review of the re-listing of Al Shabaab, Hamas’ Iss al-Din al-Qassam Brigades, Kurdistan Workers Party (PKK), Lashkar-e-Tayyiba and Palestinian Islamic Jihad as terrorist organisations and ask leave of the House to make a short statement in connection with this report.

Leave granted.
Mr BYRNE: Thank you. As I said, on behalf of the Parliamentary Joint Committee on Intelligence and Security, I take pleasure in presenting the committee's report. This report reviews the relisting of five previously listed terrorist organisations: Al Shabaab, Hamas’ Iss al-Din al-Qassam Brigades, Kurdistan Workers Party, Lashkar-e-Tayyiba and Palestinian Islamic Jihad. Having completed its review I can advise that the committee does not recommend disallowance of the regulations for any of these five organisations.

As with previous committee reports on listings and relistings of terrorist organisations, this report identifies issues relating to the current nature and reach of each of the organisations, with particular emphasis on developments since the committee last reviewed these organisations. This is the first relisting of Al Shabaab, the fourth relisting of the Kurdistan Workers Party and the fifth relisting of the Hamas brigades, Lashkar-e-Tayyiba and the Palestinian Islamic Jihad. In each case the committee was satisfied that each of the groups continues to engage in terrorist activities which could be a threat to Australia or Australian interests either here or overseas.

I should note that in reviewing the evidence in support of the listings the committee draws largely on the statement of reasons which is prepared by ASIO in conjunction with the Attorney-General's Department; however, completion of the statement of reasons would normally be at least one or two months prior to the committee writing its report so in order to take into consideration the very latest information about each group the committee often refers to information on the Jane's Terrorism and Insurgency Centre website to support the evidence provided in the statement of reasons. Also, a private hearing was conducted with respect to the relisting of these organisations where the witnesses were representatives from ASIO and the Attorney-General's Department just to contemporise the consideration of these relistings.

In terms of the organisations that have been relisted, al-Shabaab's objective is the establishment of an Islamic state in Somalia based on Islamic law and the elimination of foreign 'infidel' influence. In pursuance of this objective al-Shabaab has conducted a violent insurgency against the Somali transitional federal government and foreign forces supporting this government. In late 2011 al-Shabaab-linked Australian citizens Saney Edow Aweys and Nayef El Sayed were convicted of conspiring to plan a terrorist attack in Australia. Aweys was also convicted of aiding and abetting another person to engage in hostile activities in Somalia under section 6 of the Commonwealth Crimes (Foreign Incursions and Recruitment) Act 1978 in December 2010. Australian citizen Hussein Hashi Farah was also implicated in terrorist activity associated with this organisation.

Hamas’s Izz al-Din al-Qassam Brigades were officially established in 1991 to provide Hamas with a military capability. Originally, the brigades were organised secretively, comprising compartmentalised cells that specialized in terrorist attacks, assassinations and kidnappings inside Israel. Since Hamas gained control of Gaza in 2007 and took up a governing role, the brigades have been forced to develop, at least partially, into a more traditional military force. The brigades operate predominantly in Gaza, with limited representation in the West Bank.

The Kurdistan Workers Party has also been relisted. The Kurdistan Workers Party’s objectives have changed over time in line with Turkey’s evolving political environment. The organisation now calls for
autonomy for Kurds within Turkey and seeks to promote and advance the rights of Kurds living in Turkey, specifically the right to maintain ethnic identity. The PKK, however, has consistently demonstrated a willingness to use violence in order to achieve these objectives.

Lashkar-e-Tayyiba is a Sunni Islamic extremist organisation based in Pakistan that uses violence in pursuit of its stated objective of uniting Indian administered Kashmir with Pakistan under a radical interpretation of Islamic law. The final organisation that was relisted is the Palestinian Islamic Jihad. Palestinian Islamic Jihad is a Sunni Islamist Palestinian militant organisation committed to the destruction of the state of Israel. Accordingly, Palestinian Islamic Jihad refuses to participate in the political process and rejects the possibility of a negotiated settlement to the Israel-Palestine issue.

To sum up, I reiterate that the committee recommends that the regulations relisting these five organisations as terrorist organisations not be disallowed. I would also like to thank all of the committee members involved for their work in reviewing these organisations, particularly the deputy chair and also members of the secretariat who are not here: the secretary, Jerome Brown; the inquiry secretary, Robert Little; the research officer, Cameron Gifford; and administrative officers Jessica Butler, Sonya Gaspar and Raymond Jackson. I commend the report to the House.

Mr RUDDOCK (Berowra) (10:38): I support the observations of the Chair of the Parliamentary Joint Committee on Intelligence and Security about the importance of this report on the relisting of five terrorist organisations. I endorse his thanks to the secretariat and his expression of thanks to his committee colleagues who share in this work.

I think it is important to remind ourselves that Australia has been relatively successful in dealing with what is in fact a very substantial threat to our security and safety. The fact we have been relatively successful ought not to lead us to a sense of complacency about our relative position. If members had the opportunity to glance through this report, I think they would be apprised of the very significant and ongoing potential risk not only to world security but also to our own security.

The chair, in his comments, went to many of the same matters that I was intending to allude to—for example, Al Shabaab, which has an estimated 3,000 to 7,000 fighters and has the objective of establishing an Islamic state. The report shows that, on 29 October last year, three African Union peacekeepers were killed in a suicide attack; on 4 October, four civilians were killed in Mogadishu after a vehicle borne IED; on 1 October, a French national was kidnapped and later died in captivity. As the chair explained, there are links with Australia. People that have been convicted of planning terrorist acts here are inspired by this organisation.

As for Hamas, on 7 April last year an anti-tank missile was fired at a school bus, killing one; on 1 September, 10 Israeli settlers were wounded; on 31 August in 2010, four Israeli settlers were killed. These activities are continuing, and we need to have regard to that.

I was surprised by the number of terrorism related activities the Kurdistan Workers Party have been engaged in since 2009. On 1 March this year, 15 police officers and one civilian were wounded. On 24 November last year, three Turkish employees of a Canadian company were killed. On 11 November, there was the hijacking of a passenger ferry near Istanbul. On 29 October, a suicide bomber killed two and wounded 20 in
Bingol. It is the case that, while there is no direct threat to Australia, tourists travelling in the area—and many Australians do travel to Turkey—could be affected by the indiscriminate targeting of tourist locations.

Lashkar-e-Tayyiba is one of the most capable and highly profiled militant groups in South Asia. On 11 October, it killed a policeman in Srinagar. On 11 January last, it kidnapped two schoolgirls from their home. On 10 August, an Indian soldier was killed. It has been linked to the Afghan Taliban and several Pakistani Islamic groups. These people have been linked to Australia, and I think the chair brought that up in his observations. It is well known that French national Willie Brigitte, whom a French court convicted of planning terrorist attacks in Australia, was linked to this organisation. Faheem Lodhi was convicted by the New South Wales Supreme Court as an associate of Brigitte, in the same organisation.

Turning to Palestinian Islamic Jihad, on 29 October, 11 rockets were launched into Israel, killing one and wounding two. On 20 August last year, rockets were launched into Israel, killing one and injuring another seven. On 11 January, two mortar rounds went into Israel.

These are activities that are ongoing and indiscriminate and involve organisations that have been previously proscribed. They are still engaged in those activities. At is important that we remain vigilant about these matters. I am pleased that the government has seen fit to act on these matters, on advice, and that the committee has endorsed the proscription of these organisations.

Mr BYRNE (Holt) (10:44): I move:
That the House take note of the report.

Debate adjourned.

Reference to Federation Chamber

Mr BYRNE (Holt) (10:45): by leave—I move:
That the order of the day be referred to the Federation Chamber for debate.

Question agreed to.

BILLS

Clean Energy Amendment (International Emissions Trading and Other Measures) Bill 2012
Clean Energy (Charges—Excise) Amendment Bill 2012
Clean Energy (Charges—Customs) Amendment Bill 2012
Excise Tariff Amendment (Per-tonne Carbon Price Equivalent) Bill 2012
Ozone Protection and Synthetic Greenhouse Gas (Import Levy) Amendment (Per-tonne Carbon Price Equivalent) Bill 2012
Ozone Protection and Synthetic Greenhouse Gas (Manufacture Levy) Amendment (Per-tonne Carbon Price Equivalent) Bill 2012
Clean Energy (Unit Issue Charge—Auctions) Amendment Bill 2012

Report from Committee

Ms OWENS (Parramatta) (10:46): On behalf of the Standing Committee on Economics, I present the committee’s advisory report, incorporating a dissenting report, on the Clean Energy Amendment (International Emissions Trading and Other Measures) Bill 2012 and six related bills, together with the minutes of proceedings.

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

Ms OWENS: by leave—The seven bills that were investigated by the committee in its inquiry build on the Clean Energy Act 2011.
The Clean Energy Amendment (International Emissions Trading and Other Measures) Bill 2012, and six associated bills, provide the framework for Australia's emissions trading scheme to link with other schemes, contributing to the development of a global carbon market.

The provisions will facilitate a one-way link with the European Union emissions trading scheme from 2015, through which Australian entities can acquit up to 50 per cent of their annual carbon liability with eligible international carbon units. A two-way link between the Australian and European schemes will commence from 2018.

The committee's inquiry focused on four issues raised by the bills: the implications for Australia of linking with international emissions trading schemes; the removal of the floor price; the surrender limit on Kyoto units; and the treatment of natural gas.

Following its inquiry, the committee believes that linking the Australian emissions trading scheme to other schemes will help deliver the government's overarching policy objective to foster a low-cost transition to a low-carbon-pollution future. Witnesses generally supported the concept of linking emissions trading schemes to this end. The committee also believes that the process of formally linking with other schemes provides the government with the opportunity to participate in treaty negotiations to ensure Australia's interests are promoted.

To facilitate a link with the EU ETS, the government agreed to remove the floor price for carbon units. These amendments provide for that. Evidence presented to the committee in its inquiry corroborated that the government's approach was sound in this regard, and the link to the EU ETS should present carbon price stability to the Australian carbon market in the absence of a price floor.

A limit on eligible Kyoto units was another condition of the linking arrangement, which the amendment bills also provide. The committee believes some limitation on Kyoto units is necessary to ensure the integrity of the linked schemes and for this to help foster a transition to a low-carbon economy in Australia.

The committee further found that the amendments relating to the coverage of the natural gas sector were necessary to give effect to the original policy intent of the Clean Energy Act 2011. These amendments aim to ensure that liability for carbon pollution is realised as high as possible in the natural gas supply chain and that the principle of universal coverage for all liable entities applies. The committee was satisfied that the remit of the amendments was limited, and was encouraged by the proposed consultation arrangements with the natural gas sector.

There exist a number of carbon markets around the world. Individually, these markets work in a localised way to reduce pollution, but linked they can create an international marketplace that fosters least-cost abatement and helps contribute to a global solution to climate change. The amendment bills before the House facilitate this and the committee supports the provisions in them. It recommends that the House of Representatives pass the bills.

Finally, I would like to thank the submitters and witnesses who appeared before the committee at its round table hearing in Canberra and my colleagues and the staff from the secretariat for their contribution to the report.

I commend the report to the House.

Mr CIOBO (Moncrieff) (10:49): by leave—I rise to speak on the House
Economics Committee report on the Clean Energy Amendment (International Emissions Trading and Other Measures) Bill 2012 and other related bills outlined by the chairman of the committee. We Liberal members of the committee lodged a dissenting report, and there were a number of reasons why. First of all, we saw on at least 11 separate occasions this government repeatedly stating that it was committed to a floor price on the basis of providing business certainty when it came to the government's carbon tax. We saw in fact as recently as seven days prior to the joint announcement between the Minister for Climate Change and Energy Efficiency and a representative from the European Union a restatement that this Labor government is committed to the $15 floor price. So it is little wonder that we Liberal members of the committee heard anecdotal examples, as well as concerns raised by stakeholders and others, about the fact that this government, in less than seven days, went from solidly supporting a carbon floor price to saying, 'No, we are abandoning the $15 floor price and effectively embracing the European spot price.' The opposition members on the committee had concerns about that.

In addition to that, we were also concerned about the ridiculously tight time frame the committee was given to lodge this report. Bear in mind that we are talking about a $24.4 billion tax—a major structural change to the manner in which this government is dealing with a carbon tax worth $24 billion—and this government gave the committee one day for hearings. It is inexplicable and inexcusable that the Labor government has become so arrogant with power that Liberal members of the committee were attempting to scramble, with basically a week's notice, to undertake a one-day round table on a $24 billion legislative package. For that reason we also dissented on the time frames involved, because frankly it puts paid to any notion that this parliament is holding the executive accountable when the executive is prepared to simply walk away from any kind of real scrutiny by a House of Representatives committee that was established to undertake exactly this role.

In addition, we Liberal members of the committee had concerns about some of the proposed changes that were contained within the legislative package—for example, the cap that was put in place when it comes to international permits and, in particular, domestic abatement. The government say they are so concerned about the impact that man and, in particular, Australians are having on climate change that they have foisted on us the world's greatest carbon tax. But what they are doing is limiting opportunities for Australian businesses to abate their greenhouse emissions by purchasing international permits. The reason this is important is that we saw from testimony on the day that it is more expensive to produce abatement measures in Australia than it is to obtain them from offshore.

If the real goal here is to abate carbon emissions then surely whether they are abated within Australia or outside Australia would not really have much impact. Last time I checked, carbon emissions do not stay only in our airspace. Last time I checked, carbon emissions tend to go all over the globe. But when it comes to the policy rationale of this government we silo ourselves: 'CO₂ is only going up into our airspace.' For this reason we saw the government making the absurd proposition as part of this legislative package that they would limit opportunities for international abatement. This has two effects. The first is that it artificially increases the cost of CO₂ abatement, which in turn means
that businesses and individuals in Australia have to pay more as those costs are forced down the line. In addition to that, those internationally who have the opportunity to provide carbon abatement now have less scope to do it. We heard from witnesses that, when it comes to CO₂ abatement, new farms, new forests and those kinds of things were becoming uneconomic in developing nations because of the limits that have been put in place. So that was another concern that was raised.

But the most significant concern of all was the unwillingness of the government to provide, through Treasury, the impact on the budget as a consequence of the reduction of the floor price. We know Treasury said that the government have modelled $24.4 billion of revenue, based on a $29 carbon tax. We know that the European price is low—below $10. Yet the government wants to maintain that, even though it has modelled in the budget papers that the carbon price is $29 a tonne and raises $24 billion, if the price happens to go below $10 a tonne it will not tell us how much money it is going to raise, yet it still claims it will keep the budget in surplus. I sought to have that information tabled and it was not provided to the committee. That is a disgrace for a government that calls itself transparent. For that reason we are opposed to the recommendation made by the Labor members of the committee.

**Water Amendment (Long-term Average Sustainable Diversion Limit Adjustment) Bill 2012**

**Report from Committee**

Mr WINDSOR (New England) (10:55): On behalf of the Standing Committee on Regional Australia I present the committee's advisory report, incorporating a dissenting report, on the Water Amendment (Long-term Average Sustainable Diversion Limit Adjustment) Bill 2012, together with the minutes of proceedings.

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

Mr WINDSOR: by leave—As the House would be aware, the Standing Committee on Regional Australia has conducted a number of reports and is currently conducting one into the phenomenon of fly-in-fly-out. Two reports have been done in relation to the Murray-Darling Basin planning process—originally, the guide, and now the consequent innovations that have been put before the parliament and the various states. A bill has been introduced into the parliament, and that was referred by the Selection Committee to the committee for examination to look at the issue of long-term average sustainable diversion limit adjustment processes.

In the second report from the committee, a shorter report than the original inquiry report, the committee actually recommended that some sort of automatic process of long-term average sustainable diversion limit adjustment be put in place rather than having to continually refer back to the parliament to make minor adjustments.

The bill amends the Water Act 2007 to allow the long-term average sustainable diversion limit set by the Murray-Darling Basin Plan to be adjusted without invoking the formal Basin Plan amendment process. Section 23 of the Water Act sets out how the long-term average sustainable diversion limits will be specified. The explanatory memorandum to the bill states that this section currently creates the legal possibility of an adjustment mechanism; however, no adjustment mechanism is currently specified. If section 23 provides a legal possibility of an adjustment mechanism, that means that the sustainable diversion limit can be adjusted without any formal notification to
the community or parliament. The bill proposes a mechanism whereby any adjustment must undertake a formal notification process.

The proposed adjustment process provides that the Murray-Darling Basin Authority may propose an adjustment of the sustainable diversion limit by no more than plus or minus five per cent. This must be done with reference to the Basin Officials Committee, without preparing an amendment to the Basin Plan under subdivision F of the Water Act, with notice to the minister, who must then adopt the adjustment and table it before parliament as a non-disallowable instrument under section 38 of the Legislative Instruments Act 2003. Adjustments will be determined through savings or offsets found through environmental works and measures projects. This is an issue that many in the community have been calling for in terms of environmental works and measures.

The existing process for selecting and implementing environmental works and measures will not be amended as a result of this proposal.

The proposed projects will still be required to undergo stakeholder consultation processes as set out by the basin state water resource planning processes prior to the Murray-Darling Basin Authority's consideration of their inclusion in any sustainable diversion limit adjustment.

In addition, the Murray-Darling Basin Ministerial Council has stated that it is their expectation that the sustainable diversion limit adjustment mechanism will operate as follows:

To ensure stakeholders confidence and facilitate the preparation of water resource plans, Council requests that the SDL adjustment mechanism and associated provisions in the Basin Plan:

a. simplify the operation of the mechanism such that the SDLs determined by the operation of the mechanism in 2016 are adopted in the Basin Plan at that time, to take effect from 2019;

b. allow for the construction and implementation of adjustment measures to be finalised in a specified timeframe and confirm the Commonwealth's responsibility to continue to bridge the gap over this period;

c. account for situations where adjustment measures do not proceed as planned;

d. enable state water resource plans to account for the time taken to complete adjustment measures, particularly through the use of 'reasonable excuse' or 'permitted take' provisions or the incorporation of formula based SDLs in state water resource plans; and

e. clarify how any formula-based SDLs in state water resource plans should operate to reflect progress in SDL adjustment initiatives from 2019.

It is worth noting that the ministerial council has agreed that environmental works and measures should include any further modelling of works under the Living Murray program.

The committee is satisfied that the processes already in place for community and stakeholder consultation as specified in state water resource plans should adequately address any concerns about adjustments being subject to community consultation. The committee is further satisfied that the consensus view of the Murray-Darling Basin Ministerial Council, as outlined above, outlines the clear intent of the basin states to ensure that all stakeholders will be involved in any processes they put in place to determine projects to be considered in the proposed SDL adjustment mechanism.

The committee is confident—although I did mention at the start that there is a dissenting report—that the proposed amendment strikes an appropriate balance between allowing the Murray-Darling Basin Authority the capacity to act in a timely
manner when making sustainable diversion limit adjustments and continued parliamentary oversight. Given that the scope and intent of this bill is limited to governance issues and is in direct response to a House committee report, the committee recommends that the bill be passed.

There is a dissenting report, and I am sure members, if leave is granted, will allow those dissenters to present their particular arguments. But as chair of this committee I would highlight how proud I have been of the way in which this committee has worked and the exhaustive process that this committee took on in terms of the Murray-Darling guide, our first report and the second report that was done as well, which included recommendations for an automatic adjustment of the sustainable diversion limit process, which this bill that we have been asked to examine puts in place so that that process can occur.

The states have recommended that that process occur. Many of the stakeholders within the basin have recommended that the process occurs so that you do not have to continually refer back to the parliament—the House and the Senate—for minor adjustments to achieve positive outcomes in environmental works and measures. You could end up with the absurd situation where one or 10 gigalitres of water become the subject of a major political debate that opens up a whole range of other issues. So the majority of the committee recommends that the bill be passed. It recognises some of the recommendations made by the committee itself and, more importantly, by the community at large.

This is the first dissenting report that the committee has experienced. I appreciate that people are entitled to their views on these issues, but I would urge those who do not fully comprehend the complications of the Murray-Darling and water and the politics generally to have a very close look at the committee's own recommendations in the second report, which are reflected in this bill. In fact, given the legal sensitivities of section 23, this amendment to the Water Act 2007 gives direction to the act to put in place the very thing the committee recommended.

I have recommended the report and hope that those who take the time to read it and come to grips with it and not just the dynamics of the politics around it may well find that it is a constructive part of an exhaustive process that has been going for 100 years and, hopefully, will not go on too much longer.

The DEPUTY SPEAKER (Mr Lyons): Does the member for New England wish to move a motion in connection with the report to enable it to be debated on a future occasion?

Mr WINDSOR: I move:

That the House take note of the report.

The DEPUTY SPEAKER: In accordance with standing order 39, the debate is adjourned. The resumption of the debate will be made an order of the day for the next sitting.

Report and Reference to Federation Chamber

Mr WINDSOR (New England) (11:06): I move:

That the order of the day be referred to the Federation Chamber for debate.

Question agreed to.

BUSINESS

Days and Hours of Meeting

Mr ALBANESE (Grayndler—Leader of the House and Minister for Infrastructure and Transport) (11:06): If it would suit the convenience of the House, the clerks have requested a suspension of the House for half
an hour so that they can get ready to conduct
the election of the Second Deputy Speaker.
For the benefit of members, I have consulted
the Manager of Opposition Business about
this. In order for the House to resume at
11.40 am or thereabouts, the bells will ring
two minutes before that.

The DEPUTY SPEAKER (Mr Lyons):
The chair will be resumed at the ringing of
the bells.

Sitting suspended from 11:08 to 11:45
PARTY OFFICE HOLDERS
Second Deputy Speaker
Mr STEPHEN JONES (Throsby)
(11:45): I move:
That Mr Georganas be elected Second Deputy
Speaker of this House.

It is my honour to nominate the member for
Hindmarsh. For all the reasons I set out in an
earlier nomination, I think he is an excellent
nominee for the Second Deputy Speaker's
position. I also take the opportunity to
congratulate the member for Maranoa on his
successful election yesterday.

Mr JENKINS (Scullin) (11:45): I second
the motion, and I thank the member for
Petrie for allowing me to the second the
nomination. The member for Hindmarsh,
Steve Georganas, has a big task today, for, if
he fails today—twice in two days, Steve—I
think it will be a very, very bad thing! But I
looked at your CV and I thought, 'Anybody
that survived being a taxi driver in South
Australia can do lots of things.' I then saw
'Ministerial adviser to Jay Weatherill'. You
have made sure that he has gone on to bigger
and better things, so now is the hour for you
to see that you get a deserved position in this
place. I know that, if you are elected to the
position of Second Deputy Speaker, your
mentor John Trainer will make sure that you
are well and truly versed in the way in which
you should carry out your duties. I have
witnessed the way in which former Speaker
Trainer has liked to advise people about how
they do their job. Now that there is a level
playing field in this election and you are able
to be nominated, it will be in the hands of the
House to decide who is elected as Second
Deputy Speaker. Yesterday, when the
member for New England rose to nominate
the member for Maranoa, I thought, Steve,
that you had a problem. The fact that the
member for Sturt nominated somebody else
perhaps was out of some 'vindictiveness'—
and, Hansard, please put that in inverted
commas—a South Australian thing, but we
allow these rivalries across the chamber from
within states. I am sure that you will do a
good job.

Can I use this opportunity, Speaker Burke,
to congratulate you. I wish you all the best. I
know that you will capably control the
affairs within the chamber and I know that
you will carry out your duties in
administering the affairs throughout the
building with great distinction. I am amongst
a whole host of people that are very proud to
see you in the Speaker's chair.

To beam me up, I turn to the member for
Maranoa—I nearly said 'marijuana' or
'marinara'! I also congratulate the Deputy
Speaker on taking his high office. The fact
that he got there after being defeated twice is
a great credit to him.

I congratulate the member for Fisher on
his period as Speaker, but more importantly I
congratulate and thank him for his actions of
yesterday, which were well and truly out of
an interest in protecting the institution of
Speaker. Many of us are not put to this type
of test. For the former Speaker to do what he
did yesterday, to go beyond his personal
feelings, was a great credit to him as a
member of this place. He now becomes the
immediate past Speaker. That means that
there needs to be a new title for a certain
member of the House. I am willing to become the 'Speaker mentor', but that is for others to decide!

In conclusion, I hope that the House will give its support to the member for Hindmarsh, and then the team of Speaker Burke, Deputy Speaker Scott and Second Deputy Speaker Georganas can fulfil the required task of restoration, reformation and modernisation of the House of Representatives of the Parliament of Australia.

Mr PYNE (Sturt—Manager of Opposition Business) (11:50): I move:

That Dr Stone be elected Second Deputy Speaker of this House.

The member for Murray is well known to the parliament, having been elected in 1996. The member for Murray served as a minister and a parliamentary secretary in the Howard government. The member for Murray is a longstanding member of the parliament, has served as a chair and a deputy chair of committees and is well aware of the standing orders of the House and what is required of a Second Deputy Speaker of the parliament. It is with great enthusiasm and honour that I nominate my friend and colleague the member for Murray as Second Deputy Speaker.

Dr WASHER (Moore) (11:51): I second the motion. Madam Speaker, I would like to congratulate you on your appointment—that is fabulous—and also congratulate the member for Maranoa. I second the nomination of the member for Murray, but Luke just came up and said, 'Don't follow Harry; he's longwinded,' so I am not allowed to make a speech! Harry, you have taken away my sunshine! I do like the member for Hindmarsh, but I want to want to say just a couple of things. I think the member for Murray is prettier—with all due respect, Steve—and she is a very talented woman and she would make a wonderful Second Deputy Speaker. Thank you very much, and I'm sorry I spoke!

The SPEAKER: Are there any further proposals? The time for proposals has expired. In accordance with standing order 14, the bells will be rung and a ballot taken.

The bells having been rung and a ballot having been taken—

The SPEAKER: Order! The result of the ballot is: Mr Georganas, 73; Dr Stone, 71. Mr Georganas is elected Second Deputy Speaker. Congratulations!

Ms GILLARD (Lalor—Prime Minister) (12:06): I rise to congratulate the member for Hindmarsh on his election as Second Deputy Speaker. The member for Hindmarsh and I have known each other for quite a long time now. He is a very fierce advocate for South Australia in this place, which always resonates well with me, given my family interest in Adelaide and South Australia.

He is also known across the parliament, I believe, as one of the gentler souls in this parliament. He is well admired by those he has worked alongside, both in the government and across the chamber, through the work he has done on parliamentary committees and the like. I believe he will serve in this role with distinction, rounding out a terrific team: you, Madam Speaker, and the member for Maranoa, now joined by the member for Hindmarsh.

Mr ABBOTT (Warringah—Leader of the Opposition) (12:07): Madam Speaker, I rise to congratulate the member for Hindmarsh. It is a great honour to be elected Second Deputy Speaker of this parliament, and I congratulate him on his success. I congratulate all those in the new Speaker's team on their positions and I trust that this team will fare better than previous ones in
Mr TRUSS (Wide Bay—Leader of The Nationals) (12:08): Madam Speaker, may I join in congratulating the member for Hindmarsh on his selection and also compliment Dr Stone on her candidacy for this position. I am sure she would have also filled the office very ably.

If I may use the Leader of the House's favourite word, it has been quite an extraordinary election of new presiding officers, which I think reached a bit of a low today when the government decided to change the rules halfway through the election. It is also the final death of the new paradigm. Nonetheless, we were happy to overlook the way in which the member for Hindmarsh was elected, in the knowledge that he will undertake the task with distinction and that his manner will be well suited to keeping order and to delivering the business of the House. I congratulate the member for Hindmarsh on his election and wish the new presiding officers well.

Mr ALBANESE (Grayndler—Leader of the House and Minister for Infrastructure and Transport) (12:09): I join with the Prime Minister and those opposite who have congratulated the member for Hindmarsh on his election to high office as Second Deputy Speaker. The member for Hindmarsh is a determined soul. He ran for the electorate of Hindmarsh not once, not twice but three times before he was given the honour of being elected to the House of Representatives. So he is someone who is tenacious. He sticks to it. He stuck to it through the night to ensure his election as Second Deputy Speaker this morning.

He is someone who is highly regarded across the chamber by all members in this House. As the Prime Minister has said, he is certainly a gentleman. He is someone who represents his electorate with a great deal of tenacity. I think the combination of the member for Maranoa and the member for Hindmarsh along with you, Madam Speaker, is a good one indeed. I have no doubt that the three of you will work together in a cooperative manner. All three of you have in common an absolute sense of decency. I congratulate you on your election.

Mr PYNE (Sturt—Manager of Opposition Business) (12:10): Very briefly, Madam Speaker, I congratulate a fellow South Australian, the member for Hindmarsh, on his election as Second Deputy Speaker. While I am sorry that it is all in the rather surreal air of what seems like the last days of a poor government, I am sure in the time that is remaining to the member for Hindmarsh he will acquit his role well.

Mr GEORGANAS (Hindmarsh) (12:11): Madam Speaker, can I just say that I am pleased this ballot is over! I start by congratulating you, Madam Speaker, on your elevation to high office, this great office which you now occupy. Having served on the panel with you, I have witnessed firsthand the good work that you have done as Deputy Speaker and standing in as Speaker. You have served this parliament extremely well and will continue to do so with distinction and with honour, and I look forward to working with you. One thing that we all pretty well agreed on yesterday and that we agree on today is the excellence with which you have discharged your duties, particularly in the last number of months in difficult circumstances. Madam Speaker, congratulations.

I would also like to congratulate the Deputy Speaker, the member for Maranoa. I think that he will perform his duties diligently and to the best of his abilities. Having served on the panel with him for a number of years now, I know that he is a
great person for Deputy Speaker. Sometimes when we go into ballots we lose—that is part of our democracy, and it is fantastic—but I could not think of losing to a better person on the other side. So I congratulate the member for Maranoa as Deputy Speaker. I know that he will work diligently, with honour and distinction, as Deputy Speaker.

To my colleagues, I thank you all for nominating me, both as Deputy Speaker yesterday and as Second Deputy today. I endeavour to serve this parliament and the people of Australia to the highest of standards. When you think of this parliament and the positions that go with this parliament, it does not matter whether you are the Prime Minister, the Leader of the Opposition, the Speaker, the Deputy Speaker, the Second Deputy Speaker or a minister; it is an absolute honour and a privilege to serve in this House in any capacity. Anyone who thinks it is a right is here for the wrong reasons. So I can say that it is an absolute honour and a privilege to be the Second Deputy Speaker.

Regardless of the circumstances of this nomination and the machinations that took place, I look forward to assisting you, Madam Speaker, and the Deputy Speaker to the best of my abilities so that we ensure that this place operates and works well. The standing orders of this House, the rules of this chamber, have served our democracy extremely well for over 100 years. Even in difficult circumstances we have seen this place running smoothly. There may be from time to time a bit of a ruckus, but the standing orders that have been put in place—the rules of the running of this chamber—have, even under difficult circumstances, served this democracy well. I look forward to serving with distinction and honour and look forward to working with the Speaker and the Deputy Speaker, and all the speakers of the panel. Thank you.

The SPEAKER (12:14): I also congratulate the member for Hindmarsh, who I have had the pleasure of working with on the panel for many years. I know he will do an amazing job. The member for Murray would also have been a pleasure to work with. So, congratulations to everybody on the way this ballot has been conducted.

BILLS

Higher Education Support Amendment (Streamlining and Other Measures) Bill 2012

Report from Federation Chamber

Bill returned from Federation Chamber without amendment; certified copy of bill presented.

Ordered that this bill be considered immediately.

Bill agreed to.

Third Reading

Ms ROXON (Gellibrand—Attorney-General and Minister for Emergency Management) (12:15): by leave—I move:

That this bill be now read a third time.

Question agreed to.

Bill read a third time.

Federal Circuit Court of Australia Legislation Amendment Bill 2012

Report from Federation Chamber

Bill returned from Federation Chamber without amendment; certified copy of bill presented.

Ordered that this bill be considered immediately.

Bill agreed to.

Third Reading

Ms ROXON (Gellibrand—Attorney-General and Minister for Emergency Management) (12:16): by leave—I move:

That this bill be now read a third time.
Question agreed to.
Bill read a third time.

National Health Security Amendment Bill 2012

Report from Federation Chamber
Bill returned from Federation Chamber without amendment; certified copy of bill presented.
Bill agreed to.

Third Reading
Ms ROXON (Gellibrand—Attorney-General and Minister for Emergency Management) (12:17): by leave—I move:
That this bill be now read a third time.
Question agreed to.
Bill read a third time.

Superannuation Legislation Amendment (Further MySuper and Transparency Measures) Bill 2012

Report from Committee
Ms O’NEILL (Robertson) (12:18): Mr Deputy Speaker Scott, may I take the opportunity to congratulate you on your recent election to the high office, which I am sure you will accomplish with distinction.

On behalf of the Parliamentary Joint Committee on Corporations and Financial Services I present the committee's advisory report, incorporating a dissenting report, on the Superannuation Legislation Amendment (Further MySuper and Transparency Measures) Bill 2012

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

Ms O’NEILL: by leave—I first want to take the opportunity this morning to thank the secretariat for the work it does in terms of the committee's work more generally but particularly with regard to the production of this report, which has been extremely challenging. I particularly commend Richard Grant and his staff assistants Ruth Edwards and Erin East. Many of our secretariat staff do incredible work, and they do not really seem to get as much recognition as I think they deserve, so I wanted to put that on the record firstly.

On behalf of the Parliamentary Joint Committee on Corporations and Financial Services, I present the committee's report on the provisions of the Superannuation Legislation Amendment (Further MySuper and Transparency Measures) Bill 2012, together with evidence received by the committee. On 20 September 2012 the House Selection Committee referred the bill to the PJC for the inquiry. The bill is the third tranche of legislation implementing the government's MySuper and governance reforms. This tranche establishes various rules relating to the operation of MySuper products. In March this year the committee tabled its report into the provisions of the first two tranches of these reforms. These bills established the framework within which the MySuper products will operate.

The introduction of the MySuper product will commence on 1 July 2013. From this date, superannuation funds will be able to offer a simple, low-cost default superannuation product called MySuper. This product is intended to improve the simplicity, transparency and comparability of default superannuation products. From 1 October 2013 employers must make contributions for employees who have not made a choice of fund to a fund that offers a MySuper product in order to satisfy its superannuation guarantee requirements. Importantly, we know from the minister's second reading speech on the MySuper core provisions bill that around 60 per cent of Australians do not make active choices in relation to their superannuation. I just want to state that again, for the record, to emphasise the point: 60 per cent of
Australians do not make active choices. This government believes that Australians should not be charged, as the minister put it, for valet parking when they are catching the train.

The reality is that there is widespread support for this change to make sure that Australians have access to superannuation at a very, very low cost and a high gain to them. In his speech to the Australian Conference of Economists, Dr David Gruen said that one of the key principles driving MySuper is that people who do not actively choose an option for their superannuation saving are people for whom we need to make a public policy to mandate a default option with carefully defined features that we believe will create wellbeing for those participants in MySuper. Already, the proposed legislation has been seen to have a positive effect on competition for low-cost superannuation products. Last month the Minister for Financial Services and Superannuation officially launched ING Direct’s new simple cost-effective superannuation product. This is the first time in Australia that there will be a product available that is free of administration, contribution and management fees. They are three different kinds of fee that this new superannuation product will be free of.

The government estimates that, by placing downward pressure on fees, the MySuper reforms will save Australian superannuants $1.7 billion in fees, annually, in the longer term. The committee draws attention to the extensive consultation undertaken by the government on this third tranche of MySuper reforms. The Australian Institute of Superannuation Trustees told the committee that there had been a significant and extensive consultation processes over a period of 20 months, dating back to the start of 2011.

Mr Andrew Bragg of the Financial Services Council told the committee:

I think, to be fair—and that seems a reasonable goal to me—we have had a long period of consultation and the government has been very reasonable in providing basically 2011 to have a process, which was led by Paul Costello, to look at how the elements of the reforms should be crafted in legislation.

In terms of the work that has been undertaken by Mr Costello, as the chair of the Stronger Super Peak Consultative Group, I am very pleased to report that that consultation process and the work of the sector, with Mr Costello and his consultative group, has issued no fewer than 10 issues papers in that time on data collection and disclosure, defined benefits, exempt public sector superannuation schemes and MySuper products, the transition to MySuper retirement, income products, eligible rollover funds and member protection rules, fees and costs, insurance, defining MySuper, and advice and insurance commissions within super.

These are hardly things that have been prepared in a short period of time. They are things that have been prepared as a consultative document. The inquiry we have just undertaken has certainly added to the consultations. The committee held a public hearing into the provisions of the bill, in Sydney, on 5 October. Government members of the committee strongly support the government’s time frame for the consideration of this tranche of legislation in the parliament. It also believes that the proposed commencement date of 1 July 2013 for the MySuper reforms is both reasonable and appropriate. Indeed, we were given
evidence to that effect, last Friday, when we met in Sydney.

This report has recognised various stakeholders, particularly with provisions in schedules 1, 3, 6 and 7 of the bill. The committee believes that some of the concerns have some legitimacy but they are not grounds to amend or delay the passage of this legislation. As the majority report emphasises, the provisions in the bill are based on important principles that should not be diluted. There is an expectation that the regulators and stakeholders will develop sound practices that adhere to the provisions.

The so-called product dashboard is a good example of one of the issues we considered in some detail last week. Under the provisions of the bill, superannuation funds must publish a product dashboard for each of the fund's MySuper and choice products. This must contain information on the investment-return target, the number of times the current target has been met in the last 10 financial years, the level of investment risk, the liquidity of the product and other costs. This information must be made available on the fund's website. It must be accessible to the public at all times and be updated as required. Essentially, that will enable people to compare different products. Currently, they are unable to do this.

There seem to be various issues of a technical nature that need to be resolved if the dashboard is to work effectively. It is now up to the Australian Prudential Regulation Authority, APRA, in consultation with stakeholders, to develop a system that enables participants to view and compare the key performance information of MySuper and choice products.

Another issue of concern for some stakeholders related to proposed provision 20B of the Superannuation Industry (Supervision) Act. This section would require that those who are in default superannuation funds have their accrued default amounts transferred to a MySuper product. Some witnesses expressed concern that, as the bill is drafted, fund members who have chosen a default fund would be required to opt out, in writing, to avoid being transferred to a MySuper product. They foresaw consequences such as the loss of insurance and being transferred to a fund with a riskier profile.

The committee believes that these concerns are exaggerated. Firstly, in most cases, members who are currently in a default fund and do not opt out will be transferred to a MySuper product managed by the same superannuation fund. This has implications for trustees, who must design a MySuper product that does not disadvantage their members.

Secondly, where a member currently in a default fund does not opt out and is transferred to a MySuper product that is managed by another superannuation fund, that fund too will have to comply with requirements set out in regulations and relevant APRA prudential standards. This is another layer of protection.

Thirdly, superannuation trustees will have until 1 July 2017 to transfer amounts to a MySuper product. Let me restate that date. We are sitting here discussing this in 2012. We have had consultation since 2011—as acknowledged by the industry—and we have superannuation trustees who have until 1 July 2017 to transfer these amounts. That date was extended in consultation with the sector. This is a considerable and appropriate period of time to ensure that trustees communicate properly with members who need to be notified that they will be moved to a MySuper product. Government members of the committee are confident that the 4½-year time frame will enable trustees to
develop clear and effective communication strategies with these members to ensure that the difficulties foreseen by some stakeholders are minimised.

I am aware that there will be further speakers on this report and I know that, in the way that we have seen in the last few days, with a dissenting report there can be some confected agitation. The agitation, I expect, will be particularly about the timing of the length of these inquiries. We have for a very long time had the Senate doing this work, and it is very common for bills to be referred to the Senate and for it, within one or two weeks, to take evidence, gather submissions and report back. We have been following exactly the same sort of time line. I think our inquiry has, indeed, enhanced the legislation and enhanced understanding. I am very pleased to be putting it forward.

To conclude, government members of the committee emphasise the goal of minimising fees for superannuation members and ensuring that consumers can clearly compare the performance of superannuation products. Considering 60 per cent of Australians do not do anything with their superannuation, this is a critical reform. This is the essence of the MySuper reforms. It is unfortunate that the coalition members of the committee have not seen these goals as paramount.

Mr FLETCHER (Bradfield) (12:31): by leave—I am pleased to rise to make some comments in relation to the minority report on the Superannuation Legislation Amendment (Further MySuper and Transparency Measures) Bill 2012. This report, along with the majority report to which the chair of the committee has just referred, concerns a bill which forms part of the third tranche of legislation which purports to implement a recommendation of the Cooper review into Australia's superannuation system. The stated objective is to introduce a new low-cost superannuation product, known as MySuper, as a replacement for existing default superannuation fund products.

The minority report focuses on two principal recommendations. Firstly, the government should withdraw this bill pending further consultation across the superannuation industry to address the serious flaws that were identified in this inquiry. Secondly, should the government insist on proceeding with the bill in its current flawed form, it should at least amend the bill to, first of all, ensure that a member who has previously exercised a choice of fund, even if that choice happens to be for an option which is the default investment option of that fund, cannot be automatically transferred into a MySuper product by having his or her previous contributions defined as an 'accrued default amount'. That is the first amendment we recommend. The second amendment we recommend is one which will ensure that any product which qualifies as a MySuper product is able to compete freely in the default superannuation fund market.

I would like to take a moment to explain the thinking behind these two recommendations and, in doing so, make two principal points about what the dissenting report has highlighted. Firstly, the so-called consultation which has occurred in relation to this bill has been manifestly inadequate and is part of a truly terrible process. Secondly, I want to focus just for a moment on the provisions in the bill which mandate members’ funds being transferred into a MySuper product and will have the effect, if they are not amended, that an active choice which Australians may have already made in respect of their superannuation will be overridden by government fiat if this bill passes into law.
Let me turn, firstly, to the terrible process we have seen in relation to a bill which is more than 100 pages long and which makes fundamental and controversial changes to Australia’s superannuation system. Extraordinarily, the government has exempted the most contentious changes in this legislation from its own basic regulatory impact assessment requirements. Unfortunately, this committee process has been inadequate, rushed and truncated. Ms Michelle Levy of the Superannuation Committee of the Law Council of Australia had this to say to the committee:

I will spend one minute on process. We, the committee—and she is referring there to the Superannuation Committee of the Law Council of Australia—spend a lot of time trying to prepare careful responses to legislation and often the time period—and I know it is not just for us; it is for everybody—is just too short. It is not possible to prepare a well-reasoned and thought-through submission in a week. For the trustee obligations bill the submission timetable was shorter than the period within which the committee was meant to release its report. I suppose people have a lack of confidence in the system given this timing.

Specifically the consultation process in this case included a mere half a day of hearings, with witnesses limited to just 30 minutes for each organisation. Worse still, committee members have had only a couple of days in which to assess the very complex evidence presented and to draft reports. It is unfortunate that this rushed and inadequate process has been forced upon the committee by the actions of the government members of the committee.

Let me turn, secondly, to the essence of the provisions in schedule 6 of the bill which sets out the requirement that existing member balances in superannuation funds are to be transferred into a MySuper product.

There were two principal concerns which were raised by a wide range of witnesses. The first concern is that the bill casts a very wide net as to which existing member balances held in existing superannuation funds will be required to be transferred into a MySuper product. Under proposed section 20B of the Superannuation Industry (Supervision) Act there is a new definition of 'accrued default amount'. It is that definition which determines which moneys of a member must be transferred into a MySuper product.

The first limb of that definition is relatively straightforward. It is an amount in respect of which the member has not exercised an investment choice. But the second limb is highly controversial because it extends to any amounts held in the default investment option of a superannuation fund. Critically, this limb will apply even if the member of the fund has made an active choice of that particular option. All that is required for this definition to be engaged is that the option happens to be one which is also labelled as the default option of that fund. So members who believe, correctly, that they have made an active choice are to be deemed by this legislation as not having done so, and therefore their balance will be automatically moved into a MySuper product which may have a very different allocation of risk assets than they have chosen, which may compromise the continuity of their insurance cover and which may have other unforeseen consequences. All that is to happen because of the expansive drafting of the kinds of funds which are captured.

The second concern that was raised by many witnesses is that the way this bill operates is through an opt-out mechanism—that is, all so-called accrued default amounts will be automatically transferred into a MySuper account unless the member actively responds in writing within a
designated 90-day period to a notification from the trustee which says, 'We are about to move your funds into a different kind of product, not the kind of product you are presently in.' The consequence will be that if members happen to overlook that communication—and we all know how easy it is to overlook the regular and extensive communications we all receive from our financial institutions—they will have their moneys compulsorily transferred into a MySuper product, even when they have actively exercised a conscious choice to be in the particular product that they are presently in. This means that many Australians who have exercised an active choice are going to have that choice overridden.

It also means that the effect of this legislation will be considerably broader than what was proposed or contemplated by the Cooper review and considerably broader than had previously been disclosed in prior ministerial statements. In fact, I think it can be argued that this is a quite deceptive approach. It is certainly an approach that, if taken by a private sector company seeking to implement by a change to its terms and conditions in its contract with a customer, would attract the scrutiny of the ACCC. That is the nature of what is occurring here.

It is very important to point out that a major not-for-profit fund, First State Super, with $32 billion in funds under management and more than 770,000 members, raised these very concerns in their submission to the inquiry. They are concerned about the risk of member claims against the fund where members have previously made and lodged an explicit instruction. They say:

… the Fund believes there is increased risk of a claim against the Fund in the event of a future change to these members' investment options, counter to their explicit instructions and acknowledgement. They go on to note their concern that automatic movement of balances where members have not made an explicit choice will confuse members and they will ‘not respond favourably’ to the changes. First State Super had this to say:

First State Super considers it more appropriate that the legislation allow for recognition of members who have made a full or partial investment choice, regardless of whether the investment option is also a default / MySuper option, continue to be treated as Choice members. I want to highlight this point. First State Super is not a retail fund, yet the majority report claims, at paragraph 4.5, that there are two perspectives on this bill. One is the perspective of the retail funds and one is the perspective of the industry and public sector funds. As the submission I have just quoted demonstrates, that is wrong. It is simplistic to say that there is one perspective from one segment of the industry and another perspective from another segment of the industry. That is a clear piece of evidence that a fund which is not a retail fund is very much emphasising the concerns which coalition members have drawn attention to in our dissenting report.

There are many other concerns that we have which are highlighted in the dissenting report. I close by reiterating our core recommendation, which is that this bill ought to be withdrawn to allow for further engagement with the industry and, if it is not withdrawn, at the very least there must be significant amendments made.

**Dental Benefits Amendment Bill 2012**

**Second Reading**

Debate resumed on the motion:

That this bill be now read a second time.

Mr HARTSUYKER (Cowper) (12:42): I am pleased to speak in continuation on the Dental Benefits Amendment Bill. I was disappointed to see the member for Lyne
vote yet again with the government against the disallowance proposed by the coalition which would have protected those in the community who so desperately need dental services. In outlining the reasons for his decision, he said:

... I have had several discussions with the Minister for Health and have received several important assurances. The most important of these is that there will be no gap between the closure of the CDDS and the flow of funds from the government reforms.

I must say that is a very important point, but what does this assurance mean? I would hope that the member for Lyne would spell out how this assurance protects the people of the North Coast of New South Wales from the withdrawal of services. Is the member saying that all patients currently on the CDDS will be transferred seamlessly into a new system but utilising a proportion of state services and their treatment continued? Is that what that statement means? Or is he saying that patients will be transferred to the state dental scheme with its waiting lists? We all know that there are waiting lists in the state system of up to five years.

This is important, as we are debating legislation that defines the care that people will receive rather than a nod and a wink from a minister. The legislation as it is currently drafted says that for children new arrangements commence on 1 January 2014 and for adults the new arrangements commence on 1 July 2014. That begs the question: why is the member for Lyne supporting the closure of the CDDS in 2012 with arrangements for children not starting for 13 months and arrangements for adults not starting for 19 months? Surely, in the interests of better health outcomes, in the interests of serving the people of the North Coast, these arrangements should be continuous. There is an important question mark over the services which may be available under the new scheme. Can the member for Lyne guarantee that the people of the North Coast will be eligible for the same types of treatments that are available under the CDDS? It may be that a range of treatments are unavailable under the new provisions.

Another important issue is where will the services be delivered. There is a serious question about where people will be able to access services. It may be that North Coast residents are required to travel to Sydney, for example, to access services. This is unclear. Will there be a choice of dentist under the new arrangements, as there is under the CDDS?

What do we say to a cancer sufferer enduring chemotherapy who needs ongoing dental treatment, which is currently being provided under the CDDS? What does the member for Lyne say to such a patient? How are the interests of such a patient safeguarded; how can we be sure that that person's treatment will continue. Will that person just fall into a void? Will that person just be transferred to a state waiting list? Will that person just be denied treatment? Will that person, perhaps in their darkest hour, facing huge challenges, potentially be denied treatment beyond November this year? I believe that this is an unacceptable situation and I think it is incumbent on the member for Lyne to tell the people of the North Coast of New South Wales what are the safeguards, what are the provisions that the minister has offered, that are going to ensure that all of those patients currently undergoing treatment can have that treatment continue? Will he be able to reassure those patients that not one patient will miss out, not one patient will end up suffering, as a result of these changes.

It does seem rather strange that this legislation would say that the new payments
that will be flowing to the states will flow in 2014—not in November 2012—not until November 2014. What do we say to those people already in the queue, who perhaps have been waiting years for services? What is going to be their fate? Will they be pushed further down the queue to make provision for those who are currently receiving treatment? That is unclear also. There are many people on North Coast public dental queues who have been waiting years for services and who may be waiting even longer as a result of these changes. We just do not know.

Why would the member for Lyne vote against the disallowance when there are no clear transitional arrangements in place to protect the people that he represents and protect the people that I and other members represent on the North Coast? Why would he be voting against the disallowance of a measure that provided a very important protection only on the nod and the wink of a minister? I think it was incumbent upon the member to ensure that protections were in place before he voted for the disallowance. In the legislation before us, there are certainly grave doubts about the future of dental care for people suffering chronic disease and for those people urgently in need of ongoing treatment. So I hope the member for Lyne will advise the people of the North Coast of the details of the assurances he has received on how individual cases will be dealt with, how people such as cancer sufferers will be protected, how measures will be put in place to ensure that those currently receiving treatment will not be dropped into some void of bureaucracy, just waiting to get onto a waiting list, and how measures will be put in place to ensure that those people currently on dental waiting lists will not be further disadvantaged by the changes to the scheme. These are important questions.

We know that the coalition scheme, the Chronic Disease Dental Scheme, has been disliked intensely by the Labor Party. They have been attacking the scheme at every turn. They have been attempting to get rid of the scheme at every opportunity. They have been victimising dentists for alleged fraud under the scheme. The coalition agrees that where there is fraud dentists should be duly dealt with under the law but, where dentists have been providing services to patients in good faith and there are only minor administrative errors or omissions, that should not be subject of major actions by the government. This government reviles and detests this scheme, implemented by the current Leader of the Opposition when he was health minister, and yet it is a superior scheme because it allows people to access Medicare benefits for dental services—up to $4,250. That is a significant contrast to the benefits that are currently offered and the caps on the new scheme, which provides only $1,000 over two years for children and requires that adults be dealt with through the public system.

The government is implementing a scheme that is a substantial backward step in ensuring good health outcomes for the people of the North Coast, and in putting that legislation forward they have garnered the support of the member for Lyne, from the North Coast, and he says he has assurances from the minister. We really do need to know what those assurances mean in practical terms for the people of the North Coast—for people who cannot afford to access dental care through private practices; for those who cannot afford unnecessary trips to Sydney, if that is what the changes mean; for those who cannot afford to wait longer for services, if that is what they mean; and for people who are suffering greatly from chronic disease such as cancer, who cannot afford to be without the treatment
they cannot afford to buy. It seems incredible that the member for Lyne would vote against disallowance.

The coalition will be opposing this legislation proposed by the government, for good reason. It is going to result in adverse health outcomes for the people that we represent. It is bad legislation. The coalition offered to work with the government to improve facets of the scheme, but such is their hatred of the scheme that those offers came to nothing. We will be opposing this legislation because we are about providing better health outcomes, not worse health outcomes. We are about supporting people in rural and regional Australia, giving them the best possible health outcomes that they can have. I certainly think that this is a backward step in health care in Australia.

Ms LIVERMORE (Capricornia) (12:52): The member for Cowper and his colleagues on that side might be happy to vote against a measure which will see 3.4 million Australian children receiving dental care, but I, for one, will be supporting the Dental Benefits Amendment Bill 2012 and supporting it wholeheartedly. I am pleased that I am able to join so many of my colleagues on this side of the House in doing so. From, for example, the approach taken by the member for Lyne on the disallowance motion yesterday, I know that there is support for this bill from other parts of the chamber as well. Adequate Commonwealth government funding for dental health in Australia is something Labor have been arguing for since the earliest days of the Howard government, when Peter Costello axed the Commonwealth dental scheme in his first budget.

I will come to the specifics of this bill in a moment. First, however, I want to make the point I have made at the start of my contributions on all of the health related bills introduced in recent years—the establishment of the Australian National Preventive Health Agency, plain packaging of cigarettes, workforce measures funded through Health Workforce Australia and the creation of Medicare Locals and hospital boards. All those measures have been component parts of the overarching health reform agenda of this government. When we came to government, we wanted to get past the blame game and the cost-shifting between the federal and state governments which had come to characterise the health portfolio under the Howard government. That was no better illustrated than in the debates we had about the Commonwealth government’s responsibility—or, in the case of the Howard government, denial of responsibility—for dental care. That same approach saw the Howard government cut funding for public hospitals and then criticise Labor state governments for the consequences of those cuts.

We came to government prepared to take responsibility for the delivery of health services. To do that properly we needed to understand the demands on our healthcare system, the barriers to meeting those demands and the best design for removing gaps and inefficiencies from the current system. The National Health and Hospitals Reform Commission did that work for us and all the measures we have legislated and implemented have been consistent with the commission’s recommendations for achieving an integrated and efficient healthcare system capable of meeting the needs of the Australian community both now and into the future.

This bill is no different from those other measures and is a significant part of the broader reform framework. The report of the Health and Hospitals Reform Commission identified three reform goals to guide our restructuring of the health system. One of
those goals is tackling access and equity issues which affect health outcomes for people. Following on from that, one of the five priority access and equity issues singled out for attention by the commission was improved access to dental health care. I point out that this report came out after the Chronic Disease Dental Scheme, which the other side is so supportive of, had been in operation for some years. So clearly very large gaps remained despite that scheme.

The report sets out the challenge very clearly and makes the following points: that Australia is in the bottom third of OECD countries for rates of dental decay; that nearly one-third of Australian adults avoid or delay visiting the dentist due to cost; that, at the time of the report in 2009, nearly a quarter of a million people were on public dental waiting lists; that there has been a 20 per cent increase in tooth decay among children since the 1990s; and that poor dental health is detrimental to people's general health and wellbeing. So better access to dental care has always been a priority for the government within our broader health reform agenda. Access to dental care is a matter of equity and is key to achieving the health outcomes we need if Australia is to be a healthy and productive nation.

The Dental Benefits Amendment Bill puts in place the first step towards the comprehensive dental health reform package announced by the Minister for Health on 29 August 2012. That reform package has a number of elements, which I note the opposition continue to ignore in this debate—focusing instead on the one fig leaf of dental care they came up with in their 12 years in government. Our comprehensive scheme includes the national partnership arrangements with the states for the expansion of services to adults in the public dental system. Those national partnership arrangements will mean $1.3 billion to fund around 1.4 million additional services for adults on low incomes, including pensioners, concession card holders and those with special needs—greatly improving access to dental care in the public system. Our comprehensive scheme also includes a flexible grants program to provide additional dental infrastructure in support of improved services and workforce development. It also includes the Child Dental Benefits Schedule, known as 'dental for kids', which is the subject of this bill.

This bill amends the Dental Benefits Act, which has been in place since 2008. It fulfilled Labor's promise at the 2007 election to help families with the cost of accessing dental health check-ups for their teenage children. The existing act supports that through the Medicare Teen Dental Plan by providing for the issuing of vouchers to eligible teenagers between the ages of 12 and 17. The government has, however, responded to the advice of the National Advisory Council on Dental Health to expand on that scheme by extending the potential support for a greater range of dental services to a much larger group, including children from the age of two. This bill gives effect to that commitment and amends the Dental Benefits Act by expanding the age range of eligible children. Currently the Medicare Teen Dental Plan covers eligible young people from the ages of 12 to 17. Following the passage of this bill, vouchers for dental care will be issued to eligible children and teenagers from ages two to 17—a very significant expansion of the program. The Child Dental Benefits Schedule this bill provides for will replace the existing Medicare Teen Dental Plan from 1 January 2014.

These amendments are just the first step in setting up the new 'dental for kids' scheme, which will see millions of kids getting better access to dental care. Those families who
qualify will be entitled to $1,000 per child every two years. The eligibility test remains the same as the one for the Medicare Teen Dental Plan, which basically means it is targeted at low-to-middle-income families. It is for children in households receiving the family tax benefit part A, Abstudy, the carer payment, the parenting payment, the disability support pension or a number of similar payments. With that $1,000 every two years, those families will be able to take their children to either public or private dental clinics for services ranging from preventative check-ups to basic treatments such as fillings and extractions—another important improvement on the Medicare Teen Dental Plan. It is expected that this scheme will subsidise dental care for over three million children.

The precise range of services and benefit level under the Child Dental Benefits Schedule will be established at a later date under the Dental Benefit Rules. As the minister made clear in her second reading speech, she intends to consult with oral health professionals to design the fee schedule under the Child Dental Benefits Schedule. We understand that the schedule needs to contain an appropriate mix of dental services and fees that encourage participation by the dental professions and the right level of servicing. That will take time and the cooperation of the dental and oral health professions, but it is a very important part of making sure that this scheme gives children the care they need and the oral health practices that will carry them through into adulthood and old age.

We also need to ensure that families and the government are getting good value for the money that is subsidising particular dental services and treatments. That question of value for money is a good one and highly relevant to this debate, because a large part of the funding for the government's new dental health initiatives comes from the closure of the Chronic Disease Dental Scheme. We all know now, from the debate that has gone on in the House for the last week or so, that the Chronic Disease Dental Scheme was introduced by the Leader of the Opposition when he was health minister in the Howard government, and the opposition have been defending it ever since, including in this debate. They defended it, even as it became obvious that it was poorly targeted, subject to rorting and the costs were blowing out, while leaving so many other areas of dental care underfunded and neglected.

The Chronic Disease Dental Scheme, which entitled patients to receive over $4,000 of dental treatments every two years, was supposed to cost $90 million per year but is now costing $80 million a month because, as I said, it is not means-tested and it has been used in many cases for treatments that go way beyond what was needed to address people's basic dental problems and it left so many other areas of dental services unaddressed and left to the states to deal with. While that money was being shovelled out the door with the blessing of the opposition, thousands of low-income Australians sat on public dental waiting lists and our population fell further behind on comparative measures of our oral health. It was a shameful situation and one that we cannot stand by and ignore to the same degree as opposition members will continue to defend it.

We need our health dollars to go as far as they can towards improving the health of all Australians. The way to do that is to target spending on programs that have the biggest impact and reach those who we know are the most disadvantaged when it comes to accessing dental health services. With that in mind, last year the government sought expert advice on what needs to be done to lift the
standard of dental health and access to dental care.

The National Advisory Council on Dental Health reported to the government in February this year and made it clear that, among its other recommendations, the No. 1 priority had to be providing subsidised dental services to children. Once again, we have seen the opposition accusing the government of some kind of arbitrary, knee-jerk reaction and a vendetta against the Chronic Disease Dental Scheme. That argument cannot be sustained when you look at the genesis of this measure and the other measures within our dental health scheme. These are things that have been recommended to us by experts, at the same time as we were receiving advice over and over again about the inadequacy of and the rorting that was going on within the Chronic Disease Dental Scheme.

As I was saying, the National Advisory Council on Dental Health told us that dental health for children was the top priority for funding. One of the reasons for that is the deterioration in the state of children's teeth right across the population—rural and urban, high and low income. After decades of improvement, since the 1990s we have seen children's dental health decline. In that time, the prevalence of dental disease has increased. The advisory council report quotes the Child Dental Health Survey Australia from 2003-04, which showed that nearly 50 per cent of children aged five to six years experienced dental caries in their baby teeth and 41 per cent had untreated decay. An Australian Institute of Health and Welfare survey found that 45 per cent of 12-year-olds had decay in their permanent teeth and 25 per cent of that age group had untreated decay. An important point is that the prevalence, severity and level of untreated decay is higher in low-socioeconomic groups in the community. We can see from those statistics that children's teeth are getting worse, which highlights the lack of preventative care, and that a significant number of children are obviously not getting the treatment they need when decay sets in.

So 'dental for kids', which this bill supports, will allow children from families where the cost of going to a dentist is a barrier to regular visits to start having yearly check-ups and follow-up treatment where necessary. This will make a big difference to the rates of childhood dental disease that I just quoted and, very importantly, will reduce the burden of dental disease on those kids, our community and the health budget when they grow up. We know that those high rates of decay and dental disease that we are seeing in primary school children are not going to improve without treatment and, unless we make preventative dental care a regular part of their lives, we face the prospect of having to provide much more expensive and much less effective remedies further down the track.

The fact is that poor childhood oral health is a strong predictor of poor adult oral health, so of course it makes sense for the government to invest in better dental care for our children from the age of two and through their teenage years. Regular visiting patterns and good dental care will mean that they have the best chance of going through their life with healthy teeth and without the terrible medical and social detriments of dental disease. It is the best result for those children and their families, and the best use of government money to realise our health goals.

As I said, this is part of a much larger package, a $4 billion package, of dental health measures, which itself comes on top of half a billion dollars in the budget going towards addressing public dental health.
waiting lists. So we are making big inroads into addressing those access and equity issues for people when they need dental health care.

Another important investment in oral health, in my electorate, was money that came from Health Workforce Australia for the Central Queensland University's new allied health clinic, which includes 12 dental chairs which will be available for members of the public to come in and receive treatment from new Bachelor of Oral Health students, who have commenced their studies at CQU this year. We have seen 30 students enrol in this first year. They will, in effect, be doing their clinical placements at this facility built on the grounds of the university. So we are training our future oral health workforce at the same time as greatly increasing the dental health care that is available to people in Rockhampton and in Central Queensland more broadly. That is just another example of the government looking for very practical and cost-effective ways to address the issue of access to dental care.

I fully support the dental for kids measure as an important step towards better access to dental services in this country.

**Mr HUNT** (Flinders) (13:07): Let me begin by putting the Dental Benefits Amendment Bill 2012 in context. This bill is part of a broader issue facing the government. The government is desperately trying to put its budget back into surplus. We are the great supporters and advocates of that goal because there is a huge pressure on public borrowing, but there is a question of wisdom as to the way in which we do things. What we see here, in my view and in our view, is that this bill and this process abolishes a successful scheme and replaces it with one where the architecture, the design and the human impacts are under deep question. We will not stand in the way because we do not believe that there should be no coverage, but we are about to face a major human impact where real people will suffer real consequences as a result of what is effectively the creation of an 18-month gap for many Australians who suffered deep, chronic pain and from deep, chronic dental issues.

I really want to deal with this bill in two steps: firstly, the human consequences to people within my own electorate of this bill, if it is passed in its current form, and that is why we saw the coalition move a disallowance in terms of the suspension of the current dental scheme and why we believe that it is important to have a bridge, if not a complete continuation, of what we are proposing; and, secondly, I want to deal with the bill itself.

Let me focus on an approach from two parents in my electorate. Corinella residents Richard and Carol Casbolt have written to me. Their view was very simply and eloquently expressed. They set out that their daughter Danielle has a real risk of further health deterioration as a consequence of the closure of the current Chronic Disease Dental Scheme, which is part and parcel of this package. I cannot believe that the government would intend these consequences but, having lived through the Home Insulation Program, I know there is an issue of wilful or constructive blindness where people simply turn a blind eye to consequences which, while they would not want them to happen, they certainly will not stand in the way of them occurring. The letter from Mr and Mrs Casbolt proceeds in this way. Speaking of Danielle, they say:

Our daughter who suffers from Schizophrenia has to take a number of tablets that affect her bones and teeth requiring a number of visits to the dentist for fillings and teeth removal. At times the...
visits have cost her over $500 per time. Where to now?

That is the end of the quote but, sadly, not the end of the story. The story of Danielle, the story of Richard and Carol Casbolt, her parents, is the human face of what this package of measures will lead to as an unintended but, sadly, inevitable consequence. It is a form of constructive policy negligence. That is why we sought, through the member for Dickson's motion, to ensure that the Chronic Disease Dental Scheme was not closed down, that at the very least there was a bridge until the opening of the government's own scheme in 2014. So this is a genuine concern.

Let me similarly talk about the fact that Richard Casbolt has spoken to my office and said that the family knows of many other Bass Coast residents are likely to be similarly affected by the closure of the Chronic Disease Dental Scheme. So there are real human consequences as a result of this bill.

We can argue about the final design but I think it is unarguable that there is likely to be a major gap, which is upon us, until 2014 for people who have genuine, chronic pain and suffering. It amazes me that this parliament is about to embark upon a process that will lead to people with genuine suffering having their situations compounded. That is not who we are; that is not what we intend to be, but it is the inevitable consequence if the Chronic Disease Dental Scheme is pulled away at the same time as a replacement scheme is deferred until 2014.

Let me go further into the current situation. The Medicare Chronic Disease Dental Scheme was introduced by the former coalition government. The current Leader of the Opposition was its effective architect, overseer and introducer. It provides up to $4,250 in Medicare dental benefits over two years for eligible patients with a chronic health condition. The government has said it will replace this scheme with its own dental scheme but its proposal for adults does not begin until 1 July 2014. So what does Danielle Casbolt do in the meantime? These questions are being faced by families not just in the seat of Flinders, not just in the Bass Coast Shire, but around the country, and the many people who are most ill-equipped to deal with the problem are going to face issues relating to the withdrawal of this scheme. I do not think what is occurring here is right. We, of course, will not stand in the way of a replacement scheme and that is why we will not oppose this bill, but we did our best to preserve the current scheme so as there was no gap.

The scheme here will cost about $4.1 billion. If that money goes into the dental health space, it may serve some useful purposes. We do not believe that this scheme is the optimal design, but we also know it is unfunded, so it is a promise made without an ability to pay. In the meantime, tearing away the current support mechanisms will mean real failures for families, pensioners, seniors and young people. It is simply not good enough to deny local residents access to genuinely needed, vital dental treatment. The details of either scheme can be quibbled about, but the gap is completely unacceptable.

Whilst we will not oppose this bill, because to have something is better than to have nothing, we bitterly oppose the creation of a gap in terms of chronic dental health management for those who suffer disease or disability, many of whom are afflicted by mental health conditions or other issues. It seems that the government has inadvertently abandoned many of the neediest in our society. A good scheme is a positive step. Some form of scheme is better than nothing, but the government's actions in taking away...
the Chronic Disease Dental Scheme are simply unacceptable.

Ms PARKE (Fremantle) (13:16): I welcome the Dental Benefits Amendment Bill 2012, a further instalment of the Labor government's health reform program, a policy reform effort that has undertaken the difficult work of rethinking, planning and funding in relation to a number of blind spots in Australia's health system. Of course, the cornerstone of our health system is Medicare, one of the great and defining features of Australia's fundamentally egalitarian approach when it comes to ensuring the provision of high-quality universal public goods in the areas of health, education and the environment. These are the things we all share. These are the things that underwrite social equality and social cohesion in Australia and are the core features of our egalitarian ethos.

But how do we measure the enormous social and economic value of Medicare? Just consider that in Australia we all—each and every one of us—have access to free, comprehensive public hospital care through a system that costs our public purse half as much, as a proportion of GDP, as the United States pays for a health system in which one in six uninsured Americans does not have straightforward access to health and hospital care. But our public health system can be better still, and making those improvements is a distinctively Labor project. It started with Medicare. It continues today. That is why this Labor government has increased the federal contribution to public hospitals by 50 per cent. That is why this government's $4.1 billion dental healthcare package is now introduced to address one of the shortcomings of our system—namely the fact that the public funding and availability of dental health care has not matched the level and function of public funding for primary and hospital health care. The inconsistency of that situation is something Labor has sought to address for some time, and that is why these reforms are particularly welcome.

In addition to the compelling equity arguments for improving the publicly funded provision of dental health care, there are compelling preventative and health cost arguments. We know that children who reach adulthood with healthy teeth are more likely to keep and maintain good oral health as they get older, and we know that good oral health is in turn strongly correlated with better general health. For older Australians, poor oral health can contribute directly to a number of serious health complications—and indeed bad teeth almost always lead to bad nutrition, which again compromises one's health. By ensuring that younger and older Australians, especially those from lower income households, have the ability to receive essential dental treatment, we are not only improving the health of millions of people; we are also implementing a profound preventative health measure, one that will protect individuals from the sometimes terrible consequences of bad dental health and that will create significant health savings in doing so.

The government's proposed six-year dental health reform package that we debate here today includes $2.7 million to support dental care for around 3.4 million Australian children under the dental care for kids program; $1.3 billion for around 1.4 million additional services for adults on low incomes, including pensioners and concession card holders and those with special health needs; and $225 million to be allocated to improving dental services, both in terms of infrastructure and workforce, in outer metropolitan, regional, rural and remote areas. And of course it has to be remembered that this package builds upon, and is in addition to, the $515 million
investment made in the 2012-13 budget to fund a blitz on public dental waiting lists from 1 January 2013.

The new dental health care for kids program, called, appropriately, Grow Up Smiling, stands to benefit up to 13,700 children in my electorate of Fremantle. It means that, from 2014, eligible families will be able to receive dental treatment to the value of $1,000 per child over a two-year period from the time they turn two and until they turn 18. They will be able to visit a dentist and use their Medicare card to do so.

I know that, at a time when cost of living in WA is a concern for many families, there is an understandable risk that parents might delay regular dental checks or basic dental maintenance as a result of pressures on the household budget. This reform will mean that parents are not put in that situation and their children can get the basic dental health care they should have when they are young, which will go a long way to setting them up for strong teeth and gums into adulthood.

In conclusion, I want to commend the Minister for Health, her department and her staff for the development of this well-targeted and carefully funded dental healthcare reform package. It represents a change that brings the public funding and accessibility of dental care into much better alignment with the principles on which Australia's general healthcare system, Medicare, operates, and it will mean greater quality of life for younger and older Australians, and both fewer health problems and lower health costs as a result of the problems that poor dental health can create.

Mr CHESTER (Gippsland) (13:21): I would like to take this opportunity to congratulate the new Speaker's panel on their election over the past 24 hours. In particular, I congratulate the member for Chisholm on her promotion to the position of Speaker. It is unfortunate for the members of the House of Representatives Standing Committee on Petitions because we will miss the member for Chisholm, who has been a valued member of our committee. But she will move on to higher duties. I also congratulate the member for Maranoa on his elevation to the position of Deputy Speaker and the member for Hindmarsh on his elevation to the Second Deputy Speaker role. To all the members of the Speaker's panel, I wish you well in your work.

In rising this afternoon to speak on the Dental Benefits Amendment Bill 2012, I will be speaking in support of my colleagues in the Liberal and National parties who have raised concerns about the direction this government is taking in relation to dental health care in the nation. I wish we could be in a position where we would support this government's position, because there is a desperate need to support the dental healthcare needs of the Australian people, but—as has become, I think, symptomatic of this government and its approach to a vast range of public policy areas—it has simply failed to do its homework, and it has failed to get the details right.

I have had the opportunity to follow this debate quite closely, and I recall the speech of the member for Aston, who perhaps summed up the situation quite succinctly when he said that basically this is just an election promise. It has all the credibility of an election promise when this government talks about its reforms in relation to dental health care, because so much of what this government announces is not funded. Unfortunately, this government has a long history of making promises and then not keeping them. The most obvious one that has had a direct impact on my community is the Prime Minister's announcement only days before the last election, where she specifically ruled out introducing a carbon
tax, and we all know what happened to that promise. So I believe that the health minister's announcement—

The DEPUTY SPEAKER (Ms K Livermore): Excuse me. Is the member for Kennedy seeking the call?

Mr Katter: No, he is already talking, isn't he?

The DEPUTY SPEAKER: I am sorry. I saw you standing there; I just thought I would check. I beg your pardon; the member for Gippsland has the call.

Mr CHESTER: Thank you, Deputy Speaker. There may have been some confusion. I understood that the member for Kennedy was arriving late, so I am sorry if there has been some confusion there, but I thank him for giving way.

As I was saying, the health minister's announcement in relation to the government's reforms on dental health is as shambolic as some of those other public policy areas that I am going to touch on in a few moments time, in the sense that it was openly contradicted by the Prime Minister within 24 hours. We had on one hand a minister saying that this was an announcement that the government would need to find money to pay for in the future, and on the other hand we had the Prime Minister saying that it was a savings initiative. It has been quite confusing for the Australian people to listen and to watch the government in relation to its management of this and many other issues.

Unfortunately, I am concerned that this is a pattern of behaviour within the government, where, in its desperation and its need to try and generate positive news cycles, it is making a lot of unfunded promises and feelgood announcements to try and engender some level of support within the community but then failing to do the homework and explain to the Australian people how it is going to deliver some of these programs.

We have seen that, unfortunately, with issues like the National Disability Insurance Scheme. I am one member who, like many others on both sides of this House, has been strongly supportive of the need for a National Disability Insurance Scheme, but the government has not been honest with the Australian people on how it is actually going to fund the National Disability Insurance Scheme. It has made grand announcements, and it parades itself around the country as being the only side of politics committed to the NDIS, but the simple fact of the matter is that the government has not explained how it is going to fund it.

It is the same with the grand announcements the government made in relation to Gonski and its education plans. Again, there is no explanation from this government about how it is going to meet its financial commitments into the future.

We have seen that with the aged-care package of reforms. The government has not explained how it is going to pay for it. And its mental health package has ended up being more smoke and mirrors than anything else. Unfortunately for the Australian people, they have had some very significant promises made to them but are yet to have an explanation from this government about how it is going to pay for them.

I am afraid that the dental plan fits into the same category. Any government can come out and make an announcement, but how are they actually going to pay for all this? How are they going to pay for all of the commitments that the government have promised?

If it assists the member for Kennedy, I will not be long, and I will give him every opportunity to make his contribution.
The coalition strongly supports investment in dental health. We are concerned about the government's announcements in relation to the Medicare Chronic Disease Dental Scheme. It announced the closure of the scheme effective from 30 November but failed to provide assurances to the Australian community that there would be a replacement scheme in place until 2014. We are very concerned that many patients throughout Australia, particularly in regional communities, will miss out on treatment under the CDDS during this gap period.

We have seen this government's announcement of the $4.1 billion dental program, which was made on 29 August by the Minister for Health and the Greens health spokesperson, Senator Di Natale. Again, as I referred to earlier, it was unfunded. It just reinforced within the community the view that this government almost inevitably has to do the Greens' bidding. But I would caution members opposite about continuing down the path of responding to concerns, issues or policy positions from the Greens, who have proven themselves to be economically illiterate when it comes to managing the major issues facing our nation, and this is a classic case in point.

It is beyond me to try and understand why any cabinet minister, let alone the Prime Minister, would ever stand beside a member of the Australian Greens and do joint press conferences, when you consider that at the last election less than 10 per cent of the Australian population voted for the Greens. It strikes me as more than passing strange that the Prime Minister was prepared to do a joint press conference announcing this fantastic power-sharing agreement, supposedly in the aftermath of the last election, with the leader of a party which 90 per cent of the Australian people had voted against. I am not sure who within the strategy department of the Australian Labor Party thought it was a great idea to have the Prime Minister with the Leader of the Greens playing happy families in the courtyard at the Prime Minister's office, but the pattern continues. We see once again this time the health minister doing a joint announcement with the Greens health spokesperson on this program, which I believe is a folly.

I recognise Deputy Speaker Scott in the chair. You missed me moments ago, Member for Maranoa, as I passed on my congratulations to you on your elevation to this important role. I know that the way the parliament works is something that you have taken very seriously during your career in parliament, and I am sure that you will do a great job in the role of Deputy Speaker and be an enormous support to the Speaker herself. I congratulate you in your presence and wish you all the best in your new role.

The opposition has spoken at length in relation to this issue, and I am not going to delay the House any longer. I recognise that the member for Kennedy has arrived in the chamber and is ready to make his contribution as well. May I simply say that the opposition, the coalition, are very concerned that we have a government which makes decisions and takes actions which are more about the politics of the day than good public policy.

We have, as the member for Bradfield described it, a half-baked plan before us. It is designed more to keep at bay Kevin—the member for Griffith—and to discredit the Leader of the Opposition, Tony Abbott, and his scheme than it is to deliver good public health outcomes. I predict that the pressure will be on this government, that there will be another Twitter campaign or another email campaign like we saw with Margiris, that there will be a backflip on the dental plan and that the government will be forced to accommodate the thousands of Australians...
who face the unfortunate situation of putting up with a gap of at least 13 months before receiving treatment under its dental plan.

I appreciate the opportunity to raise my concerns about the government's position on dental health. It concerns me that the government is making an enormous number of completely unfunded promises. It is committing future governments to extraordinary expense for schemes such as the dental plan, the NDIS, the response to the Gonski review, the aged-care reform package and the mental health package. All these commitments are being made on a wing and a prayer, and unfortunately it is going to be left to future governments of this nation to clean up the mess left by the Rudd and Gillard governments. I thank the House.

Mr KATTER (Kennedy) (13:31): In my electorate we call public meetings, and at every single meeting in the previous round, which was held two years ago or more, dental health was raised as an issue. The latest round of six meetings—to which 200 or 300 people turned up—was held last week, and, to my memory, the issue of dental health was again raised at every meeting. We were quite surprised that, in the previous round of meetings, two people turned up who had reached a point of such desperation that they had extracted their own teeth—one of them did it on Channel 9 for the whole of Australia to see so that he could let the incompetence of the government be known.

We live in an extremely rich nation. If a government cannot fix teeth and instead leaves people in pain, you must wonder whether it is really a government at all. You can cut back on education or you can cut back on the arts—you can cut back on a whole range of services—but I would have thought that one service that you cannot cut back on is dental health. What has prompted the government to do such a remarkably stupid thing? In my 39 years as a member of parliament I have watched governments; when they start making mistakes it is like in football: they catch dropsy and just keep making mistakes. I remember that, in the Whitlam era, every time I would turn on the radio I would think that it was too good to be true—I really did not like Mr Whitlam—each day a new disaster befell the government. It seems that this government—just like the Queensland government—cannot be told. Even though you may say to the government, 'Please don't do this; it's a terrible thing to do,' it will transpire that every aged person in Australia sooner or later will get the message through their dentist—if they get to a dentist—or through their doctor that the dental scheme is gone.

I give the Leader of the Opposition considerable praise for his position on the government's revised dental scheme, because, let's face it, the revision is a bit sneaky. It looked pretty harmless—it looked like there was no money involved, and it got past Treasury—but in the end it was found that there is one hell of a lot of money involved in the revision. As far as I can see, the current government has owned up to the fact that there will be a fall from $1.2 thousand million a year in outlays for a dental scheme to about $600 million a year. They are switching a chronic aged-persons' scheme to a young persons' scheme, and that is immediately a diminution—a cutting in half—of the current outlays. Clearly this is being done under pressure from Treasury, but would you cut out fixing people's teeth when they are in pain? I think that everybody would have had toothache at some stage, and really it is the most dreadful pain. If you had to cut, you would cut everything before you cut medical and dental health care, yet the revised scheme involves a very sizeable cut. Why replace a chronic aged-persons' scheme with a young persons' scheme? Young
people, by their very nature, do not have old enough teeth for decay to be a serious problem for them. If you say, 'We're going to look after young people rather than old people,' you are looking after people who do not have a problem. You will look after people who do not have a problem, whereas you will not look after people who have very serious problems indeed.

Professor Hans Zoellner had a lot to do with putting the original dental scheme together under the previous government, and I praise him. I also praise the now Leader of the Opposition for his role in the scheme when he was health minister. But I most certainly cannot praise the present government. The new minister, who seems a very capable and able and intelligent person, has been hit with a real big coathanger right at the start of her tenure, and all I can say to the minister is: you have taken a very wrong turn in your first real initiative—they have pulled the wool well and truly over your eyes.

To reiterate, what is being proposed here is very, very simple. Instead of looking after old people, we are going to look after younger people. Quite frankly, if you want to do something for younger people, give them all a toothbrush and toothpaste at school and have them brush their teeth every lunch time. That would cost you about a million dollars a year, and you would halve tooth decay in that cohort of the population, when you are supposed to be giving them some sort of assistance. The assistance that you are going to provide here will be very minimal indeed. I think most of money for the scheme will go towards administration costs—to a lot of people running around the countryside—not to a dentist sitting beside someone in a dental chair and fixing their teeth. I hope I am wrong in foreseeing that.

What is being proposed is that we look after people who do not need looking after and that we not look after people who need looking after. One of the great benefits of that for the government is that they can spend a hell of a lot less money. If you are going to make cutbacks, make them everywhere else in your budget but do not make them on Medicare, on the health and welfare of people, and do not cut back on dental health.

In the first round of meetings we had in the electorate I represent, we met two people—one in Richmond, a western town a long way from anywhere and one in Babinda, on the outskirts of Cairns, a suburb of Cairns, if you like—who had to pull their own teeth out. Everyone in Australia could watch one of them do that, because it was done on Channel 9. The person had been told, 'You have to wait for three months,' and when the wait finished they were told, 'We have had to put you to the back of the list because you are not a very important patient; your problem is not a very serious one.' So he was put back another three months, then another three months. He was in continuous pain and eventually realised that he was never going to get in, so he pulled his tooth out himself. In the recent round of our meetings, a lady got up and said, 'There is a four-year wait to have a tooth fixed in North Queensland.' She was told, 'When you do get in you will get one tooth fixed each year.' So, after you wait four years, you can only get one tooth fixed in the next year. The magnitude of the problem is huge and some serious money has to be put into it.

In my political career I have never proposed that we should put extra money somewhere without suggesting where that money can come from. In the Queensland health department I fought tenaciously against the upgrading of nurses because I could see that a massive blowout in costs
was going to occur. We had nurses doing on-the-job training who were suddenly lifted up to university training, and of course all the work they had done in their traditional roles was pushed down to another rung of nurses. A whole layer of employment was created in the state of Queensland under the Ahern government, which I regret to say I was part of. It most certainly did not occur up until the election of Mike Ahern. Under the Bjelke-Petersen government, we steadfastly resisted the push to put that extra structure in. That extra structure has come at an absolutely colossal cost to the people of Australia in terms of both services, because there was not enough money to do the job anymore, and benefit. And maybe the horse has bolted there.

The second area of savings is in agency nurses and agency doctors. I am reliably informed that there are agency nurses getting $1,500 a day. They watch their poor old colleagues earn much less pay than that—they are flat out getting $1,500 a week. The doctors are on a considerably higher amount. Even if that figure is exaggerated, there is no doubt, no question in anyone's mind, that it is close to the action. Agency nurses and doctors are costing 10 times more than ordinary nurses and doctors working in the system. What sort of incompetent government in Queensland would get to a stage where something like one in 10 nurses is an agency nurse? What level of incompetence is this? Clearly that is a problem that could be solved in the space of three or four months by anyone with intelligence and ability. You simply employ a cadre of nurses that agree to be transferred around—a lot of nurses are young people who like being transferred around; it is exciting to go from place to place. Of course, they get paid a hell of a lot more than existing nurses. But they do not get paid the absolutely outrageous agency fees that are being paid presently.

In respect of the other area of savings, I am simply quoting the AMA. I went to 12 doctors that I knew very well that had been practising for over 15 years. I put it to them that the AMA was saying that, in Queensland Health, there are now three non-touch people for every person who actually has patient contact. I asked them whether that was the other way around 15 years ago and all 12 of them said, 'Yes, I would say that is pretty much the way it was 15 years ago.' So we have three people who do not have anything to do with patients for every one person who has patient contact, whereas 15 years ago it was the other way around. So clearly there are supernumeraries on a colossal scale inside this department that need to be wiped out. There are two huge areas of wastage in the public service.

Finally, in the time that I have left, my home country is North Queensland's mid-west, those little towns between Townsville and Mount Isa. I can never remember a period—until 17 or 18 years ago—when we did not have four dentists servicing those four towns: Cloncurry, Richmond, Julia Creek and Hughenden. It seems to me that, when I ring up, most of the time they have no dentists at all. So some 10,000 people—

**The DEPUTY SPEAKER (Hon. BC Scott):** Order! The debate is interrupted in accordance with standing order 43. The debate may be resumed at a later hour. The member for Kennedy has leave to continue speaking when the debate is resumed.

**STATEMENTS BY MEMBERS**

**Malala, Miss Yousafzai**

**Ms O'DWYER (Higgins) (13:45):** Congratulations on your new role, Mr Deputy Speaker Scott. In amongst the deliberate, personal and confected smear
campaign levelled against the Leader of the Opposition, the government have made many false and malicious claims about sexism and misogyny, looking for angles and stories that simply do not exist. And every time they continue with these baseless accusations they shift the focus away from the real sexism that occurs in the world, like the extreme sexism that we see from the Taliban in Pakistan—the kind of sexism that saw a 14-year-old girl shot in the head.

In an unbelievable act of cowardice and true misogyny the Pakistani Taliban shot Malala Yousafzai for simply riding the bus to school. I do not think I have heard of a more vile, disgusting or abhorrent act in all my life.

This little girl is now fighting for her life in a Pakistani hospital. Her crime? Simply wanting an education. And what makes this matter worse is that the Taliban are proud of their act and have threatened similar attacks in the future.

Malala came to the attention of the Taliban as an 11-year-old, after blogging about some of the atrocities carried out by this violent group whose views on women come from the Dark Ages. For that, Malala was recognised with the Pakistani National Peace Award and nominated for the International Children's Peace Prize.

I pay tribute to Malala and those women and men who support her, for fighting for her rights and the rights of other women to get an education.

Let us never forget that every moment spent on invented sexism and misogyny is a moment lost to fight real sexism and misogyny. *(Time expired)*

**Chifley Electorate: Football**

Mr **HUSIC** (Chifley—Government Whip) (13:47): Back in March, I stood in this place to voice my support for the creation of Western Sydney's own A-League team. At the time I was not aware that Football Federation Australia was well advanced in its plans to deliver upon the dreams of many in our great region. Nearly 10,000 people play the beautiful game in the Chifley electorate alone and I am the proud patron of the mighty Mount Druitt Town Rangers Football Club. Football is in our blood.

Last Thursday I had the huge honour of attending the official launch of the A-League's 'newest, oldest' team: the Western Sydney Wanderers, a side brought together in a mere 186 days, built up from its grassroots via the input of fans. From the colours to the culture to the playing style—all these things have been taken into account and are reflected in the make-up of the Wanderers. Importantly, the Wanderers will provide a critical platform for the region's next generation of young players.

On Saturday night the hearts of over 10,000 fans were filled with pride when they saw their team, for the first time, run onto Parramatta Stadium, now dubbed 'The Wanderland.' They took on the Central Coast Mariners—a tough initiation for a new team—but they acquitted themselves nobly, through a nil-all draw.

That the team was built so quickly and comprehensively is an absolute credit to Executive Chairman Lyall Gorman; coaches Tony Popovic and Ante Milicic; all the players; the staff; FFA Chairman Frank Lowy; and, in particular, FFA CEO Ben Buckley. I am especially grateful that they are headquartered at Blacktown International Sportspark.

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The two ambitions this humble foundation member has for the club are: firstly, to see them win their first grand final and, secondly, that both sides of politics commit to the construction of a new multipurpose
stadium in Western Sydney, one that can become the home of our new A-League team and other sporting events.

**Petition: Lakeside Community Post Office**

Mr BROADBENT (McMillan) (13:48): I congratulate you, Mr Deputy Speaker Scott, on your election to high office and look forward to your presiding over this House in that capacity.

Opportunities to create amenities in local communities as they grow are terribly important, even to this House. Whilst we look at the big issues we also have responsibility for Australia Post. The Lakeside community in my electorate has petitioned the parliament for facilities for a post office. I am therefore pleased to present this petition.

The petition read as follows—

**Australia Post: Agents Licensing**

TO THE HONOURABLE THE SPEAKER AND MEMBERS OF THE HOUSE OF REPRESENTATIVES

This petition of the Lakeside Pakenham Bendigo Community Bank on behalf of local residents in the Pakenham district in the state of Victoria, Electoral Division of McMillan, draws to the attention of the House:

The urgent need for a Post Office Licence to be granted within the Lakeside Estate in Pakenham.

We therefore ask the House to:

Consider this application, as the nearest Post Office is located 3.5kms from the Lakeside Estate at Pakenham Main Street, where parking is difficult in addition to constant long queues for service. Pakenham's population has risen from 20,484 in 2006 to 36,148 in 2011 and is forecast to reach 50,919 by 2016 for which one Post Office is not sufficient. The Lakeside Pakenham Estate, with a population of 6,500+, and surrounding estates are growing rapidly each week so the need for a new Post Office in the Lakeside Estate is crucial to keep up with demand.

from 835 citizens.

Petition received.

**Mr BROADBENT:** It is important for me to present to the House today this petition signed by so many residents of the Lakeside community. The Lakeside community is a new community, like Caroline Springs, and I am sure there are others in other states right across Australia. However, with the growth here on the outskirts of Melbourne, on the very edge of my electorate, this new post office will be an important piece of crucial infrastructure.

**Dapto Greyhound Racing Club**

Mr STEPHEN JONES (Throsby) (13:50): I would like to talk about a local, national and indeed an international institution: the Dapto Dogs. Last week I had the great pleasure of attending a dinner to mark the 75th anniversary of the Dapto Greyhound Racing Club in my electorate of Throsby. My electorate office is only about 100 metres down the road from the Dapto Dogs, so I invite any honourable members of this place who visit the Illawarra—and a few of them have visited the region in the last few months—to attend with me on a Thursday night, around 7 pm.

The Dapto Dogs have grown into an iconic local institution since the club was established in 1936. The first race meeting was held there on 25 February 1937. Racing was suspended during the Second World War when the Army annexed the showground and buildings for troop accommodation that was put in place. But, thankfully, races resumed again in 1944.

Races at this time were held on a Saturday afternoon due to power restrictions but soon reverted to their Thursday evening timeslot, which they have occupied ever since. Last week's dinner provided some wonderful memories, which were shared by former bookmakers, dog owners and commentators,
including the most famous of all, Mr Paul Ambrosoli.

The most famous dog to race at Dapto was Nads. His winning debut was in 1996, at Dapto, and it was televised live on The Footy Show on WIN TV. Other great Australian icons such as Norman Gunston and Aunty Jack helped to popularise—(Time expired)

**Refugees**

Mr **BANDT** (Melbourne) (13:51): I would like to reflect on the decision by the High Court last Friday that the government has been acting unlawfully in relying on negative ASIO assessments to withhold protection visas from people found to be refugees. Refugees in this situation remain in detention but they are not told why they are being indefinitely detained, nor are they entitled to a review of this decision at law.

Eighteen months ago I visited one of the refugees affected by the regulation now found to be inconsistent with the Migration Act. My office has been working with him since then, visiting him in hospital when he required acute psychiatric care and talking with his supporters and lawyers. His courage and perseverance in face of indefinite detention in Melbourne has been extraordinary. He fled war in Sri Lanka, leaving behind family members in refugee and war camps—those who had not been executed. His hope is to live in a safe country, learn English and complete his master's degree in chemistry, which was disrupted by civil war in Sri Lanka.

After three years in detention he remains positive, with a quiet patience that comes from a lifetime of enduring hardship and surviving successive disappointments and trauma. His patience and trust in the fairness of the Australian immigration system has been challenged beyond comprehension. He should not be subjected to life in a detention centre. He should have a right to know the reasons for his detention and to be able to appeal findings against him. My Greens colleagues and I will be doing what we can to ensure that he and other refugees are afforded these rights that are currently enjoyed by other Australian citizens.

**Kooyong Electorate: Balwyn Tigers**

Mr **FRYDENBERG** (Kooyong) (13:53): Just a few weekends ago—on Saturday, 23 September—I had the pleasure of watching the mighty Balwyn Tigers win the Eastern Football League division 1 grand final at Bayswater Oval. The victory over the Vermont Eagles by five goals was not only a triumph for coach Daniel Donati, captain Rennie Gilchrist and club president Richard Wilson, but also a testament to the great spirit of a club that has seen it play in 15 consecutive finals series since 1996, culminating in seven premierships. In fact, this year's flag was won from fourth position on the ladder, only the second time it has been achieved in EFL history.

Balwyn is a proud club with deep roots in our local community. Since it first graced the field in 1918 Balwyn has found its home at Balwyn Park, on Whitehorse Road, in the heart of the Kooyong electorate. Hundreds of people turn out each week to watch a team that has produced numerous AFL players, including Luke Power, Leigh Montagna and Greater Western Sydney player Tim Golds. It must be said that the team's success was tinged with a touch of sadness a few weeks ago. A year ago, young Tiger Shaun Bergin tragically died after an injury sustained in a semi-final. In the words of captain Rennie Gilchrist: 'He's with us. We play with his spirit.' And so they do. I congratulate the club on its victory and wish it continued success in the seasons ahead.

**Performing Arts**

Mr **DANBY** (Melbourne Ports) (13:54): Thank you Mr Deputy Speaker, and
congratulations on your new position. The celebrated hit musical Promises, Promises at the State Theatre in Victoria was a genuine tribute to Australian talent, with a gifted cast and crew that I believe rivals Broadway's best.

Starring Australia's much loved leading lady of the stage Marina Prior and TV favourite Matt Hetherington, Promises, Promises is Neil Simon's famed story of ambition, despair and hopeful romantic love, set to Burt Bacharach's and Hal David's score. Behind the stage, one of Australia's most respected and renowned filmmakers, Nadia Tass, directs this production. This ensemble is a not-for-profit theatrical company, specialising in showcasing new theatre talent and stimulating the Melbourne and Australian theatre industry. Since 1999 Melbourne has enjoyed the Production Company's celebration of the works of Rodgers and Hammerstein, Irving Berlin, Cole Porter, Neil Simon and Jerry Herman.

I must pay particular respect and tribute to the chair of the Production Company, Jeanne Pratt, who engages local directors, choreographers and designers to showcase Australia's best and brightest. Jeanne Pratt is a patroness of many charitable, theatrical and artistic causes spearheaded by the Pratt Foundation. Her particular appreciation for and devotion to our local artistic talent is truly admirable. This local talent, thanks to Jeanne's patronage, will one day receive worldwide recognition and appreciation.

Northern Territory News

Mrs GRIGGS (Solomon) (13:56): Thank you, Mr Deputy Speaker, and congratulations on your new position. As all members of parliament know, our local media are an important part of our community, although relationships between our two groups are sometimes strained. I have not always enjoyed a good relationship with the iconic Northern Territory News but, regardless, recognition must be given for outstanding achievement.

Recently, the Northern Territory News won the Pacific Area Newspaper Publishers' Association, PANPA, marketing branding section with its innovative Obama hat promotion, which coincided with President Obama's visit to Darwin. Northern Territory News editor, Matt Cunningham, won the PANPA Hegarty award, recognising young newspaper executives. This award provides a bursary of $10,000 to him for an overseas trip, to build his knowledge of the global news business. Matt is a hard-working, modest editor who gave credit for his win to the whole of his Northern Territory News team. I congratulate Matt and trust he will continue his good work.

To top it all off, the Northern Territory News was named Brand of the Year at News Limited's annual awards. This award replaced the Newspaper of the Year award, as it now includes newspapers, websites and magazines. The general manager of Northern Territory News, Scott James, said that this award is recognition of the tireless work of the entire Northern Territory News team. Congratulations to you all. Once again, the Territory leads the way. (Time expired)

Bass Electorate: Launceston Benevolent Society

Mr LYONS (Bass) (13:57): Thank you, Mr Deputy Speaker. Congratulations on your elevation. Last week, the Prime Minister visited my electorate of Bass for the 36th community cabinet. During this visit we were able to announce a special payment of $50,000 to the Launceston Benevolent Society to help it continue its important work. This grant will assist the society refurbish premises in Kings Meadows, to help it cope with growing demand.
I was thrilled that this money was made available to the society. It will enable it to rebuild at Kings Meadows, to continue to provide financial and social support for the needy in Launceston. The society, the oldest benevolent society in Australia, was founded in 1934 in Australia's third-oldest city and we must ensure that it continues to deliver its services to local families, helping older Australians live independently, assisting families with cost-of-living pressures and supporting women affected by domestic violence. These are just a few of the ways the society assists people in the Launceston area.

The Launceston Benevolent Society can only undertake this important work with its 25 volunteers, who assisted around 8,000 individuals last year. The new premises will enhance the services provided by these volunteers. I congratulate the Launceston Benevolent Society on receiving this grant and look forward to it continuing to serve our community for another 180 years.

**Murray-Darling Basin**

**Dr STONE** (Murray) (13:59): Thank you, Mr Deputy Speaker. I will not waste time congratulating you, because you know I think you will be magnificent. We have just had the modelling of 3,200 gigalitres of environmental flow added for comparison to the 2,750 gigalitres that was considered by the Murray-Darling Basin Authority. We have to wonder: why would there be modelling which takes no consideration of the social and economic impacts, just environmental? The minister has told us he is interested in the triple bottom-line approach when it comes to the Murray-Darling Basin Plan. But, no, this particular modelling is based on relaxed constraints. What does that mean? It means you ignore the fact that there are roads, bridges, railway lines, houses, towns and the Barmah Choke. You ignore all the human infrastructure and the natural infrastructure—

**The SPEAKER:** It being 2 pm, in accordance with standing order 43, the time for members' constituency statements has concluded.

**QUESTIONS WITHOUT NOTICE**

**Carbon Pricing**

**Mr ABBOTT** (Warringah—Leader of the Opposition) (14:00): My question is to the Prime Minister. I refer to this electricity bill from Mrs Hetty Verolme, a pensioner from Perth, who says that she nearly had a heart attack when her latest bill increased from $736 to $1,564. With the carbon tax directly accounting for about 70 per cent of recent rises in WA, what advice does the Prime Minister have for Hetty, who states, 'If this is what the carbon tax is doing, I am concerned for my next account'?

**Ms GILLARD** (Lalor—Prime Minister) (14:01): I say to the Leader of the Opposition: here we are, back to the same old siren song of negativity and distorting the facts. He says he is concerned about this pensioner in Western Australia. I do understand that pensioners around the country actually struggle to make ends meet. We in this government understand that, which is why we were responsible for an historic increase in the pension, something delivered by this government and never delivered by those opposite when they had the opportunity. We delivered an historic pension increase. Then, when we put in place carbon pricing, because we were concerned about the circumstances of those on fixed incomes we ensured that we not only gave them the amount of money that would be necessary to deal with the average flow-through price impact, we gave them extra money because we wanted them, knowing that their budgets are tight, to benefit from this package.
The Leader of the Opposition well knows that the big drivers of electricity price increases in Western Australia are local factors and decisions of the Western Australian government.

Opposition members interjecting—

Ms GILLARD: As much as the opposition might interject and yell, they cannot get away from the fact that there have been 62 per cent increases in Western Australia over the last 40 years, and that is not about carbon pricing; that is about the decisions of the Western Australian government. Premier Barnett has, in fact, dealt with this matter publicly and has apologised to the people of Western Australia for the huge increases that his government is responsible for.

We took a different approach to Premier Barnett. We knew that there would be an increase in electricity prices of 10 per cent. That was modelled accurately by Treasury. We ensured that those who needed support the most were assisted, including the pensioner who the Leader of the Opposition refers to. So if he has a genuine concern I suggest he does the following. I suggest that he speaks to Premier Barnett about assisting people in his state on fixed incomes with the increases that Premier Barnett has been responsible for.

Mr ABBOTT (Warringah—Leader of the Opposition) (14:03): Madam Speaker, I ask a supplementary question to the Prime Minister. With an $800 increase in just one bill, of which 70 per cent is due to the carbon tax, how can the Prime Minister possibly claim that Hetty's compensation is in any way adequate?

Ms GILLARD: Madam Speaker, I ask the Leader of the Opposition to table the bill that he is referring to.

Mr ABBOTT: I am happy to table it; it shows an $800 increase.

Ms GILLARD (Lalor—Prime Minister) (14:04): I say to the Leader of the Opposition that we will take a look at the document that has been provided, because the routine performance of the opposition in this place has been to mislead about the content of bills that they have referred to in question time. We have seen that done before by members opposite, and then when we have had the opportunity to look at the bills and speak to the businesses involved we have seen the nature of the misleading.

But the Leader of the Opposition knows—and he should not mislead about this—that the modelled impact on electricity prices is 10 per cent. The Leader of the Opposition knows that as regulators around the country have made decisions about electricity pricing that has been bang-on with the modelling and in some states less than the modelling. That means that the assistance package was properly structured. That assistance package was designed to give people with fixed incomes, like pensioners, more assistance than they needed on average to deal with the flow-through impact of carbon pricing. The Leader of the Opposition ought not to be in here trying to add to his scare campaign which has already been viewed as ridiculous by Australians. Let us remember that Whyalla is on the map today, we are still mining coal today, Australians are still in work today, lamb roasts do not cost $100 today—this misleading campaign has been exposed as the sham it always was. (Time expired)
Economy

Mr SYMON (Deakin) (14:06): My question is to the Prime Minister. How is the government working to keep our economy strong for the future and to support working people along the way?

Ms GILLARD (Lalor—Prime Minister) (14:06): I thank the member for Deakin for his question. I know that the member for Deakin is very concerned that the people who live in his part of the world get the best of job opportunities and the benefits of a strong economy. He wants to see the people who live in his part of the world able to find work and to make a decent life for themselves and their families. Of course, in order to provide that opportunity, we need to keep the economy strong.

I know Australians are proud of the strength of the Australian economy, and they should be. They should be proud because we built the strength of the Australian economy together. The nation pulled together during the days of the global financial crisis to ensure that we came through that crisis strong, that we kept Australians in work. The IMF has just released its most recent forecast for global growth and it shows that since this government came to office we have become the 12th largest economy in the world, passing South Korea, passing Mexico and passing Spain. This is an achievement for a nation that we should be proud of—the 12th largest economy in the world. This is when our population is not in the top 50 countries in the world. So we are the 12th largest economy and we are not in the top 50 population wise. This is a true achievement for the Australian economy and for the Australian people.

We are one of the few countries that have kept a AAA credit rating. Unemployment and interest rates are low—lower than the average under the Howard government. A family with a $300,000 mortgage is now paying around $4,500 less in repayments than when we came to office, and someone earning $50,000 a year is paying $2,000 less in tax each year. We have created 800,000 jobs since this government came into office, and that is good news.

Whilst we have worked to keep the economy strong, we have also worked to bring decency to working Australians. There is no more important decision than the legislation which came into this parliament today to ensure wage justice for the people, predominantly women, who work in the social and community services sector, whose work has been historically undervalued precisely because they are women, because caring work is viewed to be innately women's work and of lesser value. That is an injustice corrected under this government, and $2.8 billion fully budgeted for and fully accounted for, the subject of legislation today, is reserved to give pay increases to these working Australians, predominantly women. We intend to keep building on this track record of decency and support for working Australians, but this is a red-letter day for the social and community services sector. (Time expired)

Electricity Prices

Dr SOUTHCOTT (Boothby) (14:09): My question is to the Prime Minister. I remind the Prime Minister of the statement of Paul Kerin, South Australia's independent essential services regulator, who said when asked if repealing the carbon tax would cut electricity prices: 'Yes,' and, 'We would look to make an adjustment at that time.' Isn't scrapping the carbon tax the best way to bring down electricity prices?

Ms GILLARD (Lalor—Prime Minister) (14:10): The member for Boothby well knows that the government said from the time that it announced the plan to put a price
on carbon that it would have an impact on electricity prices. We always said that. We always said to the people of Australia that there would be a flow-through impact as the biggest polluters paid the price on carbon. We wanted Australians to understand the facts. From the opposition what they got was reckless negativity. What they got was a scare campaign. What they got was a determined attempt to mislead the Australian people—ridiculous claims. Whyalla wiped off the map, no more coal mined, roasts at $100—all of these claims have shown to be ridiculous, shown to be the kind of thing that happens when this Leader of the Opposition switches onto reckless negativity, which is where it is stuck. On electricity prices—

Mr Pyne: Madam Speaker, on a point of order. The question was: isn't it true that if you cut the carbon tax you would cut electricity prices? The Prime Minister is making absolutely no attempt to answer that question at all. It is just the usual slag and bag—

The SPEAKER: The Manager of Opposition Business will resume his seat. The Prime Minister has the call and will refer to the question before the chair.

Ms Gillard: On electricity prices, of course the opposition has been out there with false claims too. They have talked about astronomical increases. The opposition know that the increase around the country has been what was predicted—10 per cent or less. The opposition know that that means that people have seen on average increases of $3.30 a week and on average assistance of $10.10 a week. Why doesn't the member for Boothby come into this place and say honestly and loudly to his constituents that he wants to see every increase in the pension, every increase in family payments, every increase that we have delivered, including a tax cut for working Australians, taken away? That is the logical conclusion of his question. The member for Boothby should also be honest enough to come into this place and say that in South Australia there have been large increases in electricity prices which are nothing to do with carbon pricing. He should be honest enough to say that.

On the question of accurate fact and electricity prices, having had a look at the document that was just tabled by the Leader of the Opposition, it says in relation to carbon pricing: 'This represents an estimated increase of 9.13 per cent for an average daily usage.' Once again the Leader of the Opposition switches onto reckless negativity. The one thing you will never hear from the Leader of the Opposition is anything that sounds like the truth about carbon pricing, or indeed anything else.

Mr Abbott (Warringah—Leader of the Opposition) (14:13): Madam Speaker, I ask a supplementary question to the Prime Minister. I refer to the note from Hetty Verolme to my office: 'To follow is the electricity account as stated. I used the same equipment such as heaters, washing machine, hot water bottle, ironing. Since the last two months I have no idea how it went up.' She has no idea how her bill more than doubled, increasing by $800. Are you saying that Hetty Verolme is fibbing? (Time expired)

Ms Gillard (Lalor—Prime Minister) (14:14): Let me be very clear to the Leader of the Opposition: I am concerned about the position of this pensioner and I am concerned about the position of every Australian pensioner. That is why I am proud to lead a government that delivered a historic pension increase and why I am proud to lead a government that increased the pension as part of our carbon pricing plan. What I will
not stand for and what I do not think any pensioner in Australia should have to stand for is the Leader of the Opposition using them as if they are political pawns in a game. The Leader of the Opposition should have looked at this electricity bill and he should have quoted in this parliament what it says about carbon pricing. It says this:

This represents an estimated increase of 9.13% for an average daily usage …

That is what it says. That represents the decisions that have been taken around the country on carbon pricing and its impact on electricity pricing. No amount of negativity, no amount of misleading, will change that.

Mr Pyne: Madam Speaker, I rise on a point of order. How can it be relevant for the Prime Minister to mislead the parliament by claiming that the increase is nine per cent when the Leader of the Opposition asked about 70 per cent of the increase in Western Australia being due to the carbon tax?

Mr Albanese: Madam Speaker, on the point of order—

Mr Dutton: What's this?

Mr Albanese: I am responding to the point of order. The fact that the question of the Leader of the Opposition was a supplementary to the first question, not to the second one, we let go, but the words are in a box. No wonder you did not want to table it.

The SPEAKER: As I have indicated before, points of order on process will not be allowed during question time. The Prime Minister has concluded her answer.

Economy

Mr CHEESEMAN (Corangamite) (14:16): My question is to the Treasurer. What does yesterday's International Monetary Fund World Economic Outlook say about the global economy and Australia's performance?

Mr SWAN (Lilley—Deputy Prime Minister and Treasurer) (14:17): I thank the member for Corangamite for his very important question. The IMF's World Economic Outlook does predict a slowing down in global growth in 2012 and 2013. The recession in Europe and moderating growth in the United States will have an impact in this region as well. Australia is not immune from these developments, and in addition to that we face the challenges of a higher dollar and a cautious consumer, which is putting some pressure on a number of industrial sectors.

However you look at the data, the Australian economy continues to walk tall in the world. The IMF is forecasting that the Australian economy will outperform every single major advanced economy in the world. I know that is something that everyone on this side of the House is extremely proud of. We are also proud of the fact that Australia is now ranked the 12th largest economy in the world based on GDP at market exchange rates. This is a very substantial achievement—up from 15th to 12th. As the Prime Minister has said, we have passed South Korea, Mexico and Spain. This is a very considerable achievement considering that we are the 51st largest country when it comes to population. Becoming the 12th largest economy in the world is a very substantial achievement and it reflects very well on all of the hard work of Australian workers and the hard work of Australian business.

You would have thought that this fact was welcomed by those opposite, but of course it is not welcomed by those opposite. They are talking down the economy. You would have thought that the Leader of the Opposition would stand up just once and welcome a positive piece of economic news for Australia; stand up just once and say, 'Isn't this great for Australia—I'm proud of what
has been achieved by Australian workers and by Australian business.’ But he will not do that—he is constantly talking the economy down and is constantly at war with the facts. A few weeks ago he said the Australian economy was not growing. Fact: the Australian economy is growing at 3.7 per cent. Last week he compared our economy to the economy of Greece. Greece is in its fifth year of recession. That is a fact.

The Leader of the Opposition may want to run his scare campaigns, but he is not entitled to make up the facts. The fact is that the Australian economy is growing and the fact is that there are challenges globally, but all of us can be confident in the knowledge that we have strong economic fundamentals. When the Leader of the Opposition runs down our economy, he demonstrates how unfit he is for high office.

Mr CHEESEMAN (Corangamite) (14:20): Madam Speaker, I ask a supplementary question. The Treasurer spoke about the facts of our economic performance. What do these mean for businesses and working people in my electorate, and why is it important to stick to the facts when talking about our economy?

Mr SWAN (Lilley—Deputy Prime Minister and Treasurer) (14:20): It is very important to acknowledge the impact of these policies when it comes to people at the local level right around Australia. For example, in Australia at the moment if you have a $300,000 mortgage you are paying $4,500 less a year in repayments. That is the benefit of lower interest rates—and our interest rates are far lower than anything ever achieved by those opposite. When those opposite were in power there were 10 interest rate rises in a row, after they had promised to keep them at record lows.

When it comes to jobs, when it comes to interest rates, when it comes to investment, Australians know that our economic fundamentals are among the strongest in the world. That is very important given the uncertainty in the global economy. What we need here is an understanding of the facts and an understanding of what good policy is. Scare campaigns will not produce the security that Australian families demand. There is a clear contrast here between a government which is putting in place a range of policies to support employment, putting in place good fiscal policy to ensure there is investment in this country, and the scare campaign from those opposite—a scare campaign which is deeply irresponsible.

Carbon Pricing

Mrs MARKUS (Macquarie) (14:22): Madam Speaker, I congratulate you on your election. My question is to the Prime Minister. I refer to this electricity bill from Bernadette and Mike Thompson who live with their six-year-old son Alexander in Lugarno in the electorate of Banks. Given that this bill has gone up by over $400, to $1,157, will the Prime Minister apologise to the Thompsons and other families, particularly those in Greater Western Sydney where the carbon tax has contributed up to 80 per cent of their recent price rises?

Mr Albanese: On a point of order, Madam Speaker: I ask that the letter from which the member for Macquarie is reading be tabled.

Mr Hockey interjecting—

The SPEAKER: Order! The member for North Sydney should be careful when talking about abuse of the standing orders.

Mr Pyne: On the point of order, Madam Speaker: if the Leader of the House wants to have a document tabled, he can do what the opposition does—ask for it at the end of answers or questions. Interrupting the answer from the Prime Minister to give the Prime Minister time to get an answer is outside the
standing orders. If he wants to get it tabled, he can do it at the end.

Mr Albanese: On the point of order, Madam Speaker: given that the last account had a box on it, it is not unreasonable to ask the opposition, if they want an accurate answer, to put forward the facts.

Ms GILLARD (Lalor—Prime Minister) (14:23): The member asking the question has not seen fit to table the documents. I am not sure why they are being covered up but I suspect it is because what we know to be the truth is transparent from the face of the bill or associated documents. The truth about electricity pricing in New South Wales is that carbon pricing, from 1 July, did cause a 10 per cent increase in electricity pricing. That is what happened. That is what the regulator determined.

That increase followed a large number of price rises in electricity in New South Wales which are deeply concerning to me because of the pressure they have put on the families of New South Wales—without assistance flowing from the state government. I am concerned, and I have publicly said this, about the approach being taken which is leading to the so-called gold plating of the network. This is a market failure which basically means that, the more they roll out the network, the more electricity assets get to earn. I am concerned too about what is happening with dividend streams to state governments and the impact that has on people like the family in New South Wales the member referred to—I think they are, as she said, actually constituents of the electorate of Banks.

So carbon pricing in New South Wales has caused a 10 per cent rise. What has the government done to assist? A family like that—I do not have their income details available to me—may well have been eligible for the tax cut. If, due to the need to care for the child, one of the parents involved works part time, they may well have gone from paying tax to paying no tax, because now you do not pay tax on the first $18,200 you earn. The family may have been eligible for the family payment increases—certainly they would have seen an increase if they are family payment recipients. We brought in those measures because we knew there would be a flowthrough impact on families.

Let us for once have the opposition try to have a mature debate about the facts. Let us see an end to the reckless negativity and to the false fear campaign. The track record so far today is one bill referred to and misrepresented in this parliament—it actually showed a 9.13 per cent increase because of carbon pricing. The nature of the misrepresentation of this bill I cannot judge because the documents are being covered up.

Mr Abbott: You are a piece of work.

Mrs Markus: I am not covering up the documents. I seek leave to table—

Ms Gillard: On a point of order, Madam Speaker: the Leader of the Opposition just referred to me as a 'piece of work'. I require that to be withdrawn.

The SPEAKER: I ask the Leader of the Opposition to withdraw.

Mr Abbott: I am happy to withdraw.

Mrs Markus: In the interests of transparency, I am more than happy to seek leave to table the document.

The SPEAKER: Is leave granted?

Mr Albanese: Yes, but transparency would require it to be tabled before the question.

Leave granted.

Opposition members interjecting—

The SPEAKER: Order! The member for Mackellar is warned.
Bushfires

Mr CRAIG THOMSON (Dobell) (14:28): My question is to the Minister for Sustainability, Environment, Water, Population and Communities. Just a few days ago, on the Central Coast, we experienced an early onset of the fire season. Once again we saw properties under threat from large bushfires. Yet the official warnings for dangerous fire conditions and extreme weather come under the Hunter, a separate region from ours. Despite improvements in town forecasts, regional Central Coast forecasts and warnings do not exist. When will the Bureau of Meteorology treat the Central Coast as a region in its own right with its own weather forecasts, warnings and observations?

Mr BURKE (Watson—Minister for Sustainability, Environment, Water, Population and Communities) (14:28): I thank the member for Dobell for his question. Particularly when it comes to issues of natural disasters, there is a very high degree of sensitivity about trying to make sure the information offered by the Bureau of Meteorology is as localised as possible. I can understand why that is a view very strongly held on the Central Coast, particularly after the recent early onset of the fire season.

I should note that weather forecasts themselves are provided on a very local basis. The bureau, for example, provides full seven-day weather forecasts for the Central Coast—I think you will find it is Norah Head, Gosford and, I think, Mangrove Mountain. But, as I understand it, the regional forecasts are tied to state government fire districts. At the moment, I think the Central Coast is tied in with the Hunter region. I would not want to depart from us having consistency between how the bureau operates and how the emergency services themselves seek to operate.

That said, I am very happy to ask the parliamentary secretary in the other place, who has responsibility for the issue, to raise this directly with both the bureau and the New South Wales authorities. The people of the Central Coast, understandably, want those warnings to be given in the most timely way and in the most localised way, and many of them would, quite rightly, regard the Hunter as being a long way from home, whether you are living in The Entrance, Terrigal or Gosford. So I will ask the parliamentary secretary to follow through with that action and report back directly to the member for Dobell.

Workplace Relations

Ms ROWLAND (Greenway) (14:30): My question is to the Minister for Community Services. How is the government making sure that some of our lowest paid workers in the social and community services sector are treated with fairness and justice in light of Fair Work Australia’s historic equal pay ruling?

Ms O’Dwyer interjecting—

The SPEAKER: The member for Higgins is warned!

Ms COLLINS (Franklin—Minister for Community Services, Minister for the Status of Women and Minister for Indigenous Employment and Economic Development) (14:30): I thank the member for Greenway for her very important question. I was really pleased this morning to introduce legislation into this place to ensure our contribution of $2.8 billion to fund pay increases for social and community services sector workers, as determined by Fair Work Australia, is secure for now and into the future. This government is creating the Social and Community Services Pay Equity Special Account to
deliver certainty to these workers and to the sector.

We know these workers are some of the lowest paid in Australia, and many of us are aware of the great work that they do as dedicated professionals, carrying out work in our communities every single day. They help women and children in refuges. They run support centres for people with disabilities. They lead teams of counselling professionals, manage family support programs and deliver emergency housing to those experiencing homelessness or mental illness.

We know that, for too long, this important work has been undervalued, and that is because it has been seen as a caring role, primarily women's work. That was until Fair Work Australia's historic equal remuneration order earlier this year. The government made a joint submission with the unions to Fair Work Australia in support of better pay and to address the gender pay gap in this sector. This ruling on equal pay was very significant, particularly for women, because 120,000 of the 150,000 workers covered by this order are women. This government really wants to ensure that these workers and their proper award are secure. From December of this year, the workers will receive increases—in nine instalments over eight years—of between 23 and 45 per cent.

The process of supplementation to the sector has been carried out in close cooperation and full disclosure with both the sector and the unions, and I want to thank both of them for their important work throughout this process. I know they have worked cooperatively with the government and with many government agencies over many months, and we have held roundtables in every state and territory with more than 500 sector representatives. The government have also set up a dedicated website to provide updates on this process.

Supplementation will be delivered through funding drawn down from the special account by eight Commonwealth agencies, and we have made this process as fair and transparent as we can. State governments will also receive funding through this special account, and we want to continue to work with the states and territories to ensure that these workers receive those pay rises and that this historic decision by Fair Work Australia is implemented.

The government's $2.8 billion contribution is fully funded and accounted for in our budget, and this special account shows our commitment to the services, to the sector and, of course, to closing the gender pay gap.

The SPEAKER: Before I call for the next question, I want to recognise students from the electorate of Gellibrand who are here in the gallery today. I would not normally do this but I had to stand them up today because of the events transpiring. I welcome them into the gallery.

Carbon Pricing

Mr RAMSEY (Grey) (14:33): My question is to the Prime Minister. I remind the Prime Minister of the more than 6,000 job losses in the resources sector since the introduction of the carbon and mining taxes on 1 July, including 1,500 job losses at the Red Hill coalmine, 1,000 job losses at Fortescue and 600 job losses at Xstrata. Does the Prime Minister still regard these job losses as 'mere growing pains', as she stated in February this year; and isn't this the worst time, Prime Minister, for the introduction of these taxes?

Ms GILLARD (Lalor—Prime Minister) (14:34): The member's question is misrepresentation based on misrepresentation: a misrepresentation of my
words and the context in which they were delivered, and—far, far worse—a misrepresentation to the Australian people and the people of his electorate about what is happening with jobs in our economy and what is happening in the resources sector. I would ask the member for Grey, who asked the question, one simple thing: is Whyalla still on the map today? And, if Whyalla is still on the map, then he knows the Leader of the Opposition has been involved in a reckless, destructive, negative fear campaign in relation to carbon pricing—

Mr Pyne: Madam Speaker, I raise two points of order. The first point of order is that the question was about people losing their jobs, and the Prime Minister is straying far from the question. The second is that the Prime Minister referred to the Leader of the Opposition as 'he' and, as I understand it—

The SPEAKER: The Manager of Opposition Business will resume his seat—

Mr Pyne: given the sensitivity of the Leader of the House! It is a sexist remark, apparently.

The SPEAKER: The Manager of Opposition Business will not abuse points of order at the dispatch box. The Prime Minister has the call and will refer to the question before the chair.

Ms GILLARD: I described the member's question as misrepresentation based on misrepresentation, with the biggest misrepresentation in it, the most important misrepresentation, being the misrepresentation about Australian jobs. Since we made the announcement about a carbon pricing scheme, 73,500 jobs have been created in our economy. That is what is happening with jobs in our nation: the number of jobs is going up.

Now, that does not mean that, even as the number of jobs within our nation continues to rise, there are not some businesses, there are not some projects, that are under pressure in the current economic circumstances. We have a high Australian dollar. We have seen some falls in commodity prices. Businesses, obviously, make commercial decisions—that happens in our economy every day—and those commercial decisions can really impact on Australian families. My heart always goes out to anyone who has lost their job—

Mr Dutton: Like Kevin!

Ms GILLARD: But what you should not do is add to that misery and heartache through misrepresentation. What you should not do is pretend to those people who are already dealing with a major lifetime event, the loss of a job—

Mr Dutton: Like Kevin!

Ms GILLARD: is peddle a mistruth to them.

The SPEAKER: The member for Dickson is warned!

Ms GILLARD: The question being asked here peddles a mistruth, and that ought not to be done. So, let us be very clear about carbon pricing. Jobs have continued to grow, with a carbon price. Our economy is strong, with a carbon price. We have low unemployment, with a carbon price. We have low inflation, with a carbon price. We have a record pipeline of investment, with a carbon price. And the list of the strengths of the Australian economy goes on. Now the opposition, for its own reckless purposes, constantly misrepresents these facts, but the Australian people are entitled to them.

DISTINGUISHED VISITORS

The SPEAKER (14:38): I inform the House that we have present in the gallery this afternoon members of a parliamentary delegation from Myanmar led by the Speaker of the Upper House of the Parliament, His Excellency U Khin Aung Myint, whom I had
the absolute pleasure of meeting last week in Laos. On behalf of the House, I extend a very warm welcome to our visitors.

Honourable members: Hear, hear!

QUESTIONS WITHOUT NOTICE

Family Payments

Mrs D’ATH (Petrie) (14:38): My question is to the Minister for Families, Community Services and Indigenous Affairs and Minister for Disability Reform. Will the minister outlined to the House how the government is helping Australian families with everyday expenses? What is the history of this support and what challenges exist to it today?

Ms MACKLIN (Jagajaga—Minister for Families, Community Services and Indigenous Affairs and Minister for Disability Reform) (14:38): I add my congratulations to you, Madam Speaker, on your elevation. I thank the member for Petrie very much for her question and congratulate her as well, as I have many times, for the outstanding work she does for her constituents, particularly for those families which really do need that extra help. It is of course the case that 12,500 families just in the electorate of Petrie have received additional help from this government to make sure—

Mr Pyne interjecting—

The SPEAKER: The member for Sturt has been warned once!

Ms MACKLIN: that they are able to meet their everyday expenses. It is this government that is also delivering extra help to families in the electorate of Petrie and in every other electorate in the country. In Petrie, 9,700 families are receiving extra help with the costs of sending their children to school. Of course, you do not trust families with managing their money.

We on this side of the House know how important it is to help families. That is why we were so pleased to deliver the Schoolkids Bonus in the middle of this year. It was this government that also delivered Australia’s first national Paid Parental Leave scheme and there are 1,400 families just in the electorate of Petrie who have already benefited from the Paid Parental Leave scheme.

We know that this lot over there had 12 years to implement paid parental leave. This Leader of the Opposition said that it would be introduced over his dead body. As the Minister for Community Services has just indicated, we continue to help families, particularly low-income working women who are responsible for their families. What we are delivering today in the legislation introduced by the minister is certainty of a pay rise, to make sure that families can meet their living expenses. I congratulate the Prime Minister and the minister concerned for the work they have done.

This all comes on a very special day: it is 100 years ago that Australia’s first family payment for mothers was introduced by the Fisher Labor government that said that it was delivered to see that every child born into the world should have a fair start in life, and of course I can let the House know that the conservatives then, just like the conservatives today, voted no—voted no 100 years ago—(Time expired)

Carbon Pricing

Mr BUCHHOLZ (Wright) (14:42): My question without notice is to the Prime Minister. I refer the Prime Minister to this power bill from Bunny Bite Foods in my electorate that clearly shows that the off-peak rate has increased by over 68 per cent. As a result of the carbon tax, they will be
paying an extra $32,000 a year. If Bunny Bite Foods could not trust the Prime Minister to keep her promise that 'There will be no carbon tax under a government I lead,' why should they believe anything that the Prime Minister says in the future?

**Mr Albanese:** Madam Speaker, I rise on a point of order. I would ask that the—

**Opposition members:** Sit him down!

**Mr Albanese:** Well, if you want information, surely there is no objection to tabling the document. I ask that the member table the document.

**The SPEAKER:** The Leader of the House will resume his seat. The Manager of Opposition Business will resume his seat. The Prime Minister has the call.

**Ms GILLARD** (Lalor—Prime Minister) (14:43): I thank the member for his question. The member would be aware that I have taken a large number of questions like this about the impact of carbon pricing on small business, and when the opposition has chosen to table the documents and we have analysed those documents, and, on occasion, spoken to the small businesses in question, what we have found is that the facts are very, very different from what the opposition comes in here and says as part of its reckless fear campaign. We find that they are two very different things, because they have always been two very different things—the truth versus the opposition's reckless fear campaign. So if the member at any point chooses to table the documents, we will look at them. But I would make the following point to the member, as I have made in this House before: small businesses are not directly paying the carbon price; that is paid by Australia's biggest polluters. Yes, there are costs that do flow through to small businesses. We have said that that would occur, and one of the reasons that we assisted households through tax cuts, through increased family payments, through increased pensions, is that we recognise that a number of businesses would pass those costs through. But let us be clear about the dimension: 0.7 per cent, less than one per cent, of CPI, of cost of living. Let us be clear about the dimension for families: an average of $10.10 assistance a week, which is more than the impact that families would expect to see.

On the question of small businesses, in terms of some facts that the member might want to be aware of, the Big Switch Projects report has been released, and this actually went to the costs of 66 businesses. It looked at their bills and tried to assess what has happened with carbon pricing. The Big Switch, of course, is a project being led to try and get people a cheaper electricity deal, and not because of the impact of carbon pricing but because of the impacts we have seen around the country of 50, 60, 70 per cent increases—the increases that the opposition from time to time denies exist, the 60, 70 per cent increases that we have seen in parts of the country. What this project found from those 66 businesses was that the average rise was 11 per cent, the equivalent of 2c per kilowatt hour.

So I would say to the member once again: do not be misled by the Leader of the Opposition into following his political tactics of reckless negativity. Instead, try and deal with those people in your electorate on the basis of the facts and what is actually happening. If the member wants to table the document then we will look at it and ascertain the facts.
The SPEAKER: Is the member for Wright seeking to table the document?

Mr Buchholz: Yes, please, Madam Speaker. On indulgence, with reference to the bill, the carbon tax charge has a line item—

The SPEAKER: The member for Wright will resume his seat. Is leave granted to table the document?

Mr Albanese: He did not say it.

The SPEAKER: I asked the member for Wright if he was seeking to table the document, and he said—

Mr Buchholz interjecting—

The SPEAKER: The member for Wright is seeking to table the document. Is leave granted?

Mr Albanese: He's a good bloke; yes.

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

The SPEAKER: The member for Sturt will resume his seat.

DISTINGUISHED VISITORS

The SPEAKER (14:47): I inform the House that we have present in the gallery this afternoon members of the ninth delegation from New Zealand who are visiting under the auspices of the Australian Political Exchange Council. Many people in this chamber have had the opportunity to visit other places under this scheme. It is a wonderfully well-run program. We hope you enjoy your time in Australia. On behalf of the House, I extend a very warm welcome to the members today.

Honourable members: Hear, hear!

QUESTIONS WITHOUT NOTICE

The SPEAKER (14:47): I call the Manager of Opposition Business on a point of order. We have no question before us. Is this a question about the operation of the House?

Mr Pyne: No, Madam Speaker; it is a point of order to you as Speaker. The Leader of the House described the member for Wright as a 'bloke'. I put it to you that if I described one of the members over there as a 'sheila' I would be accused of making a sexist remark, so I ask him to withdraw it.

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

Wheat Exports

Ms PARKE (Fremantle) (14:48): My question is to the Minister for Sustainability, Environment, Water, Population and Communities, representing the Minister for Agriculture, Fisheries and Forestry. Will the minister update the House on the progress of the government's reforms to deregulate the wheat market? Why did the government start this process? What arguments for and against deregulation has the government considered in developing its reforms?

Mr BURKE (Watson—Minister for Sustainability, Environment, Water, Population and Communities) (14:48): I thank the member for Fremantle for the question. The member for Fremantle, as one of the Western Australian members on this side of the House, is clearly in a position where she is intending to vote and support the interests of wheat farmers in Western Australia. This process began some years ago, and we should never forget the context in which this process began—a process where the corrupted AWB 'wheat for weapons' scandal needed to be undone. Back then, with the same position that the National Party adopts today, Brendan Nelson, as Leader of the Opposition, was willing to show a level of leadership and separate the way the National Party voted from the way the Liberal Party voted on a fundamental economic reform to restore probity to the
wheat-marketing system. It is a grave shame that the level of leadership that was shown by Brendan Nelson back then—

Mr McCormack interjecting—

The SPEAKER: The member for Riverina!

Mr BURKE: is completely absent from the chamber now. We should not make any mistake about what this is about—

Mr McCormack interjecting—

The SPEAKER: The member for Riverina will leave the chamber under the provisions of standing order 94(a).

The member for Riverina then left the chamber.

Mr BURKE: The defenders of AWB who want to go back to the glory days can continue to call out. They can continue to pine for the days when AWB was involved in scandal, but this government wants to get back to a very simple principle that a WA wheat farmer by the name of Mark Hyde said to me some years ago, when he said: 'It's my wheat; why can't I decide who I sell it to?'

Mr Windsor interjecting—

The SPEAKER: The member for New England is not assisting!

Mr BURKE: At its core, that is all this debate is about. Those opposite are actually wanting to go back to a period where farmers are not allowed to choose who they sell their own wheat to. What has happened to the economic policies of those opposite if we are in a situation now where the simplicity of being able to sell your own product to whoever you want to is something they will stand in the way of? Imagine if instead the argument was a farmer saying, 'I want to treat my workers however I want to.' They would be clambering over themselves to say, 'It's your business; do what you want.' They will provide a level of respect to wheat that they would never dare apply to workers, and that, at its heart, goes to what has happened here. Once again, when there is a divide between the economic principles that the Liberal Party used to always stand for and the demands that are put down by Barnaby Joyce and those from the National Party, those opposite, on every economic principle, will let the Nationals run the show, even at the expense of farmers being allowed to do what they want with their own wheat.

Budget

Mr TONY SMITH (Casey) (14:51): My question is to the Treasurer. I refer the Treasurer to his 2011-12 budget, which predicted a deficit of $22.6 billion, and I further refer the Treasurer to the Final Budget Outcome released just a fortnight ago, which revealed that the actual deficit for 2011-12 was $43.7 billion, a $21 billion blow-out between his promise and the outcome. Given that this government cannot seem to get a single budget number right, how can Australians trust the Treasurer when he says that he will find the savings to deliver a $1.5 billion surplus? (Time expired)

Mr SWAN (Lilley—Deputy Prime Minister and Treasurer) (14:52): I thank the member for his question. The first part of the answer is to make this very important point: we on this side of the House take the Charter of Budget Honesty very seriously. What we are doing is operating within the Charter of Budget Honesty and operating within a set of fiscal rules which will bring us back to surplus in 2012-13. And, of course, we did produce the Final Budget Outcome.

What the member fails to say and fails to acknowledge is the impact on government revenues of a write-down of $150 billion which was caused by the global financial crisis and the global recession. Those opposite pretend that that write-down has simply never happened. But they will not
come into this House and say what they would have done if they had been in the position that we were in when revenues were written down by $150 billion. What we on this side of the House have done is put in place a set of policies to make savings over time to bring the budget back into surplus—$100 billion worth of savings in our first four years, $33 billion in our last budget—and we will need to make more savings to come back to surplus in 2012-13 because there has been a further write-down of revenues, and that is what I stated in the Final Budget Outcome.

We are absolutely determined to bring our budget back to surplus, even though there are more difficult conditions. Why are we determined to do that? Because growth is at around trend, and in those conditions it is appropriate that we give the Reserve Bank maximum opportunity and room to move when it comes to interest rates. We on this side of the House have done that. We have put in place a responsible fiscal policy and made responsible savings, and we will do that in terms of the mid-term update that will come by the end of the year.

There is a very clear contrast between that approach and the approach of those opposite, who have a $70 billion hole in their budget bottom line, and they are not going to tell anybody how they intend to fill it. On our side of the House, we are complying with the Charter of Budget Honesty, and we will do that in terms of the mid-term update that will come by the end of the year.

Mr SWAN: It is very clear that they do not take these processes seriously. The shadow Treasurer said on breakfast television, sitting beside the minister for the environment, that there was a $70 billion crater in their budget bottom line.

The SPEAKER: The Treasurer will refer to the question before the chair.

Mr SWAN: We will bring the budget back to surplus. We will do it and outline all of our savings in the mid-term economic update. Those opposite intend to hide their future plans, which at least $70 billion worth—(Time expired)

Carbon Pricing

Ms SAFFIN (Page) (14:56): Madam Speaker, as it is my first opportunity to address you, I want to congratulate you on your election to the role of the Speaker. I know that you will serve this parliament well.

My question is to the Minister for Climate Change and Energy Efficiency and Minister for Industry and Innovation. Minister, the carbon price has now been in place for more than three months. What are the facts about its impact so far on the Australian economy, and, when it comes to tackling dangerous climate change, why is it important that we rely on facts and not fear?

Mr COMBET (Charlton—Minister for Industry and Innovation and Minister for Climate Change and Energy Efficiency) (14:56): Thank you to the member for Page for her question. The carbon price mechanism has now been in place, as the member for Page indicated, for in excess of 100 days. Of course, before it started on 1 July, the Leader of the Opposition made countless dire predictions of the plague and the pestilence and destruction that would be wrought upon the Australian economy, Australian businesses and Australian households. Not a single one of them was
based in fact, and every single one of them has been proven to be completely mendacious.

It is worth revisiting some of these dire predictions that the Leader of the Opposition has made. Whyalla, of course, was to be wiped off the map, and we had a question earlier from the member for Grey about Whyalla and the region. The Mayor of Whyalla in fact has recently indicated that the town is 'kicking goals'. In fact, jobs and investment are growing.

The Leader of the Opposition predicted that whole other regions of the country would be destroyed. Gladstone would be destroyed. There is $42 billion worth of investment in LNG alone going into Gladstone now. What a ridiculous proposition from a senior political leader in this country!

He predicted the death of the coal industry, but in 2012 it is predicted that our steaming coal exports will increase by no less than 12 per cent to 165 million tonnes—in this calendar year. In fact, in my home town we are discussing the development of a further coal loader because of the demand for coal. So much for that one.

The Leader of the Opposition predicted the death of the steel industry, the wiping out of the steel industry in this country, but what have we recently seen? A takeover bid led by Posco, a South Korean company, for OneSteel, now known as Arrium—a takeover bid for one of the companies that the Leader of the Opposition said would be completely annihilated by carbon pricing.

He predicted the death of manufacturing. There have been 9,000 extra manufacturing jobs since 1 July—9,000 more in the manufacturing industry. The Leader of the Opposition predicted unimaginable price increases, but the RBA could not find them, from the minutes of the last meeting that the RBA published. And of course we have seen the electricity price claims repeated here today.

The trouble is that they do not even do enough work to know that these are tariffs which are published in Western Australia in circumstances where the Barnett government has increased tariffs by 60 per cent and where the regulated tariff for carbon is 9.13 per cent. Take the effort to read it on the bill before you give that a run next time. Everything that has been said has been completely mendacious. *(Time expired)*

**Workplace Relations**

Ms JULIE BISHOP (Curtin—Deputy Leader of the Opposition) (14:59): My question is to the Prime Minister. I refer the Prime Minister to the revelation in the *Sydney Morning Herald* that the Electoral Trades Union, an organisation regulated by the Fair Work Act, has purchased a million-dollar mansion in Oyster Bay, complete with five bedrooms and a butler's pantry, for one of its officials. Does the Prime Minister believe that it is appropriate that union members funds be used to purchase homes for union officials?

**The SPEAKER:** The question is out of order, as it has no relevance to the Prime Minister's role.

**Mr Pyne:** Madam Speaker, I rise on a point of order. With the greatest of respect: the Electrical Trades Union is a union regulated by the Fair Work Act; the Fair Work Act is an act of this parliament; the Prime Minister is responsible for all legislation passed by this parliament; and therefore it is entirely—

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

**Mr Pyne:** Further to the point of order: speakers have routinely and for many decades ruled that questions asked about
matters raised in the press—whether in the print media or other media—are fair game for questions in this House, especially if it is a question where the Fair Work Act regulates the particular organisation. So on two points—

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

Mr Pyne interjecting—

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

Mr Pyne interjecting—

The SPEAKER: The Manager of Opposition Business will leave the chamber under 94(a). The Manager of Opposition Business continues to ignore my calls. I had asked him to resume his seat.

The member for Sturt then left the chamber.

Ms Roxon: In addition to that point of order: by that line of reasoning, every question about every corporation which is regulated by legislation also governed by this House and by the Commonwealth and every question about a house owned by every CEO of every corporation could be asked of the Prime Minister, which is clearly not appropriate.

Mrs Bronwyn Bishop: Madam Speaker, on a point of order: the practice states that ministers are to be informed about matters that are in the press each day and that question time is for having information elicited. They are expected to be on top of issues in the press, and accordingly the question should be answered.

The SPEAKER: If the Deputy Leader of the Opposition wishes to rephrase the question in the context of an act that may have authority in the parliament, as opposed to seeking just in respect of press issues, there may be some relevance to the Prime Minister or the relevant minister. But the phraseology of the question did not provide that.

Workplace Relations

Ms JULIE BISHOP (Curtin—Deputy Leader of the Opposition) (15:03): My question is to the Prime Minister. I refer the Prime Minister to the Fair Work Act, which regulates organisations—including the Electrical Trades Union. Does the Prime Minister believe that the act sufficiently covers a circumstance where the union has purchased a million-dollar mansion in Oyster Bay, complete with five bedrooms and a butler's pantry, for one of its officials? Does the Prime Minister believe that the act adequately covers that kind of purchase?

Ms GILLARD (Lalor—Prime Minister) (15:03): When the government was elected, we were elected on a platform to get rid of Work Choices and introduce Fair Work—and we did. When we introduced Fair Work, we of course swept Work Choices away, but, in respect of the provisions for registered organisations—that is, the legal architecture for both the trade unions and employer organisations—we did not change those provisions. We re-enacted them—they obviously needed updating because we created Fair Work Australia, so the terminology changed—but the provisions regulating registered organisations were kept as they were under the Howard government. I make that point as No. 1.

As No. 2, I would make the following points. The misuse of union members' money is of course wrong. The misuse of employer organisations of the stipend paid by employers to their organisations is wrong. Anyone who has an allegation of misuse, whether it is in a trade union or in an employer organisation, should report that expected misuse to the appropriate regulator and then it should be fully and appropriately investigated and dealt with. I would take
exactly the same attitude to this as I take to fraud and poor conduct in corporations and to dishonesty generally. Anybody who has an allegation of dishonest conduct should take it to the appropriate authority to be dealt with.

Mental Health

Mr GEORGANAS (Hindmarsh) (15:05): My question is to the Minister for Mental Health and Ageing and Minister for Social Inclusion. On World Mental Health Day we reflect on the fact that good mental health in our community is founded on respecting and caring for and valuing our fellow Australians. Will the minister advise the House of the progress that the government has made in reforming the mental health sector?

Mr BUTLER (Port Adelaide—Minister for Social Inclusion, Minister for Mental Health and Ageing and Minister Assisting the Prime Minister on Mental Health Reform) (15:05): I thank the new Second Deputy Speaker for his important question. It is important because mental illness is still the single largest cause of disability in Australia. One in five Australians will live with mental illness this year, and one in three will experience it at some point in their life. But we know that, with the right supports, those Australians can recover—if not always permanently and completely then certainly to the point of being able to live contributing lives in our community.

As the Second Deputy Speaker has said, today is World Mental Health Day; and, I acknowledge, it is the first ADF Mental Health Day being commemorated in our defence and veterans communities. These are occasions to reflect on whether we all are giving enough supports to the millions of Australians living with mental illness. Most importantly as governments, we reflect on the degree to which we are providing services that reflect people's needs, to make sure that they are properly coordinated, particularly for the most severely unwell in our community, which is the objective of the new Partners in Recovery program; on the degree to which we are making sure they are well targeted to young people, where most disorders emerge, hence our focus on expanding services like KidsMatter, headspace and early psychosis centres; and on the degree to make sure they are available in a range of forms, including online. Today I have announced a three-year, $16 million agreement with Access Macquarie to operate a virtual clinic attached to the mental health online portal, mindhealth connect, which will give virtual online support to people needing counselling services, building on the 24/7 clinic already available to young Australians through eHeadspace.

But perhaps the more challenging question to reflect on is how we continue to draw down the stigma associated with mental illness, how we get to a point where people feel as comfortable talking about mental illness as they feel talking about kidney disease or a crook knee. And although we still have a long way to go, we should recognise that we have made significant progress as a nation in recent years in reducing the stigma of mental illness. I must say that has largely been through the extraordinary courage that people who live with mental illness have shown, whether as consumers or carers publicly talking about their experiences—people like Jessica Rowe, who gave a public lecture last night here in Canberra about her battle with postnatal depression, a lecture that I suspect we all wish we were able to attend, and not only to show Jessica our support.

We should also recognise that leadership from this place across political lines has also been enormously influential in lifting the
profile of mental health. But on this day of all days it is important that we remember that that leadership also involves us demonstrating how to prosecute points of difference forcefully while also respecting the dignity and the occasional vulnerability that we all have as human beings. *(Time expired)*

Mr GEORGANAS (Hindmarsh) (15:09): Madam Speaker, I ask a supplementary question. Further to the update on Defence mental health, can the minister update the House on the important work the government is doing in reforming the treatment and management of mental health in the ADF?

Mr BUTLER (Port Adelaide—Minister for Social Inclusion, Minister for Mental Health and Ageing and Minister Assisting the Prime Minister on Mental Health Reform) (15:09): Again, I thank the new Second Deputy Speaker for his question. We have seen extraordinary public coverage over recent months about the mental health issues that are associated with the service that our ADF personnel give to our country, whether that is service here in Australia or, particularly, service overseas in Afghanistan, Iraq and other theatres of conflict or peacekeeping. This is not a new issue. Previous generations associated with conflicts like World War I, World War II, Vietnam most notably, but many others as well, have experienced mental health issues that in those days went by many different names, whether it was shell shock or, more recently, post-traumatic stress disorder.

As I indicated in my last answer, this week saw the inaugural ADF Mental Health Day, which coincides with today’s World Mental Health Day on 10 October. The day highlights the extraordinary work that is being done to ensure that members of the ADF are in top condition mentally and also breaks down the stigma that we continue to see within the ADF about mental health issues, as we see in other areas of our community. The government, the defence community and DVA are committed to ensuring that mental health care is available and is taken up, most importantly, by past and present members of the defence community as well as our veterans. Early identification of those issues is incredibly important, and it finally gets the recognition it deserves with this inaugural day.

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

STATEMENTS ON INDULGENCE

Mental Health

Mr DUTTON (Dickson) (15:11): I just wanted to join, on behalf of the coalition, with the government. Many of us have said on many occasions in this place that the fight against the stigma surrounding mental health is a top priority for this parliament. Lots of work has been done by both sides of parliament over a long period of time to try to provide support to people suffering from mental illness. That work will continue with the support of the coalition. I am very pleased to hear about the work that is being done, particularly in support of our soldiers who are returning from difficult conflicts, and the support ultimately provided otherwise for their families, which is a very important part of the way in which we address what has been a very difficult issue for many families for many decades.

DOCUMENTS

Presentation

Mr ALBANESE (Grayndler—Leader of the House and Minister for Infrastructure and Transport) (15:11): 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:

Department of Families, Housing, Community Services and Indigenous Affairs—Report for 2011-12.

Debate adjourned.

PERSONAL EXPLANATIONS

Mr ABBOTT (Warringah—Leader of the Opposition) (15:12): Madam Speaker, I wish to make a personal explanation.

The SPEAKER: Does the honourable member claim to have been misrepresented?

Mr ABBOTT: Yes.

The SPEAKER: Please proceed.

Mr ABBOTT: Madam Speaker, in question time today the Minister for Climate Change and Energy Efficiency accused me of making misleading statements about the impact of the carbon tax. The statement that Whyalla would be wiped off the map was in fact first made by the state Secretary of the Australian Workers' Union, Mr Wayne Hanson. And, as for Gladstone, this very day Queensland Alumina has announced job losses in that city.

The SPEAKER: The Leader of the Opposition will resume his seat. He needs to demonstrate where he has been misrepresented.

BUSINESS

Rearrangement

Mr ALBANESE (Grayndler—Leader of the House and Minister for Infrastructure and Transport) (15:12):

I move:

That, for the remainder of this sitting, unless otherwise ordered, so much of the standing and sessional orders be suspended as would prevent:

(1) the House continuing to sit until a Minister has replied to the debate on the Clean Energy Amendment (International Emissions Trading and Other Measures) Bill 2012 and 6 related bills or 11 p.m., whichever is the earlier, at which time the House shall automatically stand adjourned until 9 a.m. tomorrow morning;

(2) during the period from 7 p.m. until the adjournment of this sitting any division on a question called for in the House, other than on a motion moved by a Minister during this period, shall stand deferred until 9 a.m. tomorrow morning;

(3) during the period from 7 p.m. until the adjournment of this sitting if any member draws the attention of the Speaker to the state of the House, the Speaker shall announce that the House will be counted at 9 a.m. tomorrow morning, if the Member then so desires; and

(4) any variation to this arrangement to be made only by a motion moved by a Minister.

I thank the Manager of Opposition Business for his cooperation in sorting out this motion. This means that, after the MPI, we will go to the debate on the clean energy bills. Debate on those bills will be concluded but, because people do have functions to attend this evening, there will not be votes in the chamber from 7 pm. This basically saves the need for the parliament to sit late tomorrow, which is always problematic in terms of people leaving parliament on the Thursday. So if there are votes on the clean energy bills, the divisions will take place first thing
tomorrow morning. I commend the motion to the House.

For the benefit of members I foreshadow the next motion, which is to refer the Dental Benefits Amendment Bill 2012, which I think is being supported across the chamber, to the Federation Chamber for conclusion this afternoon. I thank members, particularly the shadow minister, for their cooperation on this matter.

Mr OAKESHOTT (Lyne) (15:15): I rise to make the same point that I made yesterday and which I made at the end of the last sitting—that is, that there is a long list of private members' votes waiting for the consideration of this chamber. I continue to raise this point, that some of those votes from private members have been waiting to be dealt with for over four sitting weeks. I urge you, Madam Speaker, and the Leader of the House to bring those on as a matter of some urgency.

Question agreed to.

BILLS

Dental Benefits Amendment Bill 2012

Reference to Federation Chamber

Mr ALBANESE (Grayndler—Leader of the House and Minister for Infrastructure and Transport) (15:16): by leave—I move:

That the Dental Benefits Amendment Bill 2012 be referred to the Federation Chamber for further consideration.

Question agreed to.

COMMITTEES

Selection Committee

Report

The SPEAKER (15:16): I present report No. 67 of the Selection Committee, relating to the consideration of committee and delegation business and private members' business on Monday, 29 October 2012. The report will be printed in the Hansard for today and the committee’s determinations will appear on tomorrow’s Notice Paper. Copies of the report have been placed on the table.

The report read as follows—

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

1. The committee met in private session on Tuesday, 9 October 2012.
2. The committee determined the order of precedence and times to be allotted for consideration of committee and delegation business and private Members’ business on Monday, 29 October 2012, as follows:

Items for House of Representatives Chamber (10:10 am to 12 noon)

COMMITTEE AND DELEGATION BUSINESS

Presentation and statements

1 Standing Committee on Regional Australia

Report of the Delegation to Canada and Mongolia

The Committee determined that statements on the report may be made — all statements to conclude by 10:15 am.

Speech time limits —

Mr Windsor — 5 minutes.

[Minimum number of proposed Members speaking = 1 x 5 mins]

2 Joint Standing Committee on Foreign Affairs, Defence and Trade

Report on Inquiry into Australia’s Overseas Representation

The Committee determined that statements on the report may be made — all statements to conclude by 10:25 am.

Speech time limits —

Mr Champion — 5 minutes.

Next Member speaking — 5 minutes.

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

3 Standing Committee on Infrastructure and Communications
Update on the progress of the Committee’s current inquiry into IT Pricing in Australia

The Committee determined that statements on the inquiry may be made — all statements to conclude by 10:35 am.

Speech time limits —

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

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

4 Joint Select Committee on Gambling Reform

Inquiry into the prevention and treatment of problem gambling

The Committee determined that statements on the report may be made — all statements to conclude by 10:45 am.

Speech time limits —

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

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

PRIVATE MEMBERS’ BUSINESS

Notices

1 MR KATTER: To present a Bill for an Act to require fair indexation of military pensions, and for related purposes. (Fair Indexation of Military Pensions Bill 2012) (Notice given 13 September 2012.) Notice will be removed from the Notice Paper unless called on any of the next 8 sitting Mondays including 29 October 2012.)

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

2 MR OAKESHOTT: To present a Bill for an Act to continue the National Electricity Law as a Commonwealth law, and for other purposes. (National Electricity Bill 2012) (Notice given 20 September 2012.)

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

3 MR WILKIE: To present a Bill for an Act to strengthen public integrity by encouraging and facilitating the disclosure of corruption, maladministration and other wrongdoing in the Commonwealth public sector, by protecting public officials who make disclosures, and for related purposes. (Public Interest Disclosure (Whistleblower Protection) Bill 2012) (Notice given 9 October 2012.)

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

4 MR WILKIE: To present a Bill for an Act to deal with consequential matters in connection with the Public Interest Disclosure (Whistleblower Protection) Act 2012, and for related purposes. (Public Interest Disclosure (Whistleblower Protection) (Consequential Amendments) Bill 2012) (Notice given 9 October 2012.)

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

5 MR NEUMANN: To move:

That this House:
(1) recognises that the rates of employment for people with disability in Australia is significantly less than people without disability;
(2) commends the efforts taken so far by disability advocates and a number of big and small businesses that are working to remedy this concerning trend;
(3) acknowledges the significant economic and productivity benefits of having in work, more Australians with disability; and
(4) calls on the Government to:

    (a) engage with the Australian Securities Exchange (ASX) about the merits of the ASX extending its Corporate Governance Principles and Recommendations to require reporting on the employment of people with disability; and

    (b) explore ways to ensure companies employing more than 100 employees report on their efforts to employ more people with disability. (Notice given 11 September 2012.)

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

Speech time limits —

Mr Neumann — 10 minutes.
Next Member speaking — 10 minutes.
Other Members — 5 minutes each.

[Minimum number of proposed Members speaking = 2 x 10 mins + 3 x 5 mins]

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

Items for House of Representatives Chamber (8 to 9:30 pm)

PRIVATE MEMBERS’ BUSINESS — continued

Notices — continued

6 MR ABBOTT: To move:

That this House:

(1) notes that:

(a) since the devastating terrorist attacks in the United States on 11 September 2001, over 100 Australians have died and many others have suffered injury as a result of terrorist attacks overseas;

(b) the victims of ‘September 11’, the two Bali bombings, the London and Jakarta bombings and the Mumbai terrorist attacks, were targeted because they were citizens of countries where people could choose how they lived and what faith they might follow; and

(c) 12 October 2012 will mark the tenth anniversary of the 2002 Bali bombings;

(2) recognises that:

(a) many Australian families continue to suffer as a result of their loss and injury from overseas terrorist acts;

(b) victims of overseas terrorism have not been entitled to compensation such as that received by domestic victims of crime under the various State and Territory victims of crime schemes; and

(c) the Government did not support amendments to the Social Security Amendment (Supporting Australian Victims of Terrorism Overseas) Bill 2012 which would have provided assistance for any action after 10 September 2001; and

(3) supports the Coalition’s request that the Minister make the appropriate retrospective declarations so that all of the Australian victims of overseas terrorism acts since 10 September 2001, or their next of kin, can receive this important, but modest, help. (Notice given 20 September 2012.)

Time allotted — remaining private Members’ business time prior to 9:30 pm.

Speech time limits —

Mr Abbott — 10 minutes.

Next 5 Members speaking — 10 minutes each.

Other Members — 5 minutes each.

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

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

Items for Federation Chamber (approx 11 am to approx 1:30 pm)

PRIVATE MEMBERS’ BUSINESS

Notices

1 MR BANDT: To move:

That this House:

(1) affirms that science is central to our economy and prosperity and that government investment in research is central to maintaining and growing Australia’s scientific capacity;

(2) notes the:

(a) growing concern amongst the science and research community about the security of funding; and

(b) risks to jobs and the economy if funding is not secured, especially in Victoria where much of Australia’s health and medical research is conducted; and

(3) calls on the Treasurer to:

(a) guarantee that science and research funding will be protected this financial year; and

(b) rule out any attempt to defer, freeze or pause Australian Research Council, National Health and Medical Research Council, or other science and research grants in an attempt to achieve a Budget surplus. (Notice given 20 September 2012.)

Time allotted — 30 minutes.

Speech time limits —

Mr Bandt — 5 minutes.

Other Members — 5 minutes each.
Orders of the day
1 CODE OF CONDUCT FOR MEMBERS OF PARLIAMENT: Resumption of debate (from 17 September 2012) on the motion of Mr Oakeshott:

That this House:

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

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

Time allotted — 20 minutes.

Speech time limits —

All Members — 5 minutes each.

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

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

Notices — continued
2 MS SMYTH: To move:

That this House:

(1) recognises the reliance of many families and individuals across our community on penalty rates as a key component of their income, particularly our lowest-paid workers;

(2) acknowledges that work-life balance is important to the health and welfare of workers, families and our community;

(3) recognises that penalty rates often compensate workers for time they may otherwise spend with family; and

(4) opposes measures that would remove or undermine penalty rates. (Notice given 12 September 2012.)

Time allotted — 60 minutes.

Speech time limits —

Ms Smyth — 10 minutes.

Next Member speaking — 10 minutes.

Other Members — 5 minutes each.

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

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

3 MR COULTON: To move:

That this House:

(1) acknowledges the sacrifices made by those who have served Australia in past and present wars and conflicts and the importance of Remembrance Day in honouring those who have fallen; and

(2) notes that many Indigenous servicemen and women have also made valuable contributions to the Australian Defence Force, and that:

(a) in the past these contributions have not been fully acknowledged and recognised;

(b) historically many people of Aboriginal and Torres Strait Islander background experienced difficulties in enlisting due to their race;

(c) the full extent of the contribution of Indigenous peoples to past wars and conflicts is a subject that is still being researched today;

(d) more information will only add to the valuable wealth of knowledge that informs Australia’s commemoration ceremonies and enriches the historic record;

(e) it is estimated that at least 400 Aboriginals or Torres Strait Islanders served in the First World War, and between 3000 and 6000 in the Second World War, and limited historical records indicate that these figures may have been much higher; and

(f) the maintenance of all war memorials, including those dedicated to the efforts of Indigenous people, should be a national priority. (Notice given 17 September 2012.)

Time allotted — remaining private Members’ business time prior to approx 1:30 pm.

Speech time limits —

Mr Coulton — 10 minutes.
Next 3 Members — 10 minutes each.

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

The Committee determined that consideration of this matter should continue at a later hour.

Items for Federation Chamber (approx 6:30 to 9 pm)

PRIVATE MEMBERS’ BUSINESS

Notices — continued

3 MR COULTON: To move:

That this House:

(1) acknowledges the sacrifices made by those who have served Australia in past and present wars and conflicts and the importance of Remembrance Day in honouring those who have fallen; and

(2) notes that many Indigenous servicemen and women have also made valuable contributions to the Australian Defence Force, and that:

(a) in the past these contributions have not been fully acknowledged and recognised;

(b) historically many people of Aboriginal and Torres Strait Islander background experienced difficulties in enlisting due to their race;

(c) the full extent of the contribution of Indigenous peoples to past wars and conflicts is a subject that is still being researched today;

(d) more information will only add to the valuable wealth of knowledge that informs Australia’s commemoration ceremonies and enriches the historic record;

(e) it is estimated that at least 400 Aboriginals or Torres Strait Islanders served in the First World War, and between 3000 and 6000 in the Second World War, and limited historical records indicate that these figures may have been much higher; and

(f) the maintenance of all war memorials, including those dedicated to the efforts of Indigenous people, should be a national priority.

(Notice given 17 September 2012.)

Time allotted — 50 minutes.

Speech time limits —

All Members — 5 minutes each.

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

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

4 MR HUSIC: To move:

That this House notes:

(1) with deep concern, proposals being advanced to automatically return any Sri Lankan national seeking asylum in Australia; and

(2) that:

(a) this is a policy that would target only one group of asylum seekers originating from only one particular country;

(b) the automatic return of Sri Lankan nationals without the processing of their claims for asylum fails to comply with the Refugee Convention; and

(c) if enacted, the policy would forcibly return asylum seekers to a country that is not a party to the Refugee Convention. (Notice given 11 September 2012.)

Time allotted — 30 minutes.

Speech time limits —

Mr Husic — 10 minutes.

Next Member speaking — 10 minutes.

Other Members — 5 minutes each.

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

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

5 MS RISHWORTH: To move:

That this House:

(1) notes the significant impact of the United Kingdom Government’s refusal to index pensions allocated to British expatriates living in Australia under the United Kingdom’s National Insurance Fund;

(2) recognises that:

(a) affected British pensioners have made contributions to this scheme;

(b) British pensions for expatriates continue to be indexed in numerous other countries including the United States of America and within the European Union, but are frozen in mostly former
Commonwealth countries, including Australia, Canada, New Zealand and South Africa; and (c) the United Kingdom Government’s: (i) current policy discriminates in its treatment of its expatriate pensioners depending on their country of residence; and (ii) unfair and discriminatory policy has resulted in the erosion of the purchasing power of British pensions for more than 250,000 British pensioners living in Australia; (3) acknowledges: (a) that through the Australian pension system, the Australian Government provides more than $100 million each year to recipients of a British pension living in Australia, which helps supplement the shortfall created by the United Kingdom Government’s frozen pension policy; and (b) the ongoing efforts of the Australian Government in making repeated representations to the United Kingdom Government, calling on it to address the issue of frozen pensions for British expatriates living in Australia; (4) commends the Minister for Families, Community Services and Indigenous Affairs for her continued efforts in raising the issue with the United Kingdom Government, most recently during her meeting with the United Kingdom Secretary of State for Work and Pensions; and (5) calls on the United Kingdom Government to: (a) support the Meals on Wheels Australia’s initiative to research new ways to improve the nutritional status of elderly Australians; and (b) recognise that this initiative to improve nutrition has the potential to change the health, happiness and well-being of elderly Australians. (Notice given 20 September 2012.) Time allotted — 20 minutes. Speech time limits — Mr Coulton — 5 minutes. Other Members — 5 minutes each. [Minimum number of proposed Members speaking = 4 x 5 mins] The Committee determined that consideration of this matter should continue on a future day. 7 MS HALL: To move: That this House: (1) notes that: (a) October is Breast Cancer Awareness Month, and that Monday 22 October 2012 is Pink Ribbon Day; (b) breast cancer is the most common cancer in Australian women (excluding melanoma) and the second leading cause of cancer-related death in Australia; and
(c) the incidence of breast cancer in Australia is increasing; and
(2) encourages all women to have a mammogram every two years. (Notice given 9 October 2012.)

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

Speech time limits —
Ms Hall — 5 minutes.
Other Members — 5 minutes each.

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

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

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

Order of the Day—
Newstart payments (Mr Bandt)

BILLs

Environment Protection and Biodiversity Conservation Amendment (Independent Expert Scientific Committee on Coal Seam Gas and Large Coal Mining Development) Bill 2012

Consideration of Senate Message
Message received from the Senate acquainting the House that the Senate does not insist on its amendments disagreed to by the House and has agreed to the amendments made by the House in place of them.

MATTERs OF PUBLIC IMPORTANCE

Budget

The SPEAKER (15:17): I have received a letter from the honourable member for North Sydney proposing that a definite matter of public importance be submitted to the House for discussion, namely:

The urgent need for the Government to provide accurate information on Australia’s current budgetary position.

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

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

Mr HOCKEY (North Sydney) (15:17): I rise to discuss a matter of grave public importance—that is, the failure of the government to be honest with the Australian people about the state of the economy and the budget. Just yesterday the Treasurer said in relation to the release of the IMF Global Outlook Report:

The IMF’s World Economic Outlook (WEO) has reaffirmed the strength of Australia’s economic fundamentals …—

and—

The Australian economy remains the standout performer of the developed world, with solid growth, low unemployment, contained inflation, strong public finances and an enormous pipeline of investment in resources …

Sometimes I think that the Treasurer lives in a parallel universe, where he is in denial about the true state of the nation. I hate to rain on the Treasurer’s parade, but the IMF was not signalling that all is fine with the Australian economy. The IMF revised down its outlook for Australia. The growth forecast for Australia for 2013 was downgraded substantially, from 3.5 per cent to three per cent. The three per cent growth in 2013 will be a marked slowdown from the 3.3 per cent forecast for 2012.

The IMF forecasts that the Australian unemployment rate will rise, from 5.2 per cent the year before, to 5.3 per cent in 2013. This is an increase on the current level of 5.1 per cent. Of course, the IMF has not taken any explicit account of the deterioration in the employment participation rate in Australia as Australians give up looking for work.
The IMF also exposed the Gillard government on its claim that taxes have come down under Labor. The Treasurer recently claimed that this government has already delivered three rounds of personal income tax reforms or, if you like, cuts.

Senator Wong, the Minister for Finance and Deregulation, told the Senate three weeks ago that Australia has cut income tax. Yet the IMF Fiscal Monitor, also released yesterday, showed that Australia has increased both corporate and personal income taxes since 2009.

The Australian economy is facing severe headwinds. The Treasurer's deceit on tax and spending does nothing to instil confidence that he has the capacity to meet the challenges. Even the Reserve Bank is now expressing unease about the prospects for the economy.

Last week's reduction in the cash rate, to 3.25 per cent, took it to levels only one cut away from the lows reached during the financial crisis. The Reserve Bank are cutting interest rates not because the Australian economy is doing well but because the Australian economy is deteriorating. Now we are only one interest rate cut away from the three per cent level that the Treasury described as 'interest rates at emergency levels'. So we are one cut away from emergency levels of a cash rate. So, clearly, the Reserve Bank now see the commodity investment boom coming off the boil. They said in their statement:

… the peak in resource investment is likely to occur next year, and maybe at a lower level than earlier expected.

They went on to say that 'the labour market has generally softened somewhat in recent months'. They suggest:

… the growth outlook for next year looked a little weaker …

But, if you believe the Treasurer, everything is rosy, everything is terrific and we are going up the league table of the size of the world economies. But what he fails to explain is that the people who are falling off the table are Spain, Mexico and a range of other countries. The Treasurer constantly compares us to some of the worst performers and not the best performers, because he is a man who advocates and believes in mediocrity, just like his Assistant Treasurer. Mediocrity: that is what those opposite believe in. Although the Reserve is usually careful not to comment on government policy, it comes straight out and says:

The introduction of the carbon price is affecting consumer prices in the current quarter and this will continue over the next couple of quarters. So the carbon tax is actually making things worse. We have the labour markets softening up. We have the cash rate coming down to near emergency levels. We have business confidence down. We have business investment coming off. And what does the government do? It introduces a mining tax and a carbon tax, which increase the cost of business and increases the cost of living.

The IMF and the Reserve Bank are as impartial and professional observers as you can get. They are not talking-down the economy, they are simply telling it as it is. They are reflecting what the data says. Clearly, we are seeing a marked slowdown in the momentum of the economy. The monthly trend increase in retail spending slowed to only 0.2 per cent in August, which is a significant deterioration from the 0.5 per cent increases recorded in April and May.

ANZ job advertisements have declined every month this financial year. I say again: ANZ job advertisements have declined every month this financial year. Job advertisements are now 10.8 per cent below levels seen a year ago. The Sensis Business Index shows that the confidence of small and medium
sized businesses declined in the September quarter, which is the third consecutive fall. So it is no surprise that support amongst small and medium enterprises for the federal government dropped from the last quarter and is now at its lowest level since February 1996. That is an independent survey. It says that confidence in this government by small business is at the lowest level since February 1996—the month before Australians got rid of the Keating Labor government.

The Australian Industry Group-Commonwealth Bank Australian Performance of Services Index weakened again in September, falling further into the zone that indicates a contraction in activity. Consumer confidence in October remained in the pessimistic zone for the eighth month in a row. The trade deficit in August was $2 billion, which is the largest in four years. NAB’s monthly business survey for September showed a fall in business conditions, which are now well below long-run average levels. Forward orders were noticeably weaker in September, pointing to further weakness ahead.

I am sorry, Treasurer, this is not an economy that is displaying strong economic fundamentals. The more the government spins its lines the more it loses its way and the more it deludes itself that the economy can cope with more regulation and higher taxes. If it does not tell the truth about the state of the Australian economy then it fails to appreciate what everyone is going through. And if it fails to appreciate what everyone is going through, it thinks that the pain threshold of the Australian economy is higher than what it is.

The challenge is reflected best in the budget. The recent release of the Final Budget Outcome for last year shows that the government's fiscal position continues to deteriorate. This is the budget. The underlying cash deficit was nearly $44 billion. The government promised that it would be $22 billion and six months before that it promised it would be $12 billion. It turns out, when the actual number comes in—not what Labor spins, but what actually happens—it is double what was promised at the budget and four times larger than what was promised just 18 months before. The deficit was the third biggest in Australia’s history. The government has now run cumulative deficits exceeding $173 billion.

An opposition member: How much?

Mr HOCKEY: It is $173 billion, since coming to office. This is the 10th consecutive budget deficit delivered by Labor governments. In 2011 budget papers Labor estimated a net debt of $107 billion. The final budget outcome saw this grow to $147 billion—a blow-out of over $40 billion. The blow-out increased Australia’s interest by $1 billion year to $6.6 billion. The net debt figured in the final budget outcome is $5 billion more than forecast in the recent May budget. That means that in just seven weeks alone—after the Treasurer last stood at this podium, at the dispatch box, to deliver a budget—the Labor Party added $90 million a day to the nation’s credit card.

To really understand the damage this government has done we need to look at what the Commonwealth government is actually worth. The recent final budget outcome shows that the net financial worth of the Commonwealth government had, in one year, deteriorated to $158 billion, and we are now worth negative $358 billion. This is the lowest—the worst—balance-sheet position since modern accrual records have been kept. This is a government that claims it has the budget under control, that it has the budget in hand.

The Treasurer wants you to believe that the deterioration in the budget position is all
about lower revenue and the global financial crisis. That is what he said in answer to the member for Casey's question today. It is not his fault, the Treasurer said. The problem is: Labor knows how to spend money. And it spends it recklessly. Last year, as a percentage of the economy, the government spent 25.3 per cent. That is the usual benchmark for comparing it between governments: apples with apples.

The percentage of the economy spent by the government is 25.3 per cent. This is higher than at any point under the previous coalition government. Labor is now spending $100 billion a year more than the last year of the coalition government. The government says it is doing the hard yards on savings. Do you know what savings are, according to Labor? It is not about reducing expenditure; it is about increasing taxes, according to Labor. Isn't that a novel idea?—to describe a saving as taking money off someone else. That is what Labor does.

They claim to have $33 billion of savings this budget. They will not admit—I challenge old buggerlugs here, the commander from the west of Sydney, the Assistant Treasurer, to respond to the Australian people—

The DEPUTY SPEAKER (Ms Grierson): Order! The member for North Sydney will refer to members appropriately, by their titles.

Mr HOCKEY: The member for Lindsay. I challenge him to confirm that half the so-called savings in the budget this year are actually tax increases. Labor are desperate for money; they are desperate for other people's money. This mob, like a bunch of good socialists, know how to spend other people's money; they never spend their own. They are so desperate for money they are raiding everything.

We understand that the government now is in the process of taking an accumulated $850 million over three years from Medibank Private. From Medibank Private, to whom people pay their private health insurance premiums and expect services in return, this government is gouging $850 million over three years. But what is of concern is that the dividends from Medibank Private exceeded their profits over the last two years. This year reports suggest the board has been asked to approve a special dividend payment of $300 million on top of an ordinary $91 million dividend. So the total dividend payment to the government is three times larger this year than Medibank Private’s profit. In 2011 Medibank Private paid $434 million in dividends to the government, when the profit was only $300 million. This gouging of money is a worrying trend, because the Australian public and the millions of policy holders with Medibank Private deserve to know where the money is coming from.

The government is also tapping the Australian Reinsurance Pool Corporation, taking $300 million over the next four years. This reinsurance pool provides the insurance cover against the risk of terrorism, and the government is taking money out of it to prop up its budget. The government is also taking $500 million out of the Reserve Bank. Whilst it is not unusual to get a dividend out of the Reserve Bank, I would say to you that now is not the time to be taking money out of the Reserve Bank—which we have this sort of volatility in international capital markets. But, no, this is the Labor way.

And it goes on. The cream on the cake is that Labor, not satisfied with the biggest deficits in Australian history, are now spending $120 billion on new promises and they have not explained to the Australian people where the money is coming from. I say to the Assistant Treasurer: show the
Mr BRADBURY (Lindsay—Assistant Treasurer and Minister Assisting for Deregulation) (15:32): Madam Speaker, can I take the opportunity to congratulate you on your elevation to high office. Congratulations.

It is a great pleasure to be able to speak to this matter of public importance. It is a shame that the member for North Sydney, after having posed so many questions, is now about to walk away without hearing the answers. But I relish the opportunity to respond to the invitation from the member for North Sydney to debate this matter of public importance. I find it extraordinary that he would bring forward a matter of public importance that dealt with the need for accurate information on budgetary positions. Of all of the audacious things the member for North Sydney could do, this is right up there. I say it is audacious because he is not a man who has a good track record when it comes to transparency and accuracy in relation to information that is brought forward on budget costings.

What am I referring to? Let me begin with the budget-in-reply speech that, we all recall, the Leader of the Opposition gave in 2010, where he gave us no detail, no indication of any of the cuts that he was going to make—the cuts that he would have to make, and ultimately cuts that he at least put on the table before the 2010 election: cuts to education and to health. But then we had the member for North Sydney front up to the National Press Club. He told us, 'Well, I'd love to be able to tell you where all these savings are going to come from, but you'll have to wait; we'll tell you next week.' Then we had the member for Goldstein, who is in the chamber at the moment, come forward. He had that wonderful press conference where he had to go through and try and do the hard work to explain where they were going to find the costings. It culminated of course with that wonderful conclusion to the press conference where the advisor up the back was signalling as though he was about to slit his neck—'Cut it off! Cut it off! Enough questions; enough scrutiny; enough accountability. That's the end of it: we don't want to have to answer those questions.'

Anyway, fast-forward through to the 2010 election. They went off to the election. This is the mob that told us for all those years about the Charter of Budget Honesty—we should all kneel down at the Charter of Budget Honesty, because that is the only way we can determine that a party heading into an election is committed to actually delivering fiscal responsibility! So you would have thought, having been lectured about the significance of the Charter of Budget Honesty for all those years, that when they had an opportunity—in fact, their first opportunity in opposition—to go to an election and to put their plans on the table, to get them properly costed, having genuflected at the alter of the Charter of Budget Honesty for all those years, they would be able to walk down the aisle and do the same thing in the lead-up to the 2010 election. But did they? No, they did not. They went off and got some dodgy costings from a set of accountants that were subsequently reprimanded because the costings were that shonky. The member for North Sydney at the time was asked: 'Was this an audit—'

Opposition members interjecting—

The DEPUTY SPEAKER (Ms Grierson): I remind members who are not in their seats that they should not be interjecting.

Mr BRADBURY: He was asked: 'Was this an audit of your policy costings?'—and
he said it was an audit. But, subsequently—in fact, this is the very reason the firm was reprimanded; because it was not an audit—the member for North Sydney said, 'Well, you know, what's an audit? Obviously I wasn't familiar with a detailed definition of what an audit was.' That is what he said.

So what have we seen since the last election? Of course, after the election we had that period of negotiation for minority government; and the Independents finally exposed the fraud that was the fiscal plan that the opposition took to the last election. They required that that plan be properly costed. It would have been properly costed had they done what the Charter of Budget Honesty requires. But it finally got costed by the Treasury, and what did we find? We found an $11 billion black hole.

It is on the strength of that $11 billion black hole that the Independents decided to form government with this government. So, when those opposite talk about lack of electoral legitimacy and electoral mandates, what they do not tell you is that one of the principal reasons why the Independents supported Labor to be government was that we did not go to the last election with shonky figures. We did not try to pull the wool over their eyes the way you did last time—or sought to, and got exposed after the election—you are going to come under a little bit more scrutiny this time. Not only do you have an $11 billion black hole, but we know that you have a $70 billion black hole. How do we know that? That is not some figure we have plucked out of some inaccurate newspaper report, like the figures you people want to trawl around with. That figure came out of the mouth of the shadow Treasurer.

In fact, Minister Burke is at the table here and he was on national breakfast television at the time that the shadow Treasurer said that they had a $70 billion black hole. And the shadow Treasurer has, ever since, sought to deny they have that $70 billion black hole, until just a few weeks ago when he went back on breakfast television—this time on the national broadcaster rather than commercial televisions, but breakfast television nonetheless—and confirmed that they still have a $70 billion black hole.

So, we know that they have a $70 billion black hole, but the only thing we do not know is how they are going to fill it. I have spoken in this place before about their economic strategy. Well, it is more of a political strategy. It is about running around to every corner of this country talking the economy down. You just heard it from the shadow Treasurer. If there is any bad news to be found in the national economy, the shadow Treasurer will be there, sniffing around looking for bad news.

But when you look at all of the good news—and there is plenty of it in terms of the strength of the Australian economy against competitor economies in the global economy—they do not want to know about it because it does not suit their political aims.
Their strategy is to talk the economy down, tell everyone the economy is so busted and so wrecked that they have to come in and do some nasty things. The only thing is that they will not even tell us what these nasty things are. They talk about this commission of audit, which I will come to in a minute, but once again it is just a mechanism designed to try to kick the can along a little, past the next election, so that they can come back and have a crack and do all of the things that their counterparts in states like New South Wales and Queensland have been doing.

But on the question of the $70 billion black hole—out of the mouth of the member for North Sydney—he actually went on ABC News 24 TV on 19 September and said, 'We will find savings and we have found the savings.' Full credit to him if he has done the hard yards and has gone out and worked out which government programs he intends to cut in order to fill his $70 billion black hole. I think it is only fair that he share this news with the Australian people. He should share his plans for where he intends to make these cuts across education and health. If you look at New South Wales, $1.7 billion worth of cuts have been made to education. We have seen how much damage you can do with $1.7 billion worth of cuts. Imagine what you can do with $70 billion worth of cuts. Is that what he intends to do? I think it is only fair that he share this with the Australian people.

Not only should he tell the Australian people where he intends to make these savings, but he should learn from the error of his ways and should walk down to the Parliamentary Budget Office and get these plans costed so that the Australian people know not only, firstly, what he intends to do—what damage he intends to inflict—but, secondly, whether or not the shonky figures he wheels out before the next election have any credence at all. If he does not trust the Treasury—and we know how much they have talked down the public service; they have talked them down relentlessly and we know they do not trust the public service—we have even set up the Parliamentary Budget Office to give the opposition another option. The opposition should be fair dinkum with the Australian people. They should go and get their policies costed so that we know exactly what the full cost of them is.

I mentioned earlier that they talk about this commission of audit. We all know that what we have seen in New South Wales and Queensland is just a curtain-raiser of what is to come if they ever get their hands on the Treasury benches at the Commonwealth level. We know that, because what is going on in Queensland and New South Wales is fully authorised by those here in Canberra from the Liberal Party. In relation to Mr Abbott, Premier Newman said, 'He is very understanding. He and people like Joe Hockey have been incredibly supportive.' We heard the shadow Treasurer go on and say: 'All strength to his right arm. He is showing incredible courage.' My challenge to the shadow Treasurer is: be courageous and tell the Australian people which programs you are going to cut to fill your $70 billion black hole. Which programs do you intend to cut?

We already know from the last election that they would cut trades training centres and that they were going to cut our GP after-hours clinics. All of these things they said they were going to cut. Tell us what you are going to cut, if you win at the next election, to fill your $70 billion black hole. The only thing they have told us that they will cut is jobs. The shadow Treasurer says, 'I'm deeply concerned about the future of the labour market in this country.' We have 5.1 per cent unemployment; go and compare it with what is happening elsewhere in the world. He says he is deeply concerned with the labour market in this country, just as concerned as
he was back when the global financial crisis struck. When we as a government acted, they did a runner.

In fact, the Leader of the Opposition did not just do a runner, he was asleep in his office when the biggest set of economic decisions that this generation has ever had to take were being taken in this place. He was asleep in his office. He missed the vote. So, for all of the talk about the BER and all of these other stimulus programs he, unlike some of his colleagues who are here, did not even vote against them because he missed the vote when he fell asleep—he was napping. I know he was napping on that occasion.

Some people out there might argue: 'Well, look, he had a rough day. It was late at night. He fell asleep after a few drinks up at the parliamentary dining room.' I know it was reported at the time that that was what had occurred. You might be willing to be generous and forgive him for that—I am not that generous, but some might be more generous than me and say: 'He fell asleep, he missed a vote on one night.' It just happened to be the biggest economic vote that this House has ever taken—certainly in a generation. But he missed a vote. You might say that he had a rough day. Okay.

On several occasions recently I have seen the Leader of the Opposition out there saying, 'When we come to power we will return this country to growth'—implying that somehow we are not growing—totally ignorant of the fact that our economy has had 21 years of consecutive growth, unmatched in the developed world. The only conclusion I can draw is that he was not just asleep when he missed the vote; he has been asleep on the economy for the last 21 years. When it comes to the economy—

Mr Neumann interjecting—

Mr BRADBURY: I thank the member for Blair for reminding me that Peter Costello said that Abbott was bored—bored to tears and bored to sleep. Obviously he fell asleep for the 21 years of economic growth. His former employer John Hewson said Abbott was innumerate. These are the credentials of his economic policy, coming from his own side. But do not listen to what Peter Costello says; do not listen to what John Hewson says; have a look at what the member for North Sydney says. He says they have a $70 billion black hole; he says they have the policies that are going to fill that black hole; but he just has not told us what they are.

He said a bit earlier that we should not compare ourselves to countries like Mexico, South Korea and Spain—we are the twelfth-largest economy even though we are the 51st-largest country by population—he says we should be comparing ourselves to others. It is interesting. He gave a speech a bit earlier this year in which he said the same thing. He was talking about the 'end of the age of entitlement'. He was talking about ripping the guts out of the social service system—ripping the guts out of education and health. He said, 'We need to compare ourselves with our Asian neighbours, where the entitlement program of the state is far less than it is in Australia.' That is because he wants a race to the bottom. He wants to cut our social security safety net. He wants to drive us down. He wants to destroy the jobs of so many Australians. (Time expired)

Mr ROBB (Goldstein) (15:47): No wonder there is a crisis of confidence in the Australian community—people saving like they never have before; businesses not investing, despite cashed up balance sheets. We have just heard the member for Lindsay—the Assistant Treasurer, would you believe? He had 15 minutes and was unable to answer one question, not one question,
posed to him by the shadow Treasurer. No wonder there is a crisis of confidence. No wonder he is leaving the chamber. Off he goes. He has not given one answer in 15 minutes. It is pathetic.

For over two years now, we have been warning this government about its reckless spending and the impact that that is having on creating a structural deficit, a situation where the government has now committed this country to well over $100 billion of ongoing new spending, which—when the rivers of resource gold start to dry up to some extent; not collapse, but when they start to come back—we will be unable as a country to afford the commitment, the structural deficit, the reckless spending that this government has embarked on.

Warren Buffett once said that it is only when the tide goes out that you discover who is swimming naked. The tide is going out on this government, and what it is revealing is not a pretty sight. You never hear this government refer to debt. When was the last time we heard this government talk about debt? Never. They never talk about it. You never hear this government refer to the significance of the four biggest budget deficits in this nation's history. You never hear this government talk about the impact on the broader economy of needing to fund this record debt. You saw no comment two weeks ago when that record debt went over a quarter of a trillion dollars. For the first time in our history, the Australian federal government now owes over a quarter of a trillion dollars.

I will put this into some context by asking one simple question—I put this to the chamber: what was Australia's second-largest export last year? Easy question. Iron ore? No; that was the largest. Coal? Gas? Wool? No. I will give you the answer. Australia's second-largest export last year—according to PIMCO, the world's largest bond investor—was Commonwealth government bonds. Would you believe that? Have we ever heard this? Here we have a debate about the government providing accurate information but no-one in this chamber was able to answer the question. Minister Burke here is totally ignorant of the fact that the second-biggest export last year was Commonwealth government bonds. Would you believe it!

Not only is that an interesting fact; it also has implications. Importantly, PIMCO go on to say that funding the record debt—described by them as a 'capital tidal wave'—has contributed to the high level of Australia's currency. Funding this debt has held up the Australian currency at record levels but it has also provided none of the direct economic benefits that other large exports provide when they increase terms of trade and push up the value of the dollar.

The government bonds have been in the market pushing up the Australian dollar while this government says that it is doing all it can to help those affected by the high dollar—manufacturers, the tourist industry, those selling education overseas and the millions of businesses that are trade exposed in this country and do not have the benefit of iron ore and coal sales and associated activities.

We have been blessed with high iron ore and coal prices. As terms of trade have gone up so has the dollar; that is what normally happens. In fact terms of trade are coming off in Australia at a much greater rate than was anticipated, even in the recent budget. The budget as it stands assumes a fall in the terms of trade of 5.75 per cent. So, when the Treasurer was asked, 'What have you allowed for this reduction or fall-off in price?' he said, 'Of course we have done that; we've assumed terms of trade to come back

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5.75 per cent.' However, based on falls in commodity prices since June, economists are almost unanimous in projecting that the terms of trade are likely to fall this year a further 10 per cent over and above what the budget papers assumed just back in May. That gives a shortfall of about $20 billion.

Just watch this upcoming MYEFO. It will be brought forward—it will come out sooner rather than later—so that they can make assumptions which they hope to get by with. Watch the trickery. Watch this government fudge these numbers with trickery and subterfuge. You will see it writ large again, as we saw it in the budget. This is a government that is not, in any way, making a contribution to accurate information on Australia's current budgetary situation.

Let me tell you more, though, about the problem with relying on the funding of government debt on overseas markets through government bonds. When the banks borrow they hedge the dollar, and that borrowing has a minimum impact on the value of the Australian dollar. Many of the banks are pulling out or they are repaying offshore borrowing faster than they raise new debt. What we are seeing now, however, is that offshore investors in government bonds—many of them are central banks—often do not hedge their foreign exchange exposure, as they are specifically attempting to diversify their foreign exchange reserves. As a consequence, in contrast to the banks, who hedge their A-dollar proceeds, foreign investors buying Australian dollars to invest in government bonds on an unhedged basis put upward pressure on the Australian dollar. So this manic drive to spend, spend, spend is pushing up debt, debt, debt, which is resulting in a quarter of a trillion dollars of government bonds, which are going onto the world market unhedged because the buyers of those bonds do not want to hedge those things—they are trying to spread their risk. As a consequence the Australian dollar is being held up.

I suspect that all of us in this chamber wander around our electorates and other parts of the community and now people—businessmen and others—are asking us, 'Why is the Australian dollar staying up when the commodity prices have come off?'

After the global financial crisis, before they started to spend, spend, spend, the automatic stabiliser of a lower dollar came in. The dollar dropped from one to the US down to 60c. It was our biggest trade performance on record—ever—in the first quarter of 2009, because of the automatic stabiliser and low interest rates.

That is what saved this economy, with a great budget position from which to go into that global financial crisis—not the wanton spending that has taken place in the year or two, or three or four since. That is not what saved jobs; it was this automatic stabiliser. Now their debt is stopping that happening again. As the commodity prices come off, the A-dollar is being held because this government is putting bonds into the market at a rate which is holding up the Australian dollar. It is materially impacting on the inability of manufacturers, our tourist operators and our education exporters to compete on world markets. This is dereliction of duty. This is misrepresentation. This is obfuscation of the facts in this situation.

Of course, Minister Burke opposite just smiles. Why wouldn't those opposite smile? That is their answer to all of these things. There is no capacity for fiscal stimulus if things really come off now, because it can only be funded by debt, which means more pressure on the A-dollar. The Treasury monetary policy is being compromised, also, because it is down now to only 0.25 per cent above the so-called crisis level—as it was
called by the Treasurer back during the GFC. So fiscal policy has been thrown out of the ring. We cannot use that if things turn down even further, and monetary policy is constrained. This government is incompetent. It has got us into a very vulnerable position. This government needs to give up the reins of office if we are to restore the stability and confidence that this country needs. (Time expired)

Dr LEIGH (Fraser) (15:57): It is a pleasure to rise to speak in a debate on the strength of the Australian economy and the right policy settings. Any discussion about where the Australian economy is headed needs to recognise that we are in the midst of one of the biggest terms-of-trade shocks in Australia's history. In the history of the Australian economy, when a terms-of-trade shock has come along—whether it was in the 1930s, the 1950s or the 1970s—it has blown the place up. Yet, despite a massive increase in the ratio of export prices to import prices, the Australian economy, this time, has remained strong. Unemployment has stayed at five-point-something and inflation has stayed low.

Important, while the Australian economy is undergoing significant structural adjustment, not only has unemployment stayed low but the dispersion of unemployment has stayed low as well. But it is still correct that the world is a dangerous place for anyone trying to run an economy well. The IMF yesterday cut its forecast for world output this year to 3.3 per cent, down from the 3.5 per cent announced in July.

All of us can name important risks, whether it is the Chinese housing market or the need for the Eurozone countries to better manage their fiscal burden. In this environment the Australian government continues to properly cost our policies through the usual budget processes and the midyear updates. At the last election our policy costings were found to be spot on—no surprise, given that they were prepared by Treasury. Of course, that is more than can be said for the coalition's costings, which were done by a private accounting firm and were out by a cool $11 billion.

The problem with the coalition's costings now is that, while they have said yes to every special interest, they have said no to every tough decision. They said no to the mining tax but yes to the superannuation increase that is funded by it. They said no to the carbon price but yes to the tax cuts and the benefit increases funded by it. When we make hard decisions to means test policies like family tax benefit part B, the baby bonus and the 30 per cent private health insurance rebate, they cry foul about class envy. But it is through tough decisions like this that we made $100 billion in savings over recent budgets.

My attention was drawn to a piece by Bernard Keane, who went back to look at the veracity of some of the economic predictions made by those opposite. He noted that when the condensate excise exemption was removed in 2008, Senator Johnston called it 'one of the greatest assaults on the living standards of Western Australians I have ever seen in the history of Federation'. Of course, shortly afterwards Woodside unveiled a record profit, up 70 per cent on the previous year. In 2008, when our government lifted the luxury car tax, Senator Fifield called it 'the politics of envy and class warfare'. Bernard Keane went on to point out that SUV sales have risen 40 per cent over the past four years. And you will hear those opposite rail against Australia's debt levels—a modest 10 per cent and falling—but you will never hear them admit that taking on that debt saved 200,000 jobs in the global financial crisis.
Here in the ACT it looks as though the local Liberal Party are a carbon copy of their federal colleagues. On 20 October Canberra voters will go to the polls to choose a new government. With newly elected Liberal governments around the country having run, and won, on negative anti-Labor messaging—like the Federal opposition is attempting to do—it is no surprise that the Canberra Liberals are being negative to the last. They are leaving all Canberrans asking what policies they have come up with in the last four years—and the answer seems to be not much. The Canberra Liberals' signature policies include promises to reintroduce lightweight plastic bags, despite the fact that they supported a ban on the bags in 2004; to provide a green-waste bin at no cost, although it has been costed at $19 million a year; and to scrap the nurse-led walk-in clinic that has provided free healthcare to tens of thousands of Canberrans.

But since this MPI is on costings let us discuss the apparent inability of the Canberra Liberals to provide voters with proper costings for their small set of policies. Let us take health. At first the Liberal health spokesperson said their health plan would cost $6.9 billion over four years. And then on 1 October it became a $6.9 billion plan over five years, when the opposition leader intervened. And in the third version it became $6.2 billion over five years. As the website www.realzed.com points out, at best this indicates a massive $800 million cut to public health services. They have not been able to articulate how much money, nor how it will be spent. They have not even said how many beds they will fund—or defund, as they did when they were last in government.

And then there is education. In their education policy the Canberra Liberals omitted to fund the Canberra Institute of Technology. Confronted by Treasurer Andrew Barr over their plan to rip over $100 million out of the vocational education system, the Liberal Treasury spokesman refused to say why vocational education had been omitted from their policies or how much a Liberal government would give the CIT. As Bill Clinton said recently, 'It is just math.'

What is striking about the Canberra Liberals' refusal to detail policies, and their slipshod costings, is how closely it echoes their federal counterparts. A good opposition do not just say what they stand against, they also say what they stand for. It is not good enough for the Seselja opposition to play fuzzy games over what they would do if elected. ACT voters have a right to make a real choice. Frankly, ACT voters deserve better than the Leader of the Opposition's and the member for North Sydney's 'mini-mes': Zed Seselja and Brendan Smyth.

In other states we have seen Liberal premiers promising no change before election day and then delivering radical cuts afterwards. In New South Wales Barry O'Farrell slashed 800 TAFE jobs and cut 15,000 public servants over two budgets. In Victoria Ted Baillieu has cut firefighting services, and some 5,500 public servants are facing job losses. In Queensland Campbell Newman has cut 14,000 public sector workers after telling them before the election that they had nothing to fear from him. Premier Newman has also cut Breastscreen Queensland and the Premier's Literary Awards.

If the Canberra Liberals will not tell us some policies, and cannot cost others, the only thing Canberra voters can judge them by is what their colleagues are doing in other states—and it is not pretty. Federally the opposition leader's plans to cut 20,000 Canberra public servants are met with a deafening silence from the ACT Liberals. When the member for Canning said in this
place in one of these debates that public servants 'feed on others', there was not a murmur of criticism from Senator Humphries and the ACT Liberals.

It is very clear that the federal coalition cannot meet their $70 billion costings gap without some radical cuts. Seventy billion dollars is equivalent to stopping Medicare payments for two years or stopping the pension for four years. The coalition say that their policies are ready to go. In fact, in one interview the member for Goldstein said he had already designed the covers. He had the covers done but he will not release the policies. Australians are entitled to ask: if the coalition's policies are so good, why don't they release them?

I think history might provide some of the answers. I have before me the Liberal and National parties' Public Administration Policy document for 1996. It says: 'Our plans to reduce departmental running costs by two per cent will involve not replacing a proportion of those who leave—up to 2,500 positions over the first term of a coalition government, a process of natural attrition with no forced redundancies.' But of course what happened was far from that. There were 30,000 public servants who got the sack after the election of the Howard government. What is particularly telling about this document is that it says on the back that it was printed and authorised by A Robb. That is right: the member for Goldstein was behind a document that said the Howard government would axe 2,500 public servants when it went on to axe 30,000. If they say they are getting rid of 20,000 public servants now, imagine what they will really do. The Australian economy is the 12th-largest economy in the world; we have just risen three places. Our Treasurer has been awarded the Euromoney Finance Minister of the Year award—an award those opposite would be praising if Peter Costello had won it but, because Keating and Swan won it, they trash it. We put a price on carbon pollution. We are linking our scheme with existing schemes in Europe and elsewhere. We have a AAA credit rating from all three major credit agencies—the first time that has ever happened. Yes, we have challenges but it is all the more reason for Liberals—ACT and federal—to put properly costed policies on the table.

Mr McCormack (Riverina) (16:08): I am very proud to represent the Riverina. Far from the hazy lights of Canberra lies the Riverina. I am not saying that people in Canberra do not work hard but it is the Riverina where a lot of this country's wealth and a lot of the food which Canberrans eat is produced. The Riverina needs to be preserved and protected but it is not being preserved and protected by some of the policies, many of the policies, most of the policies—indeed, all of the policies from those opposite.

We heard a lot about the Australian Capital Territory Legislative Assembly elections on October 20. The member for Fraser quite correctly pointed out that voters will have their say. Indeed, they will because hopefully they will see the good sense to reject what Labor and the Greens have to offer, which has been rejected in New South Wales, Queensland, Victoria and the Northern Territory. All over Australia we are seeing the rejection of stupid, ill-thought-out, ill-conceived Labor policies.

The member for Fraser went on about hospital beds in the ACT. No-one denies that hospital beds are important. Certainly the member for Dawson here knows how important hospital beds are in Mackay. I am sure the member for Fraser knows how important hospital beds are in Canberra. But he also might like to know that this Labor government, of which he is a member, has
put in more detention centre beds than hospital beds throughout Australia and that is a disgrace.

There is an urgent need for the government to provide accurate information on Australia's current budgetary situation. In the past 15 or so sitting hours of this House, much of the time has been preoccupied with controversy about the Speaker and that position. It was a necessary issue to be discussed and decided. Now it is back to business. The most pressing business at hand is this Labor government's debt and deficit. The spending is out of control, with unfunded promises totalling $120 billion and increasing.

Labor talks up a National Disability Insurance Scheme and funding it but the government, as with so many other policy areas, has adopted an adversarial approach to the NDIS—and shame on it for doing so. If ever something required bipartisan support, the NDIS is it and it has it. This is something marked by cooperation. The Prime Minister told a Perth audience just last month that she would fight for the NDIS but no fight is necessary, none whatsoever. Our nation wants this; the people need it; and it must and will be done. The coalition stands ready to work with the government to implement the Productivity Commission's NDIS recommendations as soon as possible. This should not be about getting credit. It should be about doing something which is just, proper and right for the good of disabled persons, adults and children, who are desperately seeking help. The coalition's disability spokesperson, Senator Mitch Fifield, was correct when he said an NDIS will not happen without a deep and enduring cross-party consensus. It will also take money.

I see an NDIS as an investment in our future and certainly in the lives of those who will depend upon it. I know how desperately hard the member for Dawson has worked to ensure that this happens. But there has to be money available to finance the NDIS. A government which cannot rein in its expenses, which cannot stop borrowing and which cannot balance the books without cooking them cannot hope ever to sufficiently ressource an NDIS the way it ought to be. It should stop lecturing this side and giving false hope to those counting upon it. It is a similar situation with the national curriculum and the Gonski education report: lots of words, reviews and analysis but a delay in real action. I say to the Prime Minister and to her government: stop trying to pick fights; stop spending money you do not have; stop making promises you cannot and will not keep; and start delivering.

The Treasurer needs to come clean on where the nation's finances are up to. That is what this matter of public importance is all about. Instead of using question time to score cheap political points and to twist and turn his responses into attacks on the opposition, the Treasurer would do well to simply answer the questions asked. His relentless and reckless negativity is boring and is unhelpful. What would assist the Australian public, the people who give us the privilege to serve them in this place, would be for the Treasurer to be transparent just for once. I call on him to come to this chamber and fess up to the real situation. Tell us how much Australia owes and how he and his government plan to pay it back. Do not hold your breath. We will all be blue in the face or well and truly expired before this Treasurer—supposedly the world's greatest; I would hate to see the worst—was straightforward with this parliament and through it the people of Australia.

Given the fact that the Treasurer will not be bursting through the door any time soon, I outline for the record the parlous state of
things. When the Liberal-National coalition left government in 2007—what a sad day that was—there was $70 billion in the bank for Labor to inherit. Think about that. It is a lot of money. We are now $246 billion in gross debt and our gross debt went up by another $2 billion in just the past week. In the past month we have borrowed an extra $10 billion. What does $10 billion look like? Senator Barnaby Joyce gave this correlation at the recent Nationals' federal conference:

Now I just want to show you what $10 billion looks like. If we say that the average price for a house in regional areas is $300,000, the ABS tells us that there are 2.2 people in a house on average, well that would be a city of 73,000 people, in a month. That is what we are borrowing, and we just think that we can miraculously pay this back, that it will just happen. Somehow the guardian angel of the credit card will descend from the heavens and pay all the money back. Well, it won't.

The member for Fraser knows it, the Prime Minister knows it and the Treasurer knows it. How very right Senator Joyce was.

I will now go to more on where Labor has taken us. According to the Reserve Bank of Australia, the government borrowed $15 billion in the first three months of this financial year. That is despite promising a $1.5 billion surplus this financial year. It has a lot of catching up to do. Perhaps the most damning of statistics—and they are accurate because they come from advice researched by the Parliamentary Library—are the following. Everybody should really take note of this. This government has borrowed $173 billion in four budgets. All Australian governments before this government, back to Federation, borrowed a total of $123.7 billion over 108 years.

Mr McCormack: Member for Fraser, I would really like you to listen to this. In four years, this government has borrowed more than the previous 108 years of Australian federal governments. It has borrowed more in four years than all governments have in the 108 years prior. What a disgrace. Can you believe that?

When the coalition was last in office—

Dr Leigh interjecting—

Mr McCormack: Listen to this. This is really important and you need to listen. I know you are an economist and I know you are a really smart fellow, but you really need to listen closely to this. When the coalition was last in office, it borrowed a total of $18 billion over 11 budgets, including during the East Asian financial crisis, the dotcom bust and September 11 and the war on terror. Just remember, Commonwealth governments in the 108 years prior to the Rudd-Gillard government taking over had two world wars, a number of other military conflicts and the Great Depression. Yet, still, your government has borrowed more than all those other governments put together—do you believe it? It is just really remarkable. It is correct. The Treasurer goes on about accuracy; that is an amazing statistic.

The Treasurer today in question time said the opposition leader was not entitled to make up the facts, but there are the facts. He urged Australia to walk tall in the world. He said we are walking tall in the world and that no-one should talk down the economy. I am not talking down the economy; I am simply presenting the facts. The Treasurer should know that we are not talking down the economy when we are presenting a few figures—real figures, not the rubbery ones he spouts.

Over the last four years, the Labor government has increased our debt by $173 billion. Our net debt now is $147 billion and our gross debt is going up by the minute. Goodness knows how many millions of
dollars it has gone up by in the 10 minutes I have been talking.

Mr Ripoll: Stop talking then.

Mr McCormack: Well, you stop governing. You stop governing and we will get this economy back on track. Rest assured, I will stop talking when you call an election. That will be great, everyone will be happy and the Australian people will be able to eject this government. They will be able to reject it and throw it where it needs to be thrown. Also, to the voters in the ACT, if you are out there listening, on 20 October I urge you to vote Liberal because, I tell you what, you will not get anything from Labor or the Greens. (Time expired)

Ms Owens (Parramatta) (16:18): I will try to deliver this 10-minute speech without yelling at the other side, if I can manage that. I think I probably can. I would like to take up a few points the member for Riverina made before I address the specifics of the matter of public importance. Firstly, on his remarks about the fact that over the last day or so in this parliament there has been an incredible amount of time dealing with the issue of the Speaker's role and that now things can get back on track, I just want to make the point that, as much as the opposition comes into this place and tries to tear up this parliament and spend incredible amounts of time literally brawling in this place, the thing they affect in this place is the status and the operation of this parliament. What they have not managed to do, because they have not been able to make a case strong enough for the crossbenchers to support their policy position, is interfere with the governance of the country.

The government was still operating yesterday. Despite the incredible amount of time we spent doing the work of the parliament here yesterday in electing the Speaker, the government continued to do what it does. All of the brawling that we see every day here, the suspensions and the time-wasting motions that require an absolute majority when there is no way you can get one but we spend two hours wasting our time on anyway, all of that which tears up this parliament—

Mr van Manen: Madam Deputy Speaker, I rise on a point of order. The MPI before us is about the urgent need for the government to provide accurate information on the budgetary situation. The member's contribution is of no relevance to that. Can you bring her back to the MPI?

The DEPUTY SPEAKER (Ms Grierson): I understand your point of order, but the member has a wide ambit in this question on the government's actions. I would ask her to continue but with relevance.

Ms Owens: I am entitled to respond to the contributions of the members prior. That is called a debate. One side says something; the other side responds. That is a debate. That is what we do. If your side introduces the subject matter, we are allowed to respond. Debate—that is what it is called.

The second issue I want to take you up on is the issue of debt. I found this quite extraordinary. I do not think the member for Riverina will ever make it to the Treasury benches. When you talk about money across 100 years, you do not say that somebody who earned a shilling in 1910 earned less than a person who is paid in today's dollars. You actually compare dollars with dollars. When talking about debt levels, you compare percentage of GDP, because that reflects your capacity to pay the debt back.

Opposition members interjecting—

Ms Owens: I resisted interjecting during the past speaker's contribution even though I would have loved to, and I would
appreciate the same respect. It is not something we get a lot of in this House. During World War II and in 1920 debt levels reached 120 per cent of GDP—not 10 per cent but 120 per cent. So for anybody in this House to come in here and seriously suggest that you can compare the debt levels now with those levels is financially illiterate at best and mischievous at worst. I do not know which of those the member for Riverina is. I do not know whether he just does not understand or whether he is deliberately misrepresenting the facts, but anybody who knows anything about the way money is compared over decades knows that you do not simply add up the dollar figure from 1901 and 1902 and then assume that that means the same as the dollar figure in 2012. You learn that somewhere in primary school, I think, but I am assuming that he has made a genuine mistake.

Debt is an interesting subject anyway. Again, if the member for Riverina had done any research he would know that Australia has had one of the lowest debts in the world since 1970. We were about No. 6. We had the sixth lowest debt in the OECD in 1971. At the end of the Whitlam era we were about No. 6. We were about No. 7 at the end of the Keating years and we had the eighth lowest debt at the end of the Howard-Costello years. Now we have the lowest. So we have actually had an extraordinary record over 30 years of incredibly good fiscal management, which has kept the debt levels in Australia as some of the lowest in the developed world.

It is worth knowing that, while members opposite might like to take all the credit for our strong fiscal position, we have had one of the strongest debt positions in the world for nearly 30 years, because we have had good policies of spending when we needed to. When the economy slowed and business pulled out of the economy governments stepped in, and when business stepped in governments pulled out. I think we paid off six per cent of GDP in two years in the late 1980s. There is an incredible pattern of spending at the right time and paying it back as quickly as possible. We were also one of the few countries that paid off our World War II debt, so we started the 1970s with a very good debt position relative to the rest of the world. I think we should all give credit for a very strong performance over many years. In fact, we have been in growth for 21 consecutive years, which is an extraordinary record for any country.

The subject of this MPI is the need for accuracy, and I am going to interpret that as the need for honesty as well because they tend to go hand in hand. I want to explain to the opposition how budgets and budget updates actually work. I just want to explain that the budget is handed down in May. All the forecasts are prepared by the Treasury—the same Treasury that prepared the forecasts for the previous government and the government before that. They were trustworthy then; presumably they still are. I cannot see why they would not be. The budgets are prepared in May and then a midyear budget update is due at the end of January. The opposition should know that, because it was Peter Costello who introduced the charter of budget honesty, which required that a midyear update come by about the end of January.

The government have said over and over again that we will provide that midyear update in the last three months of this year. We have said it over and over again. We have just begun October, so sometime in October, November or December—the last three months of this year—we will see the midyear budget update and it will include, as the Treasurer has said, the savings measures that we need to make because there has been a write-down in revenue. Again, the government have been really clear about
what will happen when that midyear budget update comes in.

If the opposition require this sort of accuracy, I think perhaps they should look to themselves. We know they have a $70 billion black hole in their plans. We know also that they have their policies and they have found their savings. In fact, the shadow Treasurer said on 21 August in one of his doorstops: 'We've found all our savings and we've got our policies. We are ready to roll if an election is called tomorrow.' In other words, it is actually there. The policies are there, the savings are there and, as we heard from the member for Fraser, so are the covers of the policies. Even the covers have been designed, so they are ready to go. What they have not done is walk down the corridor to the Parliamentary Budget Office and do what they are supposed to do, which is get them costed and release them.

So they say they have them. They say they have found the savings for that $70 billion black hole. Well, that is a lot of savings; $70 billion is whole departments. This is from an opposition that reject the savings measures and accepts the spending measures on nearly every policy, that refuse and vote against almost every savings measure that this government introduces. It is a massive black hole. It is whole departments. It is massive. It is bigger than we would ever, ever see. So let's see the savings. It is only fair that the opposition come clean with the people of Australia, who the opposition profess to be able to govern, and tell them what they are going to hack away out of our community and our society in order to fill that $70 billion black hole.

If they want to come in here and talk about accuracy, costings and all the rest of it, they really should look at themselves. We have committed to a midyear budget update in the final three months of this year, earlier than is required under the charter of budget honesty. We have committed that the budget update will include the savings that we need to make for our spending commitments and for the write-down of revenue and we expect exactly the same standards from the opposition. Go to the Parliamentary Budget Office and do your job. (Time expired)

Mr VAN MANEN (Forde) (16:28): As this MPI quite rightly points out, it is time for this government to provide us with accurate information on the budgetary position. The member for Parramatta has just pointed out that they are going to do that in the midyear economic update, but given the fact that this government's financial track record leaves a lot to be desired I would suggest it would be well worth our while waiting till well after that and closer to an election before we release our policies, to ensure that we have an accurate funding base for them to start with. I would also suggest that the reason the government want us to release our policies now is probably because they have run out of ideas and they need some new ideas about how to get the house back in order.

Ms Saffin: We're not going to get them from you!

Mr VAN MANEN: We will give them to you in due course. We are not the only ones concerned about the deterioration in the government's fiscal position. This government, as we have all seen over the past four or five years, is addicted to deficit and debt, and it is showing no signs of checking into rehab. The member for Parramatta touched on the issue of debt and the fact that our governments have had relatively low debt by international comparison. The interesting aspect of that, particularly over the past 20 or 30 years, is the very significant increase in private sector debt, which has driven our economic growth
at a time when governments have been reducing their debt. It is important to look at the total debt profile of the country, not just government debt. If you take this government's profligate spending and add it to the high levels of corporate and private debt that we have, then you have a serious issue.

Let us look at some so-called accurate information and the final budget outcome for 2011-12. We were told that initially the budget deficit was going to be somewhere around $11 billion, and then that was increased in the midyear economic update to about $22 billion. Lo and behold, we finished up with an actual deficit of nearly $44 billion. This government has been very good at creating history of all manner and shape. Again, we have seen the government create history with Australia's third-largest budget deficit of all time. In five years this government has spent like a gangsta rapper on payday. It has spent the $70 billion left to them by the Howard government and has racked up an additional $147 billion in net debt. The government now has cumulative deficits exceeding $173 billion since coming to power in 2007. To add to the history, this is the 10th anniversary of recurring budget deficits under a Labor government.

How can this government honestly say they will return to a budget surplus in 2012-13, some seven months from now? As David Uren, economics editor at the *Australian*, pointed out:

Swan has been here before. In 2008 he refused to countenance that the GFC would push the budget into deficit, until after the mid-year budget update.

Uren said that the core of the problem of the past five years is that business activity has not been generating the same level of tax revenue, particularly capital gains tax. He added that there was also the spending side of the ledger—so it is not just the revenue that has fallen but, more importantly, there has been a massive increase in expenditure over these past five years. To top it all off we have a government that claims that tax increases are actually savings. In all honesty, where will these savings be found? The government do not know where they are going to be found, and that is why they are looking for ideas from us and are looking for us to release our policies prematurely. When are the Australian people going to be informed about how these savings will be made by those on the treasury bench, who are the ones responsible, and what cuts will be made, and, more importantly, what additional taxes will be imposed on everyday Australians already doing it tough under this government.

In my electorate of Forde, businesses and residents have already been hit with price increases on their electricity and utility bills, in part due to the carbon tax. What other increases in the cost of living will we see? The government talk about interest rates, but what they fail to tell the Australian people is that, while interest rates have come down, the spread—the difference between the cash rate and the actual rate that the banks charge—has blown out. Instead of being 180 basis points, as it was in 2007 when we were last in government, the gap is now some 315 basis points. On an average home loan of about $300,000, that is costing the average Australian some $4,000 a year extra in interest costs.

There are other cost blowouts that I have not touched on yet. Where are the savings going to be found to fund promises like new facilities for asylum seekers in Nauru and Manus Island, the new dental plan currently before the House, the Gonski school funding, the National Disability Insurance Scheme and any of the other promises that this government has trotted out over the past few months, none of which are funded? The
It is instructive to look at some other basic economic facts. Annual growth in building approvals in 2007 was nearly 15 per cent. In the year to April 2012, there was a decline of some 24 per cent. Growth in lending for housing declined by 7.2 per cent in 2010-11. That compares with growth of 9½ per cent in 2006-07. We need to restore hope, reward and opportunity to— *(Time expired)*

**The DEPUTY SPEAKER (Mr S Georganas):** Order! The discussion is now concluded.

**BILLS**

**Higher Education Support Amendment (Maximum Payment Amounts and Other Measures) Bill 2012**

*Report from Federation Chamber*

Bill returned from Federation Chamber without amendment, appropriation message having been reported; certified copy of bill presented.

Ordered that this bill be considered immediately.

Bill agreed to.

**Third Reading**

Mr RIPOLL (Oxley—Parliamentary Secretary to the Treasurer) *(16:39)*: by leave—I move:

That this bill be now read a third time.

Question agreed to.

**BUSINESS**

**Rearrangement**

Mr RIPOLL (Oxley—Parliamentary Secretary to the Treasurer) *(16:39)*: I move:

That orders of the day Nos 3 and 4, government business, be postponed until the next sitting.

Question agreed to.
BILLS

Clean Energy Amendment (International Emissions Trading and Other Measures) Bill 2012
Clean Energy (Charges—Excise) Amendment Bill 2012
Clean Energy (Charges—Customs) Amendment Bill 2012
Excise Tariff Amendment (Per-tonne Carbon Price Equivalent) Bill 2012
Ozone Protection and Synthetic Greenhouse Gas (Import Levy) Amendment (Per-tonne Carbon Price Equivalent) Bill 2012
Ozone Protection and Synthetic Greenhouse Gas (Manufacture Levy) Amendment (Per-tonne Carbon Price Equivalent) Bill 2012
Clean Energy (Unit Issue Charge—Auctions) Amendment Bill 2012

Second Reading

Cognate debate.

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

Mr HUNT (Flinders) (16:40): These bills—the Clean Energy Amendment (International Emissions Trading and Other Measures) Bill and related bills—are about costs, they are about chaos and they are about the loss of control of Australia's electricity pricing system. The carbon tax is an electricity tax, the carbon tax was designed to be an electricity tax and the carbon tax is, sure as heck, operating as an electricity tax. As we speak, around the country, Australian families, Australian pensioners, Australian seniors, Australian farmers and Australian small business owners are receiving their electricity bills. Those bills are going up and up.

I want to address this latest set of amendments in three stages. Firstly, I will look at electricity costs—because that is the single biggest issue in Australia. When you go to kitchen tables, when you talk to families, when you visit the shops or when you speak to people in your electorate, at the surf club perhaps of an evening, the single thing—and this is the experience not just of myself but of all MPs on our side—which is raised most frequently and with greatest concern is electricity pricing. Shortly after people raise that, they will raise gas pricing.

The second thing I want to address is the chaos these seven bills represent. There have now been eight major changes in the 100 days since the carbon tax came into force. That chaos includes massive bailouts of some of the biggest companies in Australia. It includes changes to the lists of who actually has to pay the tax directly and who does not. It also includes the dropping of a solemn pledge to stick by the floor price—the Prime Minister had previously said that the floor price was critical to certainty. But what was critical three weeks ago is no longer critical.

The third thing I will address is the fact that we are giving control of our electricity pricing to Europe, to another country—and not to just one country but to an unelected set of officials in Brussels. This is not a situation we are making up; that is what these bills are doing. They are giving control of our electricity pricing to Europe.

So I will deal with costs, with chaos and with control—all the while remembering a very simple thing, the thing that causes Australians to shake their heads. They know that what is starting as a $23 price rises to a $29 price in three years; rises again, on the government’s own modelling, to a $37 price by 2020; and multiplies 15 times to a $350 price by 2050. So what starts today at $23
increases at a massive rate. Eventually, we will have to pay an extraordinary amount offshore—$2.5 billion in the year 2020 alone, rising to $57 billion by 2050—to buy foreign carbon credits. That represents 1.5 per cent of GDP, or the amount of our defence budget at the moment. So we will be paying the carbon tax, which will be the equivalent of the defence budget and then, on top of that, we will have to buy another defence budget equivalent in foreign carbon credits. So this system that is being put in place is massively and categorically unsustainable. No future government will abide by a system where the costs equate to a defence budget in domestic carbon credits and another defence budget in foreign carbon credits.

Then there is the real kicker: for all of this expenditure, it does not work. The carbon tax does not do the job. The carbon tax does not reduce emissions. Australia’s domestic emissions under the government’s own modelling, under the Treasury’s own modelling, will go up from 578 million tonnes per year in 2010 to 621 million tonnes in 2020. Emissions per person will rise by almost two tonnes each year, every year, between now and 2020. In other words, we have a tax that will be $36 billion over its first four years, a tax which will rise to the equivalent of a defence budget by 2050, matched by the equivalent of a second defence budget being spent on foreign carbon credits—and it does not do the job. It does not reduce our emissions, according to the government's own modelling. How can it be that we put in place the world’s broadest and highest carbon tax, noting that the Productivity Commission said that no other country has an economy-wide carbon tax and it does not work? It does not do the job. It does not reduce domestic emissions. They go up, not down. That surely is the definition of a massive, national own goal, because, even if you accepted that it was a price that we should pay, you would want it do the job. But it does not.

This is a significant issue, and I will give you an example from my own electorate. I have a letter here from John Watson, who owns the Copper Motel Rosebud. He has given me permission to read out his letter to the parliament. Mr Watson wrote to me, saying:

I would like to bring to your attention my latest electricity bill from Momentum energy and its current carbon charge.

…… …
…. none were able to give me a carbon price for my bill as it is a variable between states and also its not a regulated price in Victoria.

I am astonished to find that my current charge on my $1380 monthly usage bill has a $320 (a 23%) increase/charge.

That is because of the carbon tax. So this average, small business—and this is the case for small businesses around the country—is seeing a 23 per cent increase in its electricity bill. Mr Watson goes on to say:

I am a small self run motel in rosebud and electricity is now my 2nd biggest overhead after my rent. So any increase is a direct removal of funds from my pocket and also now has resulted in decreasing hours I can offer my casual cleaner.

I will repeat that:

… has resulted in decreasing hours I can offer my casual cleaner.

This is the carbon tax in operation. The electricity bill for the Copper Motel Rosebud increased by 23 per cent. Mr Watson has encouraged and, indeed, entitled me to table both his letter and his bill in the House so they can be available to all. As he was saying, this 23 per cent increase has a huge impact on his revenue. As a result, he is in the unenviable position of having to reduce the number of hours he can give his casual cleaner. Around the country, we are going to
see that there is a real-world impact from the carbon tax.

The carbon tax is not about big business; it is not about some mythical group of 500 companies, or 315 at the last count. It is about electricity prices, and this is an electricity tax—an electricity tax. It also happens to be a gas tax and a refrigeration tax, but at its core, at its heart, in essence, it is an electricity tax.

Beyond the costs faced by this one particular business, what are the consequences of the carbon tax on electricity prices right around Australia? In New South Wales, the public is facing an 18.1 per cent average price rise in their electricity bill. Whether you are in Coffs Harbour, Campbelltown or Camperdown, you are facing on average an 18.1 per cent price rise in your electricity bill. Of that, 8.9 per cent is carbon tax, plus GST of course—although the government was at great pains to imply, in the first two weeks of the carbon tax, that GST was not paid on the carbon tax. It is. It is paid on the retail phase, and that means that it is in fact illegal for a retailer to not pass on the carbon tax. Far from companies engaging in price-gouging if they add GST to the carbon tax, it is their legal duty and obligation to do so. So in New South Wales there is an 8.9 per cent increase because of the carbon tax, or roughly 50 per cent of the bill increase.

We then go to Western Australia—and this was discussed in the House today—where there is a 12.6 per cent increase in electricity prices on average, of which 9.1 per cent, or 70 per cent, is because of the carbon tax. This is what the government sought to deny at the dispatch box today. The minister for climate change and the Prime Minister tried to belittle the impact of the power price rises faced by mums and dads, pensioners and seniors, small business owners and farmers across the country. The truth about power price rises in Western Australia is very simple: on average, 70 per cent of the rise in electricity costs this year will come from the carbon tax. And that is no surprise. That is what it was designed to do, that is what it was intended to do and that is, surely as night follows day, what it will do.

We then go to Victoria, where approximately two-thirds of the increase in electricity costs this year will be because of the carbon tax. We then go to the ACT where we find that 14.2 per cent of a 0.7 per cent price rise or 75 per cent of the total price rise in electricity comes from the carbon tax. Then we go to Queensland. In Queensland the carbon tax will be between 80 and 100 per cent of the power price rise because, for the vast majority of retail tariffs, the Campbell Newman government froze power price rises. The only thing they could not control was the carbon tax. That had to be added to the bill.

So, when the Prime Minister talks about gold plating being the reason behind power price rises as a consequence of Liberal or LNP governments around the country, she might perhaps look at Queensland because in that state the LNP froze the vast majority of retail tariffs. As a consequence of that, 80 to 100 per cent of the electricity price rise for Queenslanders this year is a direct result of the Prime Minister’s breach of faith. The Prime Minister said no carbon tax. Unfortunately for Queenslanders there is a carbon tax. The difference is this: Campbell Newman said he would freeze retail tariffs and he did; the Prime Minister said she would not impose a carbon tax but she did. That is a fundamental difference to the lives of people in Queensland and it is a fundamental difference to the cost of living for people around Australia. Let us be clear: these prices rises are real, they are
significant, they are landing now and, for a
government that is in denial, they might
perhaps want to listen to talkback radio
around the country to discover what people
are discussing because Australians are
discussing their electricity bills and
Australians know that those electricity bills
have been overwhelmingly driven in the
current year by the Prime Minister's carbon
tax.

We are also very keen to do something in
relation to taking the pressure off network
charges, but let me also say that it was only
two years ago, in October 2010, in a speech
to the Australian Industry Group, when the
Prime Minister did not call for network
spending to be reduced; she attacked
underinvestment in network spending. The
Prime Minister of Australia attacked
underinvestment in network spending and
called for more expenditure. That is what has
happened: there has been more expenditure
but the person in this parliament who
demanded more expenditure was the Prime
Minister of Australia. So two years ago the
problem was unde
ринvestment, according to
the Prime Minister; today the Prime Minister
says there is overinvestment in network
expenditure. The problem is that everyday is
year zero for this government. Every day
they forget what they said or expunge what
they said the previous day. 'No carbon tax:
we didn't really mean that. Underinvestment
in network spending: we didn't really
mean that. Electricity prices: we didn't really
mean that we would take the pressure off
them.' That is the problem—everything is
year zero.

That then brings me to the fundamental
flaw in legislative process and here we have
the chaos of the carbon tax in action. We
already know that it is causing costs to
Austrian families but the chaos is set out in
eight major changes in 100 days. Firstly, we
had the bailout of Energy Brix and Alcoa on
the eve of the carbon tax. Two days before
the carbon tax came in there was $40 million
to Alcoa and $50 million to Energy Brix.
How could it be that with two days to go
before the carbon tax the Prime Minister
suddenly had to bail out two significant
Victorian companies? The answer is very
simple: these companies were in trouble and
unless they got the money, serious
consequences were going to flow. They also
had to bail out One Steel, which is now
Atrium, to the tune of $64 million. The
government likes to talk about Whyalla. The
$64 million question for the government
is: why did the ALP spend $64 million bailing
out One Steel which has, as its centrepiece,
the Whyalla Steelworks? The answer is very
simple: we know, they know and the
Australian people know that that steelworks
would have been in dramatic trouble had
there not been a special $64 million bailout.
What they are doing is turning good
businesses into bad businesses and then they
bail them out.

This then leads to the second of the major
changes: they cut out a significant proportion
of funding which would have been available
to small businesses under the clean
technology investment grant scheme, so as to
give extra money to big businesses which, in
the first couple of weeks of the carbon tax,
were facing a dramatic problem. So the small
business owners suffered and the big
business owners were apparently given a
windfall by having greater access to the
clean technology investment grant. But I will
come to that in a minute.

That then leads to the third of the major
changes. Six weeks after announcing that
they would give greater access to big
business to clean tech investment grants—
and by the way, small business begins to
miss out—they halted the clean tech
investment grant scheme entirely. So they
 trumpeted the changes and then froze the
scheme. The minister for climate change—
and I would remind him and the House of
this fact—had previously said that, if you
dismantle one piece of the carbon tax
package, you dismantle all. We did not
dismantle it. He did, the government did, the
Treasury did, the Prime Minister did. They
announced and trumpeted their own grants
scheme. They then took a significant
proportion of that away from small business
to give to big business, which was struggling
with the impact of the carbon tax, and then
six weeks later they took it away from
everybody. Major change No. 4: the clean
energy regulator added more businesses and
councils to the so-called big polluters risk,
taking the total amount to 315. The only
problem is that was after the carbon tax
started. So the carbon tax starts and new
names are being added. Some names drop
off, some names are put on and there is
complete uncertainty. In the Prime Minister's
own electorate, the draft price facing the
Wyndham City Council for the first year of
the carbon tax was $14 million. That one
council faces a provisional bill of $14
million for the carbon tax for the first year
because it has a significant landfill.

Major change No. 5: the government
changed the regulations for landfill and for
pipelines. But that has a consequence: where
savings would otherwise have been made,
emissions are now being transferred from
larger landfills to smaller landfills. That story
was widely reported earlier in the week. The
landfill association of Australia expects that
this will mean there is an extra million
tonnues of real emissions generated through
landfill being taken out of high-quality,
highly developed, sophisticated landfills and
put into low-quality landfills which are not
involved in the same level of methane
draining. Because the smaller landfills do not
pay the carbon tax, there is a shifting of
emissions between large landfills and smaller
landfills, and emissions go up. It is an act of
genius: emissions go up as a consequence of
those changes!

Major change No. 6 is close to my
favourite. After having trumpeted for aeons
and aeons the Contract for Closure program,
the government abandoned it. This program
was designed to act in contradistinction to
the Energy Security Fund. On the one hand,
the government had a $2 billion Contract for
Closure fund, which was meant to close
down brown-coal power stations. On the
other hand, it had a $5½ billion Energy
Security Fund, which was meant to prop up
brown-coal power stations. It is not
surprising that the $5½ billion fund trumped
the $2 billion fund. I defy any member of
this House to name a similar policy
anywhere in the world—where there is a
fund for closure and a fund to prop up. It is
an act of policy confusion which remains to
be challenged by a similar example
anywhere else in the world. The Contract for
Closure program collapsed.

Beyond that, we see the essence of this
legislation: the government scrapping the
floor price for the carbon tax. They have
taken away the floor price, having said on
multiple occasions how vital it was. What
did the Prime Minister say in this House on
13 September last year? The Prime Minister
said:

The bill also provides for a price cap and a
price floor to apply for the first three years of the
floating price period.

This will limit market volatility and reduce
risk for businesses as they gain experience in
having the market set the carbon price.
The Prime Minister also said, on 9
November 2011, in a doorstop:
… we have set a floor and cap so that there can be
stability in pricing …

It went on, with Mr Combet. It went on, with
Senator Wong. It went on, with Mark
Dreyfus. All these people, on at least 11 occasions, declared how vital, how fundamental, how critical, the floor price was to certainty. And then one day they woke up and it was gone. So what was said yesterday means nothing today.

This leads me to the last of the eight major changes, and that is the linking to the European system. I want to deal with the fact that we lose control of our electricity pricing as a consequence of this. In linking to the European system, we see a dud deal for farmers. Australian farmers were going to be able to sell credits to Europe, under any reasonable expectation. What the government have done, in their desperation to strike a deal, is give Europe a virtual monopoly over the sale of foreign carbon credits to Australia. In return, you would imagine that Australia got a virtual monopoly. No. You would think that Australian farmers would at least be able to sell their credits beginning at exactly the same time as Europe will be selling to Australia. You would, but, no, that did not happen. Perhaps by 2015 Australian farmers will be able to sell to Europe? No. What actually happened was that, in order to get a deal with Europe, which had the whip hand, the Australian Labor Party struck an agreement which locked Australian farmers out of selling to Europe till 2018. They did not strike a deal which was in the national interest. They struck a deal which locked Australian farmers out of selling to Europe till 2018, six years from now. It was a bad deal, a dud deal, a bad outcome, and it is not good for Australia.

As part of that, we also see the loss of control over electricity pricing. The carbon tax, as I have said, is at its core, at its heart, an electricity tax. The consequence of this is that we set carbon tax prices in Europe, according to the government—although the price of the carbon tax and therefore the revenue is apparently not going to change. In so doing, we give away control over our electricity prices. On every front, we oppose these bills. On every front, we think that this system does not work. It is not the way to do it. It does not achieve the desired outcome. First and foremost, it is about massive electricity costs. Second, it is about chaos. Third, these bills are about giving away control over electricity prices to Europe. For those reasons, we oppose these bills absolutely, fundamentally, categorically. I seek leave to table the letter from the Copper Motel and the electricity bills pertaining to the motel.

Leave granted.

Ms BRODTMANN (Canberra) (17:06): It is a real pleasure to speak on this suite of clean energy amendment bills tonight, because I go way back in my interest and involvement with clean energy initiatives. I actually worked on the CPRS in the very early days of the climate change department, just before I came into this new world of being a politician. It was a great pleasure working on that initiative and engaging with industry and other sectors of the community in explaining what the CPRS would look like as well as engaging with the people in that wonderful department on the shape and form of the legislation and the regulations. It was one of the highlights of my career in my former life with my microbusiness, so it is a great pleasure to use every opportunity to speak on this suite of clean energy initiatives that the Labor government has introduced. It is also a great pleasure to be speaking on these amendment bills tonight.

It was interesting listening to the member for Flinders discussing these amendment bills. I will just go back to a speech that he made in April 2008, in which he said:

Perhaps the most important domestic policy was the decision of the Howard Government that
Australia will implement a national carbon trading system.

Importantly, the Coalition pledged to establish a Climate Change Fund—and I will come back to that later—to re-invest a substantial proportion of emissions trading revenues in:

- clean energy technology, and
- support for households most affected by the impact of a price on carbon, in particular low income families and pensioners.

We hope that the new Government will take up this proposal.

It is interesting in that there are remnants of all of that and more in what we have in these initiatives.

I want to recap briefly the main intent of these amendment bills before talking about how they will benefit my electorate of Canberra. My electorate of Canberra has actively engaged on the carbon price issue and also the clean energy future for Australia. Canberrans are acutely mindful of the need to protect the environment for future generations and also protect the economy for future generations. By embracing clean energy and clean energy futures and initiatives, we are doing exactly that.

We have heard from others that these amendment bills will facilitate the linking of Australia's emissions trading schemes with other countries' emissions trading schemes. These schemes include the European Union Emissions Trading System. The basic aim of these amendment bills is to remove the price floor that was to operate in the first three years of the flexible price period. Furthermore, these amendment bills will establish flexible registry arrangements that facilitate linking with other emissions trading schemes, even in circumstances where direct links between registries cannot be put in place. They will also increase the carbon unit auction limits that apply before a pollution cap is set. They apply a three-year limit on advanced auctioning of units. They also provide for an auction reserve price to be set, and they simplify the treatment of relinquished units.

We know that many in the coalition, many of those opposite, deny the science of climate change—I have had a number of emails from my colleague the member for Tangney on this issue—and that many oppose measures designed to reduce the impact of carbon pollution, but it is in the interests of every Australian that we link our emissions trading scheme to international markets. The ministers and others have outlined the myriad benefits that are accrued by linking with the international markets, but, aside from the technical components that will benefit liable Australian entities, the most critical outcome here is that Australia will be supporting global cooperation on climate change. No country can address climate change in isolation, and that is why the government is engaging internationally.

From 1 July 2015, Australia's carbon price will reflect the carbon price paid by at least 30 other countries, including the United Kingdom, France and Germany. This means that from 2015 Australia will transition into an internationally linked ETS where the global market sets the price on pollution. I have been asked by some in my electorate why this is needed, and the answer is that an internationally linked ETS can reduce carbon pollution at the lowest cost. There are emissions trading schemes being developed in many other countries, including China, Korea, Canada and South American nations, and the giant state of California, and this is likely to be the first of many international links that will form a global carbon market.
Before I go on to discuss what is happening in my electorate of Canberra—because not only is Labor acting nationally and internationally on this issue but also the ACT Labor government is acting locally, and I will come to some of the measures that it has introduced in a minute—I want to discuss what is happening internationally. Ninety countries covering more than 80 per cent of global emissions have made pledges in the United Nations to limit their carbon pollution by 2020. At Durban, for the first time, all of the world's major emitters, including Australia's biggest trading partners, the US and China, committed to taking on legal obligations from 2020 to reduce emissions. Countries agreed to negotiate a new legal treaty by 2015 to be implemented by 2020, and under the agreement all countries will be bound to cut emissions. As I have mentioned before, a price on carbon has operated for years in 33 countries and several North American states, and Australia's top five trading partners and another six of our top 20 trading partners have implemented or are piloting emissions trading schemes and carbon taxes at the national or regional level.

I now turn to what is happening in my electorate, because, as I said, Canberrans are acutely mindful of the need to act on climate change, the need to act for the environment and also, importantly, the need to act for the economy and to ensure that we are well positioned for a future clean energy world. Every time I have a community forum, people comment on it, and the majority of people in the audience are supportive of it. I would say that probably 90 per cent of the people who attend my community forums and who I meet in the streets of Canberra support a price on carbon.

The member for Flinders mentioned those constituents who come in and talk about electricity bills. There are some people who have come into my electorate office to discuss electricity bills and gas bills, and I had a number of them last week. We sit down and go through the bill and talk through the process, and the price increase is in keeping with the modelling. We just need to sit down. For those who are a bit concerned or confused about the issue, it is just a case of sitting down and talking them through the issue. In one instance, there was a woman who was particularly concerned about a range of cost-of-living expenses and initiated action on a particular issue that I will be pursuing with the ACT government. So you sit down with people and go through the bill, and, once you have had a chat about it and explained what is going on, any concerns are alleviated.

There is in my electorate a high level of interest in and support for Australia's being part of an internationally linked ETS, because Canberrans are usually eager and early adopters and supporters of energy efficiencies. The ACT Labor government has one of the most ambitious greenhouse gas emissions reduction targets in the country. Federal Labor is acting nationally and internationally, and the ACT Labor government is acting locally. The ACT government has formalised targets of zero net emissions, or carbon neutrality, by 2060 and a 40 per cent reduction in greenhouse gas emissions from 1990 levels by 2020. The ACT government has developed a sustainable energy policy, which was released last year and which is described as:

... an integrated policy framework for managing the social, economic and environment challenges faced by the Territory in relation to energy production and use.

It would probably surprise many people listening to know that Canberrans have a very high carbon footprint. As a result of the way that Canberra—a planned city—has been designed on the basis of the satellite
city concept and the Y-Plan, we are heavily dependent on cars. In a way, Canberra grew and matured around the car and around roads, so we have quite a high carbon footprint. From the work I was doing with the property council in my former life has a microbusiness owner, I know that many developers and academics around town are very keen to ensure that we improve the carbon footprint of the building and transport industries, and I know that the ACT government is keen to do this as well.

The ACT Labor government has initiated a long-term and visionary plan that sees an ongoing commitment to maintaining an affordable and reliable electricity and gas supply to the people of Canberra. Those members of parliament who spend half the year in my wonderful home turn should feel proud that they are residing in a jurisdiction which has the objectives of achieving both a more sustainable energy supply and carbon neutrality by 2060. The ACT is approaching these objectives in a number of ways: through reliable and affordable energy, through smarter use of energy, through cleaner energy and through the growth of the clean economy. In support of its objectives, the ACT government is conducting further studies of the rollout of smart meter technology to help households better manage their energy use. In addition, the ACT Labor government is looking to develop an energy savings initiative in order to support households to save energy and reduce their energy costs and usage and to seek renewable energy power. The aim is that two per cent of Canberra’s electricity needs be met through the use of renewable energy power. This would mean a saving of nearly a million tonnes of greenhouse gas emissions in the course of the initiative.

The ACT government is also supporting the use of green vehicles. A number of Canberrans are already using electric cars. I went to an expo that was held out the front of Old Parliament House last year, and there I had the chance to test-drive some of these electric cars. It was great to see so much interest from the community. There were not only electric cars but also electric tractors and motorbikes and a range of other electric vehicles for work and general transport. A hundred per cent green power is used to power these vehicles, and that means that there is no carbon footprint when people use them. Also, the ACT Labor government shares our commitment to stabilise greenhouse gas concentrations in the atmosphere because we know that it is a shared responsibility and that all countries and communities must incorporate measures like the ones contained in the bills before us.

In my electorate, more and more people are saying to me that carbon pricing has had little or no effect on them or their lives. They see an Australian economy that is the envy of the world and understand that Australia must be part of the global solution arresting the growth of carbon pollution. They understand that modest price increases are being offset with assistance and can be explained and that where they are not explained we encourage people to go to the ACCC.

There are many inconvenient truths about these bills and the government’s responsible and long-term vision to address climate change. One myth that my local Liberal counterparts like to sprout in their pursuit of fear campaigning is that we are somehow going it alone on climate change; the Liberals’ also fear that Australia will become a world leader in fighting climate change. The truth is that many other countries in jurisdictions have or will have carbon taxes and carbon prices and emissions trading schemes. There are other facts that my Liberal counterparts bury their heads in the sand about. There is the fact that, by linking
with the EU, Australia will have the same carbon price as 30 other countries with a combined population of 530 million people. There is the fact that by 2013 more than 150 million people will be living in a jurisdiction with a carbon price. Then there is the fact that the Australian economy did not collapse on 1 July this year.

I conclude with some remarks which were made by former Prime Minister Howard in 2007 on the coalition's climate change policy. He said:

The Government recognises that the most efficient and effective way to manage emissions reductions is through market mechanisms. Emissions trading will ensure that the market rather than governments decide which abatement opportunities should be adopted to reduce emissions at least cost including those accessed through the application of existing and new technologies.

I hope that the coalition put their ideology aside and recognise the importance of Australia's linking its ETS with those of other countries in line with their thinking—

(Time expired)

Mr ROBB (Goldstein) (17:21): I rise to speak on the clean energy amendment bills, which are designed primarily to remove the price floor of $15 per tonne on carbon and to link Australia's carbon tax to the European emissions trading scheme. In coming to a response to these bills, I read the minister's second reading speech. Essentially, in amongst all the fantasy, the minister outlined the government's so-called underpinning principles of its carbon tax policy: (1) to be environmentally effective, (2) to be economically efficient and (3) to be socially fair. So it is not unreasonable to put those principles and the attempt to abide by those principles to the test, which is what I would like to do—to look at how environmentally effective, how economically efficient and how socially fair this might be.

Senator Penny Wong, in her capacity as climate change minister in the previous parliament, said on 6 February 2008 at an AiG luncheon:

The introduction of a carbon price ahead of effective international action can lead to perverse incentives for such industries to relocate or source production offshore. There is no point in imposing a carbon price domestically which results in emissions and production transferring internationally for no environmental gain.

I was the shadow minister for climate change for 12 months in the lead-up to the collapse of the CPRS. We were lectured and we were hectored in this chamber and all around the country for three years over the notion that you cannot go it alone, that you have to be part of a global scheme. This principle was at the heart of everything that the Rudd government sought to do with the introduction of an emissions trading scheme. They said endlessly: 'We have to be part of a global scheme and a global scheme is coming. That's why you've got to vote for this. We can't be left behind. We've got to be part of it.' We all know now what happened at Copenhagen, and it cost the member for Griffith his job. He preached this so vehemently with all of his colleagues. After Copenhagen there was no global scheme; in fact, the world fractured in the face of the global financial crisis and saw that what was proposed was a monumental waste of money that was not going to deliver environmental outcomes. But we got lectured on this endlessly for three years. And now they dare come into this chamber and say they are acting on the principle of being environmentally effective. Let us have a look at it.

The EU, which we are now irrevocably linking ourselves to on carbon pricing, is dictated to by the bureaucrats in Europe. No-one has contradicted the fact that now and into the
future the design of the carbon tax, the price level—all of these things—will be factors determined by bureaucrats and politicians in Brussels, over which we will have zero impact. Talk about handing over our sovereignty to another nation—in this case, to 30 other nations. It is inconceivable.

Nevertheless, the EU accounts for less than five per cent of world emissions. So it is not that we are linking ourselves to carbon markets that are particularly representative. It is not a deep market, it is not a robust market and it is not a reliable market. It is almost a pilot scheme when you compare it with what has been introduced in Australia. The most striking feature of the market in the European community is its persistent instability, so much so that the price has collapsed to around $7 a tonne. There is absolutely zero incentive for investment in lower emissions technology. The price to produce a megawatt hour of coal is $35, for gas it is $55, for wind it is $90 and for solar it is $330. So can you tell me that $7 a tonne is going to have any impact on investment? It will have zero impact. What will a market that goes up to $50 and back to $7 do to potential investors? What are they going to think? The market in Europe is not working to encourage low-emissions technology.

The price will ultimately be set by countries without any base in natural resources. The European community is not exactly a resource powerhouse. They might make glass and a few high-technology products, all sorts of things, but they are not a resource powerhouse. Our competitors, the countries that we compete with on resources and energy, are not European countries. They might be trading partners in other respects of some consequence, but they are not competitors. So we are putting a price on our product and looking to compete with countries which have no carbon price. Yet the minister stands in this chamber and tries to make out that we are now part of a world movement. I am afraid nothing happened at Copenhagen—in fact, it fell apart—and nothing has happened ever since, which gives no prospect of anything taking place in a global sense. There is no need for the Europeans to worry about what carbon prices, if any, are charged by Australian resource competitors. They will not worry about that. They are not going to sit there in Brussels and agonise over the terms and conditions they apply and the assistance they provide to industries because of the effect those things will have on us. We will have to compete against countries such as China, Brazil, Uruguay—South American and African countries—and Canada, none of which have a carbon price in place. The Europeans are not going to worry one whit about that. Yet we should. The EU exempts virtually all its export industries from emissions trading schemes. We do not exempt ours.

Let us take dairy processing—no exemptions, no assistance. It is one of our strengths. It is one thing that we do better than just about anyone in the world, apart from the New Zealanders. A lot of our prosperity has been built on these sorts of industries. There is not one whit of assistance here for the dairy industry. What about in Europe? Ninety-three per cent free permits. We are linking ourselves to Europe and their industry will have that sort of advantage. I could give you endless examples. We hear from the minister that these sorts of facts are a baseless fear campaign and that the rest of the world is in lockstep on all of this. In fact, he said in the most disingenuous component of his whole speech that, from 2013, 850 million people will live in a place where polluters pay for their pollution. That is rubbish.

You cannot say that the European emissions-trading scheme bears any
resemblance in terms of size or impact. The amount that will have been paid by Australians through this carbon tax, since July, by October and November this year will be equivalent to all the tax raised through all of Europe, with a population of 200 million people, over the last five years. Is that comparing apples with apples? This is madness.

The UK have predicted that over the next five years, through until 2015-16, the European emissions-trading scheme will cost the UK population £5.5 billion—that is, A$8.6 billion. In that same period, through until 2015-16, the Treasury has estimated that Australians will pay $25 billion. Our friends in the United Kingdom will pay the equivalent of A$8.6 billion and our taxpayers will pay $25 billion. The trouble is that there are 66 million people in the UK and only 22 million people here in Australia. So when you compare apples with apples on a per capita basis, or per 22 million people, the UK will pay $2.8 billion compared to Australia, which will pay $25 billion. In other words, the European scheme will have an impact nine times less on the community than the emissions-trading scheme/carbon tax brought in by the Australian government. Yet the government seek to pretend that we are comparing apples with apples.

I fear that we are in fact linking up to a scheme which is costing us nine times more than what it is costing our counterparts in the United Kingdom. Yet we are told that we are all part of a global collegiate—that everyone is in it. That is a nonsense. It was a very disingenuous contribution to this debate, to try to give Australians the impression that we are following the world. We are ahead of the world, we are acting alone and we have a price which far exceeds the price of any other country. We are the only country that has a global price—a price across our nation—which is much greater than anywhere else in the world.

What is economically efficient about a carbon scheme whose entire purpose, as the Minister for Climate Change and Energy Efficiency repeatedly stressed, was to provide a predictable long-term signal which investors in renewables and other emissions technologies could rely on? That was the whole purpose. That is what he said. Of the carbon scheme that the government introduced, he said:

Moreover, the floor price was essential to achieving that goal, as it ensures "stability and predictability" and avoids "the risk of sharp downward movements in the carbon price, which could undermine long-term investment in clean technologies".

Where is the predictability now, just two months after the introduction of the carbon tax? This is the eighth major change in two months of their scheme. The government are all over the place, just making it up on the run. The minister for climate change, just two months ago, said that this was irrevocable, immutable and that you had to have a carbon floor if you wanted predictability. Now we are linked to Europe and now we have decisions made by 30 countries—politicians and bureaucrats in Brussels—where we will have no influence. Our sovereignty has been totally removed on this matter and yet Europe does not compete in the markets that we compete in. Yet our prices will be set by them. This is just incompetence on a large scale.

Let us call this what it is. The carbon tax is nothing more and nothing less than a grubby political decision to keep this Prime Minister and this government in office. That is all it is. That was the inspiration for the decision. It was the reason that this Prime Minister said one thing one week and three weeks later said the absolute opposite. She deceived the Australian people, only because
of a grubby political deal to stay in office. It is environmentally ineffective. In fact, it is already pushing business offshore, it is closing down businesses in Australia, investments are not being made and it is not encouraging investment in low-emissions technology. It is environmentally ineffective, it is grossly economically inefficient and we are paying six times the tax over and above what is needed to fund that sort of emissions abatement. And it is socially unfair because it is costing jobs, it is increasing taxes and it is increasing electricity prices, yet it is doing nothing for the environment. (Time expired)

Mr HAYES (Fowler) (17:36): I rise today to support the Clean Energy Amendment (International Emissions Trading and Other Measures) Bill 2012 and cognate bills. One of the most important aspects of these bills facilitates the linking of Australia's emissions-trading scheme with other countries, including those that operate across the European Union, which, since 2005, has operated a strong emissions-trading system.

We on this side of the House consider that linking Australia's emissions trading to international markets is in our best interest. It will foster good cooperation on climate change, provide access to a broader range of abatement opportunities for entities and increase the carbon market's liquidity. This follows the government's success in securing an agreement to link Australia's carbon price with the European Union emissions-trading scheme.

It is of particular significance for Australia's emissions trading that the scheme we intend to link with, as a result of this, is one that is operated within all European Union nations. The European emissions-trading scheme is a mandatory scheme. It applies across all 27 EU countries as well as in Norway, Iceland and Luxembourg. The scheme has often been discussed in this place and acknowledged in the past as the world's largest trading scheme, covering over 11,000 facilities. I understand that it applies to over 500 million people. The government had previously made a commitment to link our scheme internationally.

Our success in negotiations means that we will link to the European Union's ETS from 1 July 2015. To allow this to occur, and to allow for any further ETS linkages, the floor-price provision of the clean energy legislation must be removed. The floor price was initially intended to operate for a fixed period but, as all members of this place are aware, from 2015 the floor price for carbon price, as defined in Australia, will be removed. Removing the floor price will allow us to trade as an emissions-trading scheme from 2015.

Linking our emissions-trading scheme to the European Union means that Australian business, with the carbon-price liability under this scheme, will be able to purchase carbon-emission units or permits to emit a tonne of greenhouse gas either in Australia or in one of the European countries linked with the ETS. The price will be the same.

Last year this government introduced the Clean Energy Act 2011 and 17 related acts. These established the price on carbon, which certainly came with a lot of fanfare and was opposed every step of the way by those opposite.

This is a scheme that was introduced with a fixed price for the first three years, to transition to a cap-and-trade emissions-trading scheme. Very importantly, a cap-and-trade emissions-trading scheme is what we thought would be the ultimate emissions-trading mechanism that would take this country forward and be most beneficial to Australian based industry. It would also help us live up to our commitment to abatement
and encourage the development of renewable energy technology in this country.

This bill will ensure that, from 2015, Australia's carbon price will be equivalent to the carbon price paid by at least 30 other countries. These are countries that are not insignificant, despite what was said in earlier contributions to this debate. The United Kingdom, France and Germany, which is now the mainstream economic powerhouse of Europe, are also covered by it. It is a scheme that applies to over 500 million people. We will transition into an internally linked ETS, where the international market will set the price on pollution. The funny thing about that is I seem to recall that, not all that long ago, those opposite were arguing up hill and down dale that the problem with Australia's price on carbon was that it did not reflect, in any material way, the price on carbon set by any ETS scheme around the world. Here we are linking our scheme directly with the biggest scheme that operates internationally.

The previous speaker in this debate, the member for Goldstein, could not find anything of benefit to say about it. This is a bit strange, as the previous speaker had a very significant role in the lead-up to the 2007 policy statement by former Prime Minister John Howard.

Mr Neumann interjecting—

Mr HAYES: As my friend indicates, he was no less than the former campaign director of the Liberal Party. Former Prime Minister of this country and leader of the Liberal Party John Howard strongly agreed with the system of a cap-and-trade emissions-trading scheme, because that was reflected in the 2007 policy. He said:

As one of the first Asia-Pacific economies to embrace emissions trading, Australia will be well positioned to establish itself as a regional hub for the carbon market.

…… …

The Australian scheme will be designed to maximise the prospect of linkages with other schemes, and with policy-based arrangements such as offsets …

This is not a bad concession.

Those opposite are often quoted as being the bastion of liberalism in this country. They had a very clear view when it came to emissions trading at that time. The Leader of the Opposition and his colleagues also once had a view—not too long ago—about putting a price on carbon. They said it was not only efficient but also inevitable. The Leader of the Opposition in his book Battelines says:

The Howard Government proposed an emissions trading scheme because this seemed the best way to obtain the highest emission reduction at the lowest cost.

That is not a bad concession. The member for Wentworth is certainly a person not unfamiliar with emission trading schemes because, after all, in 2007, as I understand it, he was the man who designed the Liberals emissions trading scheme to go to the 2007 election. He said:

… my views on climate change, the need for a carbon price, the fact that market-based mechanisms are the most efficient ways of cutting emissions—my views are the same today as they were when I was part of John Howard's cabinet and those views were held by the Howard government.

Indeed, not to let the shadow Treasurer off the hook—and he is a little bit more succinct than his colleagues—he told the Sydney Morning Herald:

Inevitably we will have a price on carbon, we will have to.

They come out and put on these crocodile tears and day in and day out what we see in question time is that they cannot actually field a question to the Prime Minister other than on a carbon price.
Mr Hartsuyker interjecting—

Mr HAYES: The member for Cowper makes a very good point. His point really goes to the fact that they were the first to design an emissions trading scheme. We have been a bit slow in acknowledging their contribution in that regard. But I am a person of a magnanimous nature. I do not mind coming out and saying there was a contest of ideas leading up to the 2007 election. I do not mind coming out and saying that the member for Cowper, together with the member for Wentworth and the rest of the frontbench over there, fully supported an ETS.

By the way, whilst there was a contest of ideas, I think the only thing really between us in those days was when the ETS would kick in by. I seem to remember the Labor Party went to the election on the basis they wanted it to kick in by 2010. You know what? The Liberal Party wanted it to kick in by 2012. What year is it now? Yet they changed their position so radically. They did not extend it. They changed so radically on what we need to have happen to reduce emissions. I cannot write the script for them. We can do many things on this side, but I cannot rewrite the quotes of their glorious leader John Howard. He was certainly persuaded by very persuasive arguments from those opposite that the most efficient way to cut emissions at the least cost was through an emissions trading scheme.

I have heard much from those opposite who have had this view about Australia's scheme as being the highest priced in the world. Sure, there is a start-up price for this. Day in and day out we are seeing the contributions of those opposite wanting to talk about the impact of a carbon tax. To date, in all the documents I have seen tabled, the impact of the carbon tax is pretty close to what was predicted. Sure, there is a cost to it. Sure, it acts as a disincentive to pollute. That was the whole basis of the scheme. It does operate to encourage those industries that are involved in the renewable energy sector to develop.

I know the member for Blair is familiar with companies such as Energy Developments and others which I had a long association with prior to coming to this place. One of the things that they do is develop renewable and sustainable energy technologies. It is very hard to be competitive against the production of black coal for power generation; we are inundated with black coal. Fortunately, we have about an 800-year supply of it. But, regrettably, it is the most polluting form of energy production there is in the known world.

We thought what we were doing had very much a bipartisan approach. We thought we had a scheme that we were only a part of when it was being implemented. We had a very clear view from what those opposite had said for some time that they would like to see this—not Australia operating in isolation but working in conjunction with a broader player. We have now secured an agreement to enter into arrangements with the world's largest emissions trading scheme, reducing the uncertainty of a carbon price by reducing the floor price that will apply to that scheme. The price of carbon will be determined by the market. All those various things that those opposite chanted for so long are coming to fruition.

I would not mind if they wanted to take part ownership of this, but it does seem that they really want to decry the whole concept of emissions trading. They certainly do not want to refer back to Peter Shergold's report, which was commissioned by John Howard. They very rarely refer to the recommendations of Professor Ross Garnaut. But all that we have seen is a constant
negative campaign not only on a price on carbon but on the reality of climate change itself. These guys must not look at the news of a night. They must lead very sheltered lives when all around the globe what is dominating world discussion at the moment is the impact of climate change. We are, happily, an advanced country. As a consequence, we have now taken very real steps to do something about climate change, but we are going to do it in conjunction with the world's largest emissions trading scheme. I commend the bills.

Mr HARTSUYSKER (Cowper) (17:51): I welcome the opportunity to speak on these bills, which relate to the government's introduction of a carbon tax on the people of Australia. From the moment the Prime Minister announced in July 2011 that she would break her election promise and introduce a carbon tax, Australians have rightly been concerned about its impact.

This government has a very poor track record of managing programs and delivering on its policies. We have seen the pink batts debacle, where billions of dollars were wasted and sadly lives were lost. We have seen the rollout of the BER program, where billions of dollars of taxpayers' money was thrown at schools for projects which school communities did not want and at prices which everyone except the government acknowledged were vastly more expensive than the going market rate. Then we have the $50 billion National Broadband Network, designed by the minister for communications on the back of an envelope when the government was unable to award a successful tender for its failed 2007 broadband election commitment. After just two years the NBN is behind schedule, over budget, and the take-up rates are abysmal.

Against this backdrop of waste and mismanagement, the Prime Minister's backflip on her pre-election promise that 'There will be no carbon tax under a government I lead' was always going to be another policy failure for the Gillard government. It was a policy which aimed to lock in the support of the Greens rather than deliver any meaningful difference for the environment. Even before its introduction on 1 July this year, the government was living in denial and relying on media spin to somehow justify imposing the biggest economy-wide carbon tax on the planet.

On the one hand they claimed it would only be the big polluters who would pay the tax, but on the other hand they started paying those big polluters compensation and then were forced into rushing out a household assistance package as the reality of increased electricity prices sparked a major consumer backlash. The government also claimed other countries were embracing a carbon tax, when the reality was the world's major emitters were walking away from such a scheme and clearly going down the path of direct action. The United States, Canada, China and India have distanced themselves from a carbon price. Europe's scheme amounts to a total cost of $500 million, or just $1 per person per year.

The Gillard government's carbon tax is a $9 billion a year tax which every Australian will pay through higher electricity and gas prices. By the government's own figures it will cost $400 each year for each and every Australian. Yet despite the huge cost the government is still forecasting that Australian emissions will increase under the carbon tax from 578 million tonnes in 2010 to 621 million tonnes in 2020. So the carbon tax is nothing more than a huge impost on Australian businesses and households and does nothing for the environment.

In the lead-up to the introduction of the carbon tax one of the government's flawed
arguments was the need to provide certainty to the business community. The government claimed its carbon tax plan should not be altered because that would create uncertainty and instability within the business community. This is clearly laughable, given the whole aim of the carbon tax was to create uncertainty by driving up the cost of electricity and marginalising the profitability of many Australian based businesses. The carbon tax effectively made it very difficult for Australian exporters to compete in a global marketplace and it also meant that other domestic focused businesses suffered substantial increases in their operating costs. While many of the big emitters received government handouts to prevent them from cutting jobs or closing, there was no such assistance for the majority of small and medium businesses. So the increase in operating costs as a result of the carbon tax was enough in itself to create huge uncertainty for many businesses.

That has got a whole lot worse since 1 July 2012. Since then the government has made eight major changes to its carbon tax. With the economic realities hitting home, the government has been in a panic about how to fix the impact of this massive impost on Australia but still raise the revenue it is depending on. First, it bailed out major companies using taxpayers' funds on the eve of the carbon tax being introduced, including funding to Energy Brix and Alcoa. Second, it decreased the share of clean tech investment grant funding for small businesses so as to further increase funding for big businesses. Third, the Clean Energy Regulator added more businesses to the big polluters list, taking the total now to 315. Fourth, the government changed the regulations so as to increase real emissions from pipelines and landfill by one million tonnes.

Fifth, the government abandoned the Contract for Closure program to shut down power stations, which will mean the carbon tax will have to increase to achieve the same level of emissions. Sixth, they scrapped the floor price, which would have been $15, from 2015. The government had said a floor price was needed for business confidence. Seventh, they announced they would link the scheme to the European system, which does not allow two-way trade on carbon credits, putting Australian businesses at a disadvantage and resulting in Australia's carbon tax being set by the EU price. Eighth, the government halted the clean technology investment grants. This came weeks after the grants were announced, then changed.

All these changes have been surrounded by panic and chaos in the government and have left business wondering what carbon tax scheme will be in place once the government has finished with it. It shows the government has lost control of its carbon tax and is unable to implement its legislative program in a competent manner. The government is clearly panicking, and there is a good reason why the government is panicking. Australian families and Australian businesses now know what the impact of the carbon tax will be. The impact is increased costs for business, increased costs of living for households and a complete failure to reduce our CO₂ emissions.

The main intention of these bills is to remove the legislated floor price of the carbon tax and link the Australian carbon tax with the European emissions trading scheme. This in itself is an indefensible position for the government, because it has been this government which has time after time reaffirmed its commitment to a floor price as a vital part of the carbon tax package. The floor price would provide stability, the government said. The floor price would reduce volatility in the carbon price, the government said. It was the solution to all uncertainty, the government said.
Despite the cracks beginning to appear in the carbon tax in the first two weeks following its introduction, the Minister for Climate Change and Energy Efficiency initially stood firm on the floor price. On 12 July he told ABC Radio National:

Well we've put in a floor price and a price cap to provide some confidence over the first few years about the potential variability of the price.

That was on 12 July this year. Just over one month later, and with the carbon tax continuing to place business and households under increasing pressure, the minister for climate change again stood by his commitment to a floor price. This is what he said during an interview with David Speers on Sky News Agenda on 21 August:

We have legislated the floor price; that's quite well known. I am discussing with the European Union the linkage of our schemes. It is an issue that's in those discussions, but we are committed to the arrangements we have legislated.

'At $15,' said David Speers. Greg Combet:

That's the floor price.

That was on 21 August of this year. Less than a week later the government dumped the floor price in a panic as the cold hard reality of the carbon tax hit home. The government announced that it would link the carbon tax to the much smaller European emissions trading scheme, effectively placing the future price of carbon into the hands of the European economy. Australia's electricity price will now be largely set by European bureaucrats in an area of the world which is currently experiencing tremendous instability and uncertainty.

The government has tried to claim that linking the carbon tax with Europe will lead to a lower carbon price. But the reality is that the government is playing a game of deception. Firstly, they claim a lower carbon price under the European link. But in the next breath they are standing by the Treasury modelling that the carbon tax will go up to $29 in 2015-16 and to $37 by 2020 while Greens leader Christine Milne claims it could hit $50 by 2016. They cannot have it both ways—either the price will be lower and they abandon the Treasury modelling or the government stand by their forecast increase in the price of carbon and Australians will suffer further increases in their power bills. In a budgetary sense, either the price will drop and so will government revenues, resulting in a massive budgetary shortfall, or the price forecasts will prevail and household budgets will be placed under huge pressure.

All this explains why respected former Reserve Bank Governor Warwick McKibbin wrote an article in the Australian Financial Review on 30 August in response to the government's decision to scrap the floor price. In the article he highlighted several issues about the government's decision, including: firstly, it raises the economic costs of the existing carbon pricing policy because it creates greater uncertainty about the price of carbon in future years and it also creates real concern about whether the government knows what it is doing—a big worry—which adds to sovereign risk; secondly, in the case of carbon pricing, the idea the Australian scheme should be linked to the European carbon trading scheme is equivalent to the idea the Australian dollar should join the eurozone; and, thirdly, at a time when Europe's economic judgement is widely questioned, the federal government gives up the right to determine its own carbon price and gives that right to Europe.

All these issues highlight why the government should not be rolling the dice with this carbon tax and placing at risk the living standards of Australians. It is a further reminder of how the government's handling of this issue has just been another policy
disaster which all Australians will pay the price for.

I would like to take some time to look at a snapshot of the impact that the carbon tax is having on residents of the North Coast of New South Wales. We all know that the carbon tax is a tax which permeates all parts of our economy. It will hit hospitals, schools, aged-care facilities, swimming centres, councils and small businesses. No-one escapes the $9 billion carbon tax, which is something that has become very clear on the North Coast of New South Wales. For example the carbon tax cop continues to add more councils to the list which will be expected to pay the carbon tax. The councils have been told by the regulator that if their emissions exceed 25,000 tonnes of CO₂ they will be liable to pay the carbon tax on their total emissions—not just those emissions over 25,000 tonnes. Based on a $23 a tonne price a council could face a bill of $575,000 if it breached that threshold. Councils affected on the North Coast include Clarence Valley Council, which covers part of my electorate, and Port Macquarie-Hastings Council, which is in the member for Lyne's electorate. The fear is that other councils are just under the threshold but once they cross it ratepayers will be slugged with a bill of $575,000. Councils will have no choice but to cut services or pass on the cost to ratepayers.

I take this opportunity to refer to two newspaper articles which have appeared in local papers in my electorate over the past week. The first is from last Saturday's edition of the Coffs Coast Advocate. Under the headline 'Power bills a shock for our hip pockets', it read:

'It's been a tough few months for some locals.

According to the St Vincent de Paul St Augustine's Parish conference president Bob Gorman statistics for August came as a shock.'

'Half of our clients are new users of our services', Mr Gorman said.

'The increases in electricity prices are hurting local hip pockets, especially old age pensioners.

In the past we rarely saw old age pensioners—

But these costs, they can't budget for that.'

Out of the $10,000 that Mr Gorman and his St Vincent de Paul colleagues distributed for assistance, half was for helping paying electricity bills.

It doesn't get any clearer than that. For months we have heard the government and the Independents prattle on about how the carbon tax is going to cost you $9.90 more a week but that the government is going to give you $10.10 in compensation. Everyone—bar those on the opposite side of this House and some on the cross benches—

But these costs, they can't budget for that.'

Out of the $10,000 that Mr Gorman and his St Vincent de Paul colleagues distributed for assistance, half was for helping paying electricity bills.

The second article I would like to refer to was in today's Daily Examiner in Grafton.

The member for Page often spruiks that she is committed to representing the community when in reality she is primarily focused on standing hand in hand with the Greens as they seek to destroy business and make households pay more for their basic utilities.

In today's Grafton Examiner three people were asked 'Have you felt the carbon tax on your wallet?': This is what they had to say.

Sharon Hayman from Grafton said:

Yes, of course. Everything is dearer and I do not like it. I have to work two jobs to pay the bills.

Des McLennan from Grafton said:
Yes mainly in retail stores. Things in shops are dearer.

Chantelle Riseley from Grafton said:
Yes, mainly household expenses are up. Especially power, it's unfair on the ordinary family.
I'll say it's unfair, Chantelle. 'Unfair on the ordinary Australian family'—truer words have never been spoken. But that is Labor's carbon tax in action.

This is an unfair tax based on a lie. This is a tax that is going to harm small business and large business and Australia's international competitiveness. This is a tax that has very little upside from an environmental point of view and massive downside from an economic point of view. It is a tax that the coalition has opposed at every turn. We will be opposing these bills. I certainly reject this carbon tax and the people of my electorate of Cowper reject this carbon tax. The government should be condemned for introducing such a tax based on a lie. *(Time expired)*

**Mr Stephen Jones** (Throsby)
(18:06): It my pleasure to be contributing to the debate on this important package of bills. The Clean Energy Amendment (International Emissions Trading and Other Measures) Bill 2012 and related bills will help modernise our economy and drive us towards a clean energy future. As with every contribution, I will start with a reminder about why we are doing it. We are not doing it out of some folly, as you might have been led to believe if you had listened to the member for Cowper's contribution. He spent a good 15 or 20 minutes, like some modern-day Don Quixote, in search of windmills to tilt at—and he has been doing that for about 2½ years now. Nothing is so sad as a man whose predictions of devastation have not been realised.

We are doing this because we on this side of the House believe that climate change is real. We believe that we are facing the risk, within a generation or two, of serious and dangerous climate change. If we do not act, we will be condemned by our children for having let go of an opportunity to alter our path towards climate change, dangerous climate change which will affect their futures and their children's futures.

Australia has a special obligation to act because Australia is one of the highest per capita emitters of carbon in the world. We know that the rest of the world is acting. If we do not act, not only will it affect our diplomatic relations with our neighbours, it will affect our trading relations with our neighbours. As we see neighbours in our near region acting to put a price on carbon, to change their markets and to restructure their economies, it is inconceivable, if they look south and see Australia—one of the wealthiest countries in the region and one of the highest per capita emitters of carbon in the world—not acting, that they would not seek to level the playing field somehow. That would not be in our interests.

We know we are not acting alone. We know that, by next year, over 850 million people will be living in a jurisdiction covered by a carbon price. We know that Korea, California, some of the largest states within China, Japan, New Zealand, Thailand, Indonesia and Vietnam have developed emissions trading schemes and either have them operating right now or are in the process of implementing them. The Leader of the Opposition last month claimed that there are no developing carbon markets within the Asia-Pacific region. The truth is far different. You just need to look across the ditch to New Zealand to see an operational carbon trading market. If you look to our neighbours in the near region, you see other emerging carbon markets. So we are not
acting alone. If we do not act, we will give up the chance to be innovators and early adapters and we will swap that for the opportunity to be laggards and losers when it comes to developing a modern economy.

On this side of the House, we believe in adopting a market based mechanism. Put simply, if you put a price on something, people start to value it and it starts to change their behaviour. It is like running water—if it were free, people would leave their taps running. They would use it wastefully. When you put a price on water, people start to think about the way they use it and they turn their taps off.

So it is with carbon. If you put a price on it, it changes behaviour. Producers start to look at it. It becomes a commodity and producers start to look at it as an input cost and to do what any good business would do—try to reduce that cost. In particular, if you are a producer of electricity, you are going to put in place every mechanism possible to reduce that input cost. If you are a user, you are going to do everything within your power to reduce the impact on your hip pocket.

We on this side of the House know that it is not that simple, which is why we have put in place mechanisms to provide assistance to households and to provide either exclusions or assistance to certain industries. For example, industries in my electorate which are emissions intensive and export exposed are effectively excluded—or near excluded—from the impact of the carbon price.

Earlier, we heard the member for Cowper deriding the actions of bureaucrats in far-flung places. That is misguided. Quite simply, if you put in place a market mechanism, it is day-to-day users and businesses who control the price of carbon. When you link that market mechanism to markets around the world, it will not be just 20 million consumers making the input decisions which control that price, it will be over 850 million users. Far from it being a few public servants in Canberra, Geneva, Munich or somewhere else who will control the price of carbon, it will be everyday users through their actions.

So we link the markets—and that market linking is incredible important. It has been government policy since at least 2007 that Australia should link its price on carbon, its emissions trading scheme mechanisms, to schemes around the world. Through this legislation and through negotiations with the European Union, we are linking our scheme to the EU's emissions trading scheme. That scheme is a mandatory trading scheme, the largest in the world. It covers over 30 countries and it has operated since 2005. By the time it had been operating for six years—that is, by 2011—it had been so successful that the EU had managed to reduce carbon emissions from the countries covered by the scheme to 17½ per cent below 1990 levels. From that we can see that the operation of a market based mechanism can be effective.

There are great potential benefits to Australians—Australian manufacturers and Australian businesses—from linking to the European scheme. The House of Representatives Standing Committee on Economics, of which I am a member, conducted a public inquiry into these bills and a number of businesses and business organisations welcomed the legislation. They pointed out that they could see enormous benefits from linking to the EU scheme. The Australian Financial Markets Association, for example, had this to say in their submission to the committee:

Linking of the Clean Energy Scheme with sound international schemes has been consistently requested by AFMA as a mechanism to increase
market depth, achieve least cost abatement and reduce overall risks for participants.

It was a message repeated by the Clean Energy Council in their submission, where they said that they supported the linking of the Australian carbon pricing scheme with international emissions trading schemes for the following reason:

With international linking, the carbon price in Australia will essentially be set by international supply and demand for abatement.

They go on to say that this will guarantee that, on an international basis, they have access to the lowest cost of abatement, and that is what it will be all about for business.

I do not know if this has been raised in this debate to date, but there is a second benefit of linking our scheme to the scheme covering those 30 countries in Europe. It goes to the heart of the opposition to the scheme—raised by the opposition—on the basis that we are acting alone. Well, we know we are not acting alone. But by Australia linking its scheme to an international scheme we create international momentum which will encourage other countries around the world to link their schemes to the international schemes in operation. That, after all, is what we are on about. That is the long-term objective of Australian government policy and the stated policy of many other nations around the world. So there are great benefits, as recognised by business and by other countries in our region and around the world, in linking our scheme to the European scheme.

The second part of the legislation that I will comment on is the removal of the floor price. It is true that, when the carbon price was originally introduced, the floor price was placed in the legislation with the objective of creating certainty not only around the costs for businesses and users but also to assist in driving long-term investment in low-carbon-emitting technologies, particularly when it comes to energy generation. These are long-term investments, sometimes 20-, 30- or 40-year investments, and it is in the interests of businesses and financial markets to have some certainty around prices. So we do not resile from the need to have some certainty and putting in place a mechanism which will drive long-term investment.

But there are other ways that can be achieved—for example, by linking our scheme to the largest market scheme in the world, which has a well-established futures market. As people who operate in the markets, particularly the financial markets, will understand, the existence of a futures market provides not only hedging arrangements but also some capacity for businesses to make long-term investments and manage their risk over that time with some certainty.

The removal of the floor price is also supported by business, as shown by the comments that businesses made to both the Department of Climate Change and Energy Efficiency and the committee that inquired into the legislation. The Business Council of Australia, for example, in a submission to the department, had this to say:

The BCA supports the removal of the floor price and a surrender charge. Both these elements of the legislation distorted the market that is intended by the legislation and would have brought additional costs to the economy and consumers at a time when all efforts should be directed at maintaining a strong and growing economy.

There were several other submitters to the committee and to the department who echoed those comments. So the removal of the floor price as proposed by this legislation is well and truly supported by business.

There are some limitations on the capacity of domestic producers to link with other
schemes and access international markets for the purpose of low-cost abatement. The first is that an Australian business may offset no more than 50 per cent of their liability through accessing international permits. The second is a limitation on accessing what are known as Kyoto units for the purposes of abatement, and there is a very good reason for that limitation: we are not purchasing carbon for the sake of purchasing carbon; we are pricing carbon as a means to change behaviour, particularly production behaviours; and the problem with the Kyoto units is that they are uncapped as units and as a commodity. That is to say that there is no cap on the number of them that may be issued, which has led many within the economy to say that perhaps the price is artificially too low for these units and we are not actually purchasing real abatement. At $2.50—that is the current price of Kyoto units—we certainly know that that is not going to be enough to drive the sort of change that is required both in business and in behaviour. For that reason, quite wisely, there is a 12 per cent cap on the number of Kyoto units that can be accessed for the purposes of abatement by Australians who have a carbon price liability.

The package of bills before the House today are appropriate adjustments to be made to this major reform, and I dare say they will not be the last because we will need to make adjustments to the scheme as dictated by practice in the marketplace. However, what this legislation shows is the willingness of the Labor government and the minister responsible to ensure that we take on board concerns and that we are continually attempting to do what we can to link our scheme to international schemes and to make the necessary adjustments to ensure that we are putting in place arrangements which will change behaviour and enable people with carbon price liabilities in this country to access the lowest-cost abatement. I commend the legislation to the House.

Mr ROBERT (Fadden) (18:21): I rise to join my coalition colleagues in unilaterally condemning and opposing the Clean Energy Amendment (International Emissions Trading and Other Measures) Bill 2012 and cognate bills, noting the second reading amendments we will be moving to call on the government to scrap this invidious, dreadful, electricity-rising, job-destroying, nation-unbuilding carbon tax. If there was ever proof that this government is in complete and utter chaos, this bill legislation stands alone as testimony to that.

Since implementing the carbon tax, the government has made eight major changes. It has bailed out major companies using taxpayer funds on the eve of the carbon tax being introduced, including funding to Energy Brix and Alcoa. It has decreased the share of clean tech investment grant funding for small businesses so as to further increase funding for big businesses. The Clean Energy Regulator has added more businesses to the ever-growing big-polluters list, taking the total now to 315, and it would not surprise me if that changes on a daily basis.

Since implementing the carbon tax, the government has made eight major changes. It has bailed out major companies using taxpayer funds on the eve of the carbon tax being introduced, including funding to Energy Brix and Alcoa. It has decreased the share of clean tech investment grant funding for small businesses so as to further increase funding for big businesses. The Clean Energy Regulator has added more businesses to the ever-growing big-polluters list, taking the total now to 315, and it would not surprise me if that changes on a daily basis. It has changed the regulations to increase real emissions from pipelines and landfill by one million tonnes. It has abandoned the Contract for Closure program to shut down power stations which will mean the carbon tax will have to increase to achieve the same emissions reductions and the Lord only knows how much money was spent on this program prior to the shutdown. It has scrapped the floor price, which was to have been $15 from 2015. The government had said a floor price was needed for business confidence; apparently not now. It has linked the scheme to the European system, which does not allow a two-way trade on carbon credits, putting Australian businesses at a distinct disadvantage and resulting in
Australia's carbon tax being set by the EU price. And it has halted the clean technology investment grants. This came just weeks after the grants were announced and then changed. There have been eight substantial changes in just three months, after this government had years to get it right in their own minds.

The government has lost control of the carbon tax. It frankly does not know what it is doing, evidenced by its policy on the run. It is making ad hoc changes at will—more policy on the run from a government that is incompetent and divided and, as yesterday shows clearly, not only the collapse in polling numbers but also the resignation of its caucus chair, and then a spirited and hyperbole based defence of the indefensible disgusting behaviour of former Speaker Slipper, only for him to resign hours later. This government is incompetent; it is divided; it is directionless.

You only have to ask why the floor price was dropped now and linked to the EU. Why now? Why at this time was that decision made? The answer lies not in good public policy but, as it so often does with this divided government, in the haunting spectre of Kevin, the member for Griffith, because as part of his bid to build numbers to challenge the Prime Minister he said he would drop the floor price and link it through to the EU. Short of any other compelling notion as to why now this would be done, the only logical conclusion is to sweep the floor away from Kevin, so that the member for Griffith is denied one more point of differentiation away from the Prime Minister—public policy on the run because of a potential challenge to the Prime Minister. This government walked into this House and said that this is about business confidence, about confidence to tackle climate change and the so-called extreme nature of it. And now we are seeing policy on the run not for business confidence, not to deal with the so-called extremes of climate change but to deal with the threat the member for Griffith may have on the Lodge—puerile at the very best.

What is the impact of all this? In my home state of Queensland, the electricity price regulator, the Queensland Competition Authority, has announced massive increases in power prices from 1 July, which will add $120 to the average household power bill. Power prices have now soared by 60 per cent since the former Labor state government promised that deregulation of the industry would put downward pressure on prices. Perversely, the cost increase was pushed higher because Queenslanders used less power over the summer. The generator did not maximise their return on investment and so sought permission, and was granted, to increase the price. Because less power was used over Christmas—that is, Queenslanders saved power, they did not use as much—the generator did not meet its profit targets and the price went up. I thought the intent was to stop using power. I thought the intent was to wean us away from using power, but it turns out that the less power we use the higher the price. The level of perversity within the government's legislation, its basis and its rationale has reached new and startling heights. All Queenslanders are paying more because of this government's carbon tax. The South Australian regulator made it exceptionally and explicitly clear that more is being paid because of the carbon tax—a tax the Prime Minister categorically promised she would not introduce just days before the last election. That promise was broken. It is a tax based on a lie. Be under no doubt at all about that.

The main purpose of the Clean Energy Amendment (International Emissions Trading and Other Measures) Bill 2012 is to remove the legislated floor price out of the
carbon tax and link us with the European ETS, where the price for permits is around $8, give or take. What is our price? Twenty three dollars. The level exceptions within the European scheme means that the average Australian is paying something like 400 times more than the average European because of the way our scheme is constructed. The legislation will increase the carbon unit auction limit from 15 million to 40 million for 2015-16; alter the arrangements applying an equivalent carbon price for liquid fuels and synthetic greenhouse gasses; make amendments concerning the measurement of potential greenhouse gas emissions; and make amendments concerning natural gas liabilities. Just three months into the carbon tax, these are major structural changes.

Context is important, as we debate the high farce of this tax and its multiple amendments. On no fewer than 11 occasions the government affirmed categorically its commitment to the floor price as a crucial piece of the carbon tax legislation—11 times. That of course was before the member for Griffith started getting momentum to challenge for the Lodge. On 13 September 2011, the Prime Minister said in this place:

The bill also provides for a price cap and a price floor to apply for the first three years of the floating price period.

This will limit market volatility and reduce risk for businesses as they gain experience in having the market set the carbon price.

So the rationale for setting it for three years was to limit market volatility. Apparently that rationale has disappeared, has it? Now we have swept the floor away, does that mean there will be less or more market volatility? Or does it mean the government does not care as long as Kevin does not have the keys to the Lodge?

On 9 November 2011, a mere three weeks later, the Prime Minister said during an interview:

Well we have set a floor and cap so that there can be stability in pricing but by internationally linking the scheme we will see the Australian price linked to the global price when we move to the emissions trading scheme in three years time, but we did think it was appropriate, because people are making very long term investments, to have a band in which the price will move so that we’ve got the benefits of linking with the international price but also the benefits of stability.

So, within three weeks, the Prime Minister said, 'Keeping a floor price will limit market volatility; it will establish stability.' How can the government now walk in and sweep away the floor price, when they have nailed their colours to the mast, saying the floor price is needed for stability and to limit market volatility? What they are saying is: 'We don't care about market volatility. We don't care about stability. All we care about is that the member for Griffith promised to do this as part of his bid for numbers to challenge the Prime Minister, and, to sweep that away, we're going to do it as well, regardless of the instability, regardless of the market volatility.' They are the two issues the Prime Minister said needed to be addressed. They apparently are not important anymore a mere nine to 10 months later.

Similarly, on 12 July this year the Minister for Climate Change and Energy Efficiency, Greg Combet, said:

Well we've put in a floor price and a price cap to provide some confidence over the first few years about the potential variability of the price.

So we now have: 'It's about stability. It's about limiting market volatility. It's about confidence.' Or it was about those things. Mr Combet then said, on 21 August 2012:

We have legislated the floor price; that's quite well known. I am discussing with the European
Union the linkage of our schemes. It is an issue that's in those discussions, but we are committed to the arrangements we have legislated.

Apparently, Minister Combet, you are not that committed to stability, to confidence, to limiting market volatility, as long as the member for Griffith is knocking at the Lodge. On 28 September 2011, Minister Combet said of the floor price:

This will reduce risks for businesses as they gain experience in having the market set the carbon price.

Despite eight changes since 1 July 2012, Minister Combet claimed that the carbon tax was 'bang on track'.

The government does not know what it is doing. It talks of stability. It talks of confidence. It talks of limiting market volatility. And then it changes it all, as if those words meant nothing. The government cannot be trusted on major policies. Its track record is clear on this. It cannot be trusted in terms of the words it uses. It was committed to all these issues of stability and confidence, and apparently now it is not. If it had articulated an argument that said, 'We can deal with the issues of stability, of confidence, of limiting market volatility—those things that required a floor for three years—through these other mechanisms, by linking the schemes,' perhaps there would be a shred of credibility. But there is nothing—no engagement, no rationale, no discussion, no explanation to the Australian people as to why, six to 12 months ago, the floor price was fundamental for stability, confidence and limiting market volatility, but now it is not important at all. In the last 12 months, Europe has gone backwards, China's growth has slipped to just above 7.1 per cent, Brazil's economy is slipping and we are now apparently the 12 largest economy in the world because the growth of three economies above us has stifled. But apparently issues of stability, confidence and market volatility are no longer important.

There is a human face to this discussion. Ernest and Marjorie Clark, who are retirees in my electorate, at Runaway Bay retirement village, where hundreds of others are, came in with their first power bill since the introduction of the carbon tax. It showed their off-peak power had gone up by 25.5 per cent and their peak power by 14 per cent. They asked a simple question: 'Stu, how do we afford this? The other 150 houses and residences in our retirement village face the same thing.' They said:

As pensioners we find it very hard to cover increased costs to everyday living, then be hit hard with increases in utility charges over and above the 10% stated by the PM.

This is the core problem with the carbon tax and the way this government has legislated for it. In the government's own modelling, emissions go up. The carbon tax does not reduce emissions. It does not do that. Emissions go up. It causes maximum pain to people like Ernest and Marjorie Clark, retirees with a fixed income, including the pension, whose investments are struggling against a domestic and international financial regime that at present is going from bad to worse. It is punishing good people like Ernest and Marjorie Clark, and for what? For emissions to go up.

We have called time and time again for the carbon tax to be scrapped. The Leader of the Opposition has made the point patently clear that in government we will rescind it. We oppose it now and we will rescind it in government, as the first order on day one of an Abbott led government. We will restore fairness back to those people that were deceived at the last election by a carbon tax based on a lie.
Debate adjourned.

BUSINESS
Rearrangement

Ms KING (Ballarat—Parliamentary Secretary for Infrastructure and Transport and Parliamentary Secretary for Health and Ageing) (18:37): I move:

That business intervening before order of the day No. 26, government business, be postponed until a later hour this day.

Question agreed to.

BILLS
Social Security and Other Legislation Amendment (Further 2012 Budget and Other Measures) Bill 2012
Second Reading

Debate resumed on the motion:

That this bill be now read a second time.

Mr ANDREWS (Menzies) (18:37): Mr Deputy Speaker Scott, before I move to the Social Security and Other Legislation Amendment (Further 2012 Budget and Other Measures) Bill 2012, may I formally congratulate you upon your elevation to the deputy speakership. I am sure you will continue to do a wonderful job in the chair.

This is a government bill which introduces two 2012-13 budget measures in the form of the extension of the Cape York Welfare Reform Trial and increased payments for Indigenous education and also introduces a number of non-budget amendments to clarify current government policies. This bill gives effect to a number of key changes. I will address each of the schedules in turn.

Schedule 1, 'Extending Cape York welfare reform trial', amends the Social Security (Administration) Act to enable a proposed 12-month extension of the welfare reform trial in the Cape York area. The continuation of the Howard government introduced welfare reform trial will help Indigenous families budget, increase school attendance and job opportunities, make communities safer and improve care and protection of children. The Cape York Welfare Reform Trial is a partnership between the communities of Aurukun, Coen, Hope Vale and Mossman Gorge; the Australian government; the Queensland government; and the Cape York Institute for Policy and Leadership. It aims to restore positive social norms, re-establish local Indigenous authority and support community and individual engagement in the real economy.

To date, the trial has made a real difference in the lives of Indigenous people in the cape. Since it began in July 2008, the Cape York welfare reform communities have seen improved school attendance, care and protection of children and community safety. A key plank of the trial is the Family Responsibilities Commission, established under Queensland government legislation. Local family responsibility commissioners hold conferences with community members, refer people to support services and, when necessary, arrange income management.

Currently a person can be subject to income management under the trial only after a decision by the Family Responsibilities Commission made before 1 January 2013. This schedule amends the Social Security (Administration) Act to extend this date to 1 January 2014, enabling income management to continue in Cape York for a further 12 months. The Queensland government has also committed to continuing its support for the trial and to introducing legislation to extend the operation of the Family Responsibilities Commission. It has been disappointing that Labor has again allowed internal division within its ranks to dictate policy—in this case, only extending for another one-year period this very successful measure.
Let me turn now to schedule 2, ‘Indigenous education payments’. This schedule amends the Indigenous Education (Targeted Assistance) Act 2000 to increase the act's legislative appropriation for the 2012 and 2013 calendar years. The increased appropriation for 2012 and 2013 will provide funding for several new initiatives in addition to existing activities under the Indigenous education act. The increase in the appropriation for 2012 and 2013 will continue existing initiatives and provide funding for several new initiatives, including expansion of the Sporting Chance Program, Teach Remote Stage 2, and student education trusts delivered as part of the Cape York Welfare Reform Trial, and initiatives that support teachers, professional development and front-line services to improve Aboriginal children's access to quality education.

Schedule 3 introduces a package of minor amendments to improve the operation of the Social Security Appeals Tribunal, the SSAT, in the social security, child support, family assistance and paid parental leave jurisdictions. For example, some amendments will enable SSAT members to release protected information to relevant authorities in certain circumstances where there is a risk to the life, health or welfare of a person. Other amendments address current gaps in privacy protection for information and documents. Currently, the Principal Member of the SSAT can direct a party not to disclose information or documents obtained at certain stages of a review. Changes are required so that a party can be directed not to disclose information or documents obtained by him or her at any stage of the review. Amendments also extend confidentiality obligations to all people providing services at the hearing of the review.

Amendments also address current gaps in privacy protection for information and documents. Currently, the Principal Member of the SSAT can direct a party not to disclose information or documents obtained at certain stages of a review. Changes are required so that a party can be directed not to disclose information or documents obtained by him or her at any stage of the review. Amendments also extend confidentiality obligations to all people providing services at the hearing of the review.

Amendments allow the Principal Member to reconstitute the SSAT in the same circumstances in which the Administrative Appeals Tribunal may be reconstituted. Several amendments are made to facilitate the SSAT's achievement of its statutory objective and to harmonise the provisions governing review by the SSAT in the family assistance, social security, child support and paid parental leave legislation. These amendments, firstly, extend the grounds on which an application for review may be dismissed and enable parties to request reinstatement of a dismissed application; secondly, permit the principal member to order the Child Support Registrar or the secretary, as the case may be, to make written submissions, rather than both oral and written submissions, to the SSAT; thirdly, clarify that the Principal Member has a discretion, exercisable having regard to the parties' wishes and the need to protect their privacy, as to who is permitted to make submissions on a party's behalf; and, fourthly, make each person who is responsible for a child to whom the reviewable decision relates a party to the review, thereby avoiding a joinder process. Further changes are made to ensure
consistency of language, clearer headings and clearer definitions in the family assistance, social security, child support and paid parental leave legislation.

In schedule 4, amendments are made to the child support legislation to confirm the longstanding policy and administration in cases where the amount of child support payable under a child support assessment is reduced because: (1) a court decides that the payer is not a parent of one of the children in the assessment but that (2) the payer remains liable for at least one other child in the assessment. The amendments made by this schedule are designed to undo the effect of the majority's interpretation of the child support legislation in the judgement of the full court of the Family Court of Australia in the 2011 case of the Child Support Registrar v Farley reported in FamCAFC, page 207, and to confirm the existing policy and administration in giving effect to section 107 declarations made under the Child Support (Assessment) Act 1989.

Section 107 of the Child Support (Assessment) Act 1989 allows the court to make a declaration that a person should not be assessed in relation to the costs of a child because the person is not a parent of the child. This is in cases where paternity is challenged and it is found that a father has paid child support for a child that was not in fact his. A consequence of a section 107 declaration being made is that any application for assessment of child support for the child is taken never to have been accepted by the Child Support Registrar. The longstanding policy in such cases is that the total amount of child support previously paid—including amounts paid for the child that was found to be not theirs—would be applied to their child support liability for any remaining children in the case and to any child support debt for those children. Any excess child support they paid may be recovered from the payee by applying for a court order under the existing child support legislation.

The government argues that these amendments are required because the Family Court's decision in a particular paternity case changed the way the policy has always operated. The Family Court's decision would require, in such cases, the payer to take court action to obtain repayment from the payee of the amount attributed as being the overpayment for the excluded child as well as require the payer to make further payment to the payee of an equivalent amount attributed as being the underpayment for the other child or children for whom the payer is liable. This would be an unnecessarily complex process for 'balancing' the payer's liabilities. The amendments are being applied retrospectively to support the longstanding policy and administration so that previously-decided cases are not revisited which could significantly disadvantage parties who have relied upon these decisions in their financial affairs. The changes made by this schedule are to commence on royal assent.

Schedules 5 and 6 make clarifying and technical amendments to the schoolkids bonus legislation and minor clarifications to other portfolio legislation, such as the family assistance clean energy legislation, and to the rules for rounding of payment rates. The schoolkids bonus and the ETR payments were announced in the 2012-13 budget and replaced the education tax refund that was previously claimed through the tax system.

The revelations in the last round of Senate estimates detailed that the schoolkids bonus is paid in two instalments. The only requirement for any parent or student to receive this payment is to announce an 'intention' of attending school at least one day in the next six months. That does not
pass the common-sense test. Also, the schoolkids bonus was legislated in a way which meant that it was not subject to SEAM or to income management more broadly. This is just part of Labor's plan to ensure that income management fails. If you want Howard government-style outcomes in the area of welfare quarantining, you cannot pick winners—you cannot cut and paste measures. You either commit to it or you do not. The problem is that Labor is divided. There is a bitter internal division over income management, and it is only complicated by Labor's relationship with its alliance partner, the Greens, who oppose income management.

From 1 July 2013, families receiving family tax benefit part A and part B will receive an ongoing clean energy supplement. The single income family supplement will also be paid from 1 July 2013 to assist families that have one primary earner. Both of these measures are part of the government's Clean Energy Future plan. Most of the amendments made in these schedules will commence on royal assent. Two beneficial items will commence with retrospective effect, as I will indicate below.

The drafting clarifications for the schoolkids bonus are designed to ensure that those who were eligible for the education tax rebate receive the schoolkids bonus. The department has stated that this will extend the schoolkids bonus to approximately 1,000 further recipients, with this expenditure covered by the original appropriation. The drafting clarifications for the clean energy legislation clarify rounding rules for the indexation of clean energy supplements to ensure that they increase in line with inflation.

The government continues to do what is politically demanded to ensure internal divisions are kept at bay; it does not do what is in the national interest. There is a stark contrast between coalition governments and Labor governments. What we do is in the national interest; what they do is in their own interest. It is a disgrace and, if the coalition is entrusted with government at the next election, Australia will again have a grown-up government dedicated to restoring hope, reward and opportunity. The coalition will not oppose this bill.

Reference to Federation Chamber

Ms KING (Ballarat—Parliamentary Secretary for Infrastructure and Transport and Parliamentary Secretary for Health and Ageing) (18:50): by leave—I move:

That the Social Security and Other Legislation Amendment (Further 2012 Budget and Other Measures) Bill 2012 be referred to the Federation Chamber for further consideration.

Question agreed to.

Clean Energy Amendment (International Emissions Trading and Other Measures) Bill 2012

Clean Energy (Charges—Excise) Amendment Bill 2012

Clean Energy (Charges—Customs) Amendment Bill 2012

Excise Tariff Amendment (Per-tonne Carbon Price Equivalent) Bill 2012

Ozone Protection and Synthetic Greenhouse Gas (Import Levy) Amendment (Per-tonne Carbon Price Equivalent) Bill 2012

Ozone Protection and Synthetic Greenhouse Gas (Manufacture Levy) Amendment (Per-tonne Carbon Price Equivalent) Bill 2012

Clean Energy (Unit Issue Charge—Auctions) Amendment Bill 2012

Second Reading

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

Dr MIKE KELLY (Eden-Monaro—Parliamentary Secretary for Defence) (18:51): I add my public congratulations to you on your election, Mr Deputy Speaker. I know no more decent man, and you are deeply schooled in this role.

I begin my comments on this legislation by reading the following passage:
The Government will introduce an emissions trading scheme, no later than 2012, as the primary mechanism for achieving the long term emissions reduction goal. A well-designed emissions trading scheme will help to reduce emissions at least economic cost. As a mechanism to establish and appropriately manage a forward price for greenhouse gas emissions, trading will reduce uncertainty, improve the investment environment, and strengthen the incentives for low emissions technology development and deployment. It will also encourage new economic opportunities in low emissions technologies, energy efficiency and through carbon offsets such as forest plantations.

The document that I am reading from is Howard government policy from 2007. That policy, seeking to operate on the recommendations of the Shergold study, was an initiative going forward in what was that current international environment, not conditional upon the sealing of the Copenhagen arrangements or any other emissions trading scheme being established in any other part of the world. It was government policy and it was to be implemented. It had a target date of 2012, the current year, with our scheme now in operation. The logic of the scheme was well understood by the Howard government, and of course that logic was indisputable. The logic was based on expert advice not only from Professor Shergold but also from many other sources, such as the OECD and the Productivity Commission; we have recently had Mr Garnaut's detailed studies, and of course the living example of many of these schemes around the world, which I will come back to.

Specifically, this package of legislation is aimed at preparing us to move into that international space and to align and engage with those international trading schemes which the Leader of the Opposition seems to deny exist—once again an indication of his struggle with reality in this respect. Certainly it will enable us to engage immediately with the European Union's emissions trading system by removing the price floor that was to operate in the first three years of the flexible price period, establishing the flexible registry arrangements to ensure linking arrangements can be entered into; it introduces provisions regulating carbon unit auctions. The current arrangements applying to the equivalent carbon price settings for synthetic greenhouse gases and some liquid fuels will be altered to ensure they remain equivalent to the effective carbon price faced by liable entities. And it allows the minister also to determine methods to measure potential greenhouse gas emissions embodied in the amount of designated fuel and to adjust liabilities between financial years, providing additional flexibility in the regulations for how liability is imposed on potential greenhouse gas emissions and extending the eligibility test for JVPs, joint venture participants, to participate in the opt-in scheme.

I mentioned that it enables us to move forward in this evolutionary process of the growing international regime relating to carbon trading. There was a lot of scepticism about the Copenhagen and Durban processes but COP17 in Durban was a major breakthrough. It has taken the world forward to the position where all the major emitters, most of the world's countries—almost all of them—will be pushing forward to establish
by 2020 an international global regulation regime. In the meantime, having that peg in the sand in front of us, countries all around the world are now furiously moving towards establishing reductions in their emissions, positioning themselves to be able to participate in trading regimes so that their transition in 2020 will be smooth. That is exactly why we need to move forward now, because doing this now puts us ahead of the game in many respects but also keeps us at pace with other nations who are moving forward in this area.

We know that, apart from those 90 countries, we have seen movement towards emissions trading schemes beginning in South Korea, much influenced by what we have done in Australia. We have seen moves beginning in California and the four major provinces of Canada. We have seen initiatives in Japan. The process is well and truly underway in China. Of course, the European-wide scheme has been in operation for some time. So most of our major trading partners, most of the key dynamic elements of the world economy, are already moving down this road and it will now be possible for us to position ourselves in engagement with them.

Establishing an international trading regime will also enable many of our businesses operating in the limits which we establish to offset some of their costs. As the member for Flinders acknowledged, carbon knows no international boundaries. So any carbon emissions abated anywhere in the world bring us further forward in our global effort to prevent further deterioration of the climate change circumstance. We know that 94 per cent of OECD members have legislated or are developing an emissions trading scheme at the national or subnational level, 88 per cent of all advanced economies have legislated or are developing an ETS at the national or subnational level and over 70 per cent of the richest economies in the world have legislated an ETS at the national or subnational level.

This is not just a scheme that is going to benefit many of the industries that are associated with renewable energy and the like; of course, many opportunities are available from this Australian landscape to take advantage of an international trading regime. The Carbon Farming Initiative will very much advance that cause. Already, this is happening. There was an article in the Australian on 12 October 2011 which reported on the circumstances of two Tasmanian farmers. One was Mr Roderic O’Connor, who, participating in the international trading regime at that time and having achieved the verification of carbon credits, was prospectively earning $400,000 from the vegetation on his property that was not to be logged or harvested. In addition was the example of Peter Downie from Bothwell in Tasmania, who became the first farmer in Australia to bank hard cash for selling his registered carbon credits. He was paid more than $200,000 when he sold his first 15,000 carbon credits. Of the 70,000 units he had had assessed, they were registered and verified to a German property developer and a Japanese wool processor. So already we can see the shape of the international regime developing and our own farmers—these two farmers in Tasmania as an example—taking advantage of that.

We are also talking about supercharging the development of a green industry and green jobs in this country. My own region is a prime example of that. We are experiencing that dynamic change happening right now. The New South Wales Department of Premier and Cabinet itself rejected that there would be 2,300 new jobs generated in my region alone from this scheme and from the carbon pricing package. We are seeing immediately, right now, over
a billion dollars in renewable energy projects in Eden-Monaro.

We already have the Capital Wind Farm, just out here at Bungendore, with 60 turbines. A $700 million project is about to get underway in Boco Rock, in the high country here, which will also potentially generate up to 22 ship movements and 1,600 truck movements through the Port of Eden, generating stevedoring jobs and support industries that will enable that transport and logistics operation to occur. This will have a major economic impact in my region. It will not only be confined to those major wind power operations. The Capital Wind Farm, near Bungendore, is developing a 50-megawatt solar farm and we will be engaging with our tertiary institutions here in the ACT to develop better storage techniques for solar generated energy.

This hive of activity is also driving research in my region. Just nearby the Capital Wind Farm is the Woodlawn Bioreactor, which is taking advantage of a major ex-copper mine and taking putrescible waste from Sydney through the train and truck system, filling that hole and generating electricity through the harvesting of methane through the bioreactor facility.

We are also seeing the development of the Carnegie Wave Energy Corporation's potential facility off the Port of Eden, which has reliable average wave movements that will make the project highly profitable and could power up to 55,000 homes. Already, Carnegie Wave Energy Corporation is doing a job for us with HMAS Stirling, generating power for that major naval base. This is a very exciting technology, which is tethered to the bottom of the ocean, so it is completely invisible. Not only will it generate electricity but potentially these facilities can generate desalinated water, based on their pumping actions. Carnegie Wave Energy Corporation will be sinking its first test buoy next year.

We are also seeing Algae Tec in Shoalhaven, just across the border from my electorate, moving forward with this magnificent algae technology generating biodiesel fuel. They have already entered into a contract with Lufthansa and will be entering into production with them. The refinery is in operation. It also offers us the potential to significantly abate emissions from our coal fired power stations because this technology actually harvests the carbon component of waste generated from coal fired power stations. You could abate up to 80 per cent of the emissions of a coal fired power station by utilising this algae technology. Our power-generating companies should already be reaching out to position themselves well, to keep themselves going for a much longer period and to defray costs. The technology is there for them to take advantage of.

Beyond these projects we also have industries being generated locally in many exciting directions—for example, the solar store company in Cooma, which is exploring the storage of solar energy in its graphite block system and which is now moving forward into deployment. Dyesol, in my hometown of Queanbeyan, is developing world-leading technology in solar photovoltaic systems using film technology, with very flexible industrial application. That is now moving forward.

In addition, we have a very exciting company down in Pambula, Pambula Engineering. A headline in the Merimbula News said 'Carbon tax produces new interest in business'. This company is taking advantage of the carbon-pricing regime because of the issues associated with putrescible waste going into landfill and has created an organic waste dehydrator...
technology, invented by Jose Ruiz-Avila, from Cobargo in my electorate. This technology has been implemented by Pambula Engineering. It is creating jobs and is now exporting this technology to Mexico and Iceland and is developing it for major projects within Australia. This exciting new industry is just one example of many that are starting to spring up around my region. We were certainly indicated as one of the top four in the country by the Access Economics study because of every available renewable energy source being available to us and being close to the grid. Certainly, what we are now seeing is growing proportions of renewable energy developing at a much more accelerated rate. In South Australia, where so much devastation had been predicted by the Leader of the Opposition, we recently saw renewable energy peak at 60 per cent of the state's power resources. How could you take any advice or comment from the Leader of the Opposition on this subject? The guy cannot even read an electricity bill, as we saw well demonstrated today.

He has been waging a fraudulent campaign against the interests of this country. He is a one-man sovereign risk, because business wants certainty in relation to an international and domestic trading regime. He is the one who is generating the uncertainty that is affecting investment. In spite of that, we have seen those who have faith in the industry moving forward because they are seeing immediate results being demonstrated. But an attempt to try to dismantle the clean energy future package, as this man proposes to do, not only would set us back but would cripple the growing green energy industry that is developing and these spawning industries in my electorate. He would be setting us back behind the international pack that is developing internationally, as I have explained. Those are the real facts, the real statistics.

We have been trying to recover from the 12 Rip Van Winkle years, when the former government failed to invest in innovation, infrastructure and skills. All of that period was wasted during the years of the mining boom, when our country slid backwards, when we saw 10 interest rate rises in a row because of the poor-quality spend of that government.

The current government has managed to completely turn that situation around with a regime that will not only generate this investment and new industries but support that with huge investment in the new skills that will be required, creating prosperous jobs and a great future for our kids.

Mr Abbott (Warringah—Leader of the Opposition) (19:06): There is really not much which is worth responding to in the contribution that we have just heard from the parliamentary secretary. But if the carbon tax were such a good idea, why wasn't the government prepared to be honest about it before the last election? Why wasn't the government prepared to say, with its hand on its heart, five days before the last election: 'There will be a carbon tax under the government I lead.' The fact that none of this was done, the fact that the Prime Minister was desperate to hide pre election what she has done post election gives the lie to the protestations that we have just seen from the member for Eden-Monaro.

The legislation before the House tonight, the Clean Energy Amendment (International Emissions Trading and Other Measures) Bill 2012 and cognate bills, is yet another breach of promise from a government that is chronically incapable of keeping its commitments.

We know, notoriously, that the Prime Minister said five days before the last election: 'There will be no carbon tax under the government I lead.' And she notoriously
gave us a carbon tax in order to stay in the Lodge after that election. But that was only the beginning of a whole series of deceptions that this government has foisted on the Australian public. Most notably, for the purposes of this legislation, was the insistence that a floor price was absolutely necessary to produce an effective carbon tax emissions-reduction scheme.

Let us be absolutely crystal clear: this government was adamant that we could not have an effective carbon pricing scheme without a floor price. The government was, if anything, far more adamant about this post election than it was pre election—'There would be no carbon tax under the government I lead.' Time and time again ministers and prime ministers have stood up in this parliament and elsewhere to insist upon the absolute necessity of a floor price if this scheme is to work.

From its own material released on 10 July last year, the government said: 'The floor is designed to reduce the risk of sharp downward movements in the price, which could undermine long-term investment in clean energies.' The Prime Minister said in this parliament on 13 September last year: 'The bill', that is to say the government's carbon pricing legislation 'also provides for a price cap at a price floor. This will limit market volatility and reduce risk for businesses'. Parliamentary secretary Mr Dreyfus said in November last year: 'For those investing in abatement technologies whose value is sensitive to the level of the carbon price, a price floor helps reduce down-side risk.'

On 9 November last year, the Prime Minister said: 'Well, we have set a floor so that there can be stability in pricing, because people are making very long-term investments.' The Minister for Finance and Deregulation, Senator Wong, in February this year, said: 'Our policy does include a price floor, which acts as a safety valve for investors in low-emission technology by establishing a minimum price for the first few years.' In May this year Christine Milne, the leader of the Greens—who are, in some ways, the coarchitects of the carbon tax—said: 'Establishing a floor price is critical to certainty.'

Later in May this year, the leader of the Greens said, 'Getting rid of it' that is to say, getting rid of the floor price, 'would not only be a blow to business certainty but also would potentially blow a hole in the budget'. In July this year, the leader of the Greens said: 'If you allow the volatility that has occurred in Europe, you get chaos in the system.'

We have the Prime Minister, we have the coarchitect of this scheme, the leader of the Greens, we have Senator Wong, the original climate change minister in this government and we have the relevant parliamentary secretary all repeatedly on the record as saying that the carbon tax, to be effective, needed to have a floor price. But what do we have now? We have legislation to scrap that. What was absolutely essential to the operation of this scheme is now utterly dispensable. That is so typical of this government. No commitment that this government ever makes outlasts its political necessity or political convenience. Every commitment that this government makes is changeable at the political convenience or necessity of this Prime Minister.

This legislation before the parliament makes a bad tax worse. What this legislation does is link our economy to Europe —of all places! You would not put the Australian dollar into the eurozone but what this government wants to do is to put our carbon pricing scheme into the European system. Why have a carbon tax that is effectively set
by eurocrats? Why have our environmental policy effectively determined in Europe? I have nothing against Europe. I love the culture of Europe. I love the European peoples. I love the contribution that Europe has made to western civilization, but they are hardly economic or environmental models for anyone—except, it seems, for the current government and the current Prime Minister.

Why have they linked our carbon scheme to the European scheme? It is pretty easy: with the carbon tax here at $23 a tonne and the carbon tax in Europe under $10 a tonne they are trying to hold out to the Australian people the mirage of a much lower carbon tax in the years to come. That is what this is all about. It is yet another attempt by this government to say to the Australian people that the carbon tax will not really hurt. Madam Speaker, you know—I know; we all know in this place—that if the carbon tax does not hurt it does not work. It has to hurt. It has to make your power more expensive in order to reduce usage.

There is so much that is wrong with this legislation. If the price ever did really drop to current European levels, obviously the revenue would be utterly inadequate to meet the commitments that the government is funding out of the carbon tax. The other point that is highlighted by this legislation is that this is a government that keeps changing its scheme. Hardly a week goes by without it changing. The scheme is barely two months old and yet already we have had eight major changes to this scheme. The one thing they never change is the modelling, which they say provides certainty on everything. This is a bad tax. It hurts households and it damages businesses but, above all else, it does not help the environment.

Let me repeat this for the benefit of the House: in 2020, on the government's own modelling figures, our carbon emissions will not go down thanks to a carbon tax of $37 a tonne in that year; they will actually go up by eight per cent. They will go up by eight per cent from 578 million tonnes now to 621 million tonnes in 2020. We will only achieve the legendary five per cent reduction if we purchase almost 100 million tonnes of carbon credits from abroad. That is $3½ billion dollars in that year that Australian consumers will have to find extra in order to meet the targets.

By 2050, when our domestic emissions will be microscopically reduced from their current level, despite a carbon tax the government's own modelling shows will be an astronomical $350 a tonne, we will only achieve the 80 per cent reduction in emissions by purchasing 400 million tonnes of carbon credits from abroad at a cost of $58 billion. In 2050, under this government's scheme, we will spend more purchasing carbon credits from abroad than we spend on defence. We will spend 1½ per cent of our GDP purchasing carbon credits from abroad.

It just gets worse. On the government's own figures, Australia's gross national income per person will be $5,000 less with a carbon tax in 2050 than without one. Our gross domestic product, on the government's own figures, will be a cumulative $1 trillion less by 2050 with a carbon tax than without one. So it impoverishes us as a nation. It is economic vandalism in the name of environmentalism. But, still, we have minister after minister, with the Prime Minister leading the charge, standing up in this parliament day in and day out saying, 'The carbon tax has not hurt anyone. No-one has noticed a thing.'

With any government that thinks you can whack up taxes and not hurt anyone, you know what they are going to do. It means more taxes are coming, whether it be the GST that suddenly gets fiddled with, the
super profits tax that the ACTU is now urging upon the government, increases to superannuation taxes or the mining tax jacked up and extended. If this government wins the next election, the one thing that the Australian people can absolutely count on is more taxes. Every time the Prime Minister denies that between now and the next election, what will people hear in their heads this Prime Minister saying? ‘There will be no carbon tax under the government I lead.’ This is a Prime Minister utterly lacking in credibility when it comes to the most solemn commitments given to the Australian people.

The coalition's position is absolutely crystal clear: this is a bad tax. This is a bad tax based on a fundamental deception and it must go. On day one of an election campaign I will write to the Public Service requesting that during the caretaker period no further payments and no further decisions be made associated with the carbon tax and bodies set up in association with the carbon tax. On day one of a new parliament, as its first act, the Public Service will be instructed to prepare the carbon tax repeal legislation. On day one of a new government, as its first act, the Public Service will be instructed to prepare the carbon tax repeal legislation. On day one of a new parliament, as almost the first act, the carbon tax repeal legislation will be introduced. This carbon tax will be gone. This is why it is so important that there be a change of government—to restore political honesty and integrity to this country. Alas, notwithstanding all the sound and fury of yesterday, a Speaker might be gone but we still have a government in denial about the harm it is doing to Australian households, Australian families and Australian businesses. I say that this carbon tax must go and, when I say there will be no carbon tax under a government I lead, I am telling the truth. It is a matter of integrity.

I move:

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

"the House declines to give this bill a second reading and calls on the Government to immediately abolish all liability and scrap the carbon tax."

The SPEAKER: Is the amendment seconded?

Mr TRUSS (Wide Bay—Leader of The Nationals) (19:20): I second the amendment. This amendment changes the fundamental direction of this nation's approach to addressing climate change and to ensuring that we deal with this issue in the most effective possible way. The very fact that we are here today talking about amendments to Labor's carbon tax is a testament to the fact that this tax is a mess, and it is getting worse. It is costing jobs already. The manufacturing sector is becoming increasingly uncompetitive. Food production and food processing in this country is in decline. What is worst of all, this tax and everything surrounding it is environmentally useless. It achieves absolutely nothing for our environment.

The scheme is just over 100 days old. The government has spent tens of millions of dollars of taxpayers' money advertising on television and in our media to explain to everybody how this tax is perfect, how this is exactly what we have to have to save the world and how this is going to make a real difference to our environment. They have been spending all this money telling the Australian public what a great tax it is. Now, after just 100 days, they are proposing no fewer than eight major changes to the carbon tax.

Today we are considering changes to link the Australian economy to the faltering and crumbling economies of Europe—yesterday's world. If we want to link our economy to other parts of the world, as it inevitably is in a global trading environment, we should be linking it to the areas where our future is. We should be looking at areas
like Asia, where we do most of our trade. Why isn't our government linking the Australian emissions trading scheme, their carbon tax, with the carbon taxes of China or India, the places in our region where we are actually trading, or, if they are looking for a similar type of country, maybe New Zealand? We could link our carbon trading scheme with that of New Zealand.

But there is none of that, fundamentally because none of those countries have a carbon tax like this. There is nothing there for them to link it to. There are certainly no carbon trading exchanges where we could be buying and selling carbon credits for this country. So our government have searched around the world to find a place that has something of a trading scheme in place, and they had to look pretty hard. The United States exchange closed years ago because of a lack of business. Nobody is interested. When you look at other parts of the world, there is simply no stampede towards emission trading schemes or carbon taxes like the scheme that the government have put in place.

So we are to be linked to the faltering and crumbling economies of Europe. Our government might be comfortable with being compared with Greece, Spain and Ireland. Those are the sorts of countries that our government seems to want to link our economy to. We actually went ahead of Spain, I am told, in the ranking of global economies this month. Is that because Australia is doing well or is it because Spain is rather easy to overtake at the present time? But these are the sorts of economies that our government wants to link our carbon trading scheme to. The government itself is in chaos and getting shakier day by day, and now it wants to link our carbon trading scheme with the economies of Europe, which themselves are decidedly shaky.

Each new backflip from this Prime Minister proves how chaotic and untrustworthy the government that she leads is. Remember, this is the government that was not going to deliver a carbon tax. There was to be no carbon tax under this Prime Minister. Then we were told each element of it was entrenched and there would be no changes. But when Christine Milne comes out to greet the media with a grin on her face you know there is more bad news for Australian business and Australian families, and she was grinning from ear to ear about the idea that is included in this legislation—that we would remove the $15 per tonne carbon tax floor price.

The Greens have only agreed to it because they think the price is always going to be much higher than that—$15, $20, $30, $40 or $50. Whatever number it is, it is not high enough for the Greens. They believe it will go up and up, and of course that inevitably means that Australian businesses and Australian families will pay more and more. It will never go down, according to the Greens, and that is what makes them happy.

But of course Labor is already shuffling the deckchairs, compounding the uncertainty in this country and shattering the confidence of businesses and families alike by changing the policy, by altering the tax. Acknowledging some of its many, many flaws, they are in fact undermining any confidence there might be in the scheme itself. Remember that the government have put a lot of time and effort into arguing that we needed to have a floor price to give business confidence. They repeated that many, many times. On at least 11 occasions ministers, including the Prime Minister, have been on the record saying that Australia needed to have a floor price to give business confidence.
But I was curious that when the government decided to get rid of this floor price, which was necessary to give business confidence, they said the reason they had to get rid of the floor price was to give business confidence. So business needed a $15 a tonne floor price to have confidence; now they need to get rid of it to have confidence! This is clearly the level and the standard of logic that has underpinned the government's argument on this right from the beginning.

Dumping the $15 per tonne floor price and hitching its wagon to the European scheme is simply nonsense. Labor and the Greens have shifted the goalposts to impose a more expensive carbon credit scheme on Australians. Until now Australian companies could buy 50 per cent of their carbon liabilities under the EU's Kyoto based certified emissions reduction units. Currently they are worth about $3.50 or so a tonne. Now that door is going to be slammed shut. There will be no cheap permits for Australian industry—we couldn't have that! We could not have Australian industries paying the world price.

Our companies are locked into the world's highest carbon tax. But, on top of that, now Australian companies are blocked from gaining access to the cheapest option. They are restricted to just one-eighth of their permits, or 12½ per cent, coming from the EU CER. The government are determined to lock Australian industry into the highest priced carbon credits in the world. They are locked in at a fixed price of $23, rising to $29. But, just in case there is any risk that Australian businesses might get any relief through engagement in the European trading scheme, they put in place a maximum number of permits that can be purchased. In tying Australia to the European scheme, we are saddling our economy to the failed and faltering old economies of Europe.

Once more we are locking ourselves into a scheme that has no comparison with the scheme the government has put in place in Australia. For instance, in our first 100 days of having a carbon tax in this country, our carbon tax raised the equivalent amount of money that the Europeans have collected in the entire time that their scheme has been running—over six years. It has only taken these first 100 days for the Australian scheme to raise the same amount of money as the Europeans have collected over six years. That is because the European scheme exempts large portions of the economy. Why aren't the sections of the Australian economy that are excluded from the European scheme going to be excluded now that Australia is to be linked to the European scheme? It makes no sense.

The government is linking us to only a part of the European scheme and we will not see any of the advantages that might happen to flow from exempting significant sections of the Australian economy from carbon trading. For instance, the exemptions that the Europeans have for agriculture and food processing are not going to be made available to Australian producers. They tax overseas airlines in Europe, whereas we tax only Australian airlines in Australia. That privilege is not going to be extended, obviously, to the Australian aviation industry.

On top of being dishonest, this carbon tax is disproportionate and destructive. Why does this government dislike Australian industry so much? Why do they want to hurt Australian families so much? Why do they want to export Australian jobs to other parts of the world? Why do they want to make our manufacturing uncompetitive? Why do they want to make life in this country more difficult for Australians struggling in a difficult economic environment as it is? What families in Australia do not want is a
raft of new taxes. That would do nothing to improve their lot. The government have a $120 billion black hole in future expenditure and they are grasping for new taxes to help fund their operations. The reality is that the government have lost their way.

Five hundred million Europeans have been paying, on average, $1 each under their token carbon scheme. Australia's carbon tax is reaping $400 per head. Perhaps Australians would not mind being linked into the European scheme if the cost was going to be $1 per person per year. Maybe we could manage that. It may not be a good use of a dollar, but nonetheless we might be able to afford that. In Australia, under this government, we are keeping a scheme that imposes a tax of $400 a year per person on the Australian people—and that number keeps getting higher and higher. There is no logic whatsoever in the government's reasoning that we should link ourselves to the European scheme, especially when it is done only in pieces.

Since the implementation of the carbon tax the government has made eight major changes, and some of those are in this legislation. The government and the Prime Minister are in deep denial about its impact. The Reserve Bank is warning this government that there will be more price hits yet to come. And yet Australian families are already bearing massive increases in their electricity costs, much of which is due to the carbon tax—50 per cent of price rises this year are associated with the carbon tax. That climbs to two-thirds in Victoria and 70 per cent in Western Australia, and it is responsible for 80 per cent of the increases in the power bills of the people of Western Sydney and almost 100 per cent of the power price hikes in Queensland. Indeed, the Queensland price regulator said that if it were not for the carbon tax, electricity prices would have gone down in Queensland this year.

This is a government that is imposing a burden on all Australians—and for what? The scheme is clearly doing nothing to improve the environment. It is a $9 billion slug every year on Australians, paying through our electricity bills and our gas bills. While the carbon tax is going on, Australia's emissions are going to increase, from 578 million tonnes in 2010 to 621 million tonnes by 2020. That is because of the reality that electricity and gas are essential services, fundamental to the daily lives of all Australians. People are not able to change their lives in such a way that they can substantially reduce their bill. Is the government really asking families to turn off their heaters in the middle of winter or their air conditioners on a hot summer's day?

We are told so much about the compensation that is being provided—$4 or $5 a week for families that are often out of pocket to the tune of hundreds and hundreds of dollars a year. This is a cost that they have to bear. As the Leader of the Opposition rightly said, if this tax does not hurt so much that people are prepared to change their behaviour, then it simply will not work at all—it will not achieve anything for the environment. So the government need to have a scheme that is actually going to hurt people—hurt pensioners, hurt families—otherwise they are not going to change anyone's behaviour, and if no-one changes their behaviour there is no environmental gain. There is only pain—pain for all Australians.

There is hope on the horizon, as the Leader of the Opposition just outlined. If there is a change of government, this tax will go. It will go as a first priority. We will bring relief to Australian families. The coalition oppose this ill-considered and faulty bill. We
join with many people in industry and in commerce, and with those who care about Australian families, in condemning this tax as ill thought through and poorly designed, and it has had to come back to the parliament for substantial amendment. We do not want a carbon tax at all. This legislation will just make the situation worse. It will do nothing to change the environment, and we will repeal it all, lock stock and barrel—and we will do that just as soon as we are given the opportunity.

Ms PARKE (Fremantle) (19:36): The Clean Energy Amendment (International Emissions Trading and Other Measures) Bill 2012 and related bills which form this clean energy legislative package continue the government's steady and responsive policy progression towards a low-carbon Australian economy and a clean energy future. Unlike the opposition leadership's shallow politicking, flip-flopping and antiscience position—which flies in the face of the reality of dangerous climate change accepted by countries, including those led by conservative governments, all over the world—this government accepts the science of climate change and the natural consequences of that.

We have, since coming to government, moved through robust and exhaustive green and white paper processes to design, in consultation with the community and industry, an Australian form of the recognised best practice model for tackling climate change—namely, an emissions trading scheme. We then moved to legislate and implement that system, a system which guarantees carbon emission reductions and does so while engaging the market to determine the least cost path to shaping how those reductions are to be achieved. It is a system which, prior to 2007 and up until December 2009, had bipartisan support.

These bills take that progress further by formally linking our emissions trading scheme to the scheme that already operates in Europe, which involves an annual turnover of some 90 billion euros. This will mean that, from 1 July 2015, Australia's carbon price will be set by the global market and will be the equivalent of the price paid in 30 other countries, including the 4th, 5th and 7th largest economies in the world—those of Germany, France, and the United Kingdom. This meets the fundamental rationale of our policy approach, which is that Australia should be a proactive participant in coordinated and integrated global action—precisely because climate change is a problem we all share and, beyond that, because the economic, social and environmental impacts of climate change will be inflicted upon the Australian continent to a greater degree than upon many other parts of the world.

It does no credit to the leadership of the opposition to mock the European Union and to refer to actions taken by this nation and by other nations as 'economic vandalism'. This attitude, from those who purport to be the alternative government, is in fact incredibly damaging to Australia's international reputation and to business confidence. It is incredibly irresponsible, in contrast to the responsible position, based on good science and economics, which has been taken by this government.

At the release of the final Garnaut report in September 2008, Professor Garnaut identified five policy themes to guide Australia's approach to addressing climate change and he noted, with respect to the third theme—practicality—that a successful policy approach would only occur 'where the domestic framework is consistent with the international framework'. He also observed that 'the final report advocates judicious linking with international schemes'. That is
exactly what is being achieved with this legislation. In essence, it provides for the removal of the floor price that was to operate in the first three years of the flexible price period under our emissions trading scheme, while limiting the quantity of eligible Kyoto units that liable entities can make use of to 12.5 per cent of their total carbon price liability—down from 50 per cent.

The agreement the government has struck to link the Australian and EU emissions trading schemes is part of ensuring that we are able to reduce carbon pollution at the lowest possible cost while retaining appropriate control over the incentives for reduction that exist under our scheme. Creating stronger links and greater integration between our scheme and those operating in other international markets has always been part of the plan—for obvious reasons. By linking our ETS to Europe, we provide a broader and more diverse range of abatement opportunities for liable entities in Australia, we increase the diversity and liquidity of the carbon market itself and we take a clear step in advancing the cause of global cooperation on climate change.

On this last point, EU Commissioner for Climate Action, Connie Hedegaard, has said that the decision to connect the schemes:

...is further evidence of strong international cooperation on climate change and will build further momentum towards establishing a robust international carbon market.

In assessing the significance of this achievement, we should remember that the European Union's emissions trading scheme is far and away the largest in operation. It involves all 27 European member states, as well as Norway, Iceland and Liechtenstein, and it applies to approximately 11,000 emitting facilities.

Our move to link the Australian system with the largest existing ETS is a step that is likely to be repeated by others as the emissions trading schemes being developed in China, Korea, California, Canada and South America come to fruition and seek integration with the growing international quilt of emissions reduction and trading schemes. As the Minister for Climate Change and Energy Efficiency said:

The fact of the matter is that every major economy tackling climate change and every major emitter has agreed to negotiate new arrangements, introducing binding obligations from 2020 to cut emissions. And Australia won't get a free ride in this.

We have to ensure that we are tackling climate change in the most economically efficient way and in partnership with our trading partners. A fully flexible internationally linked emissions trading scheme will enable Australia to do its fair share in this regard, its fair share of emission reductions, and in partnership with other important countries taking action. This is a good move for our economy and a very good move for our environment.

The Australian contribution to both the national and global effort to address carbon pollution and its serious climate change effects and consequences has come a long way in five years. The substantial progress we have made has occurred for a number of reasons but the most important is that the Australian people understand very well, and also accept, the common-sense proposition that carbon pollution, which has a cost, must have a price.

The opposition has been peddling an untruth in relation to electricity prices in Western Australia. The claim is that electricity prices have gone up 60 per cent as a result of the carbon price. In fact, the carbon price is responsible for around nine per cent of the price increase—and households have been more than compensated for that impact. More than 60 per cent of the electricity price rises in Western Australia are attributable to the
actions of the WA state government. I think that needs to be on the record and I hope the Leader of the Opposition has the decency to stop telling untruths on this matter.

We have addressed, in the Australian context, one of human history's great economic blind spots: the failure to price carbon pollution into the market despite its grave and avoidable costs. Having done so, as one proactive nation among many, we can go forward with some measured confidence that the human capacity for innovation and problem solving will manifest within the framework we have established to reduce, on the one hand, carbon pollution, and to increase, on the other hand, the array of new energy and production methods and waste management technologies already flourishing in my electorate and right across this country.

I want to commend the minister for negotiating this important advance in how Australia's carefully calibrated emissions trading scheme will operate, allowing it now to dovetail into the world's largest existing scheme, with all the benefits this will deliver in both directions. We always said that, once established, Australia's emissions trading scheme would join and contribute to a much wider regulatory and functional shift in global markets—and so it is proving. In future, these shifts and linkages, these moments of connection and harmonisation, will become part of the story of cascading, necessary change.

Dr STONE (Murray) (19:44): Even the Prime Minister knew the carbon tax would cripple the Australian economy, and so she said loud and clear before the last election, 'There will be no carbon tax under any government that I lead.' That was resoundingly put out on the public airwaves. But the cost of the keys to the Lodge was a deal with the Greens, hence we had a carbon tax imposed on this economy. That was bad enough. That was a horrific backflip that will go on costing this country until we have a change of government. Tonight, we heard from our coalition leader, the Leader of the Opposition, that one of the first acts of the coalition in government will be to abolish the carbon tax, but we still have perhaps 14 months until the next election. Right now, the economy, particularly the rural and regional economy, is in absolute disarray due to the costs of energy and the extraordinary shackling of their capacity to compete, particularly with offshore exports.

Before us tonight we have another example of how shambolic this carbon tax—ill-conceived in the first instance; just a political ploy to get the numbers to form government—is, with this legislation doing a complete backflip on the notion of having a floor price. We were told repeatedly—on 11 separate occasions, in fact—that the floor price would be crucial, vital, to the success of the carbon tax. Well, we are only a few months into having the new carbon tax in play, and tonight one of the key objects of these seven bills is to remove the legislated floor price for the carbon tax and then, extraordinarily, to link the carbon pricing as soon as possible to parts of the European system. This is just breathtaking in its absurdity. You can imagine what the business sector in Australia is thinking.

First of all, the carbon tax is the biggest carbon tax in terms of cost that has been imposed on any economy in the world—the biggest, the most comprehensive and the most absurd, with the greatest amount of red tape and the least transparency. Here we are tonight with these seven bills, with a whole new set of balls in the air. Who knows what we are going to be asked to amend next sitting period? It is just too awful to contemplate. The only hope held out to our business sector and our pensioners and low-
income families is what they would have heard tonight from the opposition leader when he restated that one of his first acts in government will be to abolish this carbon tax. So why is he so critical?

In the biggest town in my electorate of Murray, in northern Victoria, there are about 180 empty shops now. They represent an enormous number of lost jobs, as well as a sense of having lost a future for what are mostly family owned enterprises. Of course, there are many other shops that have shut right across the rest of regional Australia, but we have suffered in particular in northern Victoria. That is because we are food manufacturers. We are energy intensive and export exposed. We grow magnificent fruit, dairy products, cereals and oil seeds and we have been the food bowl of Australia. We converted that raw material into what became icon brands and exported manufactured food. As I said, food manufacturing depends on energy, reasonably priced energy inputs. My food manufacturers are now labouring under the burden of, for example, as in the case of my dairy companies, the additional cost of energy. Not a cent can they pass on to the domestic market, which is dominated of course by Coles and Woolworths. They cannot pass on a single cent of those extra costs of having to convert, in the case of Murray-Goulburn at Cobram, briquette boilers to gas or some other substance. They cannot pass on those costs, so very early on in the piece they had to tell their dairy suppliers, 'We know you're struggling, we know you're coming out of seven years of drought and a year of flood, and you're heavily indebted as a consequence of struggling through that period. But, sorry, you're going to have to fork out at least another $5,000 or $6,000 per year to pay for the extra energy costs that we've got in manufacturing your raw milk.' You can imagine what my dairy farmers think about that. It is speeding up the numbers who are exiting the business altogether.

Of course, where you have food manufacturing as well as domestic fresh fruit sales, you have enormous cool stores. It goes with the business. You have enormous cool stores with the capacity to store fruit, or cheese as it ages over a year or two or three. We also have a number of wineries. Now, part of this obscene new carbon tax is the carbon equivalent tax, which hits all of the refrigerant and other gases that you find in cool stores.

So, first of all, imagine what businesses like Geoffrey Thompson Holdings in Shepparton thought when they got their new carbon charge, a line in their electricity bill; it pushed up their electricity costs by more than 15 per cent. In the month of July, the carbon charges itemised on their account— and flourished by me in this House of Parliament; the Leader of the House refused to allow me to table it—were an additional $23,000. Over the year, that company alone will have to pay an extra $260,000 just for their electricity. Geoffrey Thompson Holdings, which operates enormous cool stores, employs literally hundreds of people. They are now thinking very hard about what they can do to survive this impost. Again, they cannot pass on a cent of those costs to the Coles-Woolworths duopoly; if anything, they are being squeezed further on their wholesale prices. They can do nothing about the extra $260,000 a year, which is for nothing because neither their emissions nor the nation's emissions will go down one iota with these additional costs.

But then it get worse for someone like Geoffrey Thompson Holdings. As cool store operators, besides those carbon tax costs, they have the horrific additional costs of their refrigerant gases. They just do not
know where to turn with those because they have no alternative if they need to re-gas, and we are talking about hundreds of thousands of dollars extra for re-gassing their cool stores with refrigerant gases.

We also know about impost on our dairy farmers. Some time ago in question time I flourished in this House the bill for Michael and Melissa Farrant. They had carbon charges listed on their electricity bill which raised their electricity account by 15 per cent. We hear again and again the Prime Minister say, 'That's a lie. That's not true. These additional carbon charges are about 10 per cent.' Even 10 per cent is too much for many of these family farms or businesses to survive. The Farrant's carbon charges put their bill up more than 15 per cent and the tragedy for this couple is that, like so many farmers, they are environmentalists. They have planted 14,000 native trees on their property in order to reduce their emissions, for carbon sequestration. Do you think this new carbon tax regime in Australia recognises their efforts and their attempts with carbon sequestration with the 14,000 native trees planted on their property? Sorry, no way. These new bills tonight make it clear that carbon farming credits will be even further disadvantaging our farming population, given they are going to be locked out for many more years from perhaps accessing the trading of carbon credits with Europe.

You have to wonder: what is this government on about? What has it got against the good, honest worker who is out there doing their best, employing others, growing their business, passing it on to the next generation? The government is shackling these enterprises in a way so that they cannot recover.

Let me talk about Baking Dough Bakery in Shepparton. They had the carbon tax on their power bill of between 10 and 14 per cent in the months when the carbon tax was itemised. The interesting thing is that, through my various business enterprises giving me their bills, I could see that for the first two bills the carbon tax was itemised very clearly in black and white. I presented those bills to parliament. Of course, as I said, the government refused to allow me to table them in question time.

Radevski Cool Stores in Shepparton is in a similar situation. They have this matter itemised on their bill. Also Mulcahy Dairy, one of the biggest dairies in Australia, had the carbon tax itemised on their bill for the first two months. They are no longer getting those carbon tax costs itemised. Speaking to Mr Mulcahy tonight, who employs hundreds of workers on his dairy property—he milks literally thousands of cows—I said, 'Can you ask your energy company to resupply your latest bill with the carbon tax itemised, as they were doing for the first two months, so that I can make it clear to the government just what these costs are for you?' He phoned his energy company who said, 'We're not allowed to anymore. We're not allowed to itemise the carbon tax. It's embedded in your bill. Sorry.' What is that about? I strongly suggest it is about trying to hide the reason for his energy bill escalating to a point where he now is seriously wondering how he will make ends meet. I find that absolutely extraordinary. I would like this government to now tell us why it is that the carbon tax component is no longer evident on electricity bills? It has vanished in the last month. I think this is an interesting situation.

Talking about hydrofluorocarbons which come under the new carbon equivalent tax, the Radevskis, another big cool store in northern Victoria, were paying $25 a kilogram for the gas R22 in January. They are now being charged $228.80 a kilogram.
So the same substance has gone from $25 a kilogram to $228.80 a kilogram. It would have cost them $45,000 in June to re-gas with 1,800 kilograms of R22. Now in October it is going to cost them $411,840, nearly half a million. There is not one cent of that money they can pass on. They are a cool store which manages fruit for the domestic and export markets. They cannot ring their export buyers or Coles and Woolworths—they know not to waste their breath there—and say, ‘Sorry. We've just had to re-gas at a cost of half a million due to the new carbon equivalent tax. Will you give us a break and pay us a bit more for our fruit?’ We all know what Coles and Woolworths are like. They simply laugh and say, ‘Next? There's another six in the queue after you mate to supply fruit.’ Besides, they are already paying $4 below the cost of production per unit for the fruit. They are not going to come good anytime soon.

We have a serious problem: the costs to industry of this new carbon tax regime imposed by this government on our nation because it wanted the keys to the Lodge. The tragedy for us is that it does not even make us a better global citizen in the sense of reducing global greenhouse gas emissions; all it does is destroy jobs. It destroys people's livelihoods and drives people out of industries which might have recovered from drought if they had been given a bit of time. There is no compensation for my food manufacturers, for my cool store operators or for my pensioners who have electricity bills way above their pittance of compensation. They are just going cold in winter and getting too hot in summer. I think this is a disgraceful situation. The only hope we now have is for an election to come on very soon and for the alternative government, the coalition, from day one to get the bureaucrats amending this legislation to the point of abolishing it, so that we do not continue to be the laughing stock of the world having a carbon tax which is the biggest and most punitive, making us the least competitive, for no purpose whatsoever but to keep Labor in government.

Mr CRAIG KELLY (Hughes) (19:59): I rise tonight to speak on the Clean Energy Amendment (International Emissions Trading and Other Measures) Bill 2012 and the raft of associated bills. These bills seek to link the complete insanity of Australia's carbon tax with the even greater insanity of the EU's ETS and abandon the current floor price. With this legislation, is it any wonder that the public think that this government speaks with a forked tongue and they simply cannot believe a word that it says?

Let us go back to the start. We all remember a week before the last election when the Prime Minister stared down the lens of a camera and said words that she will always be remembered for:

There will be no carbon tax under the government I lead.

Let us not forget the Treasurer's promise before the last election, when he said:

No, it's not possible that we're bringing in a carbon tax. That is a hysterically inaccurate claim being made by the coalition.

We know and the public know that the only 'hysterically inaccurate claims' are those made by the Treasurer about his budget forecasts. But here we are today debating amendments to a tax that we were told was not possible. Here we are debating legislation that seeks to abolish the floor price on the carbon tax, when this government has said over and over again that the floor price is absolutely critical to the carbon tax legislation. Just look at what the Prime Minister said on 13 September last year:
The bill also provides for a price cap and a price floor to apply for the first three years of the floating price period.

This will limit market volatility and reduce risk for businesses as they gain experience in having the market set the carbon price.

The Minister for Climate Change and Energy Efficiency said on ABC radio on 12 July last year:

Well we've put in a floor price and a price cap to provide some confidence over the first few years about the potential variability of the price.

Then, on 28 September last year, the climate change minister said, referring to the carbon price:

This will reduce risks for businesses as they gain experience in having a market set the carbon price.

Let us not forget the Minister for Finance and Deregulation, Senator Wong, who said on 28 February this year:

It is the case that our policy does include a price floor which acts as a safety valve for investors in low-emissions technology by establishing a minimum price for the first few years …

The list goes on. The member for Isaacs, on 1 August last year, said:

For the first three years of the flexible price stage, safety valves … will be built into the system to avoid price spikes or plunges. This will reduce risk for businesses as they gain experience operating in a carbon-constrained environment. This is particularly important in the early years when price uncertainty will be at its highest.

And let us not forget the Leader of the Greens, Senator Milne, who has said:

Establishing a floor price is critical to certainty, as is sticking by an agreement …

She has also said:

Getting rid of it—

the floor price—

would not only be a blow to business certainty but … blow a hole in the budget.

Senator Milne has also said:

If you allow the volatility that has occurred in Europe, you get … chaos in the system.

Chaos! We have seen complete chaos from this government from day one.

There are three possibilities with these statements: (1) the government do not have a clue about what they are doing, (2) they have been completely deceptive and misleading the public or (3) a combination of both. My money is on the last. It is no wonder that the Australian public thinks the government speak with a forked tongue, when you look at these examples. It is no wonder that the Australian public no longer trusts the government. It is no wonder that the Australian public does not believe a word that comes out of the mouths of the government. It is no wonder that the government are in complete chaos.

The entire carbon tax is built on an edifice of lies to deceive the public. One of those lies—

The DEPUTY SPEAKER (Dr Leigh): Order! The honourable member will withdraw.

Mr CRAIG KELLY: I withdraw. One of those misleading statements is that citizens elsewhere in the world are being subjected to and punished by a carbon tax like the one here in Australia. But the facts are, as the Productivity Commission research report noted:

… no country currently imposes an economy-wide tax on greenhouse emissions or has in place an economy-wide ETS.

We have heard another absurd statement tonight: that this carbon tax somehow creates jobs. It is a very dangerous assumption for members of the government to think that you create jobs by taxing. Taxes do not create jobs; they destroy them.

Let us look at the things that many of us on both sides of this parliament want to do in the next coming years. We want to fund
things like the National Disability Insurance Scheme. We want to provide more resources for our schools. We want to pay for more hospital beds, to fund medical research and to clean up our environment. Doing those things depends on our ability to lift our national productivity and both sustain and develop our national competitive advantage. But this carbon tax is like firing a laser-guided missile to destroy our national competitive advantage. It seeks to promote the use of hopelessly inefficient methods of electricity production that will only lower our national productivity and lower our living standards.

Just have a look at what our competitors are really doing—not the spin that we hear from the other side. If you listened to this Labor government, you would believe that China is acting to reduce its carbon emissions. But the facts are that China's emissions are forecast to rise by no less than 500 per cent between 1990 and 2020. In fact, between 2005 and 2020, Chinese emissions will increase from approximately five billion tonnes of CO₂ per annum to over 12 billion tonnes. The Prime Minister has tried to highlight in this parliament that China is closing some of its coal fired power stations, but she neglects that the ones they are closing are their small, inefficient ones and they are replacing them with much larger ones. Data from the World Resources Institute says that China has plans to build over 300 new coal fired power stations to produce electricity.

Let us look at India. Again this government has come into this parliament and made the claim that India is taking national action on carbon pricing with a clean energy tax on coal. But what the government failed to mention is that that tax is $1—one single dollar—a tonne. A recent article from Scientific American titled 'India has big plans for burning coal' details how India, as it lifts its population out of poverty, is poised to become the world's top consumer of coal and has plans to build no less than 455 new coal fired power stations.

In the USA we know that there is virtually no prospect of a cap-and-trade system being adopted. We know that Korea have deferred the introduction of their ETS until after 2015, and even then 95 per cent of the permits will be free. Our nearest neighbour, Indonesia, has no plans for a carbon tax. Canada has an economy that is probably closest to ours in design, shape, population and industry. Yesterday I had the opportunity to put three questions to the Canadian ambassador. The first question was, 'How much is the carbon tax in Canada?' The second question was, 'How much will it increase over the next three years?' The third question was, 'How are you planning to link it to Europe?' The answers were, 'No,' 'Nothing,' and, 'You must be joking.'

Tonight we heard the member for Throsby talk about New Zealand. What he neglected to say is that Australia's carbon tax is 15 times higher than the New Zealand equivalent. The Australian carbon tax is $23 a tonne. In New Zealand, the carbon tax is—wait for it—$1.85. And New Zealand's business, community and parliamentary leaders have made it very clear that they are not going to impose a further increase and a further electricity tax on their people.

Our global competitors are laughing at us. We are becoming the laughing stock of the world. That brings us to Europe. Firstly, the European emissions trading scheme does not even cover the whole economy. It provides many industries with free permits. And the European ETS only raises about $500 million a year, while Labor's carbon tax here in Australia will raise more in the first three months than the entire European scheme has done in five years. In fact, the European
scheme works out at about A$1 per person per year, but in Australia the equivalent is $400 per person per year.

Linking our carbon tax to that of Europe—the economic basket case of Europe—illustrates the complete insanity of this proposal. Just look at what is happening in Europe at the moment. In Spain, the unemployment rate is over 25 per cent. There are riots on the streets. In Madrid, people have resorted to stealing from trash cans. The supermarkets in Spain are having to put locks on their rubbish bins to stop people scavenging for leftover food. The government health system is collapsing. We have read in recent days of police throughout Europe firing tear gas and stun grenades to break up protests, all because of failed socialist government policies. And yet this is what the Australian government want us to copy. They want us to head down that disastrous track that has destroyed the European economy.

If it is such a brilliant idea to link Australia—to hogtie us—to the carbon tax at the same rate as Europe, why wait? Why not do it straightaway? We know the reason for that: it is complete insanity when our carbon tax is $23 and the equivalent carbon tax in Europe at the moment is less than $10. This puts our entire industrial base at a competitive disadvantage and makes us all poorer as a nation.

Mr Baldwin: Reverse tariffing.

Mr CRAIG KELLY: A reverse tariff is exactly what it is. We need to look at what will happen unless this carbon tax in Europe rises. We know it is $10 at the moment. What will this do to the budget, because our budget forecasts are based on the carbon price, that European price, rising to $29 a tonne by 2015-16? Nine point four billion dollars of revenue is written into the forward estimates in the budget based on that $29 price. So what happens if we do not get to that, if it does not rise, if it stays where it is? Henry Ergas has done the sums, and he has worked out that, if that carbon tax stays at $10 by 2015 and rises at four per cent per annum for the next five years, it is going to create a $25 billion black hole in the budget forecasts.

But the government tells us: 'Don't worry. We predict that the EU carbon price will recover. It's three years away. We stand by the Treasury modelling.' This is from the same government that stuffed up the budget so much in the last financial year. It originally predicted the outcome for the 2011-12 budget. When the Treasurer came in here, he forecast that it would be $22 billion in deficit. The sums have come in: $43 billion. He is only $21 billion out—and that is a year. Now the public is expected to believe that this government can forecast, that it has a crystal ball to see, in three years time, what the EU carbon price will be. It is just a sham.

The complete lunacy of this scheme goes on the fact that we are contracting out our taxation policy to bureaucrats in Brussels, but the real lunacy of this is that we actually will be sending Australian money, money raised in this country, to foreign carbon traders. Words cannot describe the insanity of this scheme. By 2050, we are going to have to send away $58 billion that will be raised from Australian consumers, families, pensioners, aged people and children—$58 billion will be raised, and that will be packed up and sent off to overseas carbon traders. In return, we will get glossy pieces of paper that say, 'You are permitted to emit a unit of carbon dioxide.' This is insanity. If the Nigerian scamsters came up with this, you would think that only the most stupid and gullible people would send their money overseas and get in return a glossy piece of
paper, but that is what this government plans to do.

The next election will be a referendum on the carbon tax. The public will finally have their say. The coalition will get rid of this carbon tax. The floor price will be zero. It will be gone after the next election.

Mr Murphy (Reid) (20:14): With great respect to the member for Hughes, the real legacy of this debate will be its failure to address climate change, which is what these clean energy bills seek to do tonight. Nothing demonstrates the harmful effects of global warming on this country better than the large-scale drying out of the Murray-Darling basin. The opposition is continuing to deny the reality of the damaging effects of carbon dioxide emissions on the climate and to deny the need for any action such as the clean energy legislation before us tonight. Meanwhile, scientists report that at least two climate tipping points have been crossed. What is the importance of a climate tipping point?

Recently, in the *Proceedings of the National Academy of Sciences of the United States*, Professor Tim Lenton, Chair in Climate Change/Earth Systems Science at the University of Exeter, and other prominent scientists defined a tipping point as:

… a critical threshold at which a tiny perturbation can qualitatively alter the state or development of a system.

In this case, the system in question is the earth's climate. The scientists further stated:

Human activities may have the potential to push components of the Earth system past critical states into qualitatively different modes of operation, implying large-scale impacts on human and ecological systems.

Recent examples include dieback of the Amazon rainforest, decay of the Greenland ice sheet and the potential collapse of the Atlantic thermohaline circulation. Such phenomena have been described as tipping points, following the popular notion that, at a particular moment in time, a small change can have large, irreversible consequences for a system such as the climate. The significance of climate tipping points cannot be understated; yet, if you listen to the Leader of the Opposition or the shadow minister for science, you will hear that such concerns are of no consequence and that Australia should not be participating with other nations in introducing a price on carbon dioxide pollution.

The government has a different view and hence has introduced this raft of bills aimed at incorporating clean energy initiatives into the Australian economy. Research by the South Eastern Australian Climate Initiative—the SEACI—which is a partnership between the CSIRO, the Department of Climate Change and Energy Efficiency, the Murray-Darling Basin Authority, the Bureau of Meteorology and the Victorian Department of Sustainability and Environment, provides evidence pointing to long-term reductions occurring in cool-season rainfall across south-eastern Australia and attributes these changes at least partly to global warming.

Amongst the key atmospheric processes directly affected by global warming and most likely to be responsible for the observed reduction in cool-season rainfall in southern parts of Australia is the Hadley circulation, a large-scale convection of the atmosphere that carries heat from the tropics to the subtropics. In this well-understood mechanism, the ascending part of the circulation produces abundant rainfall in the tropics while the resulting dry air descends in the subtropics at around 30 degrees latitude, where most of the earth's driest regions, including large parts of Australia, are located. Research by SEACI shows that the
Hadley cells are expanding with increasing global mean temperature by about 0.5 degrees of latitude per decade, thus pushing mid-latitude storm tracks further south and leading to reduced cool-season rainfall across southern Australia. That is a fact.

If nothing is done to reduce warming, the Hadley cells will expand by around 400 kilometres by the year 2100 with large reductions in rainfall at the edges of the cells—a devastating prospect for the future of Australia's most productive agricultural land, which is in the Murray-Darling Basin. I would have thought that the opposition would understand that a healthy Murray-Darling Basin is absolutely essential for feeding Australia and that they would be supporting these clean energy bills in this place tonight. SEACI program director, Dr David Post, has warned that, if areas south of Sydney experience a one-degree Celsius warming, the average annual rainfall is expected to decline by up to nine per cent and average annual run-off by up to 22 per cent. Dr Post also said that these reductions could double with a two-degree warming.

According to the United States Environmental Protection Agency, we are heading for a global average temperature rise of one to eight degrees by the year 2100, and the temperature rise is currently tracking at the upper limit. Even now, with only half a degree rise in average global temperatures since the 1950s, we are in trouble, yet the coalition's business-as-usual approach to climate change and mindless opposition to these clean energy bills is falsely signalling to farmers that it is currently all right to waste half of the Murray-Darling Basin's water on growing cotton and rice. This is an appalling betrayal of responsible management of our most precious resource.

I will now review the operation of the carbon price. It has been in place for over three months, and the sky has not fallen; the economy is still growing, inflation is low, jobs are being created and, as the independent climate commission noted, from next year 850 million people will live in countries or states with emissions trading schemes.

The opposition's latest deception is to bring electricity bills into question time and exaggerate the impact of the carbon price. The opposition bizarrely blames increases in network costs on the carbon price. The opposition exaggerates the impact of the carbon price by calculating it as a percentage of just one part of the bill rather than the whole bill. That is dishonest. The dollar figures for electricity prices are actually very small as a proportion of the business's total costs. The fact is that, for the vast majority of businesses, electricity costs are two per cent or less of turnover, and that makes the carbon price impact around 0.2 per cent of their total costs.

The carbon price will have a small impact on inflation. Treasury modelling has found the impact would be an increase in the consumer price index of only 0.7 per cent. That is much less than the GST's 2.5 per cent net impact. Overall, inflation was just 0.2 per cent for the first month under carbon pricing. And now we have seen an analysis of inflation expectations on financial markets—and this confirms Treasury estimates of a one-off increase of 0.6 to 0.7 per cent. Investors are saying that the impact of carbon pricing on inflation will be no more than 0.7 per cent. That is a fact.

The Treasury's modelling was one of the most extensive and robust economic modelling exercises ever done in Australia. This modelling confirms that, with a carbon price, strong economic growth will continue, in which gross national income will grow at 1.1 per cent per year to the middle of the
century. Real income per person will increase by $9,000 per year from today's levels by 2020. There will be 1.6 million new jobs by 2020. By the middle of the century, carbon pricing will reduce Australia's domestic emissions by nearly half what they would be without a carbon price, a reduction of 485 megatonnes of carbon dioxide equivalent.

The price impacts on households are modest, and tax cuts and pension and other benefit increases will help nine out of 10 households to meet these modest impacts. The New South Wales Independent Pricing and Regulatory Tribunal has determined that the carbon price will add less than $3.30 per week, or around 8.9 per cent, to the average household electricity bill. That is a fact. This is even lower than the 10 per cent impact predicted by the Treasury. IPART's view of the impact of the carbon price is consistent with those of electricity price regulators around the country. Furthermore, the Treasury's analysis shows that the economic cost of the opposition's policy is at least double that of the carbon price.

Last month, the government secured an agreement to link Australia's carbon price with the European Union emissions trading system. From 1 July 2015, Australia's carbon price will reflect the carbon price paid by at least 30 other countries, including Britain, France and Germany. From that time, Australia will enter an internationally linked ETS, where the global market sets the price on pollution, and this means we can reduce carbon pollution at the lowest cost. It is also an important step forward to tackle climate change. And, with emissions trading schemes being developed in China, Korea, the state of California, Canada and South America, it is likely to be the first of many international links that will form a global carbon market. That is another reason why we need to support these clean energy bills tonight. But the Leader of the Opposition likes to distort the facts about international action on climate change. Last year he said, wrongly:

… there is no sign, no sign whatsoever, that the rest of the world is going to do things like introduce carbon taxes or emissions trading schemes.

Wrong. The world is introducing carbon taxes and emissions trading schemes, and this number will increase, as another 17 countries, across all continents, are currently developing emissions trading policies. These countries believe they must reduce emissions and they understand that the cheapest way to do this is to put a price on carbon. It shows that the Leader of the Opposition is wrong to claim that no other countries are acting. In reality, by linking with the EU, Australia will have the same carbon price as 30 other countries with a combined population of 530 million people.

Last month the opposition leader said, 'There are no developing carbon markets in the Asia-Pacific.' But the fact is that Korea, China, Japan, New Zealand, Thailand, Indonesia and Vietnam have developed or are developing emissions trading schemes as I speak. The opposition leader said hundreds of thousands of jobs would be lost, but last month's labour force figures showed the opposite, as unemployment fell. He said millions of dollars in investment would go offshore, but this too is wrong, as there is more than half a trillion dollars in the pipeline. The Leader of the Opposition predicted massive price increases, but the inflation figures show only tiny price rises in the last quarter. He says countries are not acting, yet every major economy has established policies to tackle climate change. Why does the Leader of the Opposition continue to misrepresent and distort the truth?
More and more, the facts will show how deceptive and hollow the opposition’s scare campaign has been in relation to our decision to put a price on carbon. Those opposite are either ignorant of the modelling assumptions or are being deceitful again. Given that the government has been pointing out the errors in their claims for over a year now, one can only conclude that it is deliberate campaign of deception.

Mr Baldwin: Mr Deputy Speaker, on a point of order, did the member breach the boundary when he claimed that we were being deceitful? Previous Speakers have ruled as such.

The DEPUTY SPEAKER (Dr Leigh): The member for Paterson will resume his seat. Only the word 'lie' has been determined to be unparliamentary; that is the only word that I am going to pick up on. I call the member for Reid.

Mr Murphy: The Treasury modelling assumes that there will be an international market that Australia can link into by 2016. This market already exists. There is the European Union ETS and there is the UN Clean Development Mechanism market. In the next few years, as the Korean, Californian and regional Chinese carbon trading markets begin to operate, the prospect for internationally linked carbon markets will keep improving.

The Leader of the Opposition has reiterated that all of the increases in electricity prices were due to the price on carbon. That is false. Unfortunately for the Leader of the Opposition, he was, as everybody knows, immediately—(Time expired)

Mr Baldwin (Paterson) (20:29): The contribution by the member for Reid fits in perfectly with the mantra chant from all of those from the government benches. They like to use the word 'fact' regularly. Mr Deputy Speaker Leigh, I would say to you that there are facts, statistics and more mendacious statements coming from this government each and every day in relation to this carbon tax. This carbon tax is a $9 billion-a-year tax from which there is no escape. In the first four years some $36 billion will be collected. Contrary to what the member for Reid and others have said, despite this carbon tax, Australia’s emissions will actually increase from 578 million tonnes in 2010 to 621 million tonnes by 2020. That is because electricity and gas are essential services. Instead of reducing Australia’s emissions, firms will have to purchase 94 million tonnes of carbon permits overseas by 2020. A great deal of effect that is going to have for our local environment!

I quite often hear members opposite saying that there is no impact or only marginal impact on businesses. I am going to give some real life examples from businesses in and around my region and my portfolio. On 2 October Tony Abbott and I made a visit to the Weathertex plant at Tomago to inspect one of the oldest continuous employers in the region. It used to be called the Masonite factory but now produces Weathertex boards for both the domestic and international markets. Paul Michael, the Managing Director and CEO, has grasped an old business and reinvented it through putting in massive investment. Today it employs around 100 locals and generates $23 million in domestic sales and $2 million in exports. Paul Michael indicated that, even though the business has a negative carbon footprint, they are being slugged with a half a million dollar carbon tax bill across their coal, gas and electricity. He said: We were a reasonably profitable business and now we are not quite so profitable, which is not going to help us expand and develop new products because of the carbon tax.
What Labor does not understand is that many businesses like Weathertex are competing in price sensitive markets. Any increases in production costs will make them less competitive, which will mean fewer sales and therefore cost Australian jobs. What was it that Greg Combet, the Minister for Climate Change and Energy Efficiency, who is the real master of mendaciousness, replied? He said:

Businesses in the Hunter are generally doing quite well. They are able to pass on the modest cost increases from the carbon price in their prices.

I say this to the master of mendaciousness: if he thinks that half a million dollars for a small business that employs 100 people is a modest cost increase, then I would ask what he considers to be a large increase? I would suggest that the minister starts talking to local businesses and families, because I can tell you that many of them are doing it tough. As for Weathertex's export business, this government has put a reverse tariff on with their carbon tax.

The story goes from bad to worse. In my electorate the largest dairy is owned by Dallas Clarke and is based at Wallalong. This week he announced to all his staff that he is closing his 700-head dairy at the end of November as he cannot afford to continue to operate. There were two factors: No. 1 was the low cost of milk in the supermarkets, and the straw that broke the camel's back was the increase in electricity costs. Dallas took advantage of dairy deregulation knowing that he had to increase his herd size to get critical mass and ability to amortise his costs. He invested millions of dollars to make sure that he survived. As I said, the carbon tax is the straw that broke the camel's back. Just the carbon tax increases alone in his electricity bill were $609 in July and $600 in August, and that is not to mention the increases in the off-peak rates that have risen out of all proportion. Those that know something about the dairy industry know that they milk during the off-peak rate period. His power bills have gone up from $4,850 a month to $6,000 a month making his business unsustainable. His milk prices have dropped to around 45c per litre yet his electricity prices have increased out of sight.

I am led to believe by the dairy industry that others in the industry are in the same position and are looking at closure. Yet, again, what has the master for mendaciousness said to these business operators? He said:

Businesses in the Hunter are generally doing quite well. They are able to pass on the modest cost increases from the carbon price in their prices.

I say this to the minister: how can Dallas pass on the price when he is a price taker and not a price setter? He is a price taker and that is what the dairy industry is. So, Minister, because of your actions we in the electorate of Paterson lose our biggest dairy, we lose jobs, we lose investment and, sadly and worst of all, Dallas loses out.

There is no escaping this insidious tax. My community is affected. Stroud Community Lodge has seen their electricity bills increase for the July-September quarter from $13,700 in 2011 to $16,840 this year, yet they are using five less billing days and 652 kilowatt-hours less for the same period. So I ask: how does a community-run nursing home pass on its costs to the people in its care? Well, they just have to absorb it. It means either cuts in services or cuts on jobs. Again, the master for mendaciousness would say that people just need to increase their prices. I have to say that in a low-economic community like Stroud, which is made up predominantly of farmers and ex-timber workers, where do they get the money to pay increased prices? What we are going to see
is, yet again, another business, a community-run business, massively affected.

It does not end there. Long-term food security is a massive issue for this nation. I have always supported aquaculture as a way of guaranteeing partial supply. I was contacted by Nick Arena of Tailor Made Fish Farms at Bobs Farm on 30 August after concerns were raised that the carbon tax is undermining their business. I visited the facility. Tailor Made Fish Farms is a successful local business involved in innovative aquaculture and hydroponic technology, producing fish and vegetables for the domestic market and proven technologies for the international market. Tailor Made Fish Farms is the largest producer of barramundi in New South Wales and is internationally considered an industry leader in its field, consulting with companies in Australia and abroad. Affordable electricity is crucial for the ongoing viability of businesses like Tailor Made Fish Farms due to the very competitive and price-sensitive market.

Managing Director, Nick Arena, said he is suffering from bill shock after receiving his monthly electricity bill. It has risen dramatically from $7,149 in June to $9,535 in July. I have the bill here. Over $1,000 of this increase has been itemised in the bill as a 'carbon charge'. The average electricity charge for the business has risen from 15 cents a kilowatt hour to 19.4 cents a kilowatt hour since the carbon tax was imposed. The fishing industry is an extremely price point sensitive market, largely being a price taker rather than a price setter. Nick's business will be forced to either absorb the additional carbon tax cost, thereby reducing profit margins, or pass on the cost to consumers, thereby reducing competitiveness and jeopardising jobs.

When I asked Nick what the new carbon tax costs will mean for his business he said: 'This is going to impact on our profitability, it is going to push up our cost of production and it is going to make us less competitive. We will seriously think about not doing any more expansion.' Wonderful. This carbon tax is going to be great for our communities, jobs, business and investment! Here are people with skin in the game who understand the impact. Most politicians on the government side have never worked in a real job. They have gone from university to the union movement to the parliament. They have no real life experience. They have invested nothing in business out of their hip pockets.

We see business being stymied in its growth. We will see job losses. I say 'Well done' to the Prime Minister and to the master of mendaciousness, Greg Combet, because if businesses like Tailor Made Fish Farms—

The DEPUTY SPEAKER (Dr Leigh): Order! The member for Paterson will refer to people by their parliamentary titles.

Mr BALDWIN: I did. I will change the title from 'master of mendaciousness', but you did say to me that the only word that is precluded is the word 'lie'. The minister uses 'mendaciousness'—

The DEPUTY SPEAKER: The member for Paterson will refer to him as minister rather than by his given name.

Mr BALDWIN: Okay. Businesses like Tailor Made Fish Farms should be rewarded, not penalised, for their innovation and hard work. It does not matter whether you are a dairy, a chicken producer, a nursing home, a tourist operator, a manufacturer or, indeed, any industry, you have been slugged by this mendacious, deceptive government whose current leader, prior to the last election, said, 'There will be no carbon tax under a government I lead.' Whilst the carbon tax is
charged at $23 a tonne—it does apply equally across all energy tariffs—reduced off-peak energy pro rata has gone up by around 30 per cent because of the carbon tax. Yes, peak energy may have gone up 10 per cent, but other tariffs have gone up exponentially because it is a tonne rate not related to the tariff. This government does not seem to get it.

This Labor carbon tax, which is based on a mendacious, deceptive statement to the Australian people, is a dead weight around Australian businesses when they can least afford it. The maths is simple: the carbon tax will increase costs to businesses and households, reduce competitiveness, erode investment confidence and cost jobs. Tourism is extremely important to me, both in my electorate of Paterson and in the portfolio I represent on this side of the House.

The tourism sector comprises some 350,000 tourism connected businesses, many of which are sole traders or classic small businesses, and when combined with hospitality they employ around one million Australians. Everyone in the tourism industry will pay more under this carbon tax. Airfares will increase, bus fares will increase, train and ferry fares will increase, restaurant meals and drinks will increase. All businesses will face a minimum 10 per cent rise and up to a 30 per cent rise in off-peak electricity costs. This will mean higher rates for hotel rooms, higher entry fees for park attractions and higher operating costs for tourism operators. This means tourists will have to pay more. They will have to pay more for a cruise to the reef, more to go on whale-watching trip to Port Stephens on boats like *Moonshadow* and more to use Brisbane's ferries. They will have to pay more to travel from Tasmania to Melbourne on the *Spirit of Tasmania*. The costs just keep going up.

Minister, what do you say to the 150 exhibitors at today's Caravan, Camping and Holiday Expo at Penrith? They have seen excessive hikes in their electricity bills. Richard Emerson, from the South West Rocks Tourist Park, has seen his three most recent electricity bills include a carbon charge. He has seen his price for electricity go up $570 in August, $600 in September and $550 in October. I hasten to add that this is also the off season—I shudder to think what the bill will be during the summer months, during Christmas holidays, when people are using air-conditioners and other such electrical appliances. Our tourism industry is a price point sensitive market that can ill afford these increases.

I have heard the mendacious claims from the minister about how this carbon tax will save the Great Barrier Reef. I have been to the Great Barrier Reef on a number of occasions and have worked with people like Col McKenzie, head of the Association of Marine Park Operators. He advised me that Quicksilver, a cruise operator, was going to pay $250,000 in carbon tax due to the six cent per litre fuel increases. Now, under the environmental management charge rebate, they will be rebated $400,000. So they are going to profit $150,000. Good luck to them. By way of contrast, Big Cat cruises—which goes out to Green Island and transports over 100,000 people—has no rebate fees, yet has a fuel bill increase of $100,000 per annum. Where is the level playing field? It is not there. This carbon tax applies to tourism operations in Australia but not if you go to Bali or Fiji.

We are already suffering the impact of a high dollar. What we do not need is a carbon tax that will further disadvantage Australian industry and make us less competitive. What this government does by its actions is support a reverse tariff. Straight after the election I will line up with our leader, Tony
Abbott, to get rid of this insidious tax. I seek leave to table electricity bills, seeing that the Leader of the House asked for them today: two electricity bills from Tailor Made Fish Farms showing the increase from $7,149.23 to $9,535.38, and the electricity bills from Stroud Community Lodge showing their electricity bill going up in a 12-month period from $13,736 to $16,840.

Leave not granted.

Ms MARINO (Forrest—Opposition Whip) (20:45): Make no mistake, it is the Australian economy, our Australian businesses, industries and every family and individual who are paying Labor's $9 billion a year carbon tax cost. It is $36 billion in the first four years alone. We are all getting those power bills now and we are all seeing this cost. Whether you are in business or are a family, you are seeing these costs.

Our economy has been largely built on trade. We know that within OECD countries Australia has one of the highest trade-to-GDP ratios. This has been largely made possible by access to internationally competitive, domestically affordable power—reliable, secure access to power. Yet this government is sacrificing this competitive advantage with the world's largest and only economy-wide carbon tax—the world's largest and only economy-wide carbon tax—while at the same time putting business and industry at risk. We also know that the carbon tax is not an environmental solution at all. We know that carbon emissions will continue to rise—the government documents say so.

What we do see today with this legislation is that Labor's carbon tax is a shambles. The government has made eight structural changes in just the first few weeks since its introduction—so around the world in 80 days—

Mr Craig Kelly: And there is more to come!

Ms MARINO: These are changes that have added another layer of uncertainty and cost. With this legislation, the government is linking the Australian carbon market to the European Union's Emissions Trading Scheme. The explanatory memorandum which the government presented with the bill proudly states that the 'global market is growing year by year with markets emerging across the globe', but it conveniently forgets to mention that emissions are growing at the same rate. No wonder then that the price attached to the European scheme allowances has been in a constant state of devaluation.

I want to have a look at this Rolls Royce scheme that the Labor government is leading Australia's economy to. It is currently trading at around A$10 a tonne. It is predicted in some circles to drop as low as three or four Australian dollars. Prices for December in 2012 showed that delivery of EU allowances fell by 50 per cent throughout 2011 and volatility has beset the EU ETS since its inception. In the first phase in 2005 to 2007, prices started around 30 euros a tonne, but by May 2006 they had fallen to 10 euros. This is a Rolls-Royce system. By March 2007 they had plummeted to 1.2 euros, and by the end of the first phase they were worth a mighty 10 eurocents. Phase 2 of the EU ETS from 2008 to 2012 saw prices start at 20 euros optimistically, down to 13 euros in 2009, and they have spent most of this year under 10 euros. This is because the European ETS is not efficient or effective—it is corrupted and impotent—and this is the volatile market that the Labor government is linking Australian business, industry and our economy to.

The initial caps and free permits agreed to by member countries were really status quo for emissions, not emissions reductions, and countries just shifted their operations outside
the eurozone to countries with no ETS or carbon price. Massive offsets were available to countries that hid emissions growth in member nations. All these underlying problems just show you that the EU ETS is fundamentally flawed. And yet this is what Labor is seeking to tie Australia’s economy and our carbon tax to.

Do not take our word for it. Last year the Union Bank of Switzerland, the second largest Swiss bank and one of the world’s most respected banks, released a damming report into the European carbon market. The UBS report was titled *Carbon price to collapse: 210 billion euros wasted*, and says of the carbon price that there had been ‘limited benefits and embarrassing consequences, including billions of euros of windfall profits and fraud’. The report states that the European carbon market has had ‘almost zero’ impact on emissions. I thought this was an environmental measure.

Mr Craig Kelly: It hasn’t worked at all!

Ms MARINO: It has not worked. The report states that the European carbon price is in the midst of a collapse—40 per cent since June—and will continue until there is a ‘crash’ in the carbon price. During a time of economic instability in Europe—that is a way of putting it—a carbon crash will only add to the turmoil.

The report says that it is households in Europe that are paying for the waste and fraud. It says:

… the introduction of carbon pricing has "led to a double-digit surge in power prices across most of Europe."

The European carbon price, instead of reducing emissions, has become an exercise in paper shuffling, a Ponzi scheme that has enriched market participants at the expense of consumers—it is sounding awfully familiar—advising that the CO$_2$ price just provides a windfall to market participants paid by electricity customers through higher bills.

Worse still, fraud is rampant through the carbon market, with fraudsters, shysters and organised crime rorting the system and lining their pockets at the expense of households. This is the very scheme that the Labor government is linking Australian business, Australian industry and the Australian economy to. As the UBS report says:

Europol estimated that VAT fraud in the carbon market has cost European taxpayers 5 billion euros and it also estimated that up to 90% of all trading in 2009 could have been such carousel trading to generate the VAT-fraud profits.

This is the Rolls-Royce European scheme that this Labor government is tying Australian businesses and industries to.

We know that Australia is the only nation in the world with an economy-wide carbon tax, which is going to be linked to a chronic failure of a carbon trading scheme that is not going to make any significant impact on carbon emissions at all. You have just heard me explain what UBS thinks of this European scheme, but the Labor government refers to it in the explanatory memorandum as a ‘credible overseas emissions trading scheme’. The government is tying our economy to this scheme, as I keep saying. We are tying our economy to those of Portugal, Italy, Iceland, Spain and Greece—the European system, the beacons of economic management.

The government is making a major structural change to the carbon tax by removing the legislated floor price. I look back at the comments made by the Prime Minister, the Minister for Climate Change and Energy Efficiency and others. The floor price was needed, it was vital, to ‘limit market volatility’—what I just described in the EU scheme—and it was necessary to reduce the risk for business. It was necessary
for 'stability in pricing' and the 'price cap provides confidence' and removed 'uncertainty'. Do we remember those words? Conversely now, after just a few weeks—just five minutes after the introduction of this tax—with the latest policy mess and linking to the European ETS and no floor price, the government unfortunately appears, very knowingly, to be increasing market volatility. What respect is there for Australian business and industry when the government, after making those statements in introducing the floor price and cap, is saying: 'We are knowingly increasing market volatility, increasing the risk for business. We know we said we needed to do this to reduce that, but now we are saying we are going to increase the risk for business and we are going to increase the market volatility.' So Australian businesses and industry are going to be subjected to sharp price spikes and plunges and reducing confidence, and we know all about the volatility of the European ETS and what UBS said about it. All the reasons the government said made it critical to support the floor price are now part of the government's carbon tax package.

We also know that through the Carbon Farming Initiative the government has excluded farmers from selling carbon credits to Europe until 2018. What is this government doing to Australian farmers yet again? We heard the previous speaker talk about the costs associated with a carbon tax for farmers who cannot pass on the tax because they are price takers. This comes on the back of the trade-exposed dairy and food processors that do not qualify for free permits like their European competitors do, the ones that now have to try to compete with both hands tied behind their backs, not just one. They have had to compete for years against subsidies, tariffs, or a combination of the two. They have had to compete against the free permits issued to European manufacturers. They have to pay the carbon tax on their production chains, they compete here in the domestic market with companies and products that do not have the world's biggest economy-wide carbon tax costs and they compete with manufacturers in Europe that get 93 per cent free permits. Our government is knowingly exposing our food manufacturers and food processors to this. The government is doing this knowing the volatility of the markets in Europe.

It is just—

Wyatt Roy: A mess.

Ms MARINO: It is a mess. There are no words for such stupidity. We know that the world's CO₂ emissions are projected to rise by around 32 per cent to 45 billion tonnes by 2020. That is a compounding rate of three per cent a year. We know that the experts have said that these increases will not change this decade. This is supposed to be an environmental measure. Ross Garnaut said in his 2011 emissions update that there would be a 2.8 per cent annual rise. So Australia's five per cent reduction will reduce that rise by 0.03 billion tonnes. In fact, under Labor's carbon plan, Australia's emissions will increase in the period 2012 to 2020 from 578 million tonnes to 621 million tonnes. We know the government's adviser and chief climate commissioner, Professor Tim Flannery, said:

If the world as a whole cut all the emissions tomorrow ... the average temperature of the planet's not going to drop for several hundred years, perhaps over 1000 years.

We should be having a practical adaptation debate, like we do in our policy, instead of what is a load of hot air but a tragedy and a travesty for Australian business, Australian industry, Australian families and Australian competitiveness.
This whole carbon tax debacle—and it is a debacle—is best summed up by Alan Moran, from the Institute of Public Affairs, who said:

... it must be unique for a nation to deliberately sabotage its own competitiveness by shackling the industries that represent the highest value in terms of productivity: coal and electricity.

That is exactly what this government is doing. We know that Treasury estimates that with Labor's carbon tax Australian companies will be paying $57 billion a year, every year, by 2050. And the economic cost, on Treasury's own figures—I am not making this up, these are Treasury's own figures—will be $1 trillion by 2050. That is what it is going to cost. This is sheer, unmitigated madness. Here we have come from being one of the most competitive trading nations in the world and yet—two hands tied behind the back—

Mr Baldwin interjecting—

Ms MARINO: The member has just mentioned the dairy industry. Let me tell you that dairy farmers are price takers, as the member for Paterson said. There are at least nine billion litres of milk cooled on-farm by farmers who have to pay the carbon tax on that extra cooling, and I would suggest that not one of them is going to be able to pass that cost on and that they will not be paid one cent extra for their product. Yet those things do not seem to matter to this government. What a tragedy and a travesty for every small business person and every farmer in this country.

WYATT ROY (Longman) (21:00): I rise tonight to speak in opposition to the Clean Energy Amendment (International Emissions Trading and Other Measures) Bill 2012 and related bills. It is an honour to follow the member for Forrest and her eloquent contribution to this House tonight.

In just three short months we have seen this Labor government move from one policy failure to the next cruel carbon tax failure. This is a tax that was desperately thrown together in a political arrangement with the Greens. It is a tax that, at its heart, is designed to change behaviour by hurting Australians in the hip pocket and, in the process, making small business uncompetitive. The carbon tax is indicative of the failure of the administration that taints this federal Labor government. After a dismal record in administering programs—be it the $900 cheques, pink batts, school halls or set-top boxes—the carbon tax is off to a very poor start. In just three short months we have seen eight major structural changes to the way this tax will work.

First we saw a government bailout of companies using taxpayer funds. Then we saw Labor cut the share of Clean Technology Investment Program grants funding available for small businesses—while simultaneously increasing the funding available for big business. Then, just weeks later, we saw the entire program halted. Along the way we have watched the list of big polluters ebb and flow at the whim of the government, with more businesses added and taken off, and then added again. And we know that currently the list of big polluters is sitting around a total of 315 businesses. Later we witnessed Labor change the regulations around the carbon tax, which had what we can imagine must be the unexpected result of actually increasing real emissions from pipelines and landfill by one million tonnes.

Again we saw another change, with Labor abandoning the Contract for Closure program. Additionally, we have seen this Labor government boast that their floor price for the carbon price was absolutely essential. And now this is one of the raft of changes we are debating tonight. We are in the process of seeing the government completely scrap their
'essential' floor price—a floor price that the Prime Minister called 'wise', and government ministers repeatedly defended labelling a floor price as a 'safety valve' and a 'tool to provide participants with greater certainty'. Tonight we are also seeing those opposite try to jump on the EU bandwagon, attempting to hitch the carbon tax to the European emissions trading scheme—putting Australian businesses at a distinct disadvantage to overseas businesses.

As the Leader of the Opposition pointed out tonight in this chamber, while we all love our European cousins—their culture, their history and their contribution to Western society—we do not necessarily want to be hitching ourselves to their economic policies. It is something akin to putting the Australian dollar into the eurozone currency. These many changes have been mooted since the carbon tax was brought in on 1 July this year. With so much unclear about the carbon tax, there is only one thing that is clear. It is clear that this Labor government has lost control of its own policy and there is no direction from this Labor government. The carbon tax has taken on a life of its own, and this Labor government cannot seem to predict where it is taking them.

The raft of structural changes in these seven bills make it abundantly clear that this is a Labor government once again making decisions on the run. This is a government that has continually failed to recognise implications of the carbon tax and is attempting to apply band-aid solutions to the injury that the carbon tax is causing Australian businesses and families. In the government's regulation impact statement, it is revealed that 'for some small businesses the potential change in treatment of international units may create additional administrative costs.' Small businesses are already being hit hard by the carbon tax—with absolutely no assistance from this federal Labor government—and now those opposite are trying to make changes to put even more pressure on small business. Small business is the engine room of our economy, the great creator of wealth and the great employer in our nation. It would seem to me that it is a reality that this Labor government is determined to deny and that it is set on making it more difficult for small businesses to get ahead.

In light of all we know about the failure of this Labor government, when it comes to the carbon tax, the government still arrogantly refuses to change the modelling for the carbon tax. Despite making a raft of changes to the way the carbon tax operates, this Labor government is standing by its modelling. This government is relying on flawed modelling to sell its failed tax to the Australian people. Based on this government's track record, it is highly unlikely that the outcome of this tax will look anything like the spin the Labor party is trying to sell to the Australian people.

One of the serious structural changes in these bills is the idea of linking the carbon tax with the European scheme. I have serious concerns about these intentions. Clearly this is a desperate political move by government to introduce this legislation before having a formal agreement with the European Union. Such a move would effectively link Australia's economy with the highly risky and unstable European economy at a time when Europe's economic judgement is under intense scrutiny. Additionally, the European scheme is well known to be have been rorted. This Labor government wants to marry our own carbon tax with this failing system. This move could have huge implications for our economy and there is no guarantee that the carbon tax, and therefore the Australian economy, will not be taken advantage of by fraudsters. After only three
months of this carbon tax, the real implications are becoming clear.

In my electorate, I have been speaking with many local businesses who are expressing very sincere concerns about the future of their business due to the impact of the carbon tax. They are starting to find out the hard way exactly what it means for them. Two weeks ago I visited Allied Timber Products, a manufacturing business in my electorate, with the Deputy Leader of the Opposition. I spoke with Richard, the Managing Director of Allied Timber Products, extensively about his business and the concerns he had about the carbon tax. In electricity alone, Richard is facing a $40,000 carbon tax charge this year. This does not include haulage costs or any of the other numerous costs that Richard is facing from a carbon tax charge.

Richard looks at this carbon tax cost in terms of the ability of his business to grow. He told me that the carbon tax he is paying is directly negating his ability to employ one more person in his business. For a region such as mine, which is already experiencing a significant unemployment rate, Richard's news is nothing short of disappointing. I do not want to see government get in the way of Richard's ability to run his business, and I do not want to see government hinder Richard's ability to grow his business. It is clear from what Richard said that the carbon tax is doing just that. The carbon tax is already costing jobs in my region. I have said it many times in this place before: new and increased taxes do not create jobs and do not create wealth. And as much as the modern Labor Party might like to deny it, you cannot tax a nation into greater prosperity.

During my visit to Allied Timber Products, I sat down with Richard to look at his electricity bills from both before and after the carbon tax. What surprised me was that, although Allied Timber Products have done the right thing and taken efficiency measures and reduced their electricity consumption, they are still paying a massive carbon tax bill. Let me just make this point very clear: this local business is using less electricity but paying a higher electricity bill because of the carbon tax. And due to current market pressures facing the timber industry, this carbon tax cannot be passed on. Allied Timber Products is forced to try to absorb this cost, making this family owned business less viable.

Earlier this week, another local business relayed its concerns to me about the carbon tax. Local car dealership owner, John Page, shared with me information about the carbon tax and the effect that it is having on his car dealership. The cost is quite sizeable. On John's electricity bill, he is paying increases of up to 30 per cent on electricity charges due to the carbon tax. John describes the carbon tax as 'a hit on small businesses that have absolutely no right of redress'. John is absolutely right. Unlike some of the big polluters, small businesses cannot pass on their carbon tax costs and they do not get compensated for it.

Recently, I spoke with another business owner who was in the process of closing her fish and chip shop and convenience store. Sadly, she had become yet another victim of this federal Labor government's carbon tax. After receiving a couple of post-July electricity bills and seeing just how much the carbon tax had increased her costs, she told me that she had been forced to make the difficult decision to close her business. Her business was no longer viable. With electricity as her greatest overhead, she had to watch as her profits had been completely absorbed. It is a sad day when the carbon tax is the final straw for local small businesses.
Yet another of my local small businesses, FoodWorks Burpengary, approached me with examples of the carbon tax that they were paying and a direct and itemised carbon tax charge of $1,300 for just one month alone. When I directly raised this with the Prime Minister during question time in this place, the Prime Minister's response was simply to deny that small businesses pay the carbon tax. I had to go back and somehow try to explain to Craig from this local business that, although he could see in black and white an itemised carbon tax bill, the Prime Minister was telling him that he was not paying the carbon tax.

I would challenge every Labor member in this place to walk into the small businesses in their electorate and explain to their constituents this alternative reality which the Labor Party finds itself in, whereby a business has an electricity bill with an itemised carbon tax component and yet somehow the Labor Party thinks that they actually do not pay the carbon tax. For a carbon tax that, according to the Labor Party, was not supposed to have a real impact on the costs for individuals, I have been receiving an overwhelming amount of feedback from local residents that it is having an impact. Residents are only now starting to realise just how much carbon tax they are paying for Labor's new tax.

Just in the last fortnight I have heard from residents of a retirement living park in my electorate. The Island Breeze Home Owners Committee contacted me to share their concerns about rising electricity costs. Neville from the committee shared that residents from Island Breeze Resort have already noticed a jump in costs due to the carbon tax and that they are very concerned to have been informed that their electricity charges will continue to rise because of the carbon tax. Neville and other independent retirees of my electorate, who are already facing an uphill battle with low interest rates and the high cost of living, are extremely concerned about their future. They are finding themselves in a difficult circumstance where they are considering how they will manage to pay their bills and live within their limited budgets. At the recent Longman seniors forum that I held, the very first question put to me was about the carbon tax. People are concerned because the only certainty with the carbon tax is that they are going to be paying more for their electricity and their groceries.

Even this week, we have seen that Telstra is considering increasing its customer fee to cover its own carbon tax costs. The widespread ramifications of the carbon tax are only beginning to be known. People are only just beginning to feel the pain that this tax is going to bring. New taxes are not going to help small businesses; they are not going to help them get ahead. The carbon tax is not going to help; it is going to hurt. As Sir Robert Menzies, in his wisdom, identified: real tax reductions are the best of all incentives to increase effort, earning and production. They are the best incentive to encourage a reduction in emissions. A carbon tax will not have any environmental impact whatsoever.

The more I hear stories from people and businesses in my community, the more determined I am to ensure that my electorate is free of this carbon tax. I remain absolutely committed to abolishing the carbon tax. Abolishing the carbon tax will be the first order of business of a coalition government. On the first day of parliament under a coalition government we will introduce legislation to get rid of the carbon tax. The people of Australia deserve better than the lies and the uncertainty that they are getting from this Labor government. The people of Australia deserve hope, reward and
opportunity, which is why I cannot support these bills.

As the Leader of the Opposition said in this place tonight, he can be believed when he says there will be no carbon tax under a government he leads.

Mr SIMPKINS (Cowan) (21:15): I take this opportunity tonight to make a contribution to the debate on the Clean Energy Amendment (International Emissions Trading and Other Measures) Bill 2012 and related bills. Climate change and Labor's carbon tax are both matters that I have spoken about in this parliament numerous times, so it will come as no surprise that I am going to use this opportunity to reinforce the point that the government has lost control of its carbon tax, a carbon tax that will result in economic pain on families, individuals and business, all without any environmental benefit. The Australian people are very clear about what happened before the 2010 election: there was a cast-iron guarantee that there would be no carbon tax under a government she led. That has really set the scene for where we are now and for the Prime Minister's credibility.

Every Australian has the right to be concerned by the Labor-Green carbon tax that was introduced by the government. I can tell you that this is certainly the case in my electorate of Cowan. When I am travelling through the electorate and talk to people, whether it be in shopping centres, at front doors or in businesses, about their top issues and concerns, the most commonly raised issues are the carbon tax and stopping the boats. They are two examples of how the government has lost its way and has failed.

To give an example on the carbon tax, I recently visited a local business, New West Foods. New West Foods, in Malaga, processes fresh seafood and distributes fresh, frozen and ambient foods throughout the Perth area. It is a great company—a family company—that has been established through the hard work of the family and a core group of employees. As you would imagine, New West Foods runs a number of large freezers which utilise gas. In 2010 New West Foods had to get one of their freezers re-gassed with R404A gas. The cost of the gas was $55 a kilogram—they showed me one of their bills. Last month New West Food had to get another freezer of a similar size re-gassed. On this occasion the cost was $200 a kilogram for exactly the same R404A gas. When the company questioned the 360 per cent increase in the cost of gas, they were told it had only recently occurred and was almost entirely an effect of increased prices due to the carbon tax. The owner of this business asked me, 'What is the Prime Minister going to do to assist us with the increased costs due to her carbon tax?' I repeat this question and ask the Prime Minister: what assistance are you going to provide businesses in my electorate and can you explain why you are making it harder for businesses in Cowan with your tax?

As I mentioned earlier, the carbon tax is an economy-wide tax that is hurting Australian people and businesses. It is a $9 billion a year tax, which every Australian will pay through their electricity and gas bills, that will have no positive effect on the environment. On the contrary, even with Labor's 'solve everything' carbon tax, Australia's emissions will increase from 578 million tonnes in 2010 to 621 million tonnes by 2020.

This tax was introduced just over 100 days ago. At that time the government spent millions of dollars of taxpayer funds to advertise how fantastic the carbon tax was going to be. Just over 100 days later, they are proposing a major structural change, on top of the eight changes already undergone, to their fantastic carbon tax. I would like to take
this opportunity to discuss these eight changes, a number of which will make the tax even more useless and residents and businesses hurt even more: for example, the decrease in the share of funding for small businesses so as to further increase funding for big businesses via the Clean Technology Investment grants that assist those directly hit by the carbon tax. Labor simply does not understand small business and is constantly making life more burdensome for small-business owners.

The coalition was deeply disturbed by a national survey published in News Limited papers on 20 August 2012, which reported that two-thirds of small businesses feel they are not able to pass on the world's largest carbon tax. Small business is Australia's biggest private sector employer and is carrying the cost of the carbon tax. The carbon tax will make margins for small business even lower, particularly if the Prime Minister's plan to decrease the share of funding for small businesses via the Clean Technology Investment grants occurs. It seems the government is out to hurt small and medium businesses in particular.

Another of the amendments in this bill scraps the floor price, which was to have been $15 from 2015 and which the government said was needed for business confidence. Furthermore, they have halted support for industry via the Clean Technology Investment grants as the government attempts to save money, leaving businesses exposed. It has also allowed the Clean Energy Regulator to add more businesses to the big-polluters list, taking it to a total now of 315, while on the eve of the carbon tax being introduced they also bailed out major companies, with funding to companies including Alcoa and Energy Brix.

One of the changes in this legislation that truly disturb me is linking Australia's carbon trading scheme to Europe. There are a number of issues associated with this. Firstly, the European system does not allow a two-way trade on carbon credits, which puts Australian businesses at a disadvantage and results in Australia's carbon tax being set by the EU price. Secondly, the European system works out to around $1 per person per year, compared to Australia's system, which is equivalent to $400 per person per year, and this figure will continue to rise. The third point is probably the most obvious: the European economy is not known for being overly strong at present, and I cannot understand why the government would want to link their scheme to an increasingly challenged set of economies in Europe. As has been said earlier, a common-sense action might be to link our carbon trading scheme with that of one of our global competitors like China or India. But the government cannot do this, because none of these countries have a scheme like Australia's. Even the US have closed down their ETS plans due to a lack of interest in that country.

I would also like to take this opportunity to touch on the science behind the claims of climate change. I am not afraid to say, and I have said in this place before, that I am no adherent to the theory of anthropogenic global warming. Another non-adherent to the theory, Dianne Bourke, recently sent me two energy and environment issue articles by James Taylor from Forbes which bring new findings which are extremely important to the debate. I think it is important to read the science and make myself better informed rather than just accept what the government always says.

The first article discussed a new study in the peer-reviewed science journal Remote Sensing, which examines data captured by NASA satellites between 2000 and 2011. This new data shows that the Earth's atmosphere is allowing far more heat to be
released into space than the UN computer models have predicted. It is indicated in this study that far less future global warming will occur than the UN computer models have predicted, and it also supports prior studies concluding that increases in atmospheric carbon dioxide trap far less heat than has been claimed. In his article, Mr Taylor makes a good judgement by saying:

... the central premise of alarmist global warming theory is that carbon dioxide emissions should be directly and indirectly trapping a certain amount of heat in the earth's atmosphere and preventing it from escaping into space. Real-world measurements, however, show far less heat is being trapped in the earth's atmosphere than the alarmist computer models predict, and far more heat is escaping into space than the alarmist computer models predict.

When objective NASA satellite data, reported in a peer-reviewed scientific journal, show a "huge discrepancy" between ... climate models and real-world facts, climate scientists, the media and our elected officials would be wise to take notice.

I endorse these comments and think that members on the other side should look closely at all sides of research rather than trying to sell a highly flawed carbon tax scheme. It is worth commenting that this Labor government runs out its political playbook lines all the time on this issue and on all issues. They denigrate the opposition leader and our side for what they allege are extreme comments about the effects of their carbon tax, yet on every occasion they ask themselves a question at question time the prefix 'dangerous' is added before mentioning climate change.

So this is a pathetic government defined by its political lines and it finds criticism of itself unparliamentary, as was evidenced today in question time. The alarmist rhetoric in this debate belongs to this government, the falsity of whose apocalyptic predictions will be realised all too soon—although I think the majority of this nation no longer believes this government with their dire predictions or in fact anything they say. It was bad enough that the Prime Minister misled the Australian public just days before the last election by stating, 'There will be no carbon tax under a government I lead,' but now the Prime Minister is continuing to hurt Australia families and businesses despite frequently being told of the negative impact that her and the Greens' carbon tax is having in this country.

However, going back to Mr Taylor's reporting of science, I would like to mention another article he published regarding Antarctic ice, which looks at an article recently mentioned on National Public Radio. In the article a meteorologist, Anthony Watts, explains that new data shows ice mass is accumulating on the Antarctic continent as well as in the ocean surrounding the Antarctic. This clearly contradicts claims by global warming alarmists that the expanding Antarctic sea ice is coming at the expense of a decline in Antarctic continental ice. I find the manner in which a large majority of mainstream media like to publish articles on ice loss in West Antarctica and the Antarctic Peninsula astounding. They must forget to mention that ice is accumulating over the area of East Antarctica and that the continent as a whole is gaining snow and ice mass. The article also covers a new NASA and university study which found evidence that Antarctica once supported vegetation similar to that of present-day Iceland. The article concluded with a quote that I would like to share:

The southward movements of rain bands associated with a warmer climate in the high-latitude southern hemisphere made the margins of Antarctica less like a polar desert, and more like present-day Iceland.

A very important aspect which should be considered in the global warming debate when those on the government side claim
that what is happening now in the world is unprecedented is that over history the world and its climate have changed and will continue to change. There are cold days and there are hot days. There are rainy days and there are dry days. I find it both concerning and amusing when people complain about unseasonal weather or discuss the lack of rain or the latest downpour and then end the conversation with the phrase, 'But it's okay; the carbon tax will fix it;' followed by laughter. It is a reality that the Australian public have seen through this government and know that the carbon tax is no more than another broken promise and an example of a further ineffective Labor policy that was made, and is now trying to be changed, on the run.

In conclusion, these amendment bills to make major structural change comes about inside three months of the operation of the carbon tax and, as we have heard from previous speakers, will remove the legislated floor price from the carbon tax and link the Australian carbon tax with the European ETS, not to mention the proposed amendments that will seek to increase the carbon unit auction limit from 15 million to 40 million for 2015-16. They will also alter the arrangements applying an equivalent carbon price for liquid fuels and synthetic greenhouse gases, as well as making amendments about the measurement of potential greenhouse gas emissions and natural gas liabilities. What I and the Australian public see in this move is a government that has lost its way and has implemented a carbon tax which is in such disarray that since being implemented it has had eight major changes made to it. These amendment bills are further evidence that the government has lost control of its carbon tax and is making policy and policy changes ad hoc. The carbon tax is imposing a burden on all Australians, and there is no environmental benefit for it. Under a coalition-led government the carbon tax will be repealed and the Australian public will see direct action on the environment.

There is no doubt that I oppose these clean energy amendment bills. The only leader that can be believed with regard to this carbon tax is Tony Abbott, who has said that there will be no carbon tax under a government he leads. When Tony Abbott says it, it is the case. It will happen. I look forward to the next change of government, whereby the carbon tax will be removed and the Australian people and Australian businesses—those people that employ and help drive this country forward—will no longer live under the yoke of this carbon tax.

Mr McCormack (Riverina) (21:30): Congratulations, Mr Second Deputy Speaker, on your elevation to the role! The member for Cowan said that there is a political leader who can be believed when he says that there will be no carbon tax under a government that he leads. There is another political leader in this parliament who can also be believed when he says that he is totally opposed to the carbon tax and the clean energy bills, and that, of course, is the Nationals' leader, Warren Truss. It was the Nationals, firstly through Senator Ron Boswell from Queensland and his colleague Barnaby Joyce in the upper house, who first blew the whistle on this unnecessary tax—this unnecessary imposition into our daily lives; initially an emissions trading scheme and now this carbon tax, which unfortunately came into being on 1 July.

There are political people with the will of Warren Truss, the Nationals’ leader and member for Wide Bay, and senators Boswell and Joyce, all of the Nationals, and certainly the opposition leader, and if they say that there will be no carbon tax under the
government that they are in, then it can be believed.

On 16 August 2010, just five days out from the last election, the Prime Minister categorically stated, 'There will be no carbon tax under the government I lead'. Having done a deal to remain in office, on 24 February 2011 the Prime Minister announced at a press conference with the regional Independents and the Greens, to whom she is beholden, that there would in fact be a carbon tax. The carbon tax came into law on 8 November last year, passed by 36 votes to 32 in the Senate, with the help of those destructive Greens.

It is now little more than 100 days since the clean energy bills came into force, and yet here is the government seeking to amend them. This is a tax which is in complete chaos, a carbon tax which is a $9 billion-a-year slug, which every Australian will pay through higher electricity and gas bills, increased grocery bills and higher fuel costs.

The main purpose of this bill is to remove the legislated floor price out of the carbon tax and to link the Australian carbon tax with the European emissions trading scheme. Why a government would be seeking to link anything with the economic basket case which is Europe at present is, quite frankly, beyond belief.

The bills will also seek to increase the carbon unit auction limit from $15 million to $40 million for 2015-16, to alter the arrangement applying an equivalent carbon price for liquid fuels and synthetic greenhouse gases, to make amendments concerning the measurement of potential greenhouse gas emissions and to make an amendment concerning natural gas liabilities.

The removal of the legislated floor price is yet another backflip from this government—this pathetic government. On no fewer than 11 occasions the government has affirmed its commitment to the floor prices as a crucial piece of the carbon tax legislation, the misnamed 'clean energy bills'. On 13 September 2011 the Prime Minister stated:

… the bill also provides a price cap and floor price to apply for the first three years of the floating price period.

As recently as 21 August, the Minister for Climate Change and Energy Efficiency told Sky News political editor, David Speers, during an interview on Sky News Agenda that the government had legislated the floor price and was committed to the arrangements it had legislated.

Despite Minister Combet stating on 7 September 2012 that the carbon tax is 'bang on track'—he would not have said tax because that is the word that cannot be mentioned on the other side—there have been eight changes since its implementation on 1 July 2012 These changes have been: the bailout of major companies on the eve of the carbon tax being introduced, including funding to Energy Brix and Alcoa; increasing the funding for schemes to assist companies directly hit by the carbon tax via the clean technology investment grants; the Clean Energy Regulator adding more businesses to the big polluters list taking the total to 315—and I have to take issue with that term 'big polluters'. They are not big polluters; they are in fact employers of Australians, employers of hardworking families and employers of people who pay taxes to help nonsensical politicians put these stupid policies into place.

I will continue with the changes that have been made: changes to regulations governing the scheme, including gas pipelines and landfill resulting in one million more emissions; abandoning the contract for closure program to shut down power stations which will mean the carbon tax will have to increase to achieve the same emission reductions—I know my colleague the
member for Gippsland has been at pains to point out how much this contract for closure and shutting down power stations will hurt people in his electorate and hurt the many families who rely on good policy from this government and are being hit in the neck every time. He has pointed this out over and over again but, unfortunately, he has not been listened to.

I will continue with these changes: scrapping the floor price, which was to have been $15 from 2015—the government had said a floor price was needed for business confidence; have you ever!—linking the scheme to the European system, which does not allow a two-way trade on carbon credits putting Australian businesses at a disadvantage—and haven't we heard that before—and resulting in Australia's carbon tax being set by the European Union price; and halting the just announced increased funding for industry by the clean technology investment grants as the government attempts to save money while leaving businesses exposed—a government attempting to save money.

We know that the gross debt is now $246 billion. We know that the Treasurer has inflicted upon Australians the four biggest deficits in this country's history. We know that this government has borrowed more money in its four years of government than Commonwealth governments borrowed in the previous 108 years since Federation. Just think about that: it is an absolute disgrace. I am sure the member for Blaxland was not aware of that fact, but it is true: this government has borrowed more money under Kevin Rudd and Julia Gillard than the previous Commonwealth governments did from 1901 to 2007 when Labor took office. This government has no idea what it is doing and it cannot be trusted to deliver major policies without making major errors or changes—policy on the run.

The carbon tax is yet another bungled policy Labor can add to its ever increasing list. The carbon tax will cost a total of $36 billion in the first four years and, despite being in place, will do nothing to stop Australia's emissions increasing from 578 million tonnes in 2010 to 621 million tonnes by 2020. The temperature will not drop. The sea levels will not drop. It is all economic pain; no environmental gain. The reason behind this is that electricity and gas are essential services and, instead of reducing emissions, companies will have to purchase 94 million tonnes of carbon permits overseas each year by 2020. This will have a major impact on electricity prices.

Power was once cheap in this country, Mr Deputy Speaker—you know that; I know that; everyone knows it. It was cheap for families. It was cheap for business, and businesses make the economy run. Small business in particular is the engine room of the economy and they are being hit every time they go to the power point and flick the switch.

Whilst the government is telling Australians this will be a rise of 10 per cent in five years, the electricity industry, the industry which issues the power bills, predicts it will in fact be 20 per cent over the next 18 months. I know who I trust to be more accurate with its predictions, and so does the public. It is not the Prime Minister. It is not the Treasurer who talks about reckless negativity. It is the electricity companies. They know what they are going to have to be charging. And it is also the people who are getting their bills.

Let me tell you: they are extremely worried. We have pensioners who are not getting out of bed of a morning, not because they are sick and not because they are frail or old but because they need to stay warm during the winter months. Fortunately it is
now spring, but soon it will be summer. With summer comes the heat, the good old Australian heat, and they will not be able to turn on the air conditioners to stay cool, because of the unnecessary impost that has been caused with the carbon tax slugging their electricity bills and making them higher and higher. This is why people are so concerned about the impact that the carbon tax will have on their pensions, on their hip pocket and on their disposable income.

My electorate office receives many telephone calls daily—and I am not exaggerating; it does—and many, many emails from constituents concerned about the additional cost to their power bills that the carbon tax will add, is adding and has added. One such constituent is an age pensioner. She is paying $180 before usage on her gas and electricity. That is just to be hooked up. She is extremely worried about the impact that the carbon tax will have and believes that this proportion may double. She knows that her neighbours have turned off their gas—they have told her so—to avoid the increased costs. In doing so, they went without heating, and in summer they will go without cooling.

This is the true impact that the carbon tax will have on Australians. This is the true impact that Labor is having on Australians. Many of them were rusted-on Labor supporters—those people who looked to Labor, the party that said it had a social conscience. They have been denied and have been badly and sadly let down. The price rises are going to hurt families, singles and the elderly, and there is only a limited scope for a fall in usage, as people will still need to turn on their lights, cook their dinner, wash their clothes and do everything else that we should be able to do in a modern society. It is just un-Australian.

It is not just households which will feel these price hikes. Businesses in the Riverina have also contacted me to draw my attention to the effect that the carbon tax is having on their power bills. Many are concerned about their future and concerned about whether they will be able to still employ the people who are valuable workers for them, who help them to produce goods and services for this nation and who help pay taxes. Lorraine Richter, co-proprietor of the South Wagga Bakery, contacted me regarding her concerns about the jump in the bakery's electricity bill from July to August. Her July bill was $3,961.27, with the August bill being $4,947.46. Stated on her tax invoice from Country Energy for August was a carbon charge of $357.67. It is a huge cost to a small business. Based on this amount, Mrs Richter is rightly concerned about how her business will afford the extra almost $4,300 annually that her bakery will be forced to pay towards the carbon tax.

It is not just South Wagga Bakery; it is businesses right throughout the Riverina. It is Croker Grain. It is Visy pulp and paper mill. It is above the threshold, as are Wagga Wagga City Council, the Griffith and Coolamon councils and local abattoirs. They are not big polluters. They are companies and organisations employing people, doing things—service industries and those producing goods. Rex airlines, Regional Express, are also going to be hit by the carbon tax. It is just not good enough to slug these companies for no environmental gain.

The coalition have established a clear time line for how the carbon tax will be repealed if we are elected to government. On the day prior to the election date, the Leader of the Opposition will write to the Secretary of the Department of the Prime Minister and Cabinet to make it clear that, if elected, the first priority for the Liberal-Nationals coalition government will be to repeal the
carbon tax. On the same day, in the spirit of caretaker conventions, the coalition will also formally request the Clean Energy Finance Corporation to desist from making any further determinations in relation to grants, funding or financing. If elected, on day one the new Prime Minister, Tony Abbott, will instruct the Department of the Prime Minister and Cabinet to draft legislation which repeals the carbon tax and to have the legislation within one month. Hopefully, we will be elected at the next election, but that will be up to the people—to decide whether they in fact want the carbon tax to continue, whether they want to be paying higher and higher electricity prices and whether they want to have all this economic pain for no environmental gain.

On the first day of a new government, the finance minister will notify the Clean Energy Finance Corporation that it should suspend its operations and instruct the department of finance to prepare legislation to permanently shut down the corporation. The environment minister will also instruct his or her department to commence the implementation of the coalition's direct action plan on the environment—a plan which, in a broad sense, contains many good things which will help protect the environment and which will lower emissions without all the economic pain. Within 100 days of a new government, the carbon tax will have been repealed—and this is absolutely necessary. We know it and Labor know it, but they just refuse to come clean on it.

Labor's carbon tax is a little more than 100 days old. It is already—(Time expired)

Mr FLETCHER (Bradfield) (21:45): I am very pleased to follow my friend and colleague the member for Riverina to add to the weight of concern which he has highlighted to the House about the ill-advised measures contained in the Clean Energy Amendment (International Emissions Trading and Other Measures) Bill 2012 and related bills—yet another package of legislation among the enormous amount which seems to continually descend on this House on the topic of climate change and this government's responses to it.

The key impacts of the bills the House is debating this evening are to establish arrangements to link Australia's carbon tax system to the European emissions trading scheme and to remove the floor price, which the government had hitherto committed to maintaining for a period of time.

In the time available to me, I would like to make three points. The first is that we are seeing embodied in this legislation a capricious reversal in policy which will inevitably damage economic and investor confidence. The second point is that it is a truly bad idea to hand significant control of a major domestic tax and a major set of domestic regulatory arrangements to a foreign jurisdiction—in this case the European Union. Thirdly, I wanted to highlight the question of the potential budgetary impacts of the measures contained in the package of bills before the House this evening.

Let me turn firstly to the proposition that what we are seeing in this package of legislation is a capricious reversal in policy. As colleagues on this side of the House have pointed out on a number of occasions in this debate, the Labor government affirmed its commitment to the floor price as a crucial component of its carbon tax legislative package on at least 11 occasions. Let me just highlight a couple of those reaffirmations of the importance of the floor price for the elucidation of the House. On 13 September 2011, the Prime Minister had this to say here in the House of Representatives:

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The bill also provides for a price cap and a price floor to apply for the first three years of the floating price period. This will limit market volatility and reduce risk for businesses as they gain experience in having the market set the carbon price.

That was the Prime Minister on 13 September 2011. It might be said that 13 September 2011 is some time in the past—it is more than a year in the past. That is true. But that of itself, in my view, would not be an adequate explanation for the capricious reversal in government policy, although that argument might be made. But that argument could not be made in respect of a statement made by the relevant minister, Minister Combet, just a couple of months ago on 21 August 2012. When being interviewed by David Speers on Sky News, he had this to say:

We have legislated the floor price; that's quite well known. I am discussing with the European Union the linkage of our schemes. It is an issue that's in those discussions, but we are committed to the arrangements we have legislated.

David Speers asked him:

At $15?

Minister Combet responded:

That's the floor price.

This statement was made by the minister only a week prior to his announcement that the floor price was being dumped. Could there be a more compelling demonstration of this capricious reversal of policy? This is a policy that senior representatives of this government, from the Prime Minister down, have repeatedly affirmed that they were committed to, a policy in reliance on which Australian businesses and investors had structured their affairs—and yet, at very short notice, there has now been a capricious reversal in this policy. We are seeing a major structural change in the policy architecture to do with the carbon tax, and that comes not 10 years, not five years, not even one year after the introduction of a carbon tax but a mere three months after the carbon tax came into operation. The government is back in this House proposing legislative change to fundamentally vary a core element of this legislative scheme. It is hard to overstate the impact of this on certainty, on business confidence and on the capacity of investors to structure their affairs in reliance on commitments government has made. It sends a truly disastrous signal to anybody who is trying to do business, anybody who is trying to increase prosperity, anybody who is trying to employ Australians under this government.

It is not the case that, since the government implemented the carbon tax, this is the one lapse in an otherwise honourable and immaculate record of consistency. Far from it: this is one of eight changes which have been made to the arrangements since the government implemented its policy. Barely a moment after implementing its policy, it started making change after change after change. As members on this side have reminded the House this evening, those changes have included bailing out major companies, using taxpayers' funds, on the eve of the carbon tax being introduced, including funding to Energy Brix and Alcoa; halting the clean technology investment grants just weeks after the grants were first announced; and abandoning the Contract for Closure program to shut down power stations, meaning that the carbon tax will need to increase if the same emissions reductions are to be achieved. Those are but three of the eight changes which have been made since the carbon tax was implemented only a few short months ago. It is no exaggeration to describe this as an extraordinarily chaotic approach to public administration. These circumstances make it remarkably difficult for businesses to carry on, when they have very little confidence...
that what is the law today, under this government, is going to be maintained as the law tomorrow.

Let me turn now to a proposition which ought to be obvious, which ought to be self-evident: that it is an extraordinarily bad idea to hand significant control of a major domestic policy instrument, the carbon tax, to regulators in another jurisdiction. That is a remarkably bad idea. Let us look at some of the things that have been said by parties which have made submissions to the recent—regrettably truncated—House of Representatives Standing Committee on Economics inquiry into the provisions of the bills before the House this evening. This is what the Cement Industry Federation had to say:

Australia must initially ensure it will not be disaffected by individual distortional measures that are captured within the EU ETS. This analysis should occur before legislation is introduced to link the Australian and European Union schemes.

The federation went on to say:

The CIF is concerned whether the Australian Government will have sufficient negotiating power with the EU on future scheme changes (particularly after the two way link) given the relative size of the two schemes. If Australia were to lose sovereignty on scheme design and administration, this would represent an unacceptable risk for Australian liable entities.

That is what one major industry peak body has had to say about these changes. Here is what another body had to say. The Australian Industry Greenhouse Network, an organisation whose members account for over 90 per cent of Australia's mining, manufacturing and energy transformation emissions, said:

Concerns with respect to international competitiveness have not reduced as a result of the decision to legislate and operationalise a unilateral link with the EU ETS. In the transition period to a broader international trading system with potentially all major economies, competitiveness must be preserved.

Australian industry has concerns as to how will Australian competitiveness be 'preserved' if the EU continues to use policy drivers to change their scheme. The EU will do that in their interest which will not necessarily be in ours. It will simply drive up our costs and should be addressed in both the bilateral agreement and the regulation.

What sensible observer could disagree with the plain common sense in the observations of these two significant industry peak bodies? In handing to officials and politicians of a jurisdiction with a different set of interests to those of Australia and its citizens and its businesses we have put our economic prospects, our economic interests and, I dare say, our environmental interests at significant risk because we are in essence abdicating control and decision making to officials of a different jurisdiction who will naturally and inevitably give first priority to the considerations of the interests of that jurisdiction rather than the interests of Australia.

Prominent economist and former Reserve Bank director Warwick McKibbin wrote about this policy proposal in the Financial Review on 30 August and he noted that it was equivalent to the notion that we should make the unilateral decision to abandon Australia's currency and join the eurozone—and, therefore, by implication, voluntarily put ourselves in the same position as those unfortunate nations in Europe which find themselves unable to control their own monetary systems and are left vulnerable to present economic circumstances. He made the point that it is quite extraordinary—I hasten to add that 'extraordinary' is my paraphrase of his remarks—that, at a time when Europe's economic judgement is widely questioned, the federal government of Australia is giving up the right to set its own carbon price applicable in Australia and it is
handing that right to Europe, a decision which could most charitably be described as curious. Again, they are my words interpreting his observations. I think, more frankly, it could be described as bizarre.

Let me turn to the question of the likely impact of these changes on the federal government's budgetary position. This was an issue that was explored at some length by my parliamentary colleagues, my coalition colleagues, who are members of the House of Representatives Economics Committee which inquired into this matter. They asked representatives of the Treasury about the impact of removing the floor price and what that will do to the budgetary position. Witnesses from Treasury told the parliament's Economics Committee that the 2012-13 budget is based upon an assumption of a price of $29 per tonne. They went on to say that this equates to a set of tax revenues over the four years to 2015-16 of $24.4 billion.

When Treasury witnesses were questioned by my good friend the member for Moncrieff about the impact if the price per tonne were to fall, they were unable to disclose the precise impacts and they noted that the government had not published any estimates. I should not wonder that it has not published any estimates of the impact of a material fall in the price, bearing in mind that the price in Europe is materially below the kinds of numbers that we have just heard, that are assumed in the Australian budget. A concern which pretty rapidly emerges when you consider these matters is that the budgetary position could be under substantial pressure because the per tonne rate which has been assumed in the budget is wildly above what is likely to be maintained upon the move to this alignment with the European Union's emissions trading scheme.

This is a government which is making it up as it goes along. It is an extraordinary admission of incompetence to be seeking to be making fundamental changes only three months after the carbon tax has been introduced. It creates great uncertainty for business and it is yet another instance of this government not being on top of the job.

Mr EWEN JONES (Herbert) (22:00): Madam Speaker, may I pass on my congratulations officially on the Hansard. Congratulations on your elevation to the high office of Speaker of this parliament—and thank you for not throwing me out in the last couple of days! In rising to speak on these Clean Energy bills, I just go back to the beginning. This is a bad tax founded on a fundamental breach of trust with the Australian public. I will just go back over the history a little bit. Going into the 2010 election there was no way in the world anyone was going to have a carbon tax. The Treasurer said it was 'sheer opposition hysteria' and, of course, we had the Prime Minister's immortal line, 'There will be no carbon tax under a government I lead.'

But let us go back even further than that—back to John Howard. The government trots out the line that John Howard believed in an ETS. John Howard believed in an ETS in moving with the rest of the world. With all the trouble that we had going into Copenhagen—I was not here—nothing happened. The rest of the world has moved on, and we moved on. The government ditched their leader and we ditched ours. We formed different perspectives and we got new leaders on both sides of the parliament.

In 2010 I came into this place, so I have only been here for a little while. I am an auctioneer by trade. I have a fundamental belief that when a deal is done, it is done. When you shake a person's hand and you say, 'It's sold,' it is sold. You are only as
good as your word. Since I was elected on 21 August 2010 I have been able to keep my word. But I would have to ask what this government has done to their new members of the class of 2010, what they have turned their new members into. You come into this place holding high ideals about yourself and where you stand. I will go through a couple of things. When the Labor members of the class of 2010 came into this place they would have spent their five weeks campaigning and saying, 'There will be no carbon tax; there is no carbon tax; it is just opposition hysteria.' Come the 17 days and suddenly they walk out and it is, 'There will be a carbon tax; it is the right thing to do.' It was a fundamental breach of faith with their electorate.

Then straight up we had pokie reform, when before the election it was not even raised as an issue. It is a state matter, but straightaway this government came in and did a deal on the side and made their members go out the front and practise their lines to say, 'I've had people in my office screaming at me and crying and telling me about people killing themselves over their pokie debts.' But then the government flipped it over again and they had to go back out and say, 'Well, it's not such a big deal anymore, and we are not going to do it.'

And now we have the floor price. The government has gone out there and said, 'The fundamental fact is that we must have a floor price.' Going into the 2010 election we had only one party that said that there should be a carbon tax and it should be at $23 a tonne—and that was the Greens. After the 17 days of negotiation suddenly we had a carbon tax at $23 a tonne.

So what does the government stand for? The government stands for 'whatever it takes'. That is what it stands for, and that is what has turned the class of 2010—those idealistic people who have come into this place—into 'whatever it takes'.

For the tax to work, it has to hurt. The Leader of the Opposition said that here today: 'For the tax to work, it has to hurt.' But it does not have to hurt everyone. I got an email just this afternoon from a constituent in Townsville. The AWU has started a major campaign where you email, saying, 'We've got to do more to help manufacturing.' But it was not the Leader of the Opposition who said that Whyalla would be wiped out; it was Wayne Hanson from the AWU. Paul Howes, from the AWU, said that, if one job was lost in the steel industry, out the carbon tax would go. So $600 million goes into the steel industry from the government—just a bit of hush money. That is what you have turned yourselves into.

Ford gets it and Alcoa gets it. We currently have a major issue with insurance in North Queensland. The Treasurer has taken a $400 million dividend from the Australian Reinsurance Pool Corporation. How much of that money is going to the insurers in North Queensland? 'Oh, that's right; sorry, no-one up there's in a marginal Labor seat. It can't be done.' We have been hung out to dry. There is chaos in this government.

I have previously said in this House that the problem with the government is that they know how to take a position. But taking a position is really easy. It is the holding of the position that makes you a government. It is the ability to articulate your argument and to bring people along with you. It is, to paraphrase Jerry Seinfeld, 'the ability to articulate an argument'. Anyone can hold an opinion or hold a position—you can do that anywhere. You can take a position, but it is about the holding of that position. It is holding the floor. But we have had eight fundamental changes in 100 days.
This carbon tax has to hurt. By 2050 we will be paying, in today's dollars, $350 per tonne for carbon. We are not going to be compensated for that. All the way through, $57 billion will be churned through to buy carbon credits overseas. The worst part is that it simply will not reduce emissions. We know that, even by 2019, emissions are going to increase to 635 million tonnes. They are going to increase. So there is all this pain for no environmental gain.

My problem with this whole idea of tagging our model to the European model is that, first and foremost, there is no-one else to tag it to, so they have to put a credibility thing out there to say that, somewhere along the line, it is not going to hurt so much. But if the floor price collapses so does the budget position. Those of you who remember the foreign currency loans in the 1980s when we floated the dollar will know that there were many farmers out there then. Because we had such a strong dollar and overseas currencies were so cheap, you could borrow money overseas using the strength of the dollar to leverage yourself there, making loans cheaper in Australia. At the moment we have a flourishing dollar. The euro is a floating currency. If the Australian dollar plummets and the euro goes up—which is a distinct possibility—instead of paying $23 a tonne we will be paying $46 a tonne.

What happens then? If you are tagging these things to floating currencies, there is decimation out there for just about everyone. There is a real problem out there for just about everyone if these things happen. How much thought has actually been put into that? Or are we just going to have this remarkably high dollar for the rest of our lives? Is it going to be set in stone that it is just going to be that way? My issue with the floor price and with this whole carbon tax is that it has a trickle-down effect.

As I said, the AWU has launched a campaign at the moment favouring manufacturing and saying that we should do more for manufacturing. I back that 100 per cent; I think we should be doing more for manufacturing. If manufacturing is strong in Townsville, we have a good, strong diverse economy. We have engineering works, we have manufacturing works and we do a lot of stuff in Townsville, but we are energy intensive. The problem with the carbon tax is that when it starts to hurt and people start to lose their jobs—because, for the tax to work, it has to hurt—what happens to the guy driving the pie van, the guy running the corner store or the microbusinesses that run off those businesses? What happens to the people who put emblems on shirts? What happens to those businesses if big business continues to shut down because it is just too hard to stay in Australia?

We have two major private employers in Townsville—well, it is three at the moment, but Xstrata is still unsure what is going to happen with the copper refinery. The other two are Sun Metals and Queensland Nickel, both massive users of energy. Sun Metals have a billion-dollar set-up cost. If they cannot get access to cheap power, they will have to shut down and move somewhere else; it is that simple. Queensland Nickel are in the top 50 carbon emitters. They know that. But, having known that, what they have done since 2007 is to lower their emissions. They have gone out there and worked with the James Cook University environmental scientists. They have used their own environmental people there, and they have lowered their carbon footprint by over seven per cent from 2007 levels already. They have done that off their own bat.

There are three places in the world that process nickel as Queensland Nickel does. One is in Cuba and the others are in Brazil and Australia. There is no carbon tax regime
in Brazil or Cuba. You cannot get to see the one in Cuba, and apparently the last time the guys from Queensland Nickel went to the one in Brazil it was shut down. The pollution from those things is apparently so bad that you can almost walk on the smokestack. That is how filthy the places are. Queensland Nickel are 100 per cent import-export. They get their ore from New Caledonia, the same place Brazil and Cuba get theirs. They bring it into Australia. They put it through the port and on the rail, and it goes out to Queensland Nickel. They sun-dry it, they process it and they sell their product 100 per cent on the export market. They are up for about $30 million worth of carbon tax. Brazil and Cuba are not. So, if Queensland Nickel are forced to shut down and are hurt so badly that they cannot do it, Brazil and Cuba will still do it. So we will actually have a worse environmental game by shutting down what is happening in Australia.

Queensland Nickel is owned by a friend of mine; his name is Clive Palmer. Clive loves a good conspiracy theory. There are three places in the world that do nickel processing in the same way as Queensland Nickel; it is called the Caron process. There are two other nickel refiners in Australia. One is owned by BHP. Neither of those two come to the threshold. There are six different classifications in the carbon tax for paper, but there is only one classification for nickel. The Department of Climate Change and Energy Efficiency has acknowledged that it is a different product and a different process. The refineries buy from different markets and they sell to different markets. It is a completely different product, yet they have lumped them all in together.

So the end result is that BHP get about $30 million worth of carbon credits because they do not hit the threshold, whereas Queensland Nickel pay $30 million for the privilege of processing in Australia. They could just shut down the operation and send it across to Brazil or Cuba, where businesses are state owned and where they do not care about the environment. But that is what this government does—six classifications for paper, one for nickel.

Clive Palmer was famous for holding lavish Christmas parties for his staff and for buying a Mercedes-Benz for people who had done 20 years and all that sort of thing. But that was when the nickel price was around $14 a pound. It has now dropped to below $7 a pound. Eight dollars is about your break-even point, where you are doing it for turnover and, as I speak, the price is $8.19. So that business has to keep going. You cannot just shut down and start up whenever you want. You must continue to process and must carry this cost.

The problem with the carbon tax is that it does not worry about whether you are making a profit. It does not care about whether you are doing the right thing; it does not care about whether you are doing the wrong thing. It does not care about whether you are being efficient. It does not care about anything. All it cares about is making you pay.

So when the carbon price is $23 a tonne—everyone can afford it if the price of nickel is $20 a pound; they do not care—and when the price of nickel gets down to $8 a pound, that is still $30 million off their bottom line in cold, hard cash. I think $6.50 was about as low as it got. They are losing serious money and people will lose their jobs. You have to dip into reserves, you have to change your business plans and you have to do a lot of things when things like that happen. That is what is wrong with this carbon tax. It does not work for innovation, it does not do anything to make your do your job better—it does not do anything. We should be using the James Cook University scientists out
there and the scientists around Australia to make us do better. We should be using science to help us do what we do best and to keep jobs in Australia.

The carbon tax, by its very nature, will make it dearer and dearer and dearer to perform your basic tasks in Australia. It has forced people to think about where they do it. It has forced people to think about where they process their stuff. It has forced people to think about whether they should get it done in Australia. It is cheaper to get steel prefabricated in China, cut to measure, and shipped to Australia than it is to have Pacific Coast Engineering in Townsville cut it for you and take it 100 metres down the road. That is what the carbon tax will do. That is the folly of what this government is doing.

Mr COULTON (Parkes—The Nationals Chief Whip) (22:16): I too rise tonight to speak on the Clean Energy Amendment (International Emissions Trading And Other Measures) Bill 2012 and related bills. It is about four years since I made my first speech in this place on the issue of carbon trading—and that was the emissions trading scheme being proposed by the Rudd government. It gives me no pleasure to stand here tonight and claim that a lot of the issues I raised in those initial speeches have come true. It gives me no pleasure to know that a policy that was implemented by the Australian government has harmed its population so much.

The implementation of this scheme was so ill-conceived that we have seen eight major changes since the first bills were introduced. We had to bail out major companies—Energy Brix and Alcoa—using taxpayers funds on the eve of the carbon tax being introduced. We have seen a decrease in the share of the clean tech investment grant funding for small businesses so as to further increase funding for big businesses. The Clean Energy Regulator has added more businesses to the big polluters list, taking the total to 315. We have seen changes in the regulations so as to increase real emissions from pipelines and landfill by one million tonnes. We have abandoned the Contract for Closure program to shut down power stations, which will now mean that the carbon tax will have to increase to achieve the same emissions reductions as originally planned. We have scrapped the floor price, which was to have been $15 from 2015. The government, incidentally, said that the floor price was set in stone, that it was absolutely vital for the success of this scheme—and now we have seen that go as well. We have linked the scheme to the European system, which does not allow two-way trade. So we are linked to a scheme that has one-way trade to the benefit of Europe but which Australia is excluded from on a number of fronts. And we have halted the clean technology investment grants. This came just weeks after these grants were announced.

These few changes show how the government has lost control of its carbon tax. But the real truth is that, in some ways, this carbon tax is working. It is designed for people to reduce their emissions—and, incidentally, the people who are reducing their emissions are the ones who can least afford it. The people who are reducing their emissions in my electorate are pensioners. When the Meals on Wheels volunteers go to visit them at lunchtime on a winter's day they
are in bed—not because they are unwell but because they are cold and are not game to turn on their heater. The businesses in my electorate that are reducing their emissions are the small supermarkets that are closing down because they cannot afford the power bill to run their freezers. People in small villages now have a round trip of up to 100 kilometres to get their basic essentials. They are reducing their emissions. The people who are reducing their emissions are the people who can least afford it. And for what? Are we going to see any changes to our environment?

When I spoke about this mindset of doing these things back in 2008, I predicted that the Kandos cement plant that was then in my electorate—and is now in the member for Hunter's electorate—would close. Guess what? It has closed. The 150-odd people who worked in that plant relied on that plant for income—and that employment that spanned six generations. The whole town saw itself as a cement town and it now has no reason to exist. They have cut their emissions. And we are seeing no real changes to the environment.

One of the greatest misconceptions with this is that agriculture will get some sort of benefit. The member for New England, who sits behind me here, has been spruiking the Carbon Farming Initiative. I have to say that that is achieving nothing to help the environment. Farmers will increase their soil carbon for economic benefits. Carbon in the soil increases moisture retention. The agronomic and production benefits will always outstrip what will be made from trading carbon. Carbon trading in Chicago, where soil carbon was traded, ceased about 18 months ago because the price got down to such a low level.

Because of the time and because others wish to speak, I will cut this shorter than I intended. But I will say that, if there is one thing that is going to define this government—and we have seen plenty of things that we could use to define this government; pink batts, cash for clunkers, school halls and a whole range of other things—if there is one thing in this era in Australia that will be recorded in history, it will be this ill-conceived, absolutely idiotic idea that we can alter the environment by taxing our people, in a country that has about one per cent of the world's emissions, when no-one else is doing the same thing.

By tying ourselves to an emissions trading scheme in Europe, where the average cost per resident in Europe is about one dollar compared to the $400 it costs the Australian people, is absolute nonsense. I can understand a high school student maybe making this mistake in a science project and having to redo it, but this is the Australian economy. This affects the Australian people and it gives me great sadness to be speaking on this tonight. These amendments clearly show how this government has lost control of its legislation and has no idea what it is doing. I shudder to think where we will go.

**Mr CHRISTENSEN** (Dawson) (22:24): This government brought 19 pieces of legislation into this place as the centrepiece of their betrayal of the Australian people. It took 19 bills to implement a carbon tax that should not even exist, and now they twist the knife a bit further with these seven amendments. This is a tax we were promised would not exist; Australian families were specifically promised that, just days before the last federal election, when the Prime Minister said, 'There will be no carbon tax under the government I lead.' Maybe she was right, because it is not the Prime Minister leading this government; it is the Greens, in an 'anything goes' bid to cling on to power, who hold the reins here.
As we watch this government scuttling about, fumbling and bumbling about, the worse it gets. It is almost like watching Peter Sellers in his famous *Pink Panther* role—and I say 'almost' because it is excruciating to watch but it is not funny. The Australian people are not laughing at their power bills. They are not laughing at the end of the week when the budget just does not stretch far enough. They are not laughing when their boss says that it is no longer worth keeping the doors open, or says he has to let people go to avoid closing the doors. They were not laughing in Central Queensland when BMA announced it was going to close its Gregory mine, with the loss of 300 jobs; when Xstrata Coal shed 600 jobs across its operations in Queensland and New South Wales and shut down its Mackay office; when Rio Tinto announced it was closing down its Blair Athol mine, with 170 jobs lost; when Anglo American shed 50 jobs from its Moranbah North mine; when BHP Billiton announced it had shelved plans for an expansion of its Peak Downs mine, forgoing about 350 jobs; when they announced they had shelved plans for their Red Hill mine, forgoing approximately 2,000 jobs during construction and 1,500 permanent jobs; when they announced they had shelved plans for their Saraji East mine, forgoing 2,500 jobs during construction and about 1,400 jobs permanently; or when Peabody Energy announced it had shelved plans for expansion of its Codrilla mine.

The people of Central Queensland have had enough. The people of Australia have had enough. I was recently in touch with a baker in Mackay—Peter Grant, who owns Bushman's Bread. He knows only too well how difficult it can be to make ends meet, because he—like many small businesses—is on a limited income. He can only sell his loaves of bread for so much. It is all perfectly well for the Prime Minister and others in this government to stand up here and tell businesses to 'pass it on' and then tell families that they will not have to pay it, but there are cases where the business simply cannot pass it on. Peter Grant cannot increase the selling price of his bread when he is competing with the likes of Coles and Woolworths, who sell their bread at less than cost. So, the $20,000 extra that he is going to pay because of the carbon tax comes directly out of his own pocket. So much for the weekly compensation of $10.10 when Peter and his family, and their small business, are out of pocket by 20 grand a year.

It is the same with many Bowen tomato farmers, including Rod Eatough, whose letter I read in parliament a while ago—the one where he said that this was a dud of a government if he ever saw one. He pays an extra $13,000 a year in cardboard boxes and an extra $9,000 in electricity, both directly due to the carbon tax. A cafe owner in Mackay, Drew Crouch, tells me that the average electricity bill in retail or hospitality businesses in Mackay is up by about $3,000 a quarter—that is $250 a week. And you know what he said to me? He said, 'You know what happens with that $250, George? Well, that's one less job.' One less job.

The owner of a Bowen tourist park tells me his power bill is up by 20 per cent and Ergon tells him that it could be 100 per cent attributable to the carbon tax. In a troubled tourism market, he cannot recoup the costs from his customers. It leaves him out of pocket by about $10,000 a year.

There are plenty of examples like this. These are real people with real concerns paying real costs because of the carbon tax. The Prime Minister, the Treasurer, the climate change minister and the rest of the *Pink Panther* cast can tell these people and other Australians that they are liars. They tell them that they are not paying the carbon tax.
They would have those hardworking families and hardworking business owners believe that their rising electricity bills and other input costs are just a figment of their imagination.

The problem is that the Labor Party now listens only to the Greens. That is where they get their policy from. It is pretty simple stuff, Greens policy: do not make money, do not get ahead, make nothing, produce nothing, do nothing, do as the government says—and whatever you do, do not improve your lot in life. Oh, and let's all pretend it is about the environment. So, as far as the Greens are concerned, the carbon tax is perfect. It makes money off those who work too hard and earn too much, and it spends some of it on their primary voter base. It stops businesses from making money. It shuts down industries that they consider dirty and forces them to go offshore. It pours a large chunk of that dirty money down the drain as the money goes round churns around and around.

You can be dressed up as green, by spending billions of dirty dollars overseas to buy what may or may not be reduced emissions on a dodgy carbon market. That is the perfect outcome for the Greens, and Labor took it on board as its own. So enamoured was the Prime Minister with this idea of the Greens that she signed on the bottom line and stumped up 19 of the most ill-conceived pieces of legislation that have ever been passed into law. So rushed was it that they were still putting it together as it was going through parliament.

I wonder whether it crossed anyone's mind what impact it was going to have on charities, and what impact it is going to have on aged-care homes. Aged-care homes are among the many constituents, individuals, businesses and organisations that contacted me when their electricity bills started rolling in after 1 July. The Good Shepherd Lodge in Mackay was one of them. Its CEO, Raelene Philips, wrote to me and said:

I would like to bring to your attention the one impact the introduction of the carbon tax has had on us as an aged care provider. We have just received our first electricity account since its introduction and have received and additional charge of $2,621 for the month, with an additional supplement from the government to assist, of $160. Clearly, this will have a significant roll-on effect to us as a provider, with an additional $30,000 expected annually.

I know what action should be taken on behalf of our aged-care residents and aged-care homes: the entire carbon tax package should be axed, the Labor Party should avoid further embarrassment that will result from their incompetence and association with the Greens by simply axing this tax completely. Instead of trying to patch up this carbon tax with these band-aid measures, these bandages in these amendments, what they should do is really have an amputation.

The SPEAKER: The question is that the amendments be agreed to. I call the member for Tangney

Dr JENSEN (Tangney) (22:31): Thank you, Madam—"Deputy Speaker", but thank you, Madam Speaker, and congratulations.

It is just 100 days since the inception of the carbon tax, and there have been eight major changes already—and counting. On the eve of the carbon tax inception, the government bailed out major companies, including Energy Brix and Alcoa, using taxpayers' funds. The Clean Energy Regulator added more business to the big polluters list, taking the total to 315. The government changed the regulations to increase real emissions from pipelines and landfill by one million tonnes; abandoned the contract for closure program to shut down power stations, which will mean the carbon tax will have to increase even further to

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achieve the same emissions reductions; and scrapped the $15 floor price from 2015, having trumpeted a floor price as a necessity for business confidence.

Labor has linked the scheme to the European system, which does not allow a two-way trade in carbon credits and disadvantages Australian businesses with a carbon price now being set by the European Union. And it halted the Clean Technology Investment Grants. This came just weeks after grants were announced as being changed. This government has lost control of the carbon tax. It is grasping at straws with drastic changes to force attacks on all Australians, a tax they would never have voted for if Labor had been honest at the last election. After so emphatically stating time and again that we needed a floor price, the government has backflipped again, abolishing the minimum carbon price altogether.

When the carbon tax was first introduced into the parliament the Prime Minister said the floor price was good, that it would limit market volatility, that it would reduce risk for business. On no fewer than 11 occasions, in fact, the government affirmed its commitment to the floor price as a crucial element of the carbon tax bills. Minister Greg Combet, on Sky News on 21 August this year, said, 'We've legislated the floor price; that's quite well known. I'm discussing with the European Union the linkage of our schemes; it's an issue that's in those discussions. But we are committed to the arrangements we have legislated’—referring to the carbon floor price of $15. On ABC Radio National on 12 July he said, 'Well, we've put in the floor price, and a price cap, to provide some confidence over the first few years about potential variability of the price.' 'We're committed to the whole package', he said on 5 July. On 13 September this year the Prime Minister said in this place on the floor price that it would ‘limit market volatility and reduce risk for businesses as they gain experience in having the market set the carbon price.’

It seems Labor is unable to commit to commitment. The Prime Minister and her senior ministers are now telling the people of Australia that 'removal of the carbon floor price will give everyone a fair deal'. I don't, the coalition don't and Australians don't know where they stand with the policy flipflops of the government. This commitment-free zone is hitting the bottom line of Australian business. Europe has been dancing around rock bottom, economically speaking, for the past few years, and both sides know this. It is plain to see that the European economy has really struggled of late. The Australian carbon price will therefore be held not only to the volatility of the European market but also to the vagaries of the exchange rate. Australians do not take it for granted that our economy is profoundly stronger. The Treasurer has been heralded as one of the world's greatest treasurers and this government is always eager to take any credit for our fortunate position in the global economic climate. In the current cycle, the catchcry is 'We have a AAA credit rating'—an achievement of which the Australian people should be most proud and an achievement for which our Prime Minister and Treasurer take full credit. Why then does the Labor government think it is smart to form an alliance with Europe at a time when our economies are so disparate? Removing the floor price of the carbon tax and linking it to the European carbon price leaves the Australian economy in the hands of Europe.

That is just another instance of Labor's poor management of our economy. We cannot trust them to act in the best interests of this country. A Labor government just cannot be trusted. Australia's electricity price will largely be set by European bureaucrats.
The price will be set by a completely different economy on the other side of the planet. Further, the regulation impact statement published by the government says that for some small businesses the potential change in treatment of international units may create additional administrative costs. Europe, the world's carbon-pricing guinea pig, is finding that a low carbon price is dumb economics, to its own cost.

The carbon tax is not even an appropriate means to the end. In an ideal rational economic model, a low carbon price should not be a problem. The signals should be there. Investors should realise it is a temporary low because of a recession and when the recession is over the price will rationalise. But, in the real world, uncertainty does scare investors and investors do have short-term investment horizons. If they can see that the price in 2020 will still be relatively low because of a lag from the recession, they are not going to be using this price signal to invest in low-carbon technologies. The rationale for removing the floor price then becomes the very reason why this tax is ineffective at achieving what it set out to achieve.

Treasury modelling was originally conducted factoring in a price of $29 a tonne. Anything below that will affect the budget bottom line. If the Australian price is to mirror Europe's, there is no accurate model as to what the floating price may be in several years time. As the price in Europe stands today at less than $10 per tonne, we would fall very short on current economic forecasts. This will cost the government billions, adding to the $120 billion budget black hole that is already growing. The counterpoint: if the carbon price is too high then compensation will be inadequate. This will further exacerbate the iniquitous position that small business and self-funded retirees, to name two groups, find themselves in—a position where there is no compensation for them at all. Despite making eight changes before the carbon tax had its three-month anniversary, this government says it still stands by the Treasury modelling. Some forecasters doubt the European price will reach Treasury's forecast, meaning a further squeeze on the budget for Labor. Treasury modelling relies on all forecasts falling 100 per cent into place.

Australian businesses deserve certainty. The Australian people deserve reliability. We deserve better. This is a government that has lost control of the Australian economy. It is a government that has lost control of spending and it is a government that is out of touch with the Australian people. Without a floor price, companies will be forced to make more risk-averse decisions, which tend to be more expensive, so overall costs will be higher. Companies need to recoup these costs and they invariably do this by passing them on to customers. This is why all Australians are seeing the hit of the carbon tax. It is very real, it is happening now and it will only get worse. There are businesses which have no compensation which are price takers and do not have the option of increasing prices to reflect the increased costs of doing business.

The mind boggles as to why Labor would further tarnish their credibility in the eyes of the public to undermine the very legislation they spent so many man, media and advertising hours selling to the electorate, when they already had a decision to legislate a carbon tax without a mandate and against the wishes of the people they claim to represent. One step further down this moral morass, they now stand before us in a legislative mess with amendments left, right and centre in an attempt to resurrect the scheme that lies before them maimed by public opinion. I echo the sentiments of the
Leader of the Opposition. If you cannot fix it you just have to scrap it. But of course to scrap the carbon tax at this point would be far too pragmatic and effective an act for this Labor government.

Nobody is fooled by Labor's agenda here. Planning to finalise technical details on the interim link by mid-2013 is suspiciously convenient and the public will see right through it. Linking Australia's carbon scheme with Europe's and doing away with a carbon floor will make it all the more complex and difficult for the coalition government to repeal the carbon price. Labor are playing a very dangerous game with the electors that may well be the end of this government. An election will be as late as possible next year. Certainly after such a date the Australian carbon scheme is well and truly hitched to the European wagon.

If a carbon tax is the best thing for Australia, surely Labor would be returned to government for taking the initiative to enact it now without a mandate on the promise of a lie, all of this built on uncertain science. Minister Combet talks about our side of politics overstating the threat to the economy. What about your side, Minister, where you effectively say, 'If you don't pay the tax, the Great Barrier Reef will get it, or Kakadu will get it, or the Murray-Darling Basin will get it.' Or you put the fear of God into our senior citizens on the Central Coast, telling them their properties will be flooded by rising seas. The problem is that the rate of sea level rise has decreased of late, Antarctic sea ice extent is at record extent, ocean temperatures have not increased since 2003 and global average temperature has refused to rise for over a decade, in stark contrast to the global circulation model predictions and using the IPCC's own data. This tax has obviously been mightily effective. It has not only stopped global warming in its tracks, it has done so retroactively over the past decade. I know Labor believes in retrospective taxes but this is ridiculous.

Ms O'DWYER (Higgins) (22:42): I congratulate you on your new role, Madam Speaker. I rise to speak on the Clean Energy Amendment (International Emissions Trading and Other Measures) Bill 2012 and six related bills. We are now witnessing through this package of legislation the eighth change to the carbon tax since its inception only a few months ago. These changes include bailing out major companies using taxpayer funds on the eve of the carbon tax being introduced, including funding to Energy Brix and Alcoa; decreasing the share of clean tech investment grant funding for small businesses so as to further increase funding for big businesses; the Clean Energy Regulator adding more businesses to the big polluters list, taking the total now to 315; changing the regulations so as to increase real emissions from pipelines and landfills by one million tonnes; abandoning the Contract for Closure program to shut down power stations, which will mean that the carbon tax will have to increase to achieve the same emissions reductions; linking the scheme to the European system, which does not allow a two-way trade on carbon credits, putting Australian businesses at a disadvantage and resulting in Australia's carbon tax being set by the EU price; halting the Clean Technology Investment grants only weeks after the grants were announced and then changed; and now scrapping the floor price, which was to have been $15 from 2015.

It is unbelievable to be standing here watching the same government ministers and members who only a few months ago argued until they were blue in the face for the need for a floor price for the carbon tax now arguing the complete opposite, that it is vital that we remove it. Only in July they were saying how critical a floor price was to
provide certainty to business, and now they are arguing that those very same arguments no longer apply. It is breathtaking to see the Minister for Climate Change and Energy Efficiency counter his own arguments of only one month ago. It is like he is having a debate with himself and does not know which side to take. 'There will be no carbon tax.' 'No, there will be a carbon tax.' 'We will buy out brown coal power stations.' 'No, we won't buy out brown coal power stations.' 'We need a floor price.' 'No, we don't need a floor price.' I would love for just one member on the opposite side with any conviction to stand up, make a stance and say, 'Enough of this farce, enough of the dishonesty, enough of the backflips and enough of the hypocrisy.'

This is a government that is simply being politically expedient at every opportunity to preserve power. But do not take my word for it. Let us look at the words of the climate change minister himself. In July this year he stated, 'We've put in a floor price and a price cap to provide some confidence over the first few years about potential variability in the price.' Why was it so critical in July but not so critical now? Is confidence in potential price variability no longer an issue? Maybe that is because the European price has plummeted so much that there is now certainty it will be very low. In 2011 the minister said of the floor price, 'This will reduce risks for businesses as they gain experience in having a market set the carbon price.' So I assume that the minister for climate change is now saying that he is deliberately increasing risk by exposing Australian businesses to price fluctuations in the European pricing system—a pricing system that has, let's face it, gone from over $20 a tonne to now less than $10 a tonne. He simply cannot have it both ways.

It is not only the climate change minister that has been caught out arguing both sides of this argument. Many other ministers have done so as well, including the Prime Minister. On the issue of the floor price the Prime Minister has said, 'Well, we just thought for stability, particularly when we move to an emissions trading scheme where the market is setting the price, that it was wise for a period to have bands, a ceiling and a floor.' Does that now mean the government is being unwise? If we judge the Prime Minister by her own words, then certainly she must be. When originally debating the legislation she said, 'The bill also provides for a price cap and a price floor to apply for the first three years of the floating price period. This will limit market volatility and reduce risk for businesses as they gain experience in having the market set the carbon price.' Again, by her own logic, by removing the floor price they are supposedly now increasing the risk for business.

The Parliamentary Secretary for Climate Change and Energy Efficiency also got in on the act, saying of the floor price:

For the first three years of a flexible price emissions trading scheme there will be a price floor mechanism that aims to ensure the price of permits do not fall below a pre-determined level. A price floor provides participants with greater certainty upon which abatement decisions to make. For those investing in abatement technologies whose value is sensitive to the level of the carbon price, a price floor helps reduce downside risk.

The Minister for Finance and Deregulation stated:

It is the case that our policy does include a price floor which acts as a safety valve for investors in low-emissions technology by establishing a minimum price for the first few years of a flexible price period.

So now we have a finance minister who, by her very own words, wants to remove the 'safety valve for investors' and therefore increase risk and uncertainty. Some
government! Some ministers! These are, let's face it, flawed policies at best.

The people who truly suffer because of this are the people of Australia and the small businesses of Australia. The government needs to learn that there are consequences to their actions and, although they themselves may not be directly affected, people out there in the real world are. Take, for example, the Malvernvale Hotel, which is located directly opposite my electorate office. They most certainly are affected by this carbon tax. The Malvernvale Hotel received their first power bill after the introduction of the carbon tax, only to discover that it had increased from $6,005.38 in June to $7,365.37 in July—a rise of $1,359.99. For the month of July the carbon charge was $1,162.87, which represents 85.5 per cent of the increase and 15.8 per cent of the total bill.

The Prime Minister tells us that the modelling shows that the carbon tax will only contribute to a 10 per cent increase in electricity prices. But here I am, evidence in hand, proving that the modelling is wrong—not just wrong but wrong by over 50 per cent. That is a cumulative, increased cost to the business of $12,000 per year—over $12,000 per year this small business now needs to find. There is no compensation for them. There are no bailouts for this small business, just increased costs, fewer staff or both.

The Prime Minister can tell us all stories about poles and wires. However, whilst she is deliberately increasing electricity prices through the carbon tax, it all stands for nothing. It is the height of irresponsibility and arrogance for the government to refuse to redo the modelling after making such fundamental changes to the scheme. Presumably, if these changes are so valuable, they would find the updated modelling favourable. But it is not so. We know why the government refuse to redo the modelling. It is because it would ensure that Australians were made aware that we are looking at more uncertainty, higher costs and less opportunity.

The reason we oppose this legislation and the reason we oppose the carbon tax is not just because the people of Australia do not want this tax. It is not because the Prime Minister and the Treasurer attempted to ridicule us for suggesting that the Labor Party were going to introduce a carbon tax when they said they would not. It has nothing to do with the personality of any member of this House. The reason we oppose it is simply that it is bad policy that Australia can ill afford, especially in the economic climate we find ourselves in now.

Do you know how I know that this is true? Member after member on that side of the chamber stand up to talk about the need to act on climate change, but they refuse to talk about the details. Like all other policy areas, they are high on rhetoric but absent on substance. And why is that? Put simply, they have nothing. They cannot explain why the Australian people should pay the world's highest carbon tax, one that forces up the price of electricity. They cannot explain why Australian businesses should be at a competitive disadvantage to their international neighbours, only to send jobs overseas. And they cannot explain why they could not be honest and upfront about the introduction of a carbon tax prior to the last election. After all, if it was such a good idea, surely the Prime Minister would have been upfront about it before the last election.

There is a better way—a way paved by fiscal responsibility and a commitment to keep promises to the electorate. That way is the way of a coalition government, and I commend that way to the House.
Mr COMBET (Charlton—Minister for Industry and Innovation and Minister for Climate Change and Energy Efficiency) (22:52): At the outset, I would like to present a replacement explanatory memorandum. There are some numerical cross-referencing errors in the original memorandum. There is certainly no material difference.

I thank the members of the House for their contributions to the debate in relation to the Clean Energy Amendment (International Emissions Trading and Other Measures) Bill 2012 and related bills, and also thank the House Standing Committee on Economics, which is chaired by the member for Parramatta, who delivered the report of that committee on these bills today.

It is important to state that a number of common points have been made by members opposite that appear to be from a set of talking points to which they have been referring, and there are numerous errors within them. I think it is most appropriate that I indicate that I repudiate every single one of them. They are ridiculous propositions that have been put. I made a comprehensive second reading speech about the purpose and content of the bills before the House and I rely upon it. The bills must be put within their proper international context because, in particular, some misleading claims have been made about the nature of international action on climate change.

According to the IMF’s assessment just this week, Australia is the 12th largest economy in the world—having leapt up several places. We are the 15th largest emitter of greenhouse gases internationally and we are the highest emitter of greenhouse gases per capita amongst the advanced economies. Anyone who thinks that Australia can do nothing, not do its fair share in tackling climate change internationally, is kidding themselves and betraying our future—betraying our economic future let alone our environmental future. Yet that is essentially the argument that is posited here time and again.

It is also posited that no-one else internationally is taking any action. It is worth just restating a few points in this respect. By next year over 850 million people will be living in a jurisdiction where there is a carbon price in operation. Since we introduced the carbon price last year more and more countries around the world are saying that they too are moving to carbon pricing. For example, in February this year South Africa announced that they will introduce a carbon tax which will start in 2013. In May this year Korea legislated to introduce a nationwide emissions trading scheme which will cover 60 per cent of emissions and be the second largest scheme in the world. Next month California, the world's eighth largest economy, larger than our own economy in its own right, will start auctioning permits for its emissions trading scheme which will commence in January 2013. By 2015 that scheme will be the third largest in the world, covering 85 per cent of emissions in the state of California. That is on top of emissions trading schemes that already operate in a number of other US states and that are also being developed in four Canadian provinces. Next year our biggest trading partner, China, will launch its regional emissions trading schemes, covering about 200 million people and over 2,000 Chinese businesses.

The Australian government is closely involved with all those jurisdictions about the mechanisms that they are pursuing in relation to carbon pricing and we are in discussions with other countries that are implementing emissions trading arrangements with respect to the potential
linking of our emissions trading scheme with theirs. Ultimately we have to be responsive to the science and we have a public policy responsibility to reduce greenhouse gas emissions at the lowest cost to the economy, and linking with other emissions trading schemes internationally is an important way of achieving those environmental and economic goals.

The bills before the House will implement an agreement that has been reached between the European Union and the Australian government that links our emissions trading scheme from 1 July 2015 with that which operates in Europe, the world's largest carbon market. That is a very important position. It means that from 1 July 2015 Australia will have a carbon price which is common to that in 30 other jurisdictions, in 30 other countries, covering hundreds of millions of people, covering our second largest, in aggregate, trading partner. This is what these bills are about. We are implementing the arrangement reached with the European Union and it is an extremely important achievement from an environmental and economic standpoint. The bills before the House implement that and a number of other measures to which I alluded in my second reading speech. I commend those bills to the House.

Debate adjourned.

House adjourned at 22:58

NOTICES

The following notices were given:

Mr Shorten to present a Bill for an Act to provide for financial assistance for workers who have not been fully paid for work done for insolvents or bankrupts, and for related purposes.

Mr Shorten to present a Bill for an Act to amend the law relating to workplace relations, and for related purposes.

Mr Entsch to move:

That this House:

(1) notes the

(a) uniqueness of the relationship between Australia and Papua New Guinea (PNG) given the physical proximity of the Western Province to the Torres Strait, and the familial and cultural ties; and

(b) Torres Strait Treaty with PNG (ratified in 1985) that provides for Torres Strait Islanders and the coastal people of Papua New Guinea to carry on their traditional way of life, allowing for traditional people from both countries to move freely (without passports or visas) for traditional activities in the Torres Strait Protected Zone;

(2) acknowledges that an increased level of obligation from within existing resources is required to work towards improving the health and well-being of our closest international neighbours;

(3) recognises that:

(a) there is an ongoing crisis in the Western Province region, particularly in relation to the incidence of tuberculosis and other highly-contagious diseases; and

(b) while the Government has pledged $8 million over 2011-12 to 2014-15 for the South Fly District Tuberculosis Management program, it is evident that sufficient medical support and financial resources are not reaching services on the ground;

(4) calls for a review of administration of AusAID funding for the provision of South Fly District Tuberculosis Management;

(5) calls on the Australian Government to ensure it is working closely with representatives from the PNG Government and the PNG Treaty Village Association towards establishing a long term solution;

(6) reviews priorities within the AusAID budget to enable full funding to be restored to the Saibai and Boigu clinics, to provide necessary support until such time as capacity has been established in the 13 Treaty villages; and

(7) recognises that if current policy is to continue unchanged, the health and safety of Torres Strait Islanders and other Australians will be in
jeopardy, as evidenced by the recent arrival at Cairns Base Hospital of the first case of multi drug-resistant tuberculosis.
The DEPUTY SPEAKER (Mr KJ Thomson) took the chair at 9:40.

CONSTITUENCY STATEMENTS

Settlement and Humanitarian Services

Ms GAMBARO (Brisbane) (09:40): I recently travelled to Cairns, Townsville, Toowoomba and the Lockyer Valley, and I met with agencies working in settlement services. I want to pay tribute to the fantastic work that many of these agencies like Centacare and ACCESS in Queensland are doing in the regions and cities to find jobs for and settle our refugees, and run humanitarian programs. They are helping people settle into their new country, meeting them at the airport, finding accommodation, helping with English language and all of those life skills and issues that are overwhelming when someone comes to a new country.

I had the great pleasure of being in attendance at the 10-year celebration of ACCESS settlement services the other day at the Kingston Butter Factory and also at Logan and Woodridge, where their services are based. I want to commend the fantastic work that Gail Kerr and her team are doing. They have been in the settlement service area for 10 years and are providing innovative solutions for new migrants and refugees and doing it well. They are probably one of the best agencies in the country. Why they are so successful is that they do not go by the philosophy of one-size-fits-all; they look at each individual person case by case and assess their needs to deliver services, find work and help their families settle into the greater Australian community. One of the good examples that ACCESS is following is teaming up with employers like Teys Meatworks, particularly in designing training programs for refugee and humanitarian workers.

More needs to be done in this area. We need to have a much more flexible approach to the way that English language is taught. We are spending $220 million in this space every year and we are not getting the results that we should be getting, so we need to have more innovative ways of teaching English. We need to have more English classes in regional areas. We need to have more vocationally based English programs that help people in the long term get a job. The flexibility is just not there at the moment, particularly in areas like Gatton, where people have to travel an hour to the TAFE college. We need to improve these programs. (Time expired)

Richmond Electorate: Infrastructure

Mrs ELLIOT (Richmond—Parliamentary Secretary for Trade) (09:44): I am very pleased today to rise to speak about some major infrastructure in my electorate. I wish to speak specifically about some of the upgrades to the Pacific Highway and the federal Labor government's massive commitment to this upgrade on the North Coast and what it means for locals.

I will start with the official opening of the Banora Point upgrade at Sextons Hill, which is just over the border. On Saturday, 22 September, we had the official opening of this major upgrade. I was very pleased that Minister Anthony Albanese was able to attend and open this fantastic upgrade. Having the Pacific Highway upgraded at Sextons Hill makes a big difference. It means much faster travelling time for locals and of course it means greater
safety. I have had a very strong commitment to having this upgrade completed, firstly, as a long-term local and, secondly, as a former police officer. I have a very strong commitment to making sure we have greater roads in the area.

The federal Labor government delivered the funding for this as part of their economic stimulus package and I was pleased to announce that in 2008. The total project we delivered cost $359 million. The federal Labor government delivered $349 million and the previous state government committed $10 million towards this major project. The opening of the Sextons Hill upgrade means you can leave the Brisbane CBD and not hit any traffic lights until Coffs Harbour now. What a big difference that makes for many people travelling through the North Coast of New South Wales. It was a great day for locals. Many in the community have lobbied very hard to have this upgrade occur. As a local MP I was very proud to deliver the funding and even prouder on the official opening on the 22nd to see it finished and to see how please locals were to finally have this community victory completed.

On Friday, 28 September we turned the sod on the Tintenbar to Ewingsdale Pacific Highway upgrade at Bangalow. This project will cost $862 million of which the federal Labor government has delivered $566 million. This is the largest single infrastructure investment ever in the Richmond electorate. The Tintenbar to Ewingsdale Pacific Highway upgrade will be 17.3 kilometres of four-lane divided road. It is going to make a major difference to this whole area to have this upgrade completed. We have had a number of very serious and some fatal traffic accidents there over the years, so it will make a big difference to have this upgrade completed. Not only will it reduce travelling times but, first and foremost, it will be safer as well. As I said, it is the biggest single infrastructure investment in my electorate, so I am very proud to be updating the House on these two major commitments upgrading the Pacific Highway in New South Wales. Both of these are major commitments from the federal Labor government in improving safety for locals and also for people travelling through our area.

Longman Electorate: Environment

WYATT ROY (Longman) (09:47): This August I had the privilege of visiting Caboolture Montessori School, where I met a group of primary school students who are extremely passionate about protecting and preserving their local environment. The students shared with me what they have been learning about the dangers of plastic pollution in the ocean and they told me they are deeply concerned about the future of our local environment.

Plastic pollution is a serious environmental issue that is affecting the sustainability of our environment. Plastic waste is responsible for the deaths of more than one million seabirds, sea mammals and other marine creatures each year. I, along with the students at Caboolture Montessori School, agreed that this large number needs to become smaller. Jessica Green, one of the students, wrote me a letter explaining her fear about the plastic waste that is currently polluting our oceans. Jessica is worried about her future and the future of our beaches and marine environment. She is concerned that so many animals and species are dying due to plastic litter and is calling for leaders to take action and responsibility before it is too late. Jessica's fear is justified. If we each as individuals do not do what it is in our power to protect our environmental assets, our environmental assets will not last into the future.

As I spoke with Jessica and her fellow students I explained the importance of standing up for what was right and about the power of an individual to make a positive difference. These
are the values of the Liberal Party and these are the values I believe in. It is these foundations that the coalition's direct action plan is built on. As the coalition's Queensland community environment ambassador, I am constantly encouraging parts of the community to get involved in activities that promote positive environmental action. Together with the Caboolture Montessori School students, I have organised a beach clean-up day for everyone who is interested in taking positive action to help clean up our environment to take part. I see this is as a chance for students, volunteers and community leaders to come together to make a big difference locally.

It is truly encouraging to see young Australians like Jessica so passionate about protecting our environment. This beach clean-up day is just the beginning. I look forward to working with members of my community in creative ways to clean up our region. To make a real difference, we need everyone's help. I am asking everyone in my community to consider coming out for the morning of 26 October at Bongaree for a beach clean-up. If we all work together we can make a big difference to the environment by minimising plastic pollution.

Wyong Shire Council

Mr CRAIG THOMSON (Dobell) (09:49): I rise to speak about the recent Wyong Council election and concerns that have been raised with me by a number of constituents about a group or party called the Save Tuggerah Lakes Party, which in this election saw two councillors of the 10 being elected. The concerns that people have raised with me are in relation to this being a front to prop up two existing so-called Independent councillors, one of whom got only 0.58 of a quota but, on the basis of getting preferences from the Save Tuggerah Lakes Party, ended up being the 10th and last councillor to be elected. These two councillors, Councillor Eaton and Councillor Best, hold themselves out to be Independents but any examination of this Save Tuggerah Lakes Party finds that they are well and truly behind it. The Save Tuggerah Lakes Party was registered in September 2002 by an employee of a company owned by Councillor Eaton. Councillor Eaton, who was a Liberal Party councillor at that time, denied that he was a member of the Save Tuggerah Lakes Party because it was against the rules of the Liberal Party. Later on, he admitted that he had been. A list obtained from the state electoral office revealed the names of 100 people who formed the party and it included Councillor Eaton and 10 other people with the surname of Eaton. So there are some major concerns about this.

We then go to donations made to this particular party. During 2011, Councillors Eaton and Best and their wives were the only donors to the Save Tuggerah Lakes Party. That raises a whole range of other issues. If they are the sole donors to this particular party, and this party has agreed to give preferences, then the question has to be asked: were these preferences bought in the legal manner by these two councillors to ensure that they got preferences and were elected to council?

It also raises another issue. One of these councillors, Councillor Best, is involved in a commercial development. He has a property that he developed and under the Electoral Funding and Disclosures Regulation 2009 it would appear that he has breached the act by making donations as a developer in relation to these issues. I have written to the New South Wales Electoral Commissioner because they have been raised widespread. There is a real concern about this election result when two unknowns have been elected on the basis of what appears to be a trick. The electoral commissioner wrote back to me last week and confirmed
that his office is undertaking an investigation into the Save Tuggerah Lakes Party and in relation to Councillor Best and Councillor Eaton.

**Casey Electorate: Warburton Bowls Club**

Mr TONY SMITH (Casey) (09:53): On Sunday 30 September I was very pleased to attend the official opening of the Warburton Bowls Club's new upgraded synthetic green. It was a great gathering of all of the members of the club. This is a vibrant club with a great history and, quite obviously, a great future as well. The club was established in 1922. It currently has around 70 members and it has been their ambition for many years to raise the large funds required to upgrade their green to a synthetic green. The fact that that long-held ambition was realised was a testament to their dedication and commitment. The club, with council, multiple community groups and club funds, injected the many thousands of dollars that were needed to construct a first-class synthetic green that will enable the club to host two pennant matches on the one day at the one time as they now compete in the metropolitan competition and bowl virtually every day of the year. With a club of such a rich history there are many people who have contributed so much to it over the years.

The club president, Mr Ray Vizard, MC-ed events and he announced, quite fittingly, that two club members—Keith and Edna Thomas—were to be specially recognised and to have the synthetic green named after them. We were there for the unveiling of the Keith and Edna Thomas Green plaque. They have both given over 60 years of continuing service to the club. But, like so many volunteers, they are multiple volunteers in the Warburton community. They are stalwarts of the community. They are builders of the community. You cannot go to Warburton and not hear about the great contribution that Keith and Edna Thomas, and their wider family, have made to the Warburton community. So I want to mention their great contribution in this House and thank all of the club members and the president, Ray Vizard, for everything they do at the club but also in the wider community.

**Adelaide Football Club**

Ms KATE ELLIS (Adelaide—Minister for Employment Participation and Minister for Early Childhood and Childcare) (09:55): I rise today to talk about my beloved mighty Adelaide Crows. In fact, more specifically, I would like to talk about the role that football clubs and indeed sporting clubs can play in enriching our community and bringing about great social outcomes. I do this at a time when all of the excitement of September has just passed and other than some eager watching of trade time and the comings and goings of many players—and I am not going to get sidetracked by talking about Kurt Tippett this morning—we should be mindful that there is also a whole lot more that is going on amongst some of our great clubs, and certainly the Adelaide Crows. I am here to speak specifically about a program which I am incredibly proud that our government has provided some $300,000 to support—that is, the Adelaide Football Club's Indigenous youth leadership program. This is a program that I had the great pleasure of seeing firsthand that club champions of the likes of Andrew McLeod and a range of our Indigenous players have stuck their hands up and said that they want to work with young people, particularly young people from the APY Lands, and work to ensure that people are encouraged to stay in school and to get their year 12 certificate. I think it is so positive that football clubs and the Crows have decided that they want to step up and play this role. They do not have to. There are some clubs who will concentrate on September
and on their endeavour to win a flag, and little more. I am really proud that the club I support recognises that they can play a positive role beyond that.

The program caters for chosen students in years 10 to 12 and students who have displayed motivation, enthusiasm and a desire to be further educated and trained in leadership in their community. It is fantastic that this program will act to ensure that these students return as role models and pass on many of the leadership lessons that they have learnt. I would also like to acknowledge that it is not just the Adelaide Crows and the federal government alone that are funding this program. I commend Beach Energy for stepping up and for investing in this program as well. I would also point out that this links with a range of existing programs such as the South Australian National Football League's Indigenous Traineeship Program, the South Australian Aboriginal Sports Carnival, the Rio Tinto Cup, the APY Lands Junior Sports League and parental and community engagement programs in the APY Lands. This shows that the sporting community is stepping up and using the power of sport to transform lives. It shows that our Indigenous players and champions are giving back to the community. I am incredibly proud of this program. I am proud of the government support; mostly I am proud of the effort and commitment of the Adelaide Crows to this cause.

Bonner Electorate: Biplane Crash

Mr VASTA (Bonner) (09:58): It is with the greatest honour that I rise today to extend my deepest condolences to the families and friends of six people killed in a plane crash near Borumba Dam in Queensland on Monday, 1 October. The group of six friends, all Bonner locals, were flying back to the plane's home base in Caboolture after spending the long weekend raising money for charity by conducting joy flights at the Monto Fly-In when the horrific accident occurred. My most sincere sympathy goes out to the family members and friends of Des and Kathleen Porter, Les and Jan D'Evlin and John and Carol Dawson—all valued members of the Bonner community who will be sorely missed.

Des, the owner of an automotive shop, and his wife, Kathleen, were Wynnum locals who loved being out and about in the community almost as much as Des loved his prized 1930s biplane. Des was a man of incredible character and had a great love of life. I met him many times at various community events. I wish to extend my sincere condolences to their children, Scott, Gavin, David, Elizabeth and Vicki, and the rest of the family following this tragic loss of life.

I would also like to express my deep regret to the Dawson family. Carol and John were an intrinsic part of the Tingalpa family, with John operating a smash repairs business with his brother Ian. I wish to pass on my sincerest sympathies to Margaret, Patrick, Ian and the rest of the family.

Last, but certainly not least, I would like to convey my deep condolences to the D'Evlin family for the loss of Jan and Les. I wish to share my condolences with Mr and Mrs Petty, Shane and the rest of the D'Evlin family. The couple passed away doing something they loved. Les had over the years built speed cars to race but was always very safe and methodical. Jan will be remembered as a very caring, vibrant person who would do anything for anyone.

It is in this House that I would also like to acknowledge the people who worked tirelessly over many days in the desperate search operation. Emergency services were joined in the
search by a number of private aviation companies and local residents who gave up their time to search for the plane and its passengers. The Australian Maritime Safety Authority's Rescue Coordination Centre Australia coordinated a search for the plane over an area of 1,500 square kilometres in hilly and forested terrain. The Wynnum, Manly and Tingalpa communities in my electorate of Bonner keenly feel the loss of these six wonderful people who helped to brighten the lives of everyone who they came across.

I feel extremely honoured to be able to stand here in the house and say to the Porter, D'Evlin and Dawson families that this parliament is with you and thinking of you and the grief that you feel is felt by all of us.

**World Sight Day**

*Ms RISHWORTH* (Kingston) (10:02): I rise today to raise awareness in the House that tomorrow, 11 October, will be World Sight Day. This is an important day that reminds people that eye health and eye care are very, very important.

One of the key messages for World Sight Day is that 75 per cent of blindness is avoidable. That is a huge statistic that suggests that for so many people getting an eye test and engaging in preventative and early intervention work when it comes to eye health can have a profound impact on someone's life. Vision impairment can have a devastating effect on people's lives. It can reduce their capacity to earn. It can reduce their quality of life and their functionality. Avoiding it if we possibly can is incredibly important, and World Sight Day tomorrow will be focusing on getting your eyes tested.

As part of World Sight Day, I had the great pleasure to visit a local optometrist, Margaret Kirkman in O'Halloran Hill in my electorate, who showed me some of the new technology that is being used to identify problems in eye care. There is a machine that can take a picture of the back of your eye and look at all the little blood vessels to see if there is any degeneration that can affect your vision. Not all the technology is that sophisticated. For some people it is simply having an optometrist or eye specialist look into the back of your eye for any early signs of degeneration.

The important message tomorrow that will be spruiked on World Sight Day is: go and get an eye test. I regularly get my eyes tested. I have very poor short vision and I know that when I put glasses on when I was 11 years old I finally realised that there were leaves on trees—it was not just a big mass of green—and grass had blades, which I could see for the first time. For me, it had an important effect.

For those people who experience vision impairment, it is important that we are also ensuring that they have a fulfilling and good quality of life by providing aids and equipment and that buildings are set up so that they can reach their potential.

It is important that we do not forget those who have not been able to prevent their vision impairment and that we ensure that they too are having a good quality of life. I would encourage all members of this place to get involved in World Sight Day—get your eyes tested—and ensure that vision impairment affects no more lives than it has to. *(Time expired)*

**Hypocrisy Alerts**

*Mr BANDT* (Melbourne) (10:05): What Australians want more than anything else from their political representatives is honesty and integrity. But many Australians believe those qualities can sometimes be lacking in this place. For example, too often in this place we see...
politicians saying one thing and doing another; politicians expressing concern about an issue but, when it comes to the crunch, being unwilling to follow through with the courage of their convictions.

Take, for example, the current debate about cuts to single-parent payments: 100,000 single parents shifted from parenting payments to Newstart. As a result, the poorest families in Australia, 87 per cent of whom are headed by women, will get a cut of $60 a week. Labor backbenchers along with the Greens have been expressing alarm about this attack on the poorest Australians. We successfully sought a Senate inquiry, which criticised the legislation and called for a delay. There has been much hand wringing in the Labor caucus but when it came to a vote they went AWOL. When it came to a vote, these same Labor backbenchers filed into parliament and joined with Tony Abbott to vote the legislation through. We see this time and time again. The Labor government adopts one of Tony Abbott's policies and then there is much hand wringing from some Labor backbenchers, excited media stories about a caucus revolt and then, not long after, a vote is taken and the backbenchers meekly vote for the policy.

Time and time and time again we have seen Labor backbenchers lining up to pay lip-service to progressive policy. Time and time and time again they have been prepared to junk those same views when it comes to a vote. We have seen it with disability support pensions. We have seen it with Newstart. We have seen it with refugees: yesterday I moved to put a 12-month time limit on mandatory detention, something any reasonable person should support. This week we have also seen it on single parents.

I want to put other members of this place on notice that this hypocrisy does not go unnoticed. Many people across the country are increasingly aware of the hypocrisy of many on the Labor backbench, and we are going to ensure that more people are aware. I want to put all members of this place on notice that starting this week we will be issuing 'hypocrisy alerts'. A hypocrisy alert will highlight when MPs say one thing but do another. When MPs wring their hands but then vote another way with their feet, a hypocrisy alert will come out. When there is a caucus revolt which comes to naught, we will issue a hypocrisy alert, so that everyone knows what has been said and how people actually voted.

I hope we will not have to issue any hypocrisy alerts in the coming months. I hope politicians in this place will have the courage to stand up and be counted and vote based on their principles, not the way they are told by factional bosses. But based on past form I think that is unlikely. So, if we have to issue a flurry of hypocrisy alerts, we will. Next time we hear crocodile tears from the Labor backbench, I hope people will take note of what happens when there is a vote.

Shortland Electorate: San Remo Men's Shed

Ms HALL (Shortland—Government Whip) (10:08): On Monday I visited the San Remo Men's Shed. It is one of the strong Men's Shed groups that are operating in Shortland electorate. There are a number of dedicated men who go along there and work every week. The beauty of Men's Sheds is that not only are the guys who are involved doing some very constructive activities and actually helping out in the community and raising funds for their shed; they are also providing support to one another.
I spent about an hour and a half at the Men’s Shed, talking to the guys. They raised a number of issues with me that they think are very important not only for our area but for the nation. For me it was an exercise in learning how they felt about various things and how important it is as a member of parliament to actually listen to what your constituents have to say.

When I am back in my electorate one of my priorities is to visit and talk to community groups and to meet with constituents to find out the issues that are of great concern to them. Monday was no exception. I got some insight into a number of problems and issues locally. One personal issue was something we can resolve. You can pick up the personal issues, the general issues and the local issues. In addition to that, the group asked me for a new Australian flag and I have been able to organise for them to receive that.

The Central Coast is a very special area in the southern part of my electorate. I would like to join with the member for Dobell in the comments he made earlier about the Wyong Shire Council election and in particular the activities of Save Tuggerah Lakes Party and their connection with the Independent councillors Doug Eaton and Greg Best. I join with him in expressing my concerns to the Electoral Commission.

**The DEPUTY SPEAKER:** In accordance with standing order 193, the time for members' constituency statements has concluded. I suggest it may suit the convenience of the Federation Chamber to suspend proceedings until the Higher Education Support Amendment (Maximum Payment Amounts and Other Measures) Bill 2012 is referred to this chamber by the House.

**Proceedings suspended from 10:11 to 10:38**

**BILLS**

**Higher Education Support Amendment (Maximum Payment Amounts and Other Measures) Bill 2012**

**Second Reading**

Ms HALL (Shortland—Government Whip) (10:38): It is really good to be in a parliament where I can talk about money going to education and maximum payment amounts for other grants and Commonwealth scholarships, as opposed to being back in my electorate where I have to deal with many, many complaints from parents and TAFE students about the massive cuts to education in my state. I will first concentrate on the bill and then I will refer to the issues confronting me within my electorate.

The Higher Education Support Amendment (Maximum Payment Amounts and Other Measures) Bill has two schedules that amend the Higher Education Act to update the maximum payment amounts for other grants and Commonwealth scholarships to reflect actual legislation and to add the next year’s funding. It is good to see a government delivering on funding. The amendments also allow the minister by legislative instrument to determine these maximum payment amounts for 2013. Schedule 2 of the bill amends the Australian Research Council Act 2001. The ARC receives significant administration funds through a special appropriation via the act. Bills to amend the ARC to receive administration funding.
must occur each financial year to apply indexation to existing appropriation amounts and add the last year of the forward estimates. Schedule 3 allows disclosure of information obtained on or created for the purpose of HESA, the Tertiary Education Quality Standards Agency and the Australian Skills Quality Authority for the purpose of national vocational education and training and higher education vocational training, and it conducts Australian funded surveys.

Schedule 3 allows the disclosure of information created for the purposes of HESA to the Tertiary Education and Quality Standards Agency, the Australian Skills Quality Authority and higher education and vocational education and training providers and tertiary admissions centres for use in research relating to the provision of higher education and vocational education and training and to conduct Australian government-funded surveys. This is all very good, important legislation—legislation that basically comes up on a yearly basis and that I, as a member of parliament, am really happy to stand up in this place and support.

Unfortunately, back in my electorate I have been confronted by parents, principals and regional educational bodies who have raised with me the fact that Barry O'Farrell is ripping $1.7 billion out of our education system in New South Wales. This will have a massive impact on all areas of education. It will affect public schools. I was talking to a teacher on Friday who was working at a very disadvantaged public school in my electorate, and already that school has had to make the decision to cut one of their special-ed classes—a class that deals with students who have behavioural problems—and put those students into mainstream classes. This is a very significant decision by the school and will have a very significant impact on students who attend that school and are already fighting a degree of disadvantage. This will further jeopardise their education. It is just not good enough.

In the Catholic system—I have been contacted by the Catholic Education Office both on the Central Coast and in the Hunter and spoken to both groups—it means the loss of frontline staff. It means teachers losing their jobs, it means bigger class sizes and it means the stopping of the provision of special-ed assistance to students within the Catholic system. I have been working with Catholic education within my electorate over a long period of time, trying to prioritise needs of Catholic education in the Shortland electorate. The one issue that they have raised time and time again is the need for better funding to provide support and services for students with disabilities, learning difficulties and behavioural problems. On the one hand we have the Commonwealth recognising that that is needed, and we will be making some very big funding commitments in this area over the next few years and continuing funding through this legislation we have before us today; while on the other hand we have in New South Wales a government that is jeopardising the very education of all these children. And that is reflected when they leave school—they cannot read, they cannot find work. I just think that Barry O'Farrell and his merry bunch of Libs down in Macquarie Street really need to think carefully about the implications of this change.

I have spoken a little about one aspect of Catholic schools. The other aspect of Catholic schools is that, in the Central Coast part of my electorate, we have an excellent Catholic primary school, and Catholic education had made a commitment to build a high school in the northern part of the Central Coast. Currently, students who wish to attend a Catholic primary school have to travel to Gosford, and that is a long journey for students on a daily basis. Unfortunately, that means that planning for the school has been put on hold—very, very
disturbing. It will also have an impact in independent primary schools—massive impacts within the public sector.

I have consulted widely with my community on this issue and have written to most constituents. I have received in excess of 2,000 responses by mail in under a week since the people in the electorate received correspondence from me. Those people were overwhelmingly supportive of the fact that we need to stop Barry O'Farrell's cuts to our education system and we need to be mindful of the fact that we have got to invest in education because by investing in education we are investing in the future of our nation. By ripping money out of education, we are saying that education is not important. Education is the highest priority of this government.

You only have to listen to members, as I did yesterday, running down the BER to know that they really do not support education. I know that schools in the Shortland electorate were very appreciative of the money that went into providing them with classrooms. I mentioned in my contribution yesterday new classrooms are replacing demountables that had mildew on the carpets and mildew running up the walls. A school principal went in on his Christmas holiday and painted classrooms because they were in such an appalling state. We all know how important the educational environment is to your ability to learn, so this government invested massively in the educational environment and in the quality of the buildings in schools. Now we are moving towards investing massively in the delivery of quality education.

All I hear from the other side is negativity. All I hear from the other side is opposition to investment in schools. What we should be hearing is support for education and condemnation of Barry O'Farrell for what he is doing to the schools in New South Wales, which he says is only a freeze for four years. A freeze for four years will have massive impacts on all educational institutions. I think it is an absolute disgrace and I really believe that he needs to revisit it. It just shows what Liberal governments do when they are in power. It is all about cutting and taking money out of communities. We have much more of a big-picture approach to issues and we can see that if you do not invest in education then you are not investing in the nation's future.

The other area of education I need to mention is vocational education. Vocational education and training providers are mentioned in the legislation before us. I would like to highlight the fact that Barry O'Farrell has not only gone after schools but he has gone after TAFEs. He has taken $115 million out of our TAFE system. In my area it means TAFEs closing down and it means that students that are trying to do a vocational course in conjunction with the HSC now have to travel great distances to be able to access a TAFE college. It is just ridiculous that, in an era when we should be investing in training apprentices, when we should be investing in giving young people the skills that they need to access employment in the areas where employment exists, we have a government in New South Wales slashing and burning.

I think most members of this House would be aware that there is a skills shortage in Australia and much of that is in the area of apprenticeships. If a government is taking money out and not supporting apprentices, that shortage will be exacerbated and as a nation we will struggle to fill jobs which in the past have been filled by tradespeople who gained their qualifications through the TAFE system. I have talked extensively about New South Wales but we can also look at Queensland—and the member for Moreton is sitting to my left—and
Victoria. Yesterday Victorians spoke at great length about the devastation that has taken place there and how their TAFE system is in tatters. I am not going to sit quietly and allow Barry O'Farrell to do that to us in New South Wales; I am going to fight him all the way. I think most members on this side of the House think this is a fight worth winning, and it is one that I am going to embrace wholeheartedly. I am going to continue to work with my community to try and turn around Barry O'Farrell's decision to cut education and jeopardise the future of our nation.

Mr PERRETT (Moreton) (10:51): I am proud to rise to speak on the Higher Education Support Amendment (Maximum Payment Amounts and Other Measures) Bill 2012 and I commend the member for Shortland for her contribution to this important debate. The Gillard Labor government strongly believes in education's power to transform lives. It is in the Labor Party DNA, and most of the Labor Party people elected here understand and value the transformational power of education. This government, and the Rudd government before it, has a very strong track record that we can be very proud of when it comes to investing in education.

Since 2007 the federal Labor government has doubled funding to Australian schools compared to the Howard government. It is not esoteric support; it is practical support. We have doubled the funding compared to the Howard government and we have modernised facilities in nearly all of the 9,800 schools across the country—from the smallest communities right through to the big superschools, some of which are in my electorate.

The coalition's 3,000 flagpoles during their 12 years in office was commendable and noteworthy but I would rather look to our record of 3,000 libraries, not to mention all the halls, classrooms, computers et cetera which I will go through in some detail. We have 3,000 flagpoles on the one hand and 3,000 libraries on the other. That shows the difference between this party's commitment to education and the opposition's small-time politics. With the flagpoles, it is my understanding that local members were not even allowed to go along to the opening.

Ms Hall: It had to be a government member.

Mr PERRETT: It had to be a government member even if it was in an opposition electorate. That is just petty politics. Thankfully, we have been nothing like that—and it has been great to see the opposition lining up outside of Canberra to get into the photos of the openings of the buildings, libraries et cetera.

The BER program has been a $16.2 billion investment in the nation's future, especially in our productivity in years to come. As all economists would know, sadly, for too long, during both the previous government and this Labor government, productivity had been flatlining. But it is starting to trend north now. Obviously productivity is the greatest measure of the health of an economy and we need to improve. The Labor government's investment in education has been the single biggest investment in Australian schools in our nation's history—with daylight second. In my electorate of Moreton, 45 schools received over $92 million in investment in education infrastructure. These projects are over 99 per cent complete, which means schools and their communities are using better and more modern facilities, giving schoolkids a flying start as they grow into young adults and contemplate their workplace choices.
And you see it in your schools when you visit them: the spring in the step of the kids, the pride that the parents have, the joy of the teaching staff and other staff in having something as simple as a fresh coat of paint, new buildings, new libraries, new classrooms. It just increases the pride in these places. These exciting educational facilities are an investment in our future and will deliver better education outcomes for students in our community. Sadly, things had been slipping slightly compared with other OECD nations. These investments are changing the way our students learn and are giving teachers and staff much more enjoyable places to work. The bricks and mortar of these buildings are merely the foundations on which long-term educational and economic benefits will be built and will continue to flow to Australian students and the broader community for years to come.

The libraries are the thing I am particularly proud of, because the modern library engages. When I think of Sunnybank Primary School in my electorate, or Robertson State School, these new libraries are much more engaging, instead of just boring shelves full of books—not that I ever thought books were boring; I was an English teacher! The modern facilities, being a part of the digital revolution, engage with students in so many different ways.

The BER program fits hand in glove with our other education investments in innovation—for example, computers in schools and the national curriculum. We have been a federation for 111 years, and it took that long for us to finally say, 'We are one nation; we should be teaching all of our children much the same thing.' It is not enough to mention the 80,000 or so kids who move every year from one state or territory to another. It took us that long to get it right. The Labor government has done it; we have brought in a national curriculum. This is in addition to developing national teachers standards, giving more decision-making power to principals and providing more information to parents through the MySchool website—surely one of the most clicked-on websites in Australia. I know I do it myself when I am going to a school, particularly for a speech night or to talk to an assembly, to look at where the strengths in the school are—and the challenges as well, but particularly the strengths, so that I can give praise where praise is due.

So MySchool provides greater transparency and accountability regarding school performance. These initiatives are complemented by the National Broadband Network, obviously, in that further educational innovation and new curriculum directions are now possible, linking up Cunnamulla with the rest of the world, linking up Coolangatta with the rest of the world, or the Cape—all those parts of Queensland and the rest of Australia interconnected. That is the digital revolution. All of these advances will combine to improve Australia's productivity in the long run.

As a former teacher, with 11 years experience in the classroom and another few years working for an education union, I particularly value education and the opportunities it creates for our children's future. Also, as an education ambassador, as a member of the parliamentary education committee and as a parent of two young boys, one of whom is at school, I feel I am well-placed to see the importance of education in the Australian community.

The bill before the House amends the Higher Education Support Act 2003 to update the maximum payment amounts for other grants and Commonwealth scholarships to account for changes in indexation and to add to the next funding years. The bill also amends HESA to allow the minister, by legislative instrument, to determine maximum payment amounts for other grants and Commonwealth scholarships for 2013. There have been annual amendments.
to HESA since its enactment in 2003 to provide for annual indexation. The continual cycle of amendments is not the most efficient method of updating the appropriation amounts under HESA. Allowing the maximum payment amounts to be determined by legislative instrument will avoid the need for recurrent amendments to HESA. The Australian Research Council Act 2001 is the source for administering funding which enables the Australian Research Council to provide funding to underpin high-quality Australian research, which is both fundamental and critical to the Australian national innovation system.

Education gives us all the opportunity to become more efficient and innovative in the future, and that is obviously what we must do. Labor has always seen that the high-skills, high-wage approach is the way to go, and not just by pulling out the wages of workers—that is not the way to compete with the rest of the world. We will never be able to compete with India and places like that when it comes to labour costs.

Indexation adjustments and adding a forward estimate are purely administrative in nature. The proposed amendments change only the administered special appropriation; they do not alter the substance of the act or increase departmental funds.

Nevertheless, this is important legislation as it ensures that the ARC can continue to support high-quality research in Australia. It is not enough to change these schools if we do not give them opportunities at university.

Through the National Competitive Grants Program, the NCGP, the ARC supports the highest quality research and research training. Ongoing funding for the ARC is essential to the vitality of the Australian higher education system and our commitment to strengthen Australia’s research workforce. Through a range of initiatives under the NCGP the ARC is helping us to reduce research career barriers and ensure the nation reaps the benefit of all its research talent. The ARC is not only supporting quality research and research careers through the Excellence in Research for Australia Initiative; the ARC is helping the government measure our research investment and ensure we are receiving value for money.

Through this important legislation the ARC will continue to advance our efforts to build a fairer and more prosperous Australia through innovation and education. The bill will also remove the provisions that prohibit the disclosure of personal information. This information is required for a range of regulatory, quality assurance and planning purposes. Currently HESA does not allow the disclosure of such information outside of the department as it can be used to identify individuals. This legislation will allow the department to disclose personal information to the following bodies: TEQSA, the national regulator established to ensure the quality of the higher education system is maintained—TEQSA requires access to detailed data on the functioning of universities obviously—and ASQA. ASQA, the national vocational education and training regulator, requires access to personal information to be able to assess vocational education and training providers whose students are eligible for VET FEE-HELP loans.

The legislation will include strong provisions to ensure that the personal information of students and staff is not misused or released publicly. Personal information will be disclosed only to organisations that have a legitimate need for access. Recipients may use the personal information only for the purposes outlined and they will not be permitted to on-disclose the information. Recipients will also remain bound by information privacy principles in the Privacy Act 1988 and by the higher education data protocols administered by the department.
In addition, higher education and vocational education and training providers will need to amend their privacy agreements to ensure that their students and staff are informed and give consent to their personal information being used for quality assurance and planning purposes.

This bill is another example of the Labor Party investing in education. As mentioned by the member for Shortland, that is not the case necessarily in every state led by a conservative Premier. It was horrifying to hear of what is going on in New South Wales and in Victoria from the member for Shortland. I can assure her that, sadly, that is the case in Queensland as well. The Liberal National Premier Campbell Newman has cut 405 jobs from education, training and employment at a time when we should be investing in education. That is not to mention all of the casual jobs and the other attacks on the education system as well.

Thankfully at this time in my political life I am proud to be part of a campaign to implement the Gonski reforms. At this time in our nation's history we can transform our approach to education. Sunnybank State School invited me along the other day for a Gonski event and many other schools are lining up to do the same. I want to mention two people connected with that campaign—Brendan Crotty and Sam Pidgeon—who are wonderful educators. I wish them well for their wedding on the weekend. I commend the bill to the House.

Mr HAYES (Fowler) (11:03): I too support the Higher Education Support Amendment (Maximum Payment Amounts and Other Measures) Bill 2012. This bill adjusts the Higher Education Support Act 2003 to adjust the maximum payments for Commonwealth scholarships and other grants to reflect indexation and other funding for the coming year as determined by the minister. In effect it allows $1.24 billion extra in higher education funding between 2013 and 2016. This important bill also amends the Australian Research Council Act 2001 to apply indexation and to add to the last year forward estimates to ensure appropriate funding for the Australian Research Council. This will increase the spending of the ARC from close to $830 million for the period from 1 July 2012 to 30 June 2016.

The ARC conducts high-quality research essential to our nation's ability to be innovative and also to increasing our competitiveness in the global arena. The ARC, to that extent, is a major source of the Commonwealth's funding in investigative-driven research, and many of our nation's world-class research facilities are a direct beneficiary of the work of the ARC and its funding. These facilities are conducting groundbreaking research into technologies such as the bionic eye. They also perform the important tasks of strengthening the diversity of our research workforce and ensuring that more Indigenous Australians are attracted into academia and more women are encouraged to keep research careers in that field.

Importantly, schedule 3 of the bill also allows for disclosure of information on staff and students for purposes of Higher Education Statistics Agency research to measure the quality of and the satisfaction with teaching and learning standards within the Australian education system. This will undoubtedly have an effect on improving the quality of and satisfaction with tertiary education provisions across the nation. In order to ensure that there is not a breach of privacy, those who have gained access to the personal information of staff and former and current students will be bound by the Privacy Act 1988 and the Higher Education Data Protocols. This will ensure that staff and students are informed of and are able to give consent to their personal information being used for the purposes of conducting surveys et cetera. Organisations such as the Tertiary Education and Quality Standards Agency and the
Australian Skills Quality Authority, their peak bodies and state and territory governments all require access to detailed information for the purposes of planning quality assurance.

This bill is yet another example of the government's commitment to Australia's youth and to the country in general in building a world-class education system. This year alone, it is important to note, the Gillard government will invest $13.6 billion in our schools, which is almost double the spending of the former Howard government in its last budget. In addition, this government has worked hard to renew old facilities and refurbish others in various schools around the countryside to ensure that our kids have access to language centres, science centres, computer labs, libraries and early learning centres. As a matter of fact, in my electorate alone this government has spent $108 million on 115 projects that have benefited 46 schools under the Building the Education Revolution program. If you think about that, my electorate is one of 150; replicate that and you will see the dimensions on which this government has worked with the education system to give our kids the best start possible through education.

We are moving to ensure that our students keep step with their peers from the most advanced nations around the world by investing in technological literacy through the Digital Education Revolution, which has delivered computers to every student from year 9 through to year 12. Again, in Fowler alone, that is equivalent to 8,500 computers that have already been installed to make sure that the young people in my electorate are not left behind.

We are also making sure that the youth have the best options, whether they decide to pursue an academic path or to engage in a trade through vocational education. I recently had the honour of attending the opening of the trade training centre at Bonnyrigg High School in my electorate. Thanks to $1.5 million invested by the Gillard Labor government, aspiring young chefs and people—

The DEPUTY SPEAKER (Ms Rishworth): Order! As a result of the House being suspended for the election of the second Deputy Speaker, I will now suspend the Federation Chamber, to resume after the vote has been conducted.

Sitting suspended from 11:10 to 12:29

Mr HAYES (Fowler) (12:29): Before we suspended, I was explaining to the House that I had the honour of attending the opening of the trade training centre at Bonnyrigg High School. It is a $1.5 million investment of the Gillard government. It provides opportunities for aspiring chefs and local people who want to work in the hospitality industry to work in and access a kitchen of an industrial standard. It delivers a pathway to Certificate III in Hospitality and Commercial Cooking. That is something very good for young people in my electorate. This is one of 370 trade training centre projects across Australia, addressing skills shortages in our traditional trades.

We are also increasing support for students with disabilities and we are committed to increasing opportunities for Indigenous students through the Aboriginal and Torres Strait Islander Education Action Plan. We have based our commitment on increasing the funding that flowed from the first national review, in almost 40 years now, with respect to education.

This government is not afraid to commission or to seriously address the recommendations that flowed from the Gonski report. As a matter of fact, we made a commitment to implement them. This is not a political position. This is a position of investing more money in education,
because we know investing in education is investing in our future. Our government has listened and made the commitment to work in partnership with state and territory authorities to build a world-class education system.

Some might say this stands in stark contrast to the commitment made by the New South Wales Liberal government, which has shown a complete disregard for the young people of New South Wales and for their futures. The New South Wales Liberal government saw the federal government's historic investment in education not as an opportunity to join us and contribute to building a world-class education system but rather as a green light to take away from students and to jeopardise their futures.

The federal government increase in school funding should not be seen as an incentive for state governments to decrease the funding commitments which have traditionally belonged to those states. While, on the one hand, the federal government is doing all in its power to implement the recommendations of Gonski, to review and double the investment of the Howard government in terms of financing education, on the other hand the New South Wales government has decided to use this as an excuse to slash education funding by a monstrous $1.7 billion. It is an absolute disgrace in a modern economy to take away from the investment in our futures.

The New South Wales government fails to understand that education is a direct investment in our nation's future. Education is not a spending item that does not yield returns. It is a way for us to ensure that we remain internationally competitive in the world, a world becoming increasingly dependent on technology and innovation. Decreasing investment and funding in education will decrease our competitiveness on the global agenda and affect our productivity into the future.

In short, this slashing of funding will cause job losses in the front offices and classrooms. If schools are forced to reduce numbers of teachers, class sizes will inevitably grow, sacrificing our students' ability to gain the knowledge and skills that will best equip them to meet the challenges of the future. It will also undoubtedly have a negative effect on the fees and the ability of schools to provide extracurricular activities for students.

State schools, independent and systemic Catholic schools will all feel the effect of this decision. The Catholic Education Office recently advised me that, after 190 years experience of providing high-quality, affordable education, the systemic Catholic schools sector is now facing the real prospect of dramatically increasing their fees or, regrettably, in some cases closing down if not reducing the sizes of schools that come under their domain. That is just one sector.

Since the state government announced its appalling decision I have consulted widely in my community with principals, teachers, parents and the community at large. I have now had the opportunity to speak to every single principal of every school in my electorate, and they have echoed a very strong response that I have also received from the community. All of those people are appalled by this decision.

My electorate is the most multicultural electorate in the country. I have the highest proportion of refugees in my electorate. People who live there by and large understand that success or otherwise in a country such as Australia is dependent on a good education. These
people work day in, day out, with multiple jobs, to fund not only their kids' education but also after-school tutoring. They want the best, and they see this as working directly against them.

People who believe in education and believe in what it gives to a society are not prepared to see these cuts in staff numbers or the imposition of higher fees. My electorate, apart from being the most multicultural, is the second-most disadvantaged electorate in the whole country. They cannot afford to have additional impositions of cost. This is a dreadful situation facing those who believe in education.

Education, in my opinion, next to health, is one of the most important areas that a government can be involved in. It is an area that should not be seen as one that you can skimp and save in by making budgetary cuts—and certainly not in the way that the New South Wales government is doing in making these cuts to fund the north-west rail link. This is going to take money, in my case, out of one of the most socially disadvantaged electorates to fund an election commitment of the state Liberal government. It is a pity they did not tell them that before the election.

I remain committed to standing by my local schools—with the principals, students, teachers, parents and the rest of the community alike—by fighting these shameful and inexcusable cuts. I call on the New South Wales Premier, Barry O'Farrell, and his Minister for Education, Adrian Piccoli, to listen to the people, to rethink their plans in respect of education and also to review their decision. I also hold out the olive branch to them and say, 'Join with the Commonwealth, join with the federal Gillard government, in helping build a world-class education system.'

Our children certainly deserve more support and respect than the New South Wales Liberal government is currently giving them, but in the meantime I fully support the Higher Education Support Amendment (Maximum Payment Amounts and Other Measures) Bill 2012 before us. Any investment in improving the quality of the nation's education system, whether it be primary, secondary or tertiary, is a good thing. The bill before us is also an investment in our future. I commend the bill to the House.

Ms BIRD (Cunningham—Parliamentary Secretary for Higher Education and Skills) (12:38): I thank the members who have spoken on the Higher Education Support Amendment (Maximum Payment Amounts and Other Measures) Bill 2012 and the member for Fowler for the tone of his contribution about the importance of education, which is certainly reflected in the broad agenda of the Gillard Labor government. This bill sits within that context.

The bill before the House amends the Higher Education Support Act 2003 to update the maximum payment amounts for other grants and Commonwealth scholarships. It also authorises wider use of disclosure of personal information collected for the purposes of the act. The bill also amends the Australian Research Council Act 2001 in order to provide administered funding to allow the ARC to continue their support for highest quality fundamental and applied research and research training.

The maximum amounts for other grants under section 41-45 and Commonwealth scholarships under section 46-40 of the act are being updated to provide for indexation and other variations to funding amounts, and to include the next funding year. The bill will allow the minister to determine, by legislative instrument, the maximum payment amount for other grants and Commonwealth scholarships from 2013 onwards.
There have been annual amendments to the act since its enactment in 2003 to provide for indexation. The continual cycle of amendments is not the most efficient method of updating these appropriation amounts. Allowing the maximum payment amount to be determined by legislative instrument will avoid the need for recurrent amendments to the act.

The bill will also allow the departmental secretary to disclose information collected and created for the purposes of the act, including personal information, to a limited number of bodies for a limited set of purposes. Wider use and disclosure of personal information, including administrative data at the unit record level, will allow more accurate assessment and monitoring of the government's higher education demand driven funding reforms for planning and quality assurance purposes, including achievement of the Australian government targets. Consultation with higher education and VET providers and their peak bodies has consistently indicated the need to reduce the burden on the tertiary sector associated with the provision of data for regulatory and quality assurance purposes.

There were many submissions to the House of Representatives Standing Committee on Education and Employment—and I acknowledge the chair of that committee, the member for Kingston, who is in the chamber with us today. I acknowledge the work of the committee in their inquiry into the bill before the chamber. The committee strongly supported the bill, since it will reduce the reporting and administrative burden on providers. The bill's authorisation for wider disclosure of personal information would facilitate the development of the department's existing data management system, creating a single reporting interface for providers and preventing the duplication of reporting burdens.

The bill includes strong protections for individual privacy which were developed in consultation with the Office of the Australian Information Commissioner. These protections include authorising the use and disclosure of personal information for permitted purposes only, offence provisions for breaches of the act's privacy provisions and the requirement for the consent of higher education providers prior to disclosure. These are in addition to the provisions of the department's existing data protocols. The bill will authorise wider disclosure of personal information to meet the legitimate needs of higher education and vocational education and training data users to access personal information while ensuring that the reporting burden on providers is minimised and the privacy of staff and students is protected.

The Australian Research Council is also addressed in the bill. The bill amends the Australian Research Council Act 2001 so that they can receive administered funding. This will allow the ARC to continue to support the highest quality fundamental and applied research and research training through competitive selection processes across all disciplines with the exception of clinical medicine and dentistry. The appropriation bill supports the ongoing operations of the ARC to fund the high-quality research that we need to address the great challenges of our time, to improve the quality of people's lives, to support the development of new industries and to remain competitive in the global knowledge economy.

The ARC is the major source of funding for the innovative investigator driven research that has underpinned inventions such as the synchrotron and is supporting research into tomorrow's breakthrough technologies, such as the bionic eye. ARC-funded research has played and continues to play an important role in improving the lives of Australians and addressing the big issues of our time. This includes, for example, our need to transform our manufacturing industries to create greener, healthier and more resilient processes and
products. The government is proud that stronger steel and cleaner and safer cars could be soon manufactured in Australia thanks to research made possible with funding from the ARC.

Ongoing funding for the ARC is essential to the vitality of the Australian higher education system and our commitment to strengthening Australia's research workforce. Excellent researchers across all areas of the university system must be able to compete for funding if we are to keep world class academics in Australia working in our universities and teaching our next generation.

It is important to note the key role that the ARC has been and is playing in attracting more Indigenous Australians to academia and keeping more women in research careers. This includes the Discovery Indigenous scheme, the addition of two new Australian laureate fellowships specifically for women and the introduction of the research opportunity and performance evidence to enable assessors to take into account any career interruptions, including those for childbirth and caring responsibilities. Through these initiatives, and through the whole NCGP, the ARC is helping to reduce research career barriers and to ensure that the nation reaps the benefits of all its research talent.

The ARC is not only supporting quality research and research careers but also helping the government measure our research investment and assure taxpayers that their money is being invested wisely. For these reasons, I commend the bill to the House.

Question agreed to.

Bill read a second time.

Message from the Governor-General recommending appropriation announced.

Ordered that this bill be reported to the House without amendment.

Sitting suspended from 12:46 to 16:01

Dental Benefits Amendment Bill 2012

Second Reading

Debate resumed on the motion:

That this bill be now read a second time.

Mr MELHAM (Banks) (16:01): Mr Deputy Speaker Scott, at the outset can I congratulate you on your appointment as Deputy Speaker. You and I were elected into the parliament on the same date, 24 March 1990—a long time ago—and I know that you have taken great delight in your previous duties as a Deputy Speaker of the parliament, and it is a testament to the high esteem in which you are held that you were elected to this position. It is also a testament to you that you have staved off the ambitions of one from the other side, who, legitimately, has expectations, but the work that you have done over the years has been recognised both at the local level and at a parliamentary level, and I wish you all the best in the discharge of your duties.

As previous speakers on the Dental Benefits Amendment Bill 2012 have indicated, its purpose is to extend the existing Teen Dental Plan to include younger children and to extend the range of services available. This will be done by amending the Dental Benefits Act 2008 to set up the framework for the Child Dental Benefits Schedule to commence in 2014. This is the first step in this government's plan to ensure that, for those who cannot afford it, dental
care will be available. It makes no sense that Medicare and free hospital care have been available for many years yet dental care has been unaffordable.

Statistics show that the oral health of our children has been declining since the 1990s. The Australian Institute of Health and Welfare noted in its 2007 report on 30-year trends in child oral health:

Just under half (46%) of children aged 6 attending school dental services had a history of decay in their deciduous (‘baby’) teeth—that is, one or more decayed, missing or filled deciduous teeth (dmft). On average, children aged 6 had almost two dmft per child (dmft = 1.95).

The report went on to say:

Thirty-nine per cent of children aged 12 and 60% of children aged 15 had some history of decay in their permanent teeth …

What was distressing was the high number of children who by the age of 15 had significant issues with their teeth:

The one-tenth of children aged 12 to 15 with the most extensive history of permanent tooth decay had between 5.21 and 8.60 permanent teeth affected, which was more than 4 times the national average of decayed, missing and filled teeth for children of those ages.

Child dental benefits will provide benefits for basic dental services for treatment but, most importantly, given the statistics I have quoted, will also provide assistance for preventative care. Simply being able to ensure regular check-ups and access to professional expertise means that those figures should reduce in coming years. By learning to look after their dental health and not fearing a trip to the dentist means that our children will be able to look to a future with good oral health.

A background note from the Parliamentary Library published earlier this year provides an overview of universal dental schemes. The note makes the point that the definition of exactly what constitutes 'universal' varies. The paper acknowledges that affordable dental health care generally remains out of reach for many Australians. Several reports over recent years have highlighted the issue of poor dental health and access to affordable dental care.

The background paper outlines briefly the history of dental reform in this country over the past two decades. It is worth putting on the record:

The Keating Government introduced a Commonwealth Dental Health Program in 1994 which provided additional funding to states and territories for public dental services for those on low incomes. The Howard Government abolished this but introduced the Chronic Disease Dental Scheme (CDDS) which provides capped Medicare benefits for dental treatment to patients with chronic illnesses. The Rudd Government introduced the Teen Dental Plan—a means tested voucher entitling eligible teenagers to an annual dental health check-up—and promised a revamped Commonwealth Dental Health Program (CDHP) that would deliver an expanded range of public dental services.

Obviously, the government is moving to implement that promise. The minister indicated in her second reading speech that this bill is the first step in implementing the government's reforms.

Federal involvement with any type of provision of dental services started with the introduction of the Whitlam government's school dental program from 1973. This program aimed at providing comprehensive dental treatment for all schoolchildren less than 15 years of age. Trained dental therapists provided the service under the supervision of dentists. The Commonwealth provided funding directly to the states for the implementation of this program.
although it was effectively subsumed under the Fraser government. Most states and territories, however, maintained some form of dedicated school programs to varying degrees.

I earlier noted the Chronic Disease Dental Scheme. The figures provided by the Parliamentary Library show that, in the three months from November 2007 when a revised version of the scheme was introduced, 171,000 dental services were accessed and around $21.8 million paid in Medicare benefits. From March to June 2008, the number of services increased to 480,000—more than double—with an associated increase in Medicare benefits to $79 million. It is interesting that the majority of services were provided in New South Wales and Victoria with only 184 services provided in the Northern Territory.

The problem with the CDD Scheme has been that some of those benefiting from the scheme were not intended to benefit. One of the key differences between this side and the other side of this chamber is that this government is ensuring that available funding is targeted to those who need it: people on low incomes receiving family tax benefit A or who are in receipt of specified benefits. This is how it should be.

The background paper concluded that, while it is difficult to make direct comparisons primarily due to definitional issues, it is fair to say that, where there is direct dental funding and services provided to children, those children under 12 tend to have lower rates of DMFT—in other words, decayed, missing or filled deciduous teeth.

Currently, Australians primarily meet the cost of their own dental health services; however, it is now understood that there is a public benefit for public funding to support them in meeting these costs.

Poor dental health, as we have seen, is associated with a range of serious health conditions such as poor nutrition, cardiovascular disease, stroke and diabetes that can place other burdens on the health system. I would also be contending that treating funding of basic dental services differently to other medical services is contrary to the view that oral health is integral to overall health and an important part of primary health care.

In our community the problem starts young—and I will come to that in a minute. Dental health is one of the first things to go if people are struggling and has a big impact on their lives. That is why the federal Labor government believes we have a responsibility to ensure people who are the least able to afford to go to the dentist, particularly children, have access to government subsidised dental care.

In May this year the minister visited a public health surgery in Hurstville in my electorate. The funding will deliver two additional chairs to that surgery. About 16,400 kids in Banks will now be eligible for government subsidised dental care, just like they are eligible for Medicare funded visits to their GP. As part of the government that has introduced this equitable scheme to benefit those who can least afford dental care I am pleased to commend the bill to the House.

I have had personal experience in the benefits given to people who could not afford dental care. I am one of 10 children. I was born in 1964. My father was a bootmaker and a market gardener. We could not afford dental health care in the sixties. My dental health care came about by getting on the train and going to the dental hospital at Central, so it was the dental hospital at Central that worked on my teeth as a young child. Obviously, as I grew older I went and paid for it.
We need, on both sides of the House, to get these benefits to those who can least afford it. It has a great impact on nutrition, diet, everything else, and those statistics in the Northern Territory show that something is sadly missing if that was the take-up rate.

We should not apologise as a parliament, as a government—indeed as an opposition—on some aspects. We might disagree on certain things, but there are some aspects that we should not disagree on. I am not into welfare for the middle and upper classes and welfare for the business community when it cannot be afforded but I make no apologies for those who can least afford it in our community having decent services and standards. When it comes to dental, we have a mandate. Only eight referendums have been passed in relation to the Commonwealth since Federation. One of them related to giving the Commonwealth the power in relation to dental—that was a referendum passed in the forties. We have a mandate to do it, and it is not something we should be doing exclusively; it is something we should be doing in cooperation with the states and in cooperation with the territories. It should be a partnership approach and we should make no apologies for it.

It is something that I would rather see happen, frankly, than give a tax cut to people who have had the benefit of the tax cut and that tax cut has continued year in, year out and then you hear the cry: 'Too much tax for business. Too much tax for the top end. Where are our further tax cuts?' I am not opposed to tax cuts per se, but if we are left with options we need to be fair dinkum about what is in the interests of our community. We need to make some strategic decisions, and that is why in relation to what the government is doing, this is a strategically correct decision in the society that we have. I commend the bill to the House.

Mr BUCHHOLZ (Wright) (16:14): Mr Deputy Speaker Scott, I acknowledge your new position here in this House. There are people in this place that one tends to model themselves on and there are good men and women in this House. You have displayed statesmanlike qualities, which I have tried to emulate, and I praise you. For your contribution and ongoing contribution to the House, due recognition has been bestowed upon you with your recent election as Deputy Speaker. I acknowledge that as a position well fitted.

I rise to speak on the Dental Benefits Amendment Bill 2012 that is currently before the House. The bill makes amendments to the Dental Benefits Act 2008, changes that do not assist people who are in need of dental services right now or those undergoing current treatment plans. This change is designed to give this Labor government its own authored dental scheme. We the coalition would not mind so much if the bill actually improved the scheme that the coalition, under Tony Abbott as the then health minister, presented to the Australian people and that has been delivering dental services ever since.

The member for Banks, the previous speaker, referred in his speech to those people who could least afford dental care. One of the flaws in the bill that is currently before the House is that it punishes the very people he was claiming to represent. This bill in its entirety affects those people who can least afford it. It creates a gap until the proposed government scheme would come in. It leaves a void. No speakers from the other side have mentioned this in their speeches. I think they are not mentioning it because it must be evident that their electorate will be affected by this oversight. This government in its explicit wisdom has chosen to delay the start of the program till 1 January 2014 for children and 1 July for adults but closed the current program on 30 November this year. That is quite a gap, as will be the gaps in the mouths of patients requiring dental treatment right now.
Up until these start dates it will be 13 months for children and 19 months for adults. That is inexcusable in this country when the Treasurer boasts on the floor of this parliament about how wealthy we are, how great the country is fiscally and what strength we have. Dental care will be taken away from a class of people in our community for up to 19 months, depending on their age demographic. The Australian people and the people of Wright, whom I represent, have no choice but to suffer yet again because of this government’s hasty policy tactics. These hasty tactics include rushing this bill through the parliament without providing the appropriate details. This does nothing to help this parliament to put into action in this country clean and healthy policies. It only proves this government's contempt of the Australian people.

It is somewhat ironic that we are looking at a health issue and yet the government cannot even exercise healthy methods of policy development. We have a government with such contempt that they have decided it is good policy to close on 30 November this year the Medicare Chronic Disease Dental Scheme, which has provided some 20 million services since 2007. No new patients have been able to access services after 7 September, leaving a 13-month gap in the availability of services—13 months of being left in the dark; 13 months of Nurofen, cold packs and whatever other remedies patients can find to soothe their abscesses, broken teeth and various other dental ailments that children suffer.

Ms Hall: Mr Deputy Speaker, I wish to ask the member a question.

The DEPUTY SPEAKER (Hon. BC Scott): Will the member for Wright take a question from the member for Shortland?

Mr BUCHHOLZ: Absolutely.

Ms Hall: Thank you very much. I would like to ask the member for Wright what assistance is available to those people at the moment who do not qualify for the chronic dental health program and how will his government help those people who have been on the waiting list for sometimes in excess of 10 years?

Mr BUCHHOLZ: I thank the member for that question, and I will provide those answers during the course of this address. I will quote the health minister, who states in her news brief on the ALP website:

Labor believes we have a responsibility to ensure Australians who are least able to afford to go the dentist, and particularly children, should be given access to government-subsidised oral health care.

Well, that is great to have that there, but when they say that they should be given access, that should be qualified by saying 'access today'. It is not qualified by saying, 'They will be given access at some point in the future, once we get our fictitious surplus put together, once we go back and try to find the savings in the budget where we have wasted billions of dollars.'

This is the unintended consequence of poor management. This is the unintended consequence when we have families in lower socioeconomic sectors who are being punished under the argument that millionaires have access to this. I actually rang one of the local dentists in my electorate and asked, 'How many millionaires do you have come in and take advantage of the chronic disease scheme?' And he laughed at me. He said: 'You're kidding! Millionaires have their own health insurance. They don't come here to regional Australia to get dentistry work done.'

So the argument that is put up by this government that the changes that are being proposed are to block millionaires from getting access to this is nothing short of farcical. There is no
access for children for 13 months, and there is no access for adults for 19 months—and that is shameful. I consider it only fair that the Minister for Health should explain why these children must suffer without dental care for up to 13 months and why adults should suffer for 19 months. Furthermore, how does this government propose to actually deliver on its unfunded 2014 promise? I suggest that it is just because of a blind obsession by this government with a money grab to create the surplus. They are not happy to take food out of the mouth through increased taxes on the Australian public and to take food out of the mouth of mums and dads in my electorate. They are now delivering a cruel blow of putting a bowl of fruit in front of someone with no teeth, who is unable to eat it. Perhaps members on the other side of the House have not had to suffer the pain of going without dental treatment. Perhaps members on the other side of the House should take a Nurofen or a Panadol next time they have an infection and see how long they will last in the absence of dental care under their scheme.

A lady in my electorate—her first name is Erica—who lives on Mount Tamborine called me at nine o'clock one night when I happened to be up there on the hill. She said, ‘Scotty, I'm in a heap of pain; can you come round?’ So I went around with my chief of staff, who had spent some time as a dental technician. This lady had a mouthful of abscesses. She was in a heap of pain. The very next morning we got her down to the local dentist. We got her elevated through because of her chronic pain. She took a series of antibiotics and then, under the chronic scheme, was able to apply for a set of false teeth, which enabled her to return to some type of healthy eating habits.

After 30 November, Erica will not have access to the chronic dental scheme. I really hope that Nurofen lasts long enough, because for those with chronic dental conditions the loss of $4,250 in dental fees over the two years is going to be a painful experience. We are talking about a scheme that has provided approximately 20 million services to more than one million patients since 2007.

The Medicare Chronic Disease Dental Scheme introduced by the coalition when in government has been an enormous success. Yes, there have been overruns. These overruns have been a result of the number of people taking up this program. It is the only Medicare dental scheme that has provided treatment for adults, and it has been very successful at that. The scheme that was conceived by the current Leader of the Opposition, Tony Abbott, had started by placing the needs of the sick first. And now we have a government that is doing everything it can to increase the sale of Nurofen and Panadol.

Despite claims of its expenditure blowouts the average claim per patient, according to recent figures from the Department of Health and Ageing, is $1,716 per unit—well below the allowable $4,250. It is even more disappointing knowing that the coalition's offer to work with the previous health minister to refine and improve the new scheme, including through a process of providing high-cost items when needed, such as crowns and bridges, was rejected. Now we move on to the replacement scheme for the national partnership agreement for adult public dental services.

Let me make the very important facts about the current situation facing the dental health system absolutely clear. Under the new scheme, services will no longer be available for adults through private dentists under Medicare. At present we have 650,000 people on the public dental waiting list and 400,000 of those are adults, according to the government's own figures—that is, 400,000 people that this government is going to forget. Even if it does deliver
on its funding promise for the state governments, the cutting of the Chronic Disease Dental Scheme and the delays in delivering the new commitments are likely to lead to an increase in waiting times for public dental patients. Disturbingly, knowing this, the government continues to maintain its position to close the Chronic Disease Dental Scheme. The current scheme has provided approximately 20 million services, including seven million in the last financial year alone, and yet we have a minister who said that the plan will only provide 1.4 additional services over six years, or 20 per cent of what the Chronic Disease Dental Scheme provided last year alone.

The facts speak for themselves. I have done the maths and it just does not add up. Playing politics with the Australian people's health is a dangerous game—a dangerous game for the wellbeing of the Australian people; a dangerous game for the wellbeing of the people of Wright, and I have their best interests at heart. For the record, it is clear to those on this side of the House that the government is creating a gap in treatment for patients in an attempt to deliver on a much promised surplus—the surplus that they would rather invent at the expense of the health and wellbeing of Australian people.

Just before I finish, I want to emphasise the coalition's position on this issue. I state for the record the coalition's clear support and strong investment in dental health in the past. I am explicitly concerned knowing that thousands of children in particular will lose access to treatment on 30 November with the closure of the Chronic Disease Dental Scheme. That those on the other side of the House believe it to be a sacrifice for the health of Australia's future is a serious matter. The government's actions suggest that it is more about politics than an issue of policy. The government's vague promise that at some time in the future it will provide money to the states and territories for public services is just not good enough—unsurprisingly, it is at some point in the future. The re is no caveat on where that money is coming from at some point in the future. There is no mention of what services will be cut on the Australian landscape to provide for that. There is no mention of which existing services will be cancelled, such as those that are already under stress from an interest payment and the federal government having to come up with an extra $6.8 billion a year, an expense that was never in place when the former government left office. Will they cut from the pensioners who can least afford it? They have form on that. Will they cut welfare? They have form on that by putting extra expenses on families by increasing taxes through their electricity bills. This government has gone to great lengths to undermine the scheme because it was established by Tony Abbott, as health minister, and it has been a success in improving access to treatment.

I know for sure that people in my electorate are tired of waiting for good policy from this government. Now those who suffer with chronic dental health problems are literally going to have to suffer pain for a lot longer. I want the Australian people to know, and the people of Wright in particular, that those on this side of the House are doing everything they can to protect their dental health and deliver funded programs.

Ms KING (Ballarat—Parliamentary Secretary for Infrastructure and Transport and Parliamentary Secretary for Health and Ageing) (16:28): Mr Deputy Speaker, I congratulate you on your election to the position of Deputy Speaker. I am delighted that you are in that position and I look forward to a long, constructive working relationship with you. I promise to try to not interject as much as I have in the past.
I rise today to support the Dental Benefits Amendment Bill 2012. I have spoken in this chamber at some length over the course of my time here about the issues with dental care. In fact, I have very strong recollections of many constituents who have seen me over the course of that time with issues of dental health—not just about dental health itself but the social isolation of having poor dental health, particularly for people on low incomes and those from low socioeconomic backgrounds, as well as the lack of employment opportunities many of them have faced and the lack of opportunity to participate within their own communities, in ways that other people would be able to.

Being here for a little while gives you the opportunity also of having some history when it comes to particular public policy issues. I know the member for Wright genuinely means his heartfelt contribution to this debate, but I find it passing strange, frankly, coming from his party, when the first act of the Howard government was to cut the Commonwealth dental scheme. For you to now somehow or other be trying to reinvent yourselves on dental is, frankly, a bit rich.

The Commonwealth dental scheme was a very important scheme. It was the first time a Commonwealth parliament—a Labor government but a Commonwealth parliament—took the decision that the Commonwealth had a role to play in oral health. It was a very important scheme, and what we saw under that scheme was a reduction in public dental waiting lists. It targeted the poorest people in our community, and what it attempted to do was to reduce the gap in equity on oral health issues. One of the first acts of the Howard government when it came to office was to get rid of that scheme. So I have a long history with this. I know what you did in government.

The Howard government got rid of that scheme. The reality of what then happened in my community was: dental waiting lists had got down to around 18 months, which was still way too long; they blew out to four years because of the decisions of the Howard government. Belatedly, the Howard government took the decision to introduce the Chronic Disease Dental Scheme. That scheme was designed to be quite a limited scheme that was going to cost $90 million a year. It was particularly designed to look at people who had a chronic disease and whose chronic disease was being exacerbated by, or was exacerbating, poor oral health. It was meant to be a very limited scheme. It was not a big scheme; it was a very small scheme: $90 million a year. That scheme is now costing $80 million a month. It is doing what it was never designed to do.

I understand that people feel unhappy that the scheme is now to be closed. I understand that the opposition feels unhappy that their scheme has now been exposed for having been literally expanded beyond what it ever imagined it to be. If any members of the opposition honestly believe that if they were in government they would not be means-testing this scheme, they have got to be kidding themselves. You may have decided to keep it, but you would be absolutely cutting it back. You would not be allowing it to be costing $80 million a month. So let us have a really clear idea about what this policy debate is about.

What we have tried to do with this policy is to retarget it. There are scarce government resources; we all know that. That is the reality that health faces. That is the reality that other areas of public policy face. But, with scarce government resources, governments have to make decisions about: 'What are the most important areas? What are the areas that we believe most strongly need government assistance?'
What we believe, fundamentally, on oral health is that you have to look at the equity issues. You have to look at what is happening for people who are on low incomes. You have to look at pensioners. You also have to look at what you are doing in the space of prevention, because we do know that if we set kids up with good oral health to start with, the chances of us experiencing, down the track, some of the chronic conditions that we have now are going to be lessened.

It has been a complete shock to me to find, when I have gone into childcare centres and schools in my constituency fairly recently, that there are four-year-olds who have blackened teeth. That is not acceptable under any circumstances. We have to do something about that. I have heard a few contributions from members opposite about four-year-olds, saying, 'Prevention is not really a big deal. Kids don't have problems with their teeth.' Well, you need to start to have a look at what is actually happening. In communities like my own—and we have not had fluoridation of water; it has only recently been introduced—the rate of dental caries amongst children is huge, and it is an ongoing, long-term issue for those people. Most of them have lost their teeth well and truly by the time they are teenagers. It will be too late if we leave it until they have a chronic disease and then try to do something about it.

So the package of measures that we have in this program and that are represented in this bill are very much designed to actually deal with prevention. They are actually designed to continue to help people who are on low incomes but to target it in a better way. That is what we are trying to do. So I do not want to hear this nonsense that there has been no policy thought in this. This is all about policy; it is absolutely about policy.

The other issue that seems to have been continuously raised, and which the opposition does not seem to acknowledge at all, is that in fact many of the people who are eligible under the Chronic Disease Dental Scheme will be eligible for public dental services under this scheme. We are trying to undo the damage the Howard government did with the abolition of the Commonwealth dental scheme. We are actually trying to reduce public waiting lists. It is critically important that we get those waiting lists down so that people can actually access what they historically should always have been accessing by spending more money on public dental care, which is an incredibly important thing to do to get public dental waiting lists down, to do what has been done historically throughout this country, to support the state governments' initiatives to actually look at public dental care and how you actually deal with and help people from low socioeconomic backgrounds. It is about equity in oral health. That is what the policy is all about.

So I really do support this bill. I certainly support the closure of the Chronic Disease Dental Scheme. I want to reassure people that pensioners, concession card holders and those with special needs will be eligible for treatment under the government's scheme. It is a $4 billion-plus dental package. Our $515.3 million commitment in the May budget to dental spending includes $345 million specifically for taking care of adults on state government public dental waiting lists. The money will be available to states' and territories' public dental systems from January 2013—that is, one month after the closure of the scheme. States and territories have always been responsible for the treatment of eligible high-needs patients in their public dental systems, and with this extra Commonwealth money they will be able to treat more people sooner. The members opposite fail to tell their local communities about that assistance and continue to run a fear campaign on the closure of this scheme.
I reiterate: the Commonwealth dental scheme has been costing $80 million a month. It was never, ever designed to be that expensive or to cover some of the procedures—and even some of the people—that it currently is covering. This bill before us amends the Dental Benefits Act to replace the Medicare Teen Dental Plan with the new Child Dental Benefits Schedule. That schedule is one of the most significant pieces of the Dental Health Reform Package.

Across the country, as I said, we are investing some $4 billion to improve dental health, and that level of commitment is certainly one I know many organisations have welcomed. We know that there are over 400,000 people on public dental waiting lists. Many of these people are from low-income households and have a high number of family members with untreated tooth decay. On this side of the House we want to support equity in oral health.

What we have seen in some of the stats, particularly for children's dental health, is pretty shocking. Oral health of children has been declining since the mid-1990s. Almost 20,000 kids under the age of 10 are hospitalised each year due to avoidable dental issues. By age 15, six out of 10 kids have tooth decay. Untreated decay and fillings are similar across income ranges, but if you earn more than $60,000 a year you have, on average, seven more teeth than Australia's poorest people, who are on less than $20,000. And 45.1 per cent of 12-year-olds had decay in their permanent teeth. In 2007, just under half—46 per cent of children aged six who were attending school dental services—had a history of decay in their baby teeth.

That is why I am supporting these packages. This is about changing the emphasis of programs to actually look at prevention and long-term prevention for kids’ oral health; $2.7 billion is going to 3.4 million children to receive subsidised dental care—what an amazing thing, frankly: actually setting those kids up for a long-term future of good oral health. That is absolutely critical for anybody who is serious about good public policy in this country.

This means that for almost 3½ million children a trip to the dentist is going to be much like a trip to the GP. Across my electorate alone, well over 20,000 children will be eligible for government-subsidised dental care—and they are children from families who receive family tax benefit part A, ABSTUDY, carer payments, disability support pensions, parenting payments, special benefits, youth allowance, double orphan pension, veterans' children's entitlements, or benefits under the Military Rehab and Compensation Act Education and Training Scheme.

They will qualify for the new dental for kids scheme and will be eligible for $1,000 per child every two years. The government’s dental health reform package will see $1.3 billion allocated for 1.4 million additional services for adults on low incomes, including pensioners, concession card holders and those with special needs. There is also a further $225 million to support expanded services for people living in outer metro, regional and rural communities.

In this debate I particularly want to focus a little on dental services in my electorate of Ballarat. I have been talking about dental issues for well over a decade. I am very proud to have in the last budget announced a substantial amount of funding for a dental clinic in the electorate of Ballarat. We announced that $8.4 million from the government for a dental clinic to be built within Ballarat. I visited the site of that new clinic recently. It is going to be on the grounds of Phoenix College in Sebastopol in my electorate. That expansion will double the current number of chairs available to 20 and enable a significant reduction in waiting times for dental care. It will increase the capacity to deliver publicly accessible dental services and reduce waiting times from the current 30 months to around 18 months. I would like to see that
reduced even further. There are 61,000 adults and children in the region who are eligible for the service.

Under the project, we will see the replacement of aged dental equipment, including oral X-ray equipment, sterilising equipment, an instrument washer and 120 sets of hand pieces and dental hand instruments. Ten of the chairs in the new facility will be available for dental training for students of the dental school at La Trobe University's Bendigo campus. The new dental clinic will cater to eligible people not only from Ballarat but also across the local government areas of Golden Plains, Hepburn and Moorabool Shires and eligible members in the Maryborough community. It is specifically designed to reduce public dental waiting lists in my electorate.

Not only that, we have also provided $2.6 million in funding to develop residential accommodation for the 20 La Trobe University allied health and dental students while they are on their clinical placements at Ballarat Health Services. We want to make sure that we have lots more dentists trained in our region who will hopefully stay in our region. At the same time as they will be being trained they will be providing very important dental services to my community.

I also want to briefly mention that for the first time ever the Ballan community, because of the government's commitment to and funding of the Ballan GP superclinic—the first opened in the country—has access to a dental chair. Putting money into dental infrastructure is a critical part of this package. We have made the commitment as part of this package that there will be funding announced for dental infrastructure, particularly in rural and regional communities. That will increase the capacity of their public dental services and reduce public dental waiting lists. That is very critical, particularly for people on low incomes.

I want to reiterate my support for this bill. This is all about good public policy. I understand the concerns that some people have about the closure of the Chronic Disease Dental Scheme. But I reiterate that that scheme has been doing far more than the opposition ever intended it to do. There is no way that it would keep it in its current form. I support good public policy to address the current and future oral health needs of children and to deal significantly with issues of equity in oral health, particularly for those people who are eligible for public dental services.

Mr CIOBO (Moncrieff) (16:43): On this more formal occasion I take the opportunity to congratulate you, Mr Deputy Speaker, on your elevation to the role of Deputy Speaker. I rise to speak about the Dental Benefits Amendment Bill 2012. I must say that it takes a certain amount of audacity for Labor members to come into this chamber and try to claim that events some 17 or 18 years ago are the reason why they are undertaking this activity now. That is what we heard from the member for Ballarat. That is complete rubbish, frankly. They are talking about the closure of the Commonwealth Dental Scheme some 17 or 18 years ago are the reason why they are undertaking this activity now. That is what we heard from the member for Ballarat. That is complete rubbish, frankly. They are talking about the closure of the Commonwealth Dental Scheme some 17 or 18 years ago. That was closed in a fiscal environment in which the former coalition government inherited $96 billion of debt. That mountain of debt, incidentally, is substantially less than the $145 billion of net debt that we are currently facing as a nation, with a further $120 billion of additional unfunded net debt that the Labor government has promised between now and 2020. That will push Australia's net debt levels to conceivably up around $260 billion. That is the reason why we find these kinds of arguments from Labor members to be farcical.
The other frankly insulting aspect of the way in which Labor members are debating here is that they are coming into this chamber and making out, with earnestness and sincerity, that this is about who cares for children's teeth more. You would think from listening to the contribution by Labor members that they have some kind of monopoly on children's dental health; you would think that it is choice for the Australian public between a kind, caring and cuddly—albeit debt laden—Labor government or the mean, nasty coalition that does not care about children's teeth. Nothing could be further from the truth.

The reality is that if you look at the policies of both the coalition and the government there are some marked points of difference that need to be recognised. The first is that we reject the criticism from the member for Ballarat, among others on the Labor Party, that we abolished the Commonwealth Dental Scheme and then introduced the Chronic Disease Dental Scheme and that it has expanded to be much more than it was ever going to be. They make some vague reference back to the initial projections of the CDDS being $90 million per annum. There is a reason for that: it is because we expanded the program. We saw that there was a need in the community and we expanded the program. That is the reason why the CDDS was so successful. There have been 20 million interactions or visits—whatever the correct phrasing is—by members of the Australian public to have their chronic dental diseases fixed. So when I hear Labor members in this environment therefore claim, 'This scheme is simply unsustainable, and that is why we're going to introduce our new scheme, which will offer more services to more people,' I am a little incredulous.

There is an issue that the member for Ballarat never touched upon. I suspect that no Labor members will touch upon this issue. The issue is the timing of this bill and the entire framework. Australians are a pretty savvy lot. They recognise a con when they see one. When it comes to dental health, they recognise that this is nothing other than a big Labor con. Labor like to stand up and make out that they are holier than thou and that they have moral superiority over members of the coalition when it comes to children's dental health. But let us look at the facts.

This government is axing our scheme—the coalition's scheme—on 30 November this year. Their scheme—the scheme implemented through the bill that we are debating today; a bill that does not even apply a framework when it comes to the rebate and the fees for services, and all those types of important technical details—is being rushed through the parliament even though it does not commence until 1 January 2014. So what is going to happen between 30 November 2012 and 1 January 2014? The reality is that absolutely nothing is going to happen. What is more, when it comes to services for adults, it is not 1 January 2014, it is July 2014. That is nearly two years away. And the Labor Party have the gall to make out that they are the ones most concerned about the needs of children and adults when it comes to dental health. I call them on it and the Australian public will call them on it because it is rubbish.

If they were genuine in their expressions of concern about the dental health needs of children and adults, they would not have 13 months between the end of one program and the commencement of another program. They would not say to children that are getting treatment under the former, coalition scheme, 'Tough luck: you get nothing for the next 12 months.' Is that compassion? Is that good public policy? Is that in the best interests of children's health? No.
It is happening for one reason alone: pure political posturing. This Labor government want to be able to put it in their election brochures, want to get their members issuing media releases, wanted to have the opportunity to make a big announcement and say, 'Look at us! Look at how wonderful we are! We've got this you-beaut $4 billion unfunded medical dental scheme! We're really concerned about the needs of the community! Aren't we great? This is the Labor government that delivers again.' Sure, the reality is that they are delivering a $4 billion unfunded scheme that will not start for at least 13 months and, with respect to adults, for closer to two years, but do not worry about that detail—that's just detail! It is about: 'Look over here, we've got a $4 billion scheme!'

The reality is that Australians are not mugs. They recognise that this is just the latest example of a government that simply cannot be trusted. This is just the latest example of a Prime Minister with no judgement. And this is just the latest example of a Labor Party that are so obsessed with political posturing that they fail to recognise that Australians recognise them for being exactly what they are: nothing but a bunch of cons. So, I say to the member opposite: if you are really concerned about dental health—and I notice she has popped her head up—please explain the reason you have a gap of 13 months, please explain the reason adults will have a gap of closer to two years and please explain where the $4 billion is going to come from.

On every single one of these measures, let me tell you what you hear if you put your ear to the wind: you hear the sound of crickets chirping. That is what you will hear, because this is the latest example of a Labor Party completely devoid of anything meaningful when it comes to a contribution to public health. This is the latest federal iteration of policy failure that we have seen at a state level for so many years. I reflect on the fact that in my first several terms in office we saw the Labor Party in government at a state level in the great state of Queensland. At a state level, it was not uncommon for me to get phone calls—and not so much emails but letters, certainly, in those days—from people saying, 'I have been waiting for treatment for my teeth for in excess of two years'—or three years. That is how completely shambolic and broken down the Queensland system was when it came to dental health.

The good news—and there was a brief moment of good news, when the light shone through the dark clouds—was the coalition's CDDS. That stopped that problem, because people were able to access treatment and have their oral problems fixed as a consequence of the expansion of and the role that the CDDS played. But now we are unfortunately going to revert to the bad old days where we have at a federal level the same failed approach, the same unfunded policies and the same political purpose and posturing that this government has basically adapted and adopted from various state Labor governments. That is the reason I challenge any of the Labor members opposite—and I notice in particular a friend of sorts from the opposite side—and say to them: talk about and justify why you will have a 13-month gap where no child will have access to services under the Commonwealth program. Talk about and justify why—

**Government members interjecting—**

**Mr CIOBO:** You will have the opportunity; sit down, relax.

**Dr Leigh:** Mr Deputy Speaker, I seek to intervene.
The DEPUTY SPEAKER (Hon. BC Scott): Is the member for Moncrieff willing to give way?

Mr CIOBO: No. I am certainly not frightened. I am not interested in some kind of rhetorical political question from the member opposite. He will have his opportunity in about four minutes and 48 seconds to make his contribution, and I think he should do so then.

Let me throw back to the issue I was talking about. Let them justify and explain why they are going to have a 13-month gap when children will not have any access to Commonwealth-funded dental services. Let them also explain why there is a two-year gap for adults, and let them also explain where the $4 billion is going to come from. I know that the member opposite is quite adept when it comes to financial matters and when it comes to the economy, so he might want to explain to the benefit of all of us—and I will be glued to my TV in my office as I hear the response—how this government are going to deal with the massive debt liability that they have left the Australian people and, what is more, that they are continuing to make worse.

As I said, the current $145 billion in net debt is on its way to $265 billion of net debt—this being a $4 billion example of an unfunded commitment. The reason is, as I said and as all Australians know, this government is just about political posturing. It is just so he can have a brochure that goes out during the campaign that says, 'Look how much we care about dental health,' but does not actually talk about the fact that those kids who will not have access to dental services, those kids who might be undergoing treatment now which is about to stop, incidentally are the same children who will be paying off your debt for the next 20 years. Perhaps if we had lower tax rates and if their families were not burdened with interest repayments in excess of $10 billion per annum to pay for the largess that your government has had over the last five years then the families would have a couple of hundred dollars extra a year to pay to go to the dentist. Ever consider that as a policy approach?

The reality is that there are alternatives. This bill is so bereft of detail when it comes to fee-for-services and rebates that it just underscores the complete haste this government has adopted in trying to introduce this bill into the parliament. It is all about pushing it through the parliament even though it does not have the fine detail in there. They have got the announcement and they have got the legislation to back up the announcement even though they do not have the funds and even though the program does not start for at least 13 months.

On every measure this is a step backwards. This is the reason why the coalition remain steadfastly opposed to it. As we indicated through our shadow health spokesman on a number of occasions, we would be very prepared to work with the Labor Party to amend the CDDS so that it had a more focused scope of operations. But no, the Labor Party rejected that point-blank. No doubt we will hear from Labor members about how the coalition is obstructionist, how the coalition is so negative and how the coalition does not want to make a difference. Although, in this instance, once again we see the rank hypocrisy of that because we laid out an opportunity to amend the current scheme. We put before the Labor government an opportunity to change the current scheme to make sure it was better targeted, to make sure we had costs under control to keep it sustainable, but instead Labor said, 'No, we will stop it on 30 November,' and they will start their new program in a year-plus time.

This bill ought to be rejected because it is bad policy. More than that, it is a betrayal of the trust of the Australian people.
Dr LEIGH (Fraser) (16:57): I rise today to speak on the Dental Benefits Amendment Bill 2012. In this context it is worth noting that human beings are the only species that smile to signal happiness. It is an evolutionary quirk that is unique. It is an integral part of being human. All of us in this place, whatever our political stripes, trade on those smiles. It would be a strange-looking political website and an odd-looking corflute that did not have a picture of us beaming happily at our constituents. That smile is such an integral part of human relations. But just imagine if the sight of your teeth made people recoil from you. Imagine the isolation, the sense of embarrassment and the erosion of self-esteem.

There are many things that divide us in this place, but I think we can all agree that the importance of healthy teeth is one that can unite us. I wrote in June last year in the Australian Financial Review on the relationship between teeth, economics and poverty. There has been plenty of speculation in the literature on the relationship between dental health and earnings, but few studies have actually managed to demonstrate causality. There is a new paper out though titled 'The economic value of teeth' by Columbia University researchers Sherry Glied and Matthew Neidell. They looked at the effect of fluoridation in the United States. Fluoridation was primarily driven not by the quality of people's teeth but by local politics. We see that very much in the differences in fluoridation rates across Australia, with Queensland holding out for so long on fluoridation to the detriment of the teeth of Queenslanders.

The study found that if you grew up drinking fluoridated water you are more likely to have all of your teeth as an adult. So using that natural experiment the researchers then went on to look at the relationship between good teeth and high earnings. They found that women who drank fluoridated water in childhood earned more than women who did not, and the positive effect of fluoridation was concentrated among those from the most disadvantaged backgrounds. For women this effect was large. The estimate is that losing one tooth cost the typical woman three per cent of her hourly wage, and you can imagine how that adds up. Four teeth means 12 per cent of your hourly wage. Now you are talking about an effect that is starting to be of the magnitude of gender discrimination.

The study looked into why it is that bad teeth mean low earnings and concluded that it was largely due to people being discriminated against by employers and unable to work in those customer service occupations. I will talk later in my speech about some of the personal stories from my electorate of individuals whose poor teeth have impacted them in the labour market. Those bad teeth, indeed, are probably one channel through which physical beauty affects wages. This suggests that, if you care about reducing earnings inequality and raising the earnings of low-wage workers in Australia, a key point in which you can do that is improved dental care.

But the historic trend has been in the opposite direction. The University of Sydney's Edmund FitzGerald looked at whether people had visited a dentist in the previous 12 months. He found that, among teens from affluent households, the share who saw a dentist has stayed steady at about three-quarters of the population since the 1970s. But, when you look among the poorest teens, the share who had seen a dentist dropped from 56 per cent in 1977 to 33 per cent in 2005.

Another disturbing demographic trend was noted by the Brotherhood of St Laurence in their 2011 report End the decay. They cited data out of the Australian Research Centre for Population Oral Health that showed that children in low-socioeconomic areas have 70 per
cent more decay in their teeth than those from affluent areas. It showed that children from poorer families with oral health issues go on to be adults with bad oral health—and, as I have discussed, unless treated bad oral health leads to serious employment and economic consequences.

The Australian Institute of Health and Welfare in another one of their terrific reports, their Child dental health survey, highlighted the following facts: the oral health of children has been declining since the mid-1990s; almost 20,000 children under the age of 10 are hospitalised each year due to avoidable dental issues; by the age of 15, 60 per cent of children have tooth decay; while untreated decay and fillings are similar across income ranges, there are substantial differences in the number of teeth—if you earn more than $60,000, on average you will have seven more teeth than Australia's poorest people, those who earn less than $20,000; 45 per cent of 12-year-olds have decay in their permanent teeth; and in 2007 just under half of children aged six who attended school dental services had a history of decay in their baby teeth.

End the decay cited the research of Stephen Leeder and Lesley Russell, who found that the total direct costs and lost productivity in Australia from poor dental health were in the order of $2 billion annually and every year there are a million lost workdays in Australia due to oral health issues. Data from the United States estimates that, for every 100 employed persons, 148 work hours a year are lost due to dental problems. In an Australian workforce of more than a million people, with an average full-time weekly wage of $1,340, that implies a productivity cost of more than $650 million per year. So each of these reports has shown that poor dental health is not just an equity issue and not just a health issue but also an economic issue.

In 2009 the Australian Research Centre for Population Oral Health found substantial disparity across public dental patients, who were three times more likely to have fewer than 21 teeth compared with the national average. For other conditions such as decay and periodontal pockets, the most disadvantaged suffered at twice the rate of the general population. All this highlights the human aspect of good oral health, and this government is taking action to address this.

The government has been trying to shut down the Chronic Disease Dental Scheme since 2007 because we want to replace it with more effective policies.

The Dental Benefits Act currently provides dental checks for 12 to 18 year olds under the Medicare Teen Dental Plan. This bill will extend eligibility for children to receive dental services to those aged from 2 to 17. The Child Dental Benefits Schedule replaces the Medicare Teen Dental Plan from 1 January 2014. It includes a schedule of basic dental prevention and treatment services up to $1,000 a child over a two-year period. For over three million Australian children going to the dentist will now just be like seeing a GP. You will be able to present your Medicare card and get basic dental work done. That can be done at private dental clinics or through public dental services. As well as the existing check-up, it will now be possible to get a descale and clean, fissure sealants and basic restorative work, importantly, including fillings.

There will be more services and more dentists where they are needed most, outside the capital cities and in large regional centres, such as the one you, Deputy Speaker, represent. We are putting in place $225 million for dental infrastructure to support expanded services.
and an additional $1.3 billion towards state-run public dental programs. And we are requiring states to maintain the existing level of dental funding, because we do not want them to take out their money as we put in additional resources for this needed group. That will fund 1.4 million additional services for adults on low incomes, including pensioners, concession card holders and those with special needs.

Earlier this year I sent out a letter to dentists in my electorate asking for their support with the Dental Support Program. It is a program run by the Salvation Army to help low-income Canberrans who sought food assistance and have untreated dental problems. Evaluation of that program has shown that clients who received treatment through the program reported increased confidence and self-esteem in employment and social situations. I wanted to call on my local dental community to put in pro bono hours to support those who would not normally seek out a dentist. Some dentists already do that important pro bono work, but I wanted to reach out to all dentists in my electorate and ask them for a few hours of their time. This initiative came from Liz Dawson, who is an extraordinary Canberran and a tireless worker for the Canberra community. She has worked for the Salvation Army and through the Common Ground project, for which her advocacy yesterday extended to bailing up the Prime Minister at a Canberra breakfast. She brings tenacity and passion to her advocacy for those from less fortunate circumstances. I remember Liz telling me about a client who came to her four years ago who had only one tooth in her top jaw. Liz's work ensured that the woman got the dental care she needed, dental care that in some cases can be life changing.

The Prevention and Population Health branch of the Department of Health and Ageing has linked poor dental health to inadequate nutrition, diet related ill health, cardiovascular disease and some cancers. Individuals who are using illicit drugs sometimes say they first started doing so just in order to take away the pain of their aching teeth.

Malcolm Gladwell, in an extraordinary New Yorker article, described the process of tooth decay—see if this makes the hair stand up on the back of your neck. He writes that the cavity 'blossoms' as it enters the dentin. When it hits the centre of the tooth an 'insistent throbbing' begins and the tooth 'turns brown'. Left unchecked the tooth eventually becomes soft enough that the dentist can 'reach into a cavity with a hand instrument and scoop out the decay'.

While Australia has a strong healthcare system, it is much less effective for those with dental health problems. If we had our time again it would have been the right decision, I think, to bring dental care into the Medicare system. But that is a horse that I believe has bolted. Now, the challenge for us in this place is to improve the quality of dental care for the neediest.

Before we means tested the private health insurance rebate, Australia had the absurd situation where high-income Australians, like those of us who serve in this place, had our health care and dental care subsidised to the tune of 30 per cent. Millionaires were receiving a 30 per cent subsidy on their dental care, but low-income Australians could not get to the dentist. We are starting to change that by putting in place targeted reforms—not the untargeted Chronic Disease Dental Scheme that now costs about as much per month as it was originally projected to cost per year, but a scheme that is directed to those most in need.
I remember a dentist who came into my electorate office. I asked him how he felt about the Chronic Disease Dental Scheme. He told me it had to go. He told me the story of a patient who had been referred to him by a doctor on the basis that the patient, who was very well-off, was undergoing some dental work and the doctor thought this scheme could help him meet the costs. The dentist was outraged by this and went to the doctor and asked, 'Why are you referring patients who are not needy to me?' The doctor said, 'Well, that's not your business. I sign the form; you do the work.' That is the kind of scheme that the Chronic Disease Dental Scheme was: a scheme that did not go to the neediest. What we are doing with this bill is in the spirit of what we are doing with our multibillion dollar mental health package and with the National Disability Insurance Scheme: recognising that health care needs to be more holistic than it has traditionally been.

Our oral health as children is the best predictor of our oral health as adults. And because dental decay among children has been on the rise, we need to do something about it. One in five of the lowest-income earners in Australia has not been to the dentist in the last five years. Some of them may never have been to the dentist. By replacing the Chronic Disease Dental Scheme with the Child Dental Benefit Schedule we are addressing the cost overruns, the over servicing, the rorting and the administrative problems associated with the Chronic Disease Dental Scheme. It will make sure that we have better dental health for low- and middle-income families, particularly children. I commend the bill to the House.

Mr WYATT (Hasluck) (17:11): I rise today to talk on the proposed Dental Benefits Amendment Bill 2012. It was quite illuminating listening to the member for Fraser. I can now understand why the member for Eden-Monaro, who has a promotional position based on the proposition that if you have a good set of teeth you have a good opportunity of a higher position and the income that goes with it. I am not sure, with your smile, Mr Deputy Speaker, whether you fit the same category! Based on that logic, you are better off taking your teeth out and having dentures because they would look white and clean!

The DEPUTY SPEAKER (Mr Windsor): Order! That could be a reflection on the chair!

Mr WYATT: No, it is not a reflection on the chair; it's just that your smile is like one of those Cheshire Cat smiles, Chair!

Can I start by making reference to the second reading speech by the minister, from which I will cite a couple of key sentences, because I want to build on that. There is $225 million for dental capital and workforce measures aimed to provide expanded services for people living in outer metropolitan, regional, rural and remote areas—interesting concepts.

This bill will establish a Child Dental Benefits Schedule for children from the age of two until they turn 18. Then the states and territories would also be able to provide services, as they currently do under the Medicare Teen Dental Plan for services provided by dentists and para-dental professionals, such as oral health therapists and dental hygienists.

Let me come to that notion of workforce. One of the major challenges that I hear constantly from the committees I am involved with is the lack of workforce, the lack of preparedness for those workforces to be part of rural and regional Australia. But often the referrals come back into capital cities, so that increases the cost of access. It also is about those factors that impact on families in terms of socioeconomic status, access to oral health services and also our dietary behaviours—which are always interesting. With the number of kids you see drinking...
Coca Cola but who never swill their mouths out with water, it is natural that they would end up with poor oral health in their early years. So, to that extent, the changes that are mooted being delayed for as long as they are, have consequential outcomes: if those services do not exist currently, for a period of up to 19 months, then we are creating a tremendous problem by ceasing funding in this area.

I have serious concerns about the rural and regional areas of Australia that have limited access to the type of funding that is required to provide the oral health services that they need.

It was also interesting that in her speech the minister said:

As part of the dental package, the Gillard government is providing $1.3 billion to states and territories under a national partnership agreement to expand public dental health services for low-income adults, including pensioners and concession card holders and those with special needs.

But when I read back through the speech I found something that the minister referred to fascinating.

In fact, she did not contact me herself; her neighbour contacted me and said that she could not go with her son on his first day because she did not have any teeth and she was too embarrassed and did not want to humiliate her son by turning up with her teeth having been extracted … bad teeth can exclude you not just from getting a job and not just from economic participation but also from social participation …

There is merit in what the minister presented. But it is no basis for ceasing funding for the Chronic Disease Dental Scheme.

I will now refer to the World Oral Health Report, entitled Continuous improvement for oral health in the 21st century, the approach of the WHO global oral health program. Comments in here are consistent with those of the Surgeon-General of the United States. The report says:

The interrelationship between oral and general health is proven by evidence. Severe periodontal disease, for example, is associated with diabetes The strong correlation between several oral diseases and noncommunicable chronic diseases is primarily a result of the common risk factors. Many general disease conditions also have oral manifestations that increase the risk of oral disease which, in turn, is a risk factor for a number of general health conditions.

Further on, the report continues:

A core group of modifiable risk factors are common to many chronic diseases and injuries. The four most prominent noncommunicable diseases (NCDs)—cardiovascular diseases, diabetes, cancer and chronic obstructive pulmonary diseases—share common risk factors with oral diseases, preventable risk factors that are related to lifestyle.

Hence my reference to the food factor. The report continues:

Moreover, control of oral disease depends on availability and accessibility of oral health systems but reduction of risks to disease is only possible if services are oriented towards primary health care and prevention.

The report later states:

If left untreated even for a short period of time, oral diseases can have adverse consequences. Oral infection can kill. It has been considered a risk factor in a number of general health conditions. The systemic spread of bacteria can cause, or seriously aggravate, infections throughout the body, particularly in individuals with suppressed immune systems. People with cardiovascular disease and diabetes are particularly vulnerable. Studies have suggested that oral diseases (e.g. dental caries and
periodontal disease) are associated with other NCDs, and interrelationship which merits further investigation.

An Australian publication says:

Periodontal disease (affecting the gums) is caused by bacterial infection associated with poor oral hygiene, infrequent dental visits, age, smoking, low education and income levels, and certain medical conditions, especially diabetes. Current research is strengthening the association between periodontal disease and pre-term, low birthweight babies; cardiovascular disease; and rheumatoid arthritis. Poor oral health may exacerbate other chronic diseases. There are possible associations between early childhood caries and otitis media and blood borne diseases and infective endocarditis (associated with rheumatic heart disease).

It then goes on to explain the processes of poor oral health and the association with chronic diseases and then says:

They have difficulty eating (which might adversely affect their nutritional levels), and they may have low self-esteem from the appearance of their decayed teeth. Poor dental health can also cause impaired speech and language development.

One of the issues is that delayed access to treatment exacerbates chronic health conditions. My father-in-law over a period of time has had cardiovascular health problems. He has an artificial valve. When he has treatments his teeth are the first thing that his specialist looks at. If his teeth show any sign of poor conditioning or there is bacteria associated with the mouth, the gums or the teeth, they then undertake appropriate medical treatment. That is covered under the current Medicare program. Now that we have this gap, I wonder what will happen with that process? People will still have to have oral and gum treatment and probably the extraction or treatment of teeth before they can continue with surgery or other complex treatment associated with their particular health problem. If we have that gap in the provision of the NBS item, then I have some serious concerns about the some 400,000 adults who currently access dental health schemes.

The group that worries me more than any other are those who do not have the capacity to pay what is required by dentists for the treatment that they will need prior to their treatment in hospital. If that is the case, they are more likely to take the risk and delay treatments. If that is the case, then that will compound their health problems. On a DRG mix—which is the cost of hospitalisation and the services provided—that becomes an increased cost to the healthcare system and to the drawdown for both the state and the Commonwealth in the provision of hospital treatment because of the factors associated with oral health, gum diseases and tooth decay.

The other thing that is more insidious is raised in something that was put out recently—in September 2012—by the Australian Dental Association. That publication says:

There has been an increasing prevalence of 'dental tourism' where the strong Australian dollar is not only drawing Australians towards overseas travel, but also some travellers are undertaking dental procedures overseas in the hope they will 'save' money.

Some packages offer 'prepackaged' accommodation, sightseeing tours and activities to 'facilitate the recuperation' of consumers after receiving their dental treatment.

They go on to say:
Teeth are for life. Obtaining dental treatment overseas can be incredibly risky to both your dental health and general health.

They also talk about something even more important:

Australia has recently recorded cases of a new superbug 'NDM-1', the most resistant to antibiotics yet seen to be on the rise in the UK. Like in the UK, the growing number of patients jetting out for 'medical tourism' has been blamed for the increasingly impervious bacteria arriving here in Australia.

If we have this gap in the provision of dental health care under a measure implemented by the Howard government and in particular Tony Abbott when he was health minister, that has serious implications for the health and wellbeing of many Australians, who may seek to go elsewhere, combining a holiday overseas with dental treatment that is much more risky and much more likely to cause some unintended consequences, such as antibiotic resistant bacteria getting into Australia. It is important that the minister reconsiders her decision in the context of this bill.

I do not have a problem personally with the need to provide comprehensive dental health care to children who experience levels of poverty and social disadvantage.

I do not have a problem with the fact that there is a reform factor being considered within the context of the bill, but I do have an issue with the fact that it is a bill that allows for a significant program to be put on hold, that was accessed by children in the context I just talked about, being delayed for such a lengthy period. We are putting at risk the lives of Australians in this process. It would be more important that this is not a budget measure for a saving but a budget measure to increase access to those who have a need for chronic disease dental health services, because that is one of the factors that will reduce the burden of ill health or, ultimately, in some cases, save a life instead of putting it at risk.

I certainly encourage the government to consider the delay in the expenditure: if you are proposing to change it in the way that you are then do not cease the funding, because the lives of individuals are far more valuable than a political expediency that takes us into the realm of the deprivation of services that are much needed. I encourage the minister in particular to look at some of her own documents from the Department of Health and Ageing and some of the research that goes to those critical issues of continuity of care, from the mouth to the blood system. I have seen Indigenous Australians and elder Australians die from septicaemia and oral health related diseases because they could not access the services or did not have them. My significant concern is for those in rural and regional Australia.

Dr MIKE KELLY (Eden-Monaro—Parliamentary Secretary for Defence) (17:26): This afternoon I am very pleased to speak to the Dental Benefits Amendment Bill 2012 before you, Mr Deputy Speaker, because I know that your great concern has been health in rural and regional Australia, as it has been for me. Many of the points that were made by my friend the member for Hasluck have struck home to us. It is a declining situation that is much more severe than can be found in our urban environments. As we all know, that is part of the vicious circle we have in rural and regional Australia: if you do not have health services and good education you start to see people drifting away from country towns. You cannot even attract the professionals who would support a health system, such as doctors and dentists, because so many of them are looking for those kinds of facilities for their own families when they move to live in rural and regional areas. Sixty per cent of doctors now coming through
the system are women and they are obviously much more cognisant of issues like supporting a family in a rural or regional environment. So this is critically important to us.

In an extensive survey I conducted of my constituents, I had over 7,000 responses. I am not sure whether many MPs have had such an extensive response to a survey. Of those 7,000 responses, 99 per cent indicated that health was their No. 1 issue. This was obviously something we have to come to grips with. Let’s be frank about this: the Howard government dropped the ball on health. We saw the current Leader of the Opposition, when in the health portfolio, rip a billion dollars out of the system and change the mechanism for the proportion of Commonwealth contribution. We were also seeing a situation where health budgets in the states were becoming unsustainable. We knew that in New South Wales by 2045 the health costs will consume the entire state budget. So we are on a track that just cannot be sustained.

I am really proud of what this government has done in that policy area—biting off a huge public policy challenge for groundbreaking reform that has put us on a sustainable track and has broken up the funding responsibility. Mr Deputy Speaker, I know that in your area and in my area we are seeing huge advances in health services as a result. I will come back to that. This is another really important step in that process.

My friend the member for Hasluck referred to some important issues about the associated health effects of dental issues. There is a lady in my electorate whose husband died from septicaemia due to a dental health issue. A young fellow at Captains Flat, from a very low-income family, had been waiting two years to be seen by a dentist, and in the meantime the dental problem really exacerbated. Eventually, he had to drive to Sydney to get it sorted out, and of course there was the expense of driving to Sydney and paying for accommodation. He eventually lost a large number of his teeth as a result of the dental problem. That was a really reprehensible situation.

The Leader of the Opposition was responsible for throwing up this CDDS scheme at the last minute, in the last gasping days of the Howard government. What we saw out of it was a scheme that was intended to cost $90 million a year blow out to $1 billion a year. It was costing almost that yearly budget per month. Clearly that is unsustainable. But worse than that, we had a system that was not targeted—that was obviously being exploited for cosmetic dental surgery by people who did not need to be supported by a scheme like this. It was not means-tested, so we had wealthy people getting paid by the state for their cosmetic dental surgery. That is outrageous and is unsustainable. Obviously, something had to be done about that. We knew there were about 1,000 complaints being made about that old scheme and it was not getting to the people who really needed the help. We had a huge waiting list—400,000 people out there on dental waiting lists—and it was just not right.

In this area we know that an ounce of prevention is worth a pound of cure. You can save a hell of a lot of money down the track in our system if we invest more heavily in preventive health. The key to that in dental health is working with the kids. If you get the kids off on the right track with dental health, you are not going to have these exacerbated and amplified problems in the scheme down the track. So the beautiful thing about this package is the focus of it. We are seeing a $4.2 billion package—nothing to be sneezed at there, a huge commitment to bring us on the right track with dental health—which is broken up into $2.7 billion to address that preventive health measure for our kids and $1.3 billion for about 1.4 million low- and middle-income earners around the country who most need that help. Another
component is $225 million for rural and regional issues in relation to both infrastructure and workforce. I will come back to that. In relation to my patch, Eden-Monaro, that is 17,114 kids who are going to be benefiting from that focus on their dental health in particular. Obviously that is going to achieve great health outcomes for them and get them on the right foot.

My friend the member for Hasluck need not worry about this gap issue. The only gap we are going to be fixing is the dental cavity gap. The system at the moment works in conjunction with the states. We are going to be putting $345 million into immediate employment to reduce that massive 400,000-person dental waiting list. That will take effect immediately, and in conjunction with the states we will see support for those receiving this dental support continue with the great alleviation of the state situation by not having to take responsibility for children through the $1.3 billion being injected to sort out their situation. They will be able to commit extra resources to continuing to sustain support for those under the CDDS scheme. So obviously the scheme is well designed to cater for the fact that we need to continue support for those people who most need it.

We know that the scheme needs to be efficient and easy to administer, and parents in relation to their kids will be able to make their claims through Medicare just as they do for normal doctor appointments, so there will be quite a lot of simplicity there. We are going to make sure that we bed down the scheme and take a great deal of care with it so that by the time 2014 comes it is a smooth, efficient system. In the meantime we have waged war on that waiting list and make sure that we have cleaned up the backlog of 400,000 as far as possible. Obviously there is very important targeting in the scheme to deal with the issues that are most important and essential in relation to oral health but not cosmetic surgery, as the current scheme was dealing with.

I come back to the point about investment in the rural and regional areas that I know is of concern to the member for Hasluck and me. It is $225 million. What does that translate to in my patch of Eden-Monaro? That funding is going to enable the expansion of existing dental services that are providing support to our community in Goulburn. A lot of my constituents from Braidwood and Bungendore go to Goulburn for support. There are also Yass, Queanbeyan, Cooma, Moruya and Pambula. Those services will be expanded. One of the big holes in health service in our region was the state of the C2 regional hospital in the Bega Valley. Now we have seen the Commonwealth commit $160 million, $10 million from the state-of-the-art facility.

Within that state-of-the-art facility will be a state-of-the-art dental suite that will be the recipient too of the support from this new scheme. Until then we will see services continue to be provided by Pambula and Moruya facilities on the coast, by Queanbeyan and Cooma facilities in the high country and by facilities in Goulburn and Yass. This is a great investment in our rural and regional services. Some of that money will also go towards helping workforce issues and towards attracting dentists to the region. Funding of about $77.7 million from the Dental Relocation and Infrastructure Support Scheme will provide up to 100 infrastructure grants to accompany that funding as well. These grants will support up to about 300 dentists in setting up practices in rural areas to meet the current shortage of services. My friends who have rural and regional electorates should be really pleased to welcome this.

I mentioned that this reflects the Commonwealth's investment in the lack of services in rural and regional areas. What we see in Eden-Monaro is effectively a package of $327
million to address what was a screaming gap, a gaping hole in those services, and I am proud of that. In addition to the state-of-the-art hospital I mentioned, $30 million is committed to establishing training and accommodation facilities in Moruya, Bega and Cooma to attract student doctors and nurses. If we develop them and their attraction to an area like mine, they will see the lifestyle advantages and then stay on and provide the services that we need. The facilities will attract them as well because we know that is a big issue. Our investment in facilities has helped us to attract extra doctors into the region.

We have seen a massive investment in primary health services right around the region as well. Lots of $500,000 grants have enabled the expansion of training facilities, rooms and services to attract additional doctors and students. Those grants are having a big impact in places like Cooma with the Bombala Street surgery, in Moruya with the Queen Street surgery and the just recently opened facilities at Pambula medical practice. It is really starting to have a significant effect. I am pleased to note the development application has been approved for the transitional care facility at the Moruya Hospital, which was another 2010 election promise delivered to the community. I am really pleased to see that.

It is a total transformation that is going on right across the Eden-Monaro landscape in health services. This is being mirrored and replicated right around the country, right around this nation and is getting us finally in the place we needed to be in supporting rural and regional communities.

The member for Hasluck also mentioned workforce issues as a big problem. It is only going to get worse in New South Wales as a result of the $3 billion slashing of health funding by the O'Farrell government. This is outrageous. This is in addition to the crime that is being perpetrated on our TAFEs and schools in the $1.7 billion cut there. But this $3 billion hit on our health facilities in New South Wales by the New South Wales government is going to be a major setback for what we are trying to achieve. The estimate is that from these cuts we will see something like 3,600 jobs lost in health services. That is on average more than 16 doctors, nurses and allied health professionals sacked from every hospital right across the state. There is no way you can cut $3 billion from the system and not affect seriously the delivery of frontline services. Unfortunately we are seeing a replication of the Sydney-centric approach by this government too. The bulk of the focus of the Infrastructure New South Wales report that has just been handed down is once again on Sydney. We saw very little reference to the needs of rural and regional New South Wales in that report, which is extremely disappointing.

As opposed to the New South Wales approach to cutting and affecting frontline services in health and education, the Commonwealth has achieved savings through efficiencies. We have achieved more than $13 billion worth of efficiencies in the public sector through reducing wasteful spending on travel, better ICT management and more efficient Commonwealth property management—that alone saved $1.2 billion.

There are things like taking greater advantage of online recruiting, instead of newspaper advertising. We have saved $30 million there. If the New South Wales government wants to save money, I accept that; we are all under budgetary constraints and tight situations right now. I would not for a minute complain about attempts to achieve savings to put more emphasis on frontline services, but that is not what we are seeing from this government. They have a lazy approach to cutting—slashing and burning—that is going to hurt not only our situation in relation to health.
We all appreciate how important our TAFE colleges are to rural and regional Australia. I have four of them in my region—in Moruya, Cooma, Eden and Queanbeyan. They are providing great support to the trade training centres that we have built at Bombala High, Eden Marine High and Bega High, supported by the TAFE colleges in Cooma and Bega. We just cannot afford to have this vandalism to our system. Education is an investment in our future and, in conjunction with better health facilities, it will be the way that we maintain our vibrant demographic balance in our rural and regional communities. So I would urge the New South Wales government to think again about these cuts.

But in relation to this dental reform I salute the minister for what she has achieved here. It will transform the landscape in relation to dental services in rural and regional Australia, as well as the nation generally, and I am extremely pleased to be able to support it.

Mr McCORMACK (Riverina) (17:41): The most important role for this parliament—for members who sit in this chamber and for senators in the other chamber—is to build a better life for the people of Australia. It is a shame that the disallowance motion on the Health Insurance (Dental Services) Amendment Determination 2012 (No. 1) was lost 71-69 last night in what was a tumultuous evening in the life of this chaotic government. We witnessed last night more of the slow and tortuous death struggles of this shambolic government; and this determination, while nothing to do with parliamentary procedures, processes and personalities, does say a lot about Labor and its approach to things.

Dental care is a major issue forming a big part of the overall health portfolio, which is of the utmost importance to this parliament and the people we as elected representatives serve. I say that because if you have good health everything else seems to follow; a good life is conditional on good health. That is why it is paramount that the government—whichever party sits on the treasury bench—places a priority on health. People must come first. Labor knows that and the coalition certainly knows that. The coalition is committed to investing in the dental health of Australians. The Gillard government's closure of the Chronic Disease Dental Scheme is abrupt and short-sighted but hardly surprising. With Labor's debts spiralling out of control the Treasurer has shown he will do anything to avoid a fifth straight budget deficit, which would be an appalling legacy given that he inherited an economy in such strong shape after such sound fiscal management during the Howard years. If Labor can scrimp some measure of savings from dumping a policy—no matter that it has worked and provided good health outcomes—then it will pursue it ruthlessly, relentlessly, recklessly. This is all in the name of penny-pinching, certainly not in the name of good government and certainly not in the name of sound health delivery. Cost-cutting and the Treasurer's wafer thin budget surplus are it seems more crucial for Labor than the oral health of many Australians who rely on the Medicare Chronic Disease Dental Scheme.

This determination ends the scheme on 30 November 2012. No new services have been permitted since 7 September—three days before the determination was tabled in the House and the Senate. The government announced a replacement program on 29 August and the new measures will cost $4.1 billion. But—and it is a big 'but'—the new scheme will not begin until 2014. Further, the new program is unfunded. That should not come as a shock to many, for Labor has recently racked up $120 billion worth of unfunded promises. There is a $120 billion black hole in the government's forward spending. It is pledging things it will never, if voters have any sense, roll out.
A toothache is one of the worst pains a person can suffer. I am sure everyone in this chamber has at some stage in their life suffered a toothache. The essence of this debate on the Dental Benefits Amendment Bill 2012 is precisely what this federal government is doing to dental care in Australia over the coming months. This government, which is responsible for continuity of care, has ditched it with this new program, a program celebrated and lauded at its launch but which, as I said, is completely and utterly unfunded. That is sadly the Labor way. No financial arrangements have been made for the dental package announced not that long ago. How can this be so?

This is a manipulative government which has run out of dollars but not ideas to savage key areas to save costs. This government borrows every dollar it needs from overseas because this nation is now $246 billion in gross debt and we, our children and our children's children will have to pay that off, and it will take years, decades. Our interest bill is $1 million an hour and increasing. Our gross debt went up by another $2 billion during the past week. Despite all this, Labor will keep making billion-dollar promises until the polls improve.

State funded public dental care has long waiting queues. As many as 750,000 people are waiting for care. With state funded dental care, unless you have a significant dental emergency, you simply do not get seen. Seniors who have chronic dental disease never get a chance—they have to access private services. Fortunately, Australia has a private dental model. Almost all of the nation's 10,800 dentists practise in the private sector. Why would a dentist want to work in the public sector when he/she can make so much more money in the private sector?

In Australia 600 dentists and 300 hygienists and oral health specialists and therapists are graduating each year. Those entering the profession are not enough to meet the demand and there has not been any effort on that side of the House to look at what jobs can be done by the people who work with dentists. As was pointed out recently by the member for Bowman, Dr Andrew Laming, the shadow parliamentary secretary for regional health services and Indigenous health:

If that work were done by allied health professionals, it would free up dentists to do the work which can only be done by them. This is a government which has abandoned that frontier.

This is also a government that has to its great discredit and shame shelved the chronic dental disease scheme. That scheme was introduced by the current Leader of the Opposition on 1 November 2007 when he was the Minister for Health and Ageing. It was his contention that, if people were genuinely sick and dental issues were part of that chronic disease, they deserved treatment. That is too true. It is about placing the needs of the sick first. But this Labor government, by dismantling the Chronic Disease Dental Scheme, is arguing that it does not matter how bad your teeth are if you are poor you go to the front of the queue. In a developed country such as ours the reality is that dental disease is relatively evenly spread throughout the community. As Dr Laming so succinctly put it:

Having a concession card does not suddenly make your teeth bad. Earning a salary or getting a job does not suddenly make your teeth good. This is a government which has replaced a system designed to meet the needs of the sick with a system designed for the poor. The reality is that you have to look after both.

Well said, member for Bowman. Unfortunately, for adults who were previously protected, until their cover resumes in 2014 Labor's political pain will be put before their dental pain. Labor needs a surplus—as if that is going to happen!—so people will just have to wait. New
South Wales and Victoria are the poorest investors in state dental care. Those are the states where you wait the longest. In fact, you do not wait because you never get the care. That is because the Labor state governments which set up those systems underfunded public dental care and have done so for years.

I listened to the member for Eden-Monaro talk about the fact that the coalition governments in New South Wales and Victoria were to blame. That is not so, member for Eden-Monaro. In 16 years we had very hard Labor. We had it under Bob Carr, Morris Iemma, Nathan Rees and then Kristina Keneally, who did not fund dental care the way it needed to be funded. Yes, there are cutbacks and they are hurting many communities. They have been brought about because of the need to make ends meet after those 16 years of terrible government by state Labor governments under Carr, Iemma, Rees and Keneally.

The answer is that federal Labor says it will find $1½ billion dollars two elections from now and hand it to the state governments and hope that the states spend it on dental care.

What did the opposition leader's scheme, when he was the health minister, do? Sure, the member for Eden-Monaro pointed out that it was brought in in the last days of the Howard government—a very good government, might I add, who were very fiscally responsible over 12 long years and who put many billions of dollars in the bank which have now been lost by the Rudd-Gillard governments.

What did the opposition leader's scheme do? A patient went to a general practitioner who established that they had a chronic disease and their teeth were fixed through Australia's 95 per cent private dental system immediately. It cost around $2,220 on average. For children with chronic disease, it cost $2,125 on average. What did the opposition leader's scheme do? His dental plan slowly worked its way through the sickest Australians, fixing their teeth. For mental health patients, the scheme put them at the front of the queue. They had their teeth done. They had their gingivitis fixed. They had their crowns and their bridges all fixed up. It enabled people with severe chronic dental disease to have a healthy mouth—and for some of these mental health patients for the first time in their lives.

Were there a few cosmetic procedures in the scheme conceived and introduced by Tony Abbott? Yes, there were. Was there a health justification for them? Yes, there was. Those on that side of the chamber have gone to great pains to talk about the rorting in the scheme which they have dismantled—one in 1,500 cases. Does it happen any less with doctors than with dentists? Surely it happens with Medicare and doctors. Of course it does; probably in roughly the same proportions. Doctors are no different from dentists in that respect. It is part of the trust built into a universal system.

When I last spoke on this bill, I spoke about the terrible healthcare system that they have in America, and we are so very fortunate here in Australia to have safety nets for people who get chronically ill—safety nets put in place by coalition governments, safety nets put in place by Labor governments. We on both sides of the House recognise how important health is and that we should be doing everything we can to ensure that we continue to have one of the best health systems in the world. Let me tell you: if you are in America and you get sick, if you are in the United States and you get a toothache, unless you have health insurance with dental health insurance built in, then it is just too bad. You put up with the pain.
The state public dental waiting lists were reduced by Tony Abbott's scheme. The waiting times in New South Wales were cut by 40 per cent, thanks to the now opposition leader's scheme. We have a GP centred health system. We allow the GPs to work out who is the sickest and who needs dental care the most. That was the justification for that particular scheme.

Getting your teeth fixed through the Chronic Disease Dental Scheme cost $2,220 per patient. But what was it this year? It had fallen to $1,117. Why is that so? Because all the serious work had been done. We were finally seeing the scheme drop to the level of performing the role of surveillance: monitoring the long-term care of Australians' teeth—those Australians who most needed it. The hard work had been done, and that had been done thanks to that scheme put in place by Tony Abbott and continued under Labor.

I know that Labor members opposite, the member for Parramatta and the member for Canberra, know how important oral health care is. I know the member for New England, who sits in the chair, knows how important it is, particularly in rural and regional Australia and those areas where we do not have as many dentists as in the metropolitan areas, the big cities. It is so much more important perhaps in regional areas that we have a system in place, because a lot of the patients there have to drive a lot further to get their oral health fixed up.

But that all stops now. That all stopped in early September, when a government with no money left evoked an image of dental care 19 months hence—because that is how long it is going to take now for those adults to actually get the proper care they need. This government criticises dentists for overcharging but then comes up with a scheme that gives $1,000 every two years to young people. Do you think that will not be open to abuse? Labor's scheme is precisely the same as the opposition leader's scheme, except that it is treating kids instead of the chronically ill seniors who most need it.

As I said, this is a scheme that needs to be continued. The funding will not commence until July 2014. The government has not said how it will pay for the measure. Many patients on the Chronic Disease Dental Scheme who lose access to treatment on 30 November will have to wait 19 long months to see if the government delivers on its promise and starts to provide more funding to state governments—state governments that have been bled dry by Labor governments for far too long. There is no detail on how much funding will be provided, with the possibility that the bulk of the money might not be provided until the end of the six-year period, and that is in 2018.

There are already 650,000 people on public dental waiting lists. We need to look after the people on those waiting lists who are in most need of dental care and most in pain. We need to continue to be able to provide good oral health care for those people because, as I said, health should be the number one priority for the government; it certainly is for the opposition. Therefore, I urge the government to reconsider this ill-thought-out idea.

Ms BRODTMANN (Canberra) (17:56): A week before I got married I went along to my dentist to get my teeth cleaned, because I am obsessed with my teeth. I used to get them cleaned every three months—I am not that regular anymore, Dr Sharma! But I would like to go more regularly to the dentist to get my teeth cleaned. I wanted to have beautiful teeth for my wedding photos. I went to my dentist and she sat me down in the chair and started to clean them. She asked me to tell her about my wedding dress. I said: 'It's a very plain dress. It's made from silk faille, cut on the bias, and it's a 1930s-type style.' She said: 'It's interesting you
should say that. Do you want me to give you the wedding gift that a lot of fathers used to give to their daughters in the 1930s? I asked her what that was, and she said, 'Taking all your teeth out.' I asked why they would do that, and she said that it was a huge investment by fathers in the 1930s to get their daughters' teeth taken out, because it meant there was no lifetime of expense for the husband. They would get dentures, and they were pretty easily managed.

That underscored for me how far we have come in dental health, dental hygiene and dental care and in the state of the nation's teeth. But it reminded me of my mother's experience and why my mother—and now my sisters, as mothers—are now obsessed with dental care. My mum—and I have recounted this story many a time—grew up in a housing commission house in Melbourne, with seven children in the family. Her mum was a single mum who worked three jobs just to keep a roof over their heads and food on the table. They did it tough. Of course, dental care and dental hygiene was the last thing on my mother's mind or my grandmother's mind. At the ripe old age of 15, when my mother started working, she had rotten teeth. Before she started her new job she went out and had her teeth taken out. It took a month: one fortnight was spent getting the top teeth taken out, and the second fortnight was spent getting the bottom ones taken out. She spent the first nine months of her first pay packet as a 15-year-old on paying off that dental bill. To this day—and I actually had to ring her before I made this speech tonight—she still has great shame about the fact that she does not have her own teeth.

So to say that dental hygiene and dental health is an obsession in my household is probably an understatement. When we were little we were given fluoride tablets before there was fluoride in the water, and none of my sisters have fillings. I think that that is a great testament to my mother's obsession and the legacy of all those terrible things that she had to go through. So it probably comes as no surprise that I rise in support of this legislation, the Dental Benefits Amendment Bill 2012, which amends the Dental Benefits Act 2008 to establish the legislative framework for the Child Dental Benefits Schedule.

Dental care is critical in so many ways to our overall physical and mental health and our self-esteem, particularly in our youth. We know that there is a strong link between dental health and mental health. Just as an aside, I note that today is World Mental Health Day and I commend the minister for all the activities that he has been launching and taking part in, and the investments he has been making today. I also particularly commend the ADF for the fact that they are, for the first time, celebrating and acknowledging World Mental Health Day. I had a briefing last night, in a public hearing of the Defence Sub-Committee, from the ADF about the work that they are doing on PTSD and also on mental health, and there is a lot going on in this area. In the last five years they have really ratcheted it up, and not just for the soldiers who are coming back from operations but for veterans and, importantly, for families. So, as did the minister today, I commend the ADF not only for having their first mental health day today but also for the great work they are doing in this area.

According to the most recent data, 75 per cent of mental health problems occur in people under the age of 25. Some of these mental health conditions are indirectly related to dental care or, more precisely, the lack of proper dental health care. When you talk with mental health experts they will tell you of the links between good diet and good dental care and improved mental health outcomes. Some mental health conditions involve eating disorders which obviously have a connection to dental care. Other disorders may involve the misuse of
illicit drugs, and they can result in poor dental outcomes and also complicate mental and physical healthcare treatment.

Another important aspect of good dental health care in young people involves self-esteem and social inclusion, because body image, as we all know—all of us having been through the teens—is a particularly sensitive issue for young people and growing children, and good dental health is critical in addressing issues of self-esteem. We know that there is evidence, too, that poor dental health and poor dental health care can lead to children being bullied, teased and socially excluded.

In a similar vein, I am also very concerned about juvenile diabetes and the alarming rise in the number of young people afflicted by this condition. Obesity is already identified as one of the leading health problems in young Australians, and there is no doubt that obesity and its causes are inseparable from the need for better dental care and better diet. So good dental health care is about more than just improving the teeth of children. Good dental health care can deliver many other mental and physical health benefits as well. As to obesity, you cannot eat a carrot if you do not have good teeth. That is why the bill we are debating tonight is so significant.

This bill will mean that, for three million children, going to the dentist will be just like seeing a doctor. As everyone here would agree, it is critical that children get proper dental care early on, and I believe that, by extending the range of people eligible to receive dental services, the government will be helping children in so many other direct and indirect ways. By getting access to dental care there is also much greater opportunity to help with diet. As I said, it is very difficult to eat a carrot without good teeth or with no teeth, and we know that an improved diet is significant in the path to better health.

I also want to talk about one of the programs that is operating here in Canberra. It is operated by a Canberra legend. I have spoken about this incredible woman in the House before. Her name is Liz Dawson. Liz is a tenacious and formidable force of nature and she is involved in a range of causes around Canberra—notably, Common Ground, which is trying to get help for people who have been afflicted with homelessness for many years and who also suffer some mental health issues.

Liz, bless her heart, is an extraordinary women. She was diagnosed with bowel cancer about a year or two ago. She went in for a preliminary op on it and came out with partial vision damage. Not only is she now advocating for homes for the homeless, as well as for another cause that I will come to, but she is also out there advocating for the vision impaired as well. She has been on my case about that ever since she suffered that terrible effect from the operation.

Liz Dawson also works closely with the Salvation Army here in Canberra to provide the homeless with dental care. She goes out and seeks funding for dental care for the homeless. She has come to me seeking funding for two sets of dentures. I have promised that. I need to get on her case now: the cheque is ready, so please come and pick it up. A number of the people whom she deals with have had illicit drug habits and so their teeth have rotted as a result of that. Some have been just affected by the poverty and disadvantage trap, and years of neglect and lack of access have caused dreadful dental outcomes. She, as I said, raises funds for these people to get their teeth looked at and treated, but usually, because their teeth are in

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such a bad state, these people unfortunately need to have most of them out. So she raises funds for dentures as well. She is, as I said, an extraordinary woman.

The stories that Liz tells me about what this means to these people are wonderful. They now have teeth, which makes their life a hell of a lot more comfortable. But it also means that they can start eating a healthier diet, because they can eat carrots and good fresh food, which they could not do beforehand. Most importantly, these people get their self-esteem back because they look good and can actually smile. As a result of getting their self-esteem back and having the ability to smile without feeling any shame, they can then go out and look for work. That has been the central outcome of the program that Liz Dawson is involved in. In getting these people teeth, she gives them a healthy diet and self-esteem and gets them a job. There are so many layers to having decent teeth. I have said many times to friends, family and others that it is the great social indicator. That is why this bill is so welcome and important.

Turning to the specifics of this legislation, it amends the Dental Benefits Act 2008 to set up the framework for the Child Dental Benefits Schedule. The schedule forms part of the Labor government's $4.1 billion dental reform package that was announced in August this year. The schedule will replace the Medicare Teen Dental Plan from 1 January 2014. I want to remind people about our new dental for kids scheme. About 3.4 million children will benefit from that scheme. This includes children in families who get family tax benefit A, Abstudy, the carer payment, the disability support pension, the parenting payment, the special benefit, youth allowance, the double orphan pension, the Veterans' Children Education Scheme or the Military Rehabilitation and Compensation Act Education and Training Scheme. To help families, they will be entitled to $1,000 per child every two years over the life of this package.

It is also important to note that parents will be able to take their children to either a private or a public dental service to access this program. Access can be a challenge. I know that the government dental service in Civic in the ACT is doing great work. But they have a long waiting list. That is part of the challenge with some of the homeless people that Liz Dawson has been dealing with. She has been using the funds to get people into private providers. As I have said, this program is an investment in prevention. It is an investment in decent and good health, good diet, good self-esteem and jobs. The Labor government understands the importance of preventative health. We understand that the dental health of children is the best way to ensure better dental health in adults.

In addition to the dental for kids program, our reform package will also provide 1.4 million additional services for adults on low incomes, including pensioners and concession card holders and those with special needs. That will give them better access to dental health care in the public system. The dental package will mean more services and more dentists in areas of most need outside capital cities and large regional centres. Finally, this package comes on top of the $515 million we committed in the last budget, which included a blitz on public dental waiting lists. This is a very important health reform that will benefit millions of Australian children. It will hopefully ensure that those children do not have the future those women in the 1930s had or that my mother had.

Mrs MARKUS (Macquarie) (18:10): On 29 August, the health minister, Tanya Plibersek, and the Greens health spokesperson, Senator Di Natale, announced a $4.1 billion dental program to commence in 2014. In principle, the promise to commit funds to dental health sounds like a good idea; indeed, the coalition strongly supports investment in dental health
and does not oppose the intent of the bill. Yet this new dental scheme is just like all the other so-called initiatives of the Gillard government: it might sound okay as a news headline but upon closer inspection it is simply another underfunded initiative set to interrupt efficient community practices and put more pressure on hardworking Australian families. Labor promised a new dental scheme in the 2007 election campaign and yet did not deliver it. Now they expect Australians to trust a promise for 2014. This is yet another example of how adept Labor are at making announcements that only result in disappointment or failed delivery.

One of the key concerns I have is that the Gillard government's dental promise relies on closing the existing Chronic Disease Dental Scheme in November 2012 and yet the replacement schemes are not due to commence until 2014. I would like to reflect on the tremendous success of the existing scheme that was introduced by the coalition when it was in government and when the current opposition leader was the then health minister. What makes the existing scheme so effective and so accessible is that it is the only Medicare dental scheme that provides treatment for adults. In the last five years, approximately 20 million services have been provided to over one million patients. What does the Gillard government expect these Australians or others who need these services to do during that almost two-year gap?

The minister needs to explain what will happen to those who are currently receiving treatment under the existing program. Will these patients be forced to forgo treatment during the gap period? About the time of the introduction of this bill I was contacted by a Mrs Forwood from Mount Riverview in the electorate of Macquarie. Mrs Forwood wrote:

My daughter was accepted in the Medicare Chronic Disease Dental Scheme and promised $4,250 from the Government to fix her teeth. The problems she has are through no fault of her own. Shortly after she was accepted into the scheme she found out she was pregnant. She wants to wait until the baby is born until she has the work done on her teeth as she is afraid the dental work will impact on the baby. Mrs Forwood goes on to say:

My daughter has received a letter from the Government saying that all dental work must be completed by 1st December this year. Her baby is due at the end of February. After speaking with the department, Mrs Forwood and her daughter Danielle have been advised that there is no way to get access to an extension. Why is the federal government forcing Australians such as Danielle to forgo dental assistance for almost two years? Surely Danielle should not be forced to choose between getting dental treatment before the current scheme expires and protecting the needs of her unborn child.

I suspect that this gap in government-subsidised dental services is just another desperate attempt to reach a budget surplus. Why must the Australian community continue to lose vital services simply because this government have spent wastefully? The actions of this government, as they attempt to rush this bill through parliament, indeed suggest that this is the case. To date, the federal government has yet to provide a schedule of services, fees and details of how the scheme will be funded. Without these details, how can one suitably assess if the new scheme will be more efficient and beneficial to the community? Where is the concrete evidence that it will actually be delivered?

If this bill does not commence until 2014, that is after the next election. Why does the minister insist on rushing the bill through the parliament without making available these critical details for public and parliamentary scrutiny? The approach of the government in this regard suggests that the dental initiative is more about politics than policy. In fact, the Labor
government has gone to great lengths to undermine the existing Medicare Chronic Disease Dental Scheme because it was established by Tony Abbott, the opposition leader, when he was health minister, and it has been a success in improving access to treatment.

Putting politics aside, I believe it is absolutely critical that the parliament does scrutinise the details that the government has made available in regard to the proposed scheme. Despite not detailing how the program would be funded, the recent proposal suggests that the amount of services to be provided over the full six years of Labor's scheme is just 20 per cent of what the existing program provided last year alone—just 20 per cent. How can the Gillard government argue that the new scheme will be beneficial for communities when a smaller number of people are set to benefit from the new program?

Furthermore, does the government anticipate longer waiting lists across Australian dental practices in order to accommodate the service gaps that will arise as a result of the new scheme? Already 650,000 people are on public dental waiting lists. Does the minister have any information with regard to how this may blow out while Australians wait for the new scheme? Longer waiting lists in public hospitals will be the direct responsibility of federal Labor.

In addition to longer waiting lists, a considerable lack of investment in the dental workforce and infrastructure, particularly in the public system, will hinder the capacity to deliver the projected number of services, and I can only anticipate that considerably fewer persons will have access to dental services under the new scheme. I understand that within the government's proposal it has allocated $225 million to develop infrastructure, yet the initiative to apply for funding under the flexible grants program for dental infrastructure will not commence, again, until 2014. Therefore, one can assume that projects are unlikely to be completed or provide tangible benefits until some years later. Alarmingly, I suspect that the service gaps that I mentioned previously will be extended beyond the two years, when there will be no federal government dental initiative.

As a result of these concerns, the coalition has moved to disallow the earlier closure of the existing Chronic Disease Dental Scheme. I believe that it is critical that we endeavour to protect patients who will now have to go without treatment—for at least 19 months for adults and 13 months for children—until Labor's proposed alternatives are due to commence. If we are not successful, or if this motion fails, this will inevitably be another Labor policy disaster, with detrimental consequences to the Australian community and Australian dental practices. It should be noted that 80 per cent of services under the Chronic Disease Dental Scheme have been provided to concession card holders. This suggests that dental services have been predominantly utilised by low-income earners who cannot afford premium care.

At an earlier time I have spoken on the scheme that was introduced by the coalition, and I have a number of dentists who work, particularly in the area of Katoomba in my electorate, with significantly disadvantaged sections of the community. They are deeply concerned about the gap in service that they will be able to provide. Without the existing scheme and during the period where there will be no assistance these people will be forced to go without treatment as they cannot afford private dental services. As a result, they may be added to considerable public waiting lists.

Many Australians have the perception that dentists provide a premium service and, as a result, they do not prioritise going to the dentist as they would, for example, going to a doctor.
The expense is perceived to be too high and the services is considered to be inaccessible. By removing the existing scheme for low-income earners the government further builds on this perception and, as a result, further pressure will be placed on Australian dentists who seek to help those who do not have the resources to access dental care under normal circumstances.

The strategy and implementation of Labor's dental scheme is yet another example of how this government is good at making promises yet creates uncertainty about the potential delivery. The Labor government cannot explain how it will fund the new dental program or where existing patients will go during the almost two-year gap when no government services will be available.

In conclusion, the Labor government cannot explain how it will fund the new dental program, but one thing is certain: the dental scheme will further add to the underfunded and poorly delivered programs that this government is known for.

Mrs ANDREWS (McPherson) (18:21): I rise to speak on the Dental Benefits Amendment Bill 2012. Let me start by saying that I support investment in dental care for those who are suffering from chronic disease. I also support investment in dental care for our children. Australia had a Chronic Disease Dental Scheme, but in late August of this year Labor and the Greens announced that the scheme would end on 30 November, with access to the scheme closing on 7 September. In effect, there was about a month's notice given for when the Chronic Disease Dental Scheme would cease to exist.

The proposed new scheme for adult dental services is scheduled to commence in July 2014, which gives about a 1½ year gap between the closure of the former scheme and the commencement of a new scheme. The bill we are debating here today also seeks to replace the Medicare Teen Dental Plan with the Child Dental Benefits Schedule. This in turn will change the age eligibility for this particular scheme from the current 12 to 17 years to cover children from the age of two to 17 years. The proposed scheme will provide a $1,000 cap benefit to children over a two-year period. However, for all the supposed changes there is still no schedule of services, fees and details of how this new $2.7 billion scheme will be funded. Essentially, Labor is intending to implement a scheme without allowing for the opportunity to critique or view the details about how it will be funded or rolled out.

This scheme forms part of Labor's new dental proposal but it comes with a $4.1 billion price tag that at this stage is unfunded. Members of the Australian community are sick of being told by this government that it is introducing all these grand plans without there being the appropriate funding to back up those claims. However, aside from these very worrying issues the coalition does not oppose the intent of the bill. Continued investment in our dental system is critical to our development but we must all develop our dental system to ensure that those who are the most vulnerable in our community are being taken care of whilst making sure we have an efficient and fair system. So it is understandable that the coalition is highly concerned that Labor and the Greens have decided to take away the successful Medicare Chronic Disease Dental Scheme which has helped thousands of Australians.

We all know that a trip to the dentist is not always the most pleasant experience for each of us at any given time and, particularly for some of our children, it can be quite a traumatic experience.
However, for some people in our community, it is something that they desperately need. They need to go to their dentist because they need urgent dental help. They are particularly those Australians with chronic diseases, who require dental work to ensure that they have the best chance of maintaining their physical health at the best level they possibly can.

Many of these people have utilised the Medicare Chronic Disease Dental Scheme, which provides them with $4,250 in Medicare dental benefits over two years. Under the scheme there have been approximately 20 million services provided to over one million patients since 2007, including many children. This is an outstanding number and is a credit to the lasting legacy left by the Howard government. Yet Labor today is proposing to take away this great scheme, to the detriment of thousands of Australians.

The Leader of the Opposition introduced this scheme when he was the health minister in the Howard government. It is because of the Leader of the Opposition that many people with chronic disease can get the dental work that they need. In the face of the success that the Chronic Disease Dental Scheme has had, it appears that the government is attacking the scheme simply out of pure political motivation. This is a great shame because it truly is a scheme that has benefitted thousands of Australians and could continue to do so. Yet, since 7 September, this scheme has not been providing any new services. As I have indicated before, the scheme is set to shut down on 30 November.

This is where the shortcomings of Labor's policy become apparent. If this bill were passed and Labor is allowed to close the scheme, then those children who have a chronic disease and currently benefit from the assistance that this scheme provides will have to have their often complex dental treatment wait for 13 months until the new scheme proposed by the bill begins. This is a significant amount of time for anyone to have to wait to get proper dental help.

It is not just the children under this scheme who will be disadvantaged by having their access to proper dental work limited, as the adults who utilise the scheme will have to wait even longer to get access to the dental services that they require. The government instead has announced that it will provide the states and territories with $1.3 billion for public dental services, but those patients who want access to those services will have to wait until July 2014 before the funding commences. And, like the funding I mentioned before, this commitment remains unfunded at this point of time.

However, for all this talk of new schemes coming into place at different time intervals, it is all dependent on whether the government has the will to follow through on its word to fund them. This new system for adults will only be able to provide 1.4 million additional services over six years—and this is the admission of the health minister. Compare that with the service provision of the former scheme, which had seven million services in the last financial year alone. Labor's new system is well below the benchmark set by the Howard government. It just goes to show which side is more serious about delivering dental services.

Where do these child and adult patients go in the respective 13- or 19-month interim period? They have one of two choices. The first is to wait until the new scheme comes along and forgo any treatment until that time. The second is to place their name on the 650,000-plus public dental waiting list. This is an unacceptable dichotomy for any person with chronic disease, let alone any Australian.
The reality is that many people who utilise the current scheme cannot afford the dental treatment they need, and that is why they depend on it. For instance, concession card holders accounted for 80 per cent of services under the current scheme. Labor is asking people with a chronic condition to essentially put their road to recovery on hold because it has not been able yet to string together the money to fund this new system. It has not even offered to extend the current system to these people so that they can receive treatment in the interim period whilst the government, quite frankly, gets its act together.

It should also be noted that the $225 million that forms the proposal for the development of dental infrastructure through applications to the flexible grants program will not be available until 2014, with the benefits not set to come through until some years after that. All in all, if you have a scheme which is unfunded and provides service gaps, there is obviously much room for improvement.

The coalition in the past has committed—and I have heard the member for Dickson say this numerous times—to negotiate with the government on how best to refine the current scheme, including how to review the process for providing certain high-cost items. We have heard members opposite claim that the current scheme is rife with rorting. They also claim that there have been cost blowouts, even though the average amount that has been claimed under the scheme is $1,716 per patient, which is well below the allowable maximum. If these claims were true, then would it not make sense to identify the areas that need adjustment and make the necessary changes to them rather than completely scrap a system which is doing a very good job for Australians?

Investment in our dental health system is something that we need and I support such an investment. I do, however, have a huge issue with the problems that will come as a result of this bill and the government's new dental proposals, some of which include disallowing children who are currently benefitting under the current scheme to access those benefits until the new scheme comes into force, and that the $2.7 billion needed for it remains unfunded. Investment in our dental health system must be taken seriously and not be subjected to the political pointscoring that the government is only too willing to engage in. The Australian community deserves the detail on how this will be implemented and how the government will find the funds to do so. We must not underestimate the importance of dental health as part of maintaining our physical wellbeing. It would be disappointing to see people with chronic disease having to either go without or be placed on a waiting list to access dental services because of this Labor government, but I suppose that, as we wait for the details of how this scheme will be funded, we must also wait for the services that it will provide.
money will be required, but how that money will be raised and how it will be distributed, especially to the states, is another matter.

The main components of the announcement include revision of the existing Medicare Teen Dental Plan to establish the Child Dental Benefits Schedule and the abolition of the Medicare Chronic Disease Dental Scheme, the CDDS. The first is a program that covered teenagers at a time in their lives when they need to have dental work done. All their milk teeth are gone, they are going out into the world, they will need to have their secondary teeth attended to and they will be going to university, seeking jobs or whatever it might be. The plan covered the group from the age of 12 to 18. The new scheme will cover people from the age of two to 18, so that opens the door very wide to the number of people that potentially will be covered.

Let me state from the outset that the coalition supports investment in dental health, and this is evidenced by the introduction by the coalition when in government in 2007 of the Medicare Chronic Disease Dental Scheme, which has had an enormous success. It is the only Medicare dental scheme that provides treatment for adults. This service has already closed to new patients, and I think, quite frankly, that is a disgrace. We know that in many instances it will be 19 months before they can get any treatment—that is assuming they qualify then.

As I have said, the Chronic Disease Dental Scheme was introduced by the coalition and provides $4,250 in Medicare dental benefits over two years for eligible patients with chronic health conditions. It has delivered approximately 20 million services to over a million patients since 2007. That should say something to the government about where the need is. The government has said that this is a scheme for the rich, so when you get a really good scheme and you want to demonise it because it is a Tony Abbott scheme and you want to try to make it look not really successful and it is only playing to the top end of town, you call it a scheme for the rich. But the reality is that 80 per cent of the services under the CDDS have been provided to concession cardholders; four out of every five. Many of these people would have otherwise been forced to go without treatment or be added to the queue at public hospitals and public dental clinics, where the numbers on waiting lists at present are somewhere in the order of two-thirds of a million people; 650,000 people are waiting on those lists. I know of some hospitals where they are waiting for up to seven years. For God's sake, the tooth would be rotted and gone and irretrievable after seven years. So people who fall into that category may get dental treatment, if they are lucky, after seven years.

On 30 November patients will be left without access to treatment. We are talking now about the ones who are currently under the CDDS. Many are unable to afford the full cost of private treatment. Add to this, the government's vague promise of providing money to the states and territories for public services is not due to commence until mid-2014, July of that year, so we are looking 19 months out.

I have had a bit to do with the scheme and one case sticks in my mind. It is the case of a woman who had all of her top teeth removed. That is a pretty horrendous thing for a woman, pride in her appearance, femininity and all that sort of thing. She lost her top teeth. The mouth concaves into the top of her mouth and the fact that she had her bottom teeth meant it looked even worse. She was given a plate by a dentist and she had a defective palate. Because of that, the false teeth in the upper part of the mouth would not stay in. I got on to a person whose correct title I do not know but let us call her the chief dental officer in Queensland, in Brisbane. I told her of this case and asked whether there was money still available under the
CDDS as we needed to do something for this woman. She was very good. She got on to the manager of the dental service in Bundaberg. I do not know exactly what they did but I have seen where those sorts of things occur where they built a plate that does not go over the palate but is locked into the jaw by two pillars. She would never in a month of Sundays have got that sort of treatment had it not been for the $4,250. She probably would have gone through the rest of her life with some incomplete solution or bulging or false teeth that fell out for the rest of her days. I think that the humanity of that scheme provided people with care.

As shadow minister Dutton said, there are people who are going through chemo treatment for chronic disorders now and they may not be able to get the dental work associated with that completed before November. What happens to them? You are going through the worst period of life with cancer and your mouth, which is essential to good health, is just going to be put on the scrap heap for 19 months. That is simply not acceptable by any standards. As I said, we are not against the principle of some of the things the government is doing but you cannot put people on the periphery, on some sort of scrap heap, and say, 'We might get to you further down the track.'

A man from Bargara and a woman from Harvey Bay contacted my Hinkler electorate office just in the last few days. They are in the same boat, perhaps not to the same extent as people with cancer but, nevertheless, they will not be able to get their treatment completed by 30 November. That is very sad for them. It is very disturbing to find people in the midst of their treatment not being able to complete that treatment. The end of November, I think, is an unrealistic deadline.

Labor's alternative to the CDDS, the National Partnership Agreement for Adult Public Dental Services, sounds all right on the face of it. They are going to give $1.3 billion to the state and territory governments. I spent 15 years on a hospital board where we had a dental clinic and we worked very hard on dental waiting lists. We considered that a very serious matter. We got the waiting list down to two years at one stage or it might have been under two years, but getting people through the system was almost impossible due to the combination of facilities in the hospital and getting dentists in.

The government says it will give $225 million to the states to develop the needed infrastructure. That will commence in 2014. But to get to there, you have got to assess the hospital or the current free-standing dental clinic, you have got to find out what the repairs or extensions are going to be like, how big they have to be and how many chairs you are going to have. Is it going to be two, three or four extra chairs? Then you have got to get the dentists. In country areas, let me tell you, it is not easy just to pluck dentists out of the air like that. So I would think that it could be 2015, perhaps even early 2016, before the effects of this $225 million—if indeed that is enough—come into play. As we said earlier, we already have 650,000 people on the list of whom 400,000 are adults. So all these other adults that will not be in the government's new program or have been cut out of the CDDS, what are they going to do? They are going to be on a scrap heap. As I said before, that is simply not acceptable. Worse, there is no guarantee that the workforce and infrastructure capacity to deliver the proposed services through the public system will be ready or developed in time for 2014. My prediction is 2015 or perhaps even early 2016. If you have worked on a public hospital board you know how slowly those processes work. They should not work slowly but they do.
When you sum up the scheme, there are some good features in it. I personally think this could have been even better delivered. I am a great believer in the school dental clinics, the caravans that go around to schools and some that are on a semi-permanent basis in schools, because you can get to young kids earlier. I believe we should also make more money available at the top end for adults. As I said, there are 650,000 and 400,000 of those are adults. The ones coming on that would normally have gone on to the CDDS, ones with chronic problems, should be seen immediately but they will be waiting at least 19 months and if they are the unlucky ones waiting for new chairs in some provincial hospitals they might be waiting even longer. I think the government could have done a lot better than this. We support the principle of it, but we think that, like most other measures in health and education, for example, they have made a hash of it once again.

Mr VAN MANEN (Forde) (18:45): Following the contribution from my colleague from Hinkler, it is great to see the government's commitment to improve dental health for Australians. We in the coalition share that commitment and we have made numerous efforts over the last five years to work with the current and former Labor health ministers to improve outcomes for Australians. It was after all the Howard government that supported private health insurance to assist people in meeting the costs of dental care as well as the implementation of the Medicare-funded Chronic Disease Dental Scheme.

As my colleagues have ably touched on already in this debate, we are not going to oppose the bill before us today. However, there are a number of concerns with the government's six-year dental package. One of the key components of this package is providing some 3.4 million children aged two to 17 who are eligible for family tax benefit A with access to subsidised dental care capped at $1,000 per child over two years. In addition, there is funding of $1.3 billion for the public dental system so that around 1.4 million additional dental services can be provided for adults on low incomes including pensioners, concession card holders and those with special needs. There is also the funding of some $225 million of dental capital on a workforce to support expanded services for people living in outer metropolitan, regional, remote and rural areas.

The implementation of the dental reform package which requires the replacement of the Chronic Disease Dental Scheme is our big concern with this package of reforms. It is worthwhile looking at some of the stats for the Chronic Disease Dental Scheme. Approximately 20 million services have been provided to over one million patients under the scheme since 2007. Labor has repeatedly tried to close the scheme for political reasons. Labor has gone to great lengths to undermine the scheme, in all probability because it was established by Tony Abbott when he was health minister and it has been such a success in improving access to treatment and consequently a better life for those who have received that treatment.

First and foremost my concern is for the patients whose treatment will be compromised by the closure of the Chronic Disease Dental Scheme. It is not just the coalition that disagrees with the government's poor planning which will see patients, including children, left to wait between the closure of the Chronic Disease Dental Scheme on 30 November this year and the planned implementation of the new scheme in January 2014, for children, and 1 July 2014, for adults. For example, our friends at GetUp! have facilitated an online petition against the
closure of the Chronic Disease Dental Scheme and that has reached some 13½ thousand signatures to date.

In addition, the Australian Dental Association has expressed their concern about the early closure of the Chronic Disease Dental Scheme, with President Shane Fryer observing:

 Many of the patients being treated under the CDDS require complex care; some of which includes surgical procedures that need to be completed over a series of months, for example, periodontal treatment. It is unreasonable to expect patients to now be responsible for the cost of procedures they consented to on the understanding their treatment would be covered by Medicare.

Hans Zoellner of the Association for the Promotion of Oral Health also stressed his concern about the closure, paying particular attention to children who will not require services to the value of the new cap and, on the other hand, children who require more expensive procedures who will be significantly affected by the capping under this proposed legislation. The minister and the Greens should explain why these children must suffer for 13 months with incomplete treatment and no certainty of a schedule of services that are to be provided once the government actually delivers on its unfunded promise in 2014.

It is also worth noting that the majority of patients in the Chronic Disease Dental Scheme come from low-income families. Health Care Card holders represent some 80 per cent of the 1.5 million people who have accessed the scheme. On 7.30 last week many Australians will have seen one such case highlighted of a patient who had been accessing the Chronic Disease Dental Scheme. This man, who is in his late 20s, is on a disability pension and suffers epilepsy. He carries clove oil around with him to be used as pain relief while he waits for around 19 teeth to be removed. He joked that for as long as he has had teeth he has had problems with his teeth and had had nine teeth removed at the age of only three. He said he dreamed of the day he would have new teeth, because he wants to go to TAFE, get a job, give up the pension and move on with his life. This is just one example of how debilitating poor dental health can be on an individual and how improved dental health outcomes can and are being achieved under the current scheme.

There are already 650,000 people, or 400,000 adults, according the government, on the public dental waiting list. I have been told that in Queensland there is a five-year waiting list for services in the public sector. The question might be: why is this important? It is important that we get this right because we are not just talking about numbers here, we are talking about the real lives of individual people. We are talking about those people who suffer the broken and painful smiles of the underprivileged, and we need to be mindful of this rather than how a few dollars can be saved at their expense in between dental schemes.

I recently had the chance to meet with one of our constituents following an email he sent to my office with regard to his concerns about the closure of the Chronic Disease Dental Scheme. He writes:

I am writing to urge you and the opposition to take action to improve Australia's dental health care. Dental care, never included in Medicare, is underfunded, and disadvantaged people suffer the most severely. Poor dental health hurts quality of life. Bad teeth cause pain, impair the ability to eat and speak and they erode confidence. And all this can make it harder to gain and keep work.

Research shows that people on low incomes are much more likely to have few or no teeth, and children in poorer areas are more likely to have tooth decay. However, it is not just the disadvantaged who cannot afford treatment. Dentist visits are expensive, and many people

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struggle to pay for them; or they delay going to the dentist, which can result in worsening oral health.

As a result of this email, I took the opportunity to meet with the constituent. His proposal was that an extension of funding be granted for people already in the Chronic Disease Dental Scheme. The reason that he stressed the importance of this extension was highlighted when I was informed about the process involved in fitting dentures. New dentures need to be monitored and, as the patient's gums heal and the alignment of their gums changes, alterations need to be made to the dentures so that they still fit comfortably in their mouth.

With the closure of the scheme, this particular denture professional explained, there would be at least 12 patients in his particular clinic left in the lurch. Taking into consideration the number of other dentists around my electorate, there could be many more disgruntled patients left with poorly fitting dentures as a result of the closure of this scheme. It was also brought to my attention on the very first day after new referrals were cancelled—and on a daily basis since—that this constituent has been encountering patients who have become distraught when told that they are now required to attend a state government clinic and place their name on a waiting list—which, as I touched on earlier here, he advised is around five years.

He has forwarded me an image to highlight the real issue. It is an image of a patient who has no upper teeth and a small worn-out partial on the upper. Her lower teeth all need removal and replacement with an immediate denture. He stresses that this is just one example of the many thousands of people who will be in the same predicament, struggling with the full impact of compromised oral health. I seek leave to table that photo.

Leave not granted.

Mr VAN MANEN: Well, it is far more important than an electricity bill. We are talking about somebody's health.

According to the report *Public dental care and the Teeth Care trial: a history of decay*, by Sharon Bond, inability to access dental treatment in a timely manner has significant impact on individual health and wellbeing, including: prolonged pain and suffering; increased damage to teeth and gums; the risk of the spread of infection to other parts of the body, resulting in other acute medical conditions requiring treatment in hospital emergency departments or by general practitioners; dependence on pain medication and the implications of their side effects; poor diet due to inability to eat fresh fruit or vegetables, resulting in other medical conditions, like vitamin deficiencies, digestive problems and obesity; other major health problems, such as cardiovascular disease, stroke, diabetes and low-weight babies; dental induced speech problems; and diminished self-esteem due to physical appearance.

In addition to the closure of the Chronic Disease Dental Scheme, we are also legitimately concerned about the unfunded $2.7 billion cost of these proposed changes. The question still to be answered is: where is this $2.7 billion to come from? And when you consider that this is on top of another $6.5 billion a year announced for Gonski education reforms, that is some $9.2 billion in government spending that Australian taxpayers have yet to be informed as to how it is going to be paid for.

In addition to the unfunded issue, we are also concerned that this is another bill being rushed through parliament without a schedule of services and fees and other essential details. The coalition renews its commitment to work with the government to refine the Medicare
Chronic Disease Dental Scheme in the meantime, including reviewing the process for providing certain high-cost items such as bridges and crowns. As I said at the outset, the coalition supports investment in dental health and does not oppose the intent of this bill. However, we do remain concerned and oppose the closure of the Chronic Disease Dental Scheme for any of the many reasons I have outlined tonight.

Mr FRYDENBERG (Kooyong) (18:58): I congratulate my colleague the member for Forde on that excellent speech and very thoughtful presentation about an important issue that concerns everybody in this House: the Dental Benefits Amendments Bill 2012. The coalition has sought to disallow the government's proposals not because we do not support further investment in dental health, because we do; not because we do not appreciate the need for reform to the Medicare Chronic Disease Dental Scheme, because we do; and not because we do not appreciate the value of Medicare funded dental treatment, because we do—but because this $4.1 billion dental program announced by the Labor Party is (a) unfunded and (b) is going to leave many patients who are receiving or would have received treatment under the CDDS out in the cold.

The government's new scheme does not commence until 2014—January 2014 for children aged two to 17 and July 2014 for adults. New patients to the Chronic Disease Dental Scheme will be unable to access services after 7 September this year. The Medicare Chronic Disease Dental Scheme will be closed from 30 November this year. This means that adults with dental problems will go without services for nearly 19 months and children for 13 months. This is just unacceptable. But do not take my word for it, I will read you a release from the Federal President of the Australian Dental Association from September this year. It called this policy short-sighted and stated:

... the mode of closure of the CDDS has given little consideration to the many patients currently receiving treatment.

... many patients currently accepted into the CDDS will be unable to complete their course of treatment by the closure date of 30 November 2012.

'Providing patients with only 12 weeks to complete treatment demonstrates a fundamental lack of understanding about dental care by the Australia government' ...

They are not my words. They are not the words of the coalition leader; they are the words of the Federal President of the Australian Dental Association. The release goes on to state:

The ADA believes that at the present time too much attention has been given to achieving budgetary savings rather than focusing on maintaining government funded dental care before the implementation of the new programmes.

This is unacceptable. I have been contacted by constituents, like many of my colleagues on this side of the House, who also feel strongly about this issue and are worried about their inability to access sufficient and subsidised dental care. The shadow minister for health, the member for Dickson, spoke eloquently in the parliament on this issue, detailing how he was contacted by one of his constituents, a pensioner on disability support, who is struggling with throat cancer. Because of the radiation treatment this gentleman was receiving, his body cannot produce the saliva to properly open his jaw. This requires specific and intensive fluoride treatment. The cost of major surgery is prohibitive at over $50,000, leaving this...
person to require regular treatment and dental visits. But with the closure of the CDDS, this subsidised treatment will not be available. Who knows what this man will do?

The Minister for Health, who is now in this chamber, should answer that question instead of talking. She should listen to the coalition's enlightened concerns about this policy. This case, raised by the member for Dickson, must be one of thousands of cases across this country of people in need who will be denied care simply because this Gillard government have mismanaged the economy to such an extent that they are now desperate to cut essential services in a vain attempt to reach a budget surplus next year, which we know they will not reach. In the last five years, they have delivered the biggest budget deficits in the history of the Commonwealth.

Another major concern for the opposition is that this government is seeking to rush this bill before parliament—which, by the way, will not come into effect until 2014—without providing the schedule of services and fees that will apply. How can we proceed without that full information? The government's plan is to provide a $1,000 capped benefit over two years to eligible children under this new scheme.

When it comes to adults, funding will be directed towards state governments, with services for adults no longer carrying on via private dentists under Medicare. There is also, under the government's proposal, more than $200 million for dental infrastructure, also not to take effect until 2014. Such spending commitments may be all well and good for those who propose them, but if the money is not available then this is not the best outcome for the Australian people.

The truth is that the only reason this government and this health minister want to abandon the Medicare Chronic Disease Dental Scheme is that it was a creation of the Howard government. It was established by the current Leader of the Opposition, the Hon. Tony Abbott, as part of his successful tenure as health minister. Despite the government's claims of expenditure blow-outs, figures released by the Department of Health and Ageing show that the average claim per patient is $1,716, significantly below the allowable $4,250. What is more, 80 per cent of the more than 20 million services given to more than one million patients under the CDDS have been provided to concession card holders. These are the people with lower incomes in our community.

In conclusion—and the Minister for Health, who is now in the chamber, should listen to this—we have 650,000 people on public dental waiting lists, 250,000 of whom are children. Clearly, more needs to be done. But the government's proposal is not the answer. In a desperate attempt to balance the books, they are short-changing Australians—Australians who are most in need: Australians with chronic diseases. People young and old in this country will now be unable to access subsidised dental services for months on end—up to 19 months for adults—due to the imminent closure of the Chronic Disease Dental Scheme. This government must do better. And when we, the coalition, get our chance in government, we will do better. The sooner that happens, the better it will be for all Australians.

Ms PLIBERSEK (Sydney—Minister for Health) (19:07): I rise this evening to sum up on the Dental Benefits Amendment Bill 2012. As I said when I was introducing this bill, investment in our children's teeth is an investment in the future. It will mean that, for millions of children, going to the dentist will be as easy as it is now to go to their GP. Children's oral
health has been getting worse, not better, since the 1990s, and, unless we reverse this trend, a generation of children with poor teeth will grow up into a generation of adults with poor teeth.

A recent Australian Institute of Health and Welfare report tells us that 45 per cent of 12-year-olds had decay in their permanent teeth, and in 2007 just under half of children aged six attending school dental services had a history of decay in their baby teeth. This level of decay in children so young is a worrying trend, particularly as dental decay is so preventable. We know that the health and hospital system of the future will face increasing pressures from the ageing of the population and from the increasing prevalence of chronic diseases. Poor oral health would place even more pressure on the wider health system. Yet it is a source of pressure that can be addressed reasonably easily with early investments.

This bill will establish the framework for a new scheme called Grow Up Smiling, which will give children in low- and middle-income families access to affordable preventive dental care and basic dental treatment services. Grow Up Smiling builds on the government's existing Medicare Teen Dental Plan. It will make almost 3½ million children eligible for dental care subsidised by the Commonwealth government. Family tax benefit A eligible families will have access for their children from the age of two until they turn 18.

Throughout this debate we have seen a bizarre display by members of the opposition who, despite supporting this bill, have trooped in here one after the other only to criticise the government. Their relentless negativity means that they cannot even be positive about a bill that gives almost 3½ million children access to free dental care.

A number of false claims have been made through the course of the debate and need to be corrected. I have sought to correct these during the course of the debate but member after member opposite has ignored these corrections, it must be assumed deliberately. Although this bill is about establishing a new entitlement for millions of Australian children, those opposite have barely managed to speak about the benefits of investing early in the oral health of children. They have failed to mention that this bill will make it easier for parents to look after their children's teeth and keep them healthy. They have come in here and sought to whip up fear in the community and defend a bad scheme, the Chronic Disease Dental Scheme.

Unlike the range of measures that we have introduced, the Chronic Disease Dental Scheme does not target patients based on their dental needs. A patient with a chronic disease but with relatively good dental health can access around $4,250 of dental care, including work that can be largely cosmetic. On the other hand, a pensioner with a mouthful of rotting teeth but otherwise healthy gets absolutely nothing under this scheme. The vast number of Australian children whose parents do not have the money to take them to the dentist get nothing under the Chronic Disease Dental Scheme.

As I have said, there have been a number of fallacies peddled about the timing of this scheme's closure, including that there is a gap between the closure of the Chronic Disease Dental Scheme and the commencement of new investments in dental health. I want to assure members again, and I have done it while other members have been making this false claim again and again—I have talked about it in the parliament—that there need be no gap. New funding that we announced in the May budget—$515.3 million—can start to flow from 1 December and all I require of the states and territories to sign on to these National Partnerships is that they commit that they will maintain their effort in providing state dental services.
There is a $345 million blitz on public dental waiting lists. Those opposite continue to claim that there are 650,000 people on public dental waiting lists. The number is closer to 400,000—400,000 is way too many—but the Chronic Disease Dental Scheme has not addressed public dental waiting lists. This money, as I said, will be available as early as the beginning of December. There can be a seamless transition from the Chronic Disease Dental Scheme to the new scheme. As I said in the parliament at the time we were first discussing this, it has been a tribute to the number of members who have genuinely raised with me questions of their constituents and how they will continue to receive treatment that, consequently, we have put particular effort into ensuring that this money is available from the beginning of December rather than the beginning of January, as we had originally anticipated.

It has also been incredible in this debate to hear speaker after speaker crying crocodile tears about the lack of capacity in state public dental systems, yet failing to mention that it was the Howard government that axed the successful Commonwealth Dental Health Program in 1996. Our package will repair that damage and improve access to public dental services for those on those waiting lists, with a particular focus on Indigenous patients, patients at high risk of or from major oral health problems, and those from rural areas. The member for Kooyong was talking about a disability pensioner, exactly the sort of person who would benefit under this new scheme.

Importantly, states will be able to use our funds to use private dentists to expand their workforce in areas where there is not access to a public dental scheme. Where there are established medical services, community health organisations, states will be able to contract with any of these organisations to increase their capacity to deliver services on the ground.

Someone must have mentioned that this bill does not include the detail on the services to be provided under this scheme. That detail will come in a schedule. Grow Up Smiling will provide benefits for basic dental treatment like prevention, diagnostics, extractions, fillings and so on. The details and mix of these services will be developed in consultation with dental professionals to ensure that the schedule of services is designed and appropriate for the basic oral health needs of children. Once this work is complete, the schedule of benefits will be established under subordinate legislation.

As I said at the beginning of this debate, Medicare and free hospital care have been a basic right for Australians for decades under policies established by Labor governments. Yet millions of people in this country still go without adequate dental care because of cost barriers. We had the member for Kooyong talking about the media release of the Australian Dental Association. I want to quote that for the benefit of honourable members. It is dated 29 August 2012 and it says:

AUSTRALIA’S DENTISTS WELCOME TARGETED DENTAL REFORM

Today’s announcements by the Hon. Tanya Plibersek have been welcomed by the Australian Dental Association.

Closure of the Chronic Disease Dental Scheme (CDDS) and the Teen Dental Plan with a replacement scheme focusing on Australia’s youth and disadvantaged Australians is a significant initiative leading to a long-term improvement in Australia’s oral health. The ADA has long advocated for a targeted dental scheme as outlined in the ADA’s Dental Access proposal.

It is very favourable press release. On 9 October the Australian Dental Association said:
THE SOLUTION TO EFFECTIVE AND SUSTAINABLE ORAL HEALTH CARE

As parliamentarians continue to debate closure of the Chronic Disease Dental Scheme, the Australian Dental Association calls on members of parliament to listen to the dental profession when it comes to creating the solution to dental care delivery.

The investment of $1 billion per annum in the CDDS was like using a sledgehammer to crack a nut. It was wasting valuable funds on the delivery of care to those who could already access care without government assistance.

And on it goes. There has been a further and consistent deliberate misrepresentation now not only of me and of the government policy but also of the Australian Dental Association, which has been very supportive of these measures, because they know, as we know, that the CDDS was a scheme that was open to misuse, that went from being supposed to cost $90 million a year to costing $80 million a month, that sprayed money around like—well, we do not use sprinklers anymore with water restrictions, but we remember what sprinklers used to work like. It is unfair, it is wrong, it is unjust and it is dishonest to continue to frighten people by suggesting that this money does not start for 13 months or 19 months, as the member for Kooyong suggested earlier. There is $550 million available from 1 December, and all the states need to do is keep doing what they are doing to receive that money.

On this side of the House we believe that access to dental services should be targeted to those least able to access on the basis of need for dental care. That is what these reforms do. I was fascinated to hear the member for Kooyong say that when the opposition returned to government they will go back to the Chronic Disease Dental Scheme. That is the only interpretation of his words—

Mr Frydenberg: We will do better.

Ms PLIBERSEK: If you believe that your scheme is better, the scheme that we are closing, that means you will return to the old scheme. The member for Kooyong, and the shadow health minister yesterday, would not be drawn on this. It is a very interesting question for people to ask the Liberal Party of Australia, whether they do commit to returning to the scheme that they are advocating for now.

I want to commend this bill to the House and I want to say that it pleases me that at least the opposition have agreed to support these extra action measures for children and for low-income Australians through investment in our public dental systems. This is a proposal that serves many more people in a much more long-term way, preventing poor oral health in our children, meaning that generations of Australians will indeed grow up smiling.

Question agreed to.

Bill read a second time.

Message from the Governor-General recommending appropriation announced.

Ordered that this bill be reported to the House without amendment.

Federation Chamber adjourned at 19:21
QUESTIONs IN WRITING

Australian Conservation Foundation
(Question No. 1159)

Mr Briggs asked the Prime Minister, in writing, on 21 August 2012:
For (a) 2007-08, (b) 2008-09, (c) 2009-10, (d) 2010-11, and (e) 2011-12, what grants were provided to the Australian Conservation Foundation, including the amount, purpose, and program each was delivered under.

Ms Gillard: The answer to the honourable member's question is as follows:
I am advised that the answer to the honourable member's question is that no grants were provided by the Department of the Prime Minister and Cabinet Portfolio.

Australian Conservation Foundation
(Question No. 1185)

Mr Briggs asked the Minister for Social Inclusion, in writing, on 21 August 2012:
For (a) 2007-08, (b) 2008-09, (c) 2009-10, (d) 2010-11, and (e) 2011-12, what grants were provided to the Australian Conservation Foundation, including the amount, purpose, and program each was delivered under.

Mr Butler: I am advised that the answer to the honourable member's question is as follows:
The Minister for Social Inclusion is in the Prime Minister’s portfolio. Please refer to HoR response 1159 for details on Grants provided to the Australian Conservation Foundation.

Royal Australian Navy
(Question No. 1216)

Mr Robert asked the Minister for Defence, in writing, on 10 September 2012:
What is the (a) daily, and (b) hourly, cost to Defence for the following Royal Australian Navy platforms: (i) Adelaide Class Frigate; (ii) Anzac Class Frigate; (iii) Armidale Class Patrol Boat; (iv) Huon Class Mine Hunter; (v) HMAS Choules; (vi) HMAS Tobruk; (vii) Balikpapan Class Landing Craft Heavy; (viii) Leeuwin Class Surveying Ship; (ix) Paluma Class Coastal Surveying Ship; (x) HMAS Success; (xi) HMAS Sirius; (xii) LCM-8; (xiii) LCVP; (xiv) Juliet 3 Water Jet RHIB; (xv) Leg Drive RHIB; (xvi) GPIB; (xvii) Light Utility Boat; and (xviii) Admiral's Barge.

Mr Stephen Smith: The answer to the honourable member's question is as follows:
(a) and (b) The table below provides the daily and hourly cost to Defence for Royal Australian Navy vessels.
The daily and hourly cost of each Navy vessel is based on the 2011-12 direct cash costs incurred by Defence by Navy Platform, which includes: sustainment, fuel, salary, allowances and superannuation.
The average daily cost per vessel has been calculated by dividing the annual cost for each Platform Class by the number of vessels, and then dividing that cost by 365 days (except for HMAS Choules).
The average hourly cost per vessel has been calculated by dividing the average daily cost by 24.
It should be noted that this method of calculating a hourly rate per vessel does not differentiate between a vessel at sea or a vessel alongside in harbour – it is an average. Of course, in reality, a fully crewed ship at sea costs Navy substantially more per hour that those alongside in harbour.
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<th>Comment</th>
</tr>
</thead>
<tbody>
<tr>
<td>(i)</td>
<td>Adelaide Class Frigate</td>
<td>$279,325</td>
<td>$11,639</td>
<td></td>
</tr>
<tr>
<td>(ii)</td>
<td>ANZAC Class Frigate</td>
<td>$206,247</td>
<td>$8,594</td>
<td>Included in the cost of ANZAC Class Frigates are the costs of three ships in Extended Readiness (HMAS ANZAC from July 2011 to September 2011; HMAS ARUNTA from July 2011 to June 2012; and HMAS STUART from September 2011 to June 2012).</td>
</tr>
<tr>
<td>(iii)</td>
<td>Armidale Class Patrol Boat</td>
<td>$39,717</td>
<td>$1,655</td>
<td>The cost of Armidale Class Patrol Boats includes cost of RHIBs used with these vessels. The cost and number of these RHIBs are not included in the cost and number of RHIBs identified in items (xvi) and (xv).</td>
</tr>
<tr>
<td>(iv)</td>
<td>Huon Class Mine Hunter</td>
<td>$57,491</td>
<td>$2,395</td>
<td>Included in the cost of Huon Class Mine Hunters is the cost of maintaining two vessels at Extended Readiness throughout Financial Year 2011-12.</td>
</tr>
<tr>
<td>(v)</td>
<td>HMAS Choules</td>
<td>$201,621</td>
<td>$8,401</td>
<td>The cost is for the period from 13 December 2011 to 30 June 2012 (200 calendar days).</td>
</tr>
<tr>
<td>(vi)</td>
<td>HMAS Tobruk</td>
<td>$253,865</td>
<td>$10,578</td>
<td></td>
</tr>
<tr>
<td>(vii)</td>
<td>Balikpapan Class Landing Craft Heavy</td>
<td>22,920</td>
<td>$955</td>
<td></td>
</tr>
<tr>
<td>(viii)</td>
<td>Leeuwin Class Surveying Ship</td>
<td>$112,904</td>
<td>$4,704</td>
<td></td>
</tr>
<tr>
<td>(ix)</td>
<td>Paluma Class Coastal Surveying Ship</td>
<td>$26,772</td>
<td>$1,116</td>
<td></td>
</tr>
<tr>
<td>(x)</td>
<td>HMAS Success</td>
<td>$294,064</td>
<td>$12,253</td>
<td></td>
</tr>
<tr>
<td>(xi)</td>
<td>HMAS Sirius</td>
<td>$118,339</td>
<td>$4,931</td>
<td></td>
</tr>
<tr>
<td>(xii)</td>
<td>LCM-8</td>
<td>$789</td>
<td>$33</td>
<td>This platform is operated by Army and costs are based on contractual arrangements. Items (xiii) to (xviii) are support craft used with other Platforms. The average daily cost is calculated from the direct cost of operating the craft based on contractual arrangements.</td>
</tr>
<tr>
<td>(xiii)</td>
<td>LCVP</td>
<td>$186</td>
<td>$8</td>
<td></td>
</tr>
<tr>
<td>(xiv)</td>
<td>Juliet 3 Water Jet RHIB</td>
<td>$186</td>
<td>$8</td>
<td>Items (xiii) to (xviii) are support craft used with other Platforms. The average daily cost is calculated from the direct cost of operating the craft based on contractual arrangements. The cost of maintaining and operating an RHIB irrespective of the variant (Juliet 3 Water Jet or...</td>
</tr>
</tbody>
</table>
Leg Drive) is the same.

(xv) Leg Drive RHIB $186 $8 Items (xiii) to (xviii) are support craft used with other Platforms. The average daily cost is calculated from the direct cost of operating the craft based on contractual arrangements. The cost of maintaining and operating an RHIB irrespective of the variant (Juliet 3 Water Jet or Leg Drive) is the same.

(xvi) GPIB $20 $1 Items (xiii) to (xviii) are support craft used with other Platforms. The average daily cost is calculated from the direct cost of operating the craft based on contractual arrangements.

(xvii) Light Utility Boat $18 $1 Items (xiii) to (xviii) are support craft used with other Platforms. The average daily cost is calculated from the direct cost of operating the craft based on contractual arrangements.

(xvii) Admiral’s Barge $141 $6 Items (xiii) to (xviii) are support craft used with other Platforms. The average daily cost is calculated from the direct cost of operating the craft based on contractual arrangements.

School Education, Early Childhood and Youth
(Question No. 1224)

Mr Briggs asked the Minister for School Education, Early Childhood and Youth, in writing, on 13 September 2012:

For (a) 2012-13, (b) 2013-14, (c) 2014-15, and (d) 2015-16, what is the breakdown of sub-programs, and their respective allocated funding and administrative costs, in respect of Outcome 1, programs (i) 1.1 Support for the Child Care System, (ii) 1.2 Child Care Fee Assistance, and (iii) 1.3 Early Childhood Education.

Mr Garrett: The answer to the honourable member’s question is as follows:

The current and forward estimates (for the period 2012-13 to 2015-16) for each of the programs and sub-programs listed are published in the 2012-13 Portfolio Budget Statements for the Education, Employment and Workplace Relations Portfolio. The Outcome 1 information from this publication can be accessed at the following URL:


The relevant page references from the online version of the Outcome 1 Portfolio Budget Statements (as per the URL above) for the programs you require are found at:

(i) 1.1 Support for the Child Care System (Page 6)
(ii) 1.2 Child Care Fee Assistance (Page 8)

(iii) 1.3 Early Childhood Education (Page 10 – noting that National Partnership estimates are managed and recorded in the Portfolio Budget Statements of the Treasury Portfolio)

Resourcing for the management of programs, including ASL, administered on behalf of the Australian Government is not allocated, or recorded within financial management and human resource systems, on an administered program basis.

School Education, Early Childhood and Youth

(Question No. 1225)

Mr Briggs asked the Minister for School Education, Early Childhood and Youth, in writing, on 13 September 2012:

For (a) 2012-13, (b) 2013-14, (c) 2014-15, and (d) 2015-16, what is the breakdown of sub-programs, and their respective allocated funding and administrative costs, in respect of Outcome 2, programs (i) 2.1 Government Schools National Support, (ii) 2.2 Non Government Schools National Support, (iii) 2.3 School Support, (iv) 2.4 Trade Training, (v) 2.5 Digital Education, (vi) 2.6 National Action Plan on Literacy and Numeracy, (vii) 2.7 Education Infrastructure, (viii) 2.8 Smarter Schools—Low SES School Communities National Partnership, (ix) 2.9 Smarter Schools—Improving Teacher Quality national partnership, (x) 2.10 More Support for Students with Disabilities, (xi) 2.11 Youth Support, (xii) 2.12 Student Assistance, (xiii) 2.13 Empowering Local Schools, (xiv) 2.14 Rewards for School Improvement, and (xv) 2.15 National Rewards for Great Teachers.

Mr Garrett: The answer to the honourable member’s question is as follows:

The current and forward estimates (for the period 2012-13 to 2015-16) for each of the programs and sub-programs listed are published in the 2012-13 Portfolio Budget Statements for the Education, Employment and Workplace Relations Portfolio. The Outcome 2 information from this publication can be accessed at the following URL:


The relevant page references from the online version of the Outcome 2 Portfolio Budget Statements (as per the URL above) for the programs you require are found at:

(i) 2.1 Government Schools National Support (Page 6 – noting that relevant program estimates are managed and recorded in the Portfolio Budget Statements of the Treasury Portfolio).

(ii) 2.2 Non Government Schools National Support (Page 9)

(iii) 2.3 School Support (page 14)

(iv) 2.4 Trade Training (page 16 – noting that program estimates related to Government Schools are managed and recorded in the Portfolio Budget Statements of the Treasury Portfolio).

(v) 2.5 Digital Education (page 18 – noting that program estimates related to Government Schools are managed and recorded in the Portfolio Budget Statements of the Treasury Portfolio).

(vi) 2.6 National Action Plan on Literacy and Numeracy (page 20)

(vii) 2.7 Education Infrastructure (page 21— noting that prior year program estimates related to Government Schools are managed and recorded in the Portfolio Budget Statements of the Treasury Portfolio)

(viii) 2.8 Smarter Schools – Low SES School Communities National Partnership (Page 22 – noting that National Partnership estimates are managed and recorded in the Portfolio Budget Statements of the Treasury Portfolio).
(ix) 2.9 Smarter Schools – Improving Teacher Quality national Partnership (Page 25 – noting that National Partnership estimates are managed and recorded in the Portfolio Budget Statements of the Treasury Portfolio).

(x) 2.10 More Support for Students with Disabilities (page 27 – noting that program estimates related to Government Schools are managed and recorded in the Portfolio Budget Statements of the Treasury Portfolio).

(xi) 2.11 Youth Support (Page 30 – noting that elements of National Partnership funding are managed and recorded in the Portfolio Budget Statements of the Treasury Portfolio)

(xii) 2.12 Student Assistance (Page 33)

(xiii) 2.13 Empowering Local Schools (Page 35 noting that program estimates related to Government Schools are managed and recorded in the Portfolio Budget Statements of the Treasury Portfolio).

(xiv) 2.14 Rewards for School Improvement (Page 36 noting that program estimates related to Government Schools are managed and recorded in the Portfolio Budget Statements of the Treasury Portfolio).

(xv) 2.15 National Rewards for Great Teachers (Page 36 noting that program estimates related to Government Schools are managed and recorded in the Portfolio Budget Statements of the Treasury Portfolio).

Resourcing for the management of programs, including ASL, administered on behalf of the Australian Government is not allocated, or recorded within financial management and human resource systems, on an administered program basis.